

# **LETTER OF INTENT**



**State of Tennessee  
Health Facilities Commission**

502 Deaderick Street, Andrew Jackson Building, 9<sup>th</sup> Floor, Nashville, TN 37243

[www.tn.gov/hsda](http://www.tn.gov/hsda)

Phone: 615-741-2364

[hsda.staff@tn.gov](mailto:hsda.staff@tn.gov)

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## LETTER OF INTENT

The Publication of Intent is to be published in The Daily Times, which is a newspaper of general circulation in Blount County, Tennessee, on or before 03/14/2024 for one day.

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This is to provide official notice to the Health Facilities Commission and all interested parties, in accordance with T.C.A. §68-11-1601 et seq., and the Rules of the Health Facilities Commission, that Transitional Care Center, a/an Nursing Home owned by Blount Memorial Hospital with an ownership type of Corporation (Not-for-Profit) and to be managed by itself intends to file an application for a Certificate of Need for Blount Memorial Hospital which has contracted to sell substantially all of the assets and operations comprising the 76 bed nursing home known as Blount Memorial Transitional Care Center to Ocoee Transitional Care Center, LLC (a subsidiary of Ocoee Foundation, Inc., a Tennessee non-profit corporation), which will then be managed by Twin Rivers Health & Rehabilitation, LLC, and the parties intend to file an application for a Certificate of Need for the addition of fourteen (14) skilled care beds dually certified by Medicare and Medicaid to the existing Transitional Care Center of seventy-six (76) Medicare certified skilled care beds for a total of ninety (90) nursing home beds. The address of the project will be 2320 East Lamar Alexander Parkway, Maryville, Blount, Tennessee, 37804. The estimated project cost will be \$103,000.

The anticipated date of filing the application is 04/01/2024

The contact person for this project is Attorney Michael Brent who may be reached at Bradley Arant Boult Cummings - 1221 Broadway, Suite 2400, Nashville, Tennessee, 37203 – Contact No. 615-252-2361.

Michael Brent

03/14/2024

[mbrent@bradley.com](mailto:mbrent@bradley.com)

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**Signature of Contact**

**Date**

**Contact's Email Address**

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The Letter of Intent must be received between the first and the fifteenth day of the month. If the last day for filing is a Saturday, Sunday, or State Holiday, filing must occur on the next business day. Applicants seeking simultaneous review must publish between the sixteenth day and the last day of the month of publication by the original applicant.

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The published Letter of Intent must contain the following statement pursuant to T.C.A. §68-11-1607 (c)(1).

(A) Any healthcare institution wishing to oppose a Certificate of Need application must file a written notice with the Health Facilities Commission no later than fifteen (15) days before the regularly scheduled Health Facilities Commission meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application may file a written objection with the Health Facilities Commission at or prior to the consideration of the application by the Commission, or may appear in person to express opposition. Written notice of opposition may be sent to: Health Facilities Commission, Andrew Jackson Building, 9th Floor, 502 Deaderick Street, Nashville, TN 37243 or email at [hsda.staff@tn.gov](mailto:hsda.staff@tn.gov) .



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## **PUBLICATION OF INTENT**

**The following shall be published in the “Legal Notices” section of the newspaper in a space no smaller than two (2) columns by two (2) inches.**

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### **NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE OF NEED**

This is to provide official notice to the Health Facilities Commission and all interested parties, in accordance with T.C.A. §68-11-1601 et seq., and the Rules of the Health Facilities Commission, that Transitional Care Center, a/an Nursing Home owned by Blount Memorial Hospital with an ownership type of Corporation (Not-for-Profit) and to be managed by itself intends to file an application for a Certificate of Need for Blount Memorial Hospital which has contracted to sell substantially all of the assets and operations comprising the 76 bed nursing home known as Blount Memorial Transitional Care Center to Ocoee Transitional Care Center, LLC (a subsidiary of Ocoee Foundation, Inc., a Tennessee non-profit corporation), which will then be managed by Twin Rivers Health & Rehabilitation, LLC, and the parties intend to file an application for a Certificate of Need for the addition of fourteen (14) skilled care beds dually certified by Medicare and Medicaid to the existing Transitional Care Center of seventy-six (76) Medicare certified skilled care beds for a total of ninety (90) nursing home beds. The address of the project will be 2320 East Lamar Alexander Parkway, Maryville, Blount, Tennessee, 37804. The estimated project cost will be \$103,000.

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The contact person for this project is Attorney Michael Brent who may be reached at Bradley Arant Boult Cummings - 1221 Broadway, Suite 2400, Nashville, Tennessee, 37203 – Contact No. 615-252-2361.

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# **CRITERIA AND** **STANDARDS**

**Attachment 1N-Supplemental #3:**

**Nursing Home Services Certificate of Need Standards and Criteria  
Source: Tennessee State Health Plan 2014 Update**

**1. Determination of Need.**

The need for nursing home beds for each county in the state should be determined by applying the following population-based statistical methodology:

$$\begin{aligned} \text{Need} = & .0005 \times \text{population 65 and under, plus} \\ & .012 \times \text{population 65-74, plus} \\ & .060 \times \text{population 75-84, plus} \\ & .150 \times \text{population 85 +} \end{aligned}$$

**Rationale:** The Division has analyzed the existing Guidelines for Growth compared with the statewide utilization percentages as well as occupancy rates from the nursing home Joint Annual Reports (JARs) for 2012 and has determined that grounds to update the percentages are not sufficient to justify revision of the formula. While input from stakeholders supports that the existing formula is adequate to address statewide nursing home need at present, stakeholder input further suggests that this formula may require re-evaluation based on the impact of factors such as patient participation in the TennCare CHOICES program authorized by the Long Term Care Community Choices Act of 2008, the change in Nursing Facility Level of Care Criteria for TennCare recipients in 2012, and other reimbursement and policy changes. The Division will assess the adequacy of the formula as circumstances concerning nursing homes develop.

County utilization does, of course, differ among the counties' age cohorts, and depends largely upon the availability of nursing home services as well as the availability of reimbursement for those services. The Division believes the criterion regarding the Average Daily Census of existing nursing homes in a Service Area, set forth in No. 4 will help balance any need "overstatements" that the formula might calculate.

Research published by the Henry J. Kaiser Family Foundation in 2013 shows that a majority of people over the age of 65 will need long-term care services for an average of three years, and 20 percent of people will need more than five years of services. The percentage of the population over the age of 65 is expected to increase as the "baby boom" generation ages, and specifically the number of people 85 and older is expected to grow significantly. Tennessee's population projections are in-line with those reported nationally, if not slightly higher, for these age groups. How best to determine sufficient capacity to accommodate long-term care user choice in both institutional and community-based settings will continue to be a challenge for policy makers.

The Division recognizes that, increasingly, nursing homes are impacted by the decreases in reimbursement rates, the focus on shorter stays, and the encouragement by policies for nursing care to be provided elsewhere in the community or in the home. The result has been

an overall decline in occupancy rates and an increase in the level of care required by nursing home patients.

As requested by stakeholders, the Division commits to making available to applicants a standard chart of the results of the need formula for each county as data are verified, finalized, and made available by the TDH.

**RESPONSE:** Please see Chart for Criteria #1, which is included herein but unchanged from the last submission. This chart indicates a projected need of 860 beds when considering the estimated population of Blount County in two years.

- 2. Planning horizon:** The need for nursing home beds shall be projected two years into the future from the current year.

**Rationale:** The current Guidelines for Growth use a two year planning horizon; after consideration of the impact of a three year planning horizon, the Division believes a three year planning horizon has the potential to overstate need.

**RESPONSE:** This application should not overstate need, as it projects data using a two-year planning horizon. Assuming the project is completed in 2024, data is projected for 2025 and 2026.

- 3. Establishment of Service Area:** A majority of the population of the proposed Service Area for any nursing home should reside within 30 minutes travel time from that facility. Applicants may supplement their applications with sub-county level data that are available to the general public to better inform the HSDA of granular details and trends; however, the need formula established by these Standards will use the latest available final JAR data from the Department of Health. The HSDA additionally may consider geographic, cultural, social, and other aspects that may impact the establishment of a Service Area.

**Rationale:** The current Guidelines for Growth also state that a majority of the population of a service area should reside within 30 minutes travel time. In many cases it is likely that a proposed nursing home's service area could draw much more significantly from a specific area of a county. However, utilization data—which are critical to the need formula—are available from the Department of Health only at the county level. When available, the Division would encourage the use of sub-county level data that are available to the general public (including utilization, demographics, etc.) to better inform the HSDA in making its decisions. Because nursing home patients often select a facility based on the proximity of caregivers and family members, as well as the proximity of the facility, factors other than travel time may be considered by the HSDA.

**RESPONSE:** Please see Chart for Criteria #3, which is included herein but unchanged from the last submission. This chart which shows that 79.50% of projected cases will come from Blount County. Based on the site location being just 2 miles from downtown Maryville, Tennessee, which is the biggest city in Blount County, a majority of the population of Blount County may reside within 30 minutes travel time. Perhaps more



significantly, most patients are admitted straight from Blount Memorial Hospital, which is approximately 3 miles away. Therefore, patients select this facility based on its proximity to the hospital.

4. **Existing Nursing Home Capacity:** In general, the Occupancy Rate for each nursing home currently and actively providing services within the applicant's proposed Service Area should be at or above 90% to support the need for any project seeking to add new nursing home beds within the Service Area and to ensure that the financial viability of existing facilities is not negatively impacted.

When considering replacement facility or renovation applications that do not alter the bed component within the Service Area, the HSDA should consider as the primary factor whether a replacement facility's own occupancy rate could support its economic feasibility, instead of the occupancy rates of other facilities in the Service Area.

**Rationale:** The words "In general" are specifically included in this Standard because several factors contribute to the ability of existing nursing homes to meet need, including in particular the designation of beds by payer mix and the specific services provided. Private insurance, Medicaid (TennCare), and Medicare reimburse services at different rates and for different purposes and lengths of stay. An applicant may be able to make a case for licensed beds if, for example, specific ancillary services or bed types are lacking in a proposed Service Area, whether or not all nursing homes in a Service Area have Occupancy Rates at or above 90%. A preference should be provided to an applicant wishing to provide Medicaid (TennCare) beds. The Division is of the opinion that the following types of applications seek to increase/alter the number of nursing home beds within a Service Area:

- a. An applicant seeks to add new nursing home beds;
- b. An applicant seeks to relocate an existing facility to a new Service Area;
- c. An applicant seeks to establish a new facility not currently operating (i.e., does not seek a replacement of an existing, operating facility); and
- d. An applicant seeks to take a single existing licensed facility and divide its bed component into more than one licensed facility (this last application type should not be viewed as merely a replacement of an existing facility, and usually requires legislation authorizing this division of beds).

**RESPONSE:** Please see Chart for Criteria #4, which is included herein but unchanged from the last submission. The chart provides information for the 6 nursing facilities in Blount County, only 3 of which are currently Medicaid certified. The applicant wishes to provide Medicaid beds, and will apply for licensure for the new and existing beds, upon approval of this application.

5. **Outstanding Certificates of Need:** Outstanding CONs should be factored into the decision whether to grant an additional CON in a given Service Area or county until an outstanding CON's beds are licensed.

**Rationale:** This Standard is designed to ensure that the impact of a previously approved CON for the provision of nursing home services in a given service area is taken into consideration by the HSDA.

**RESPONSE:** There are no outstanding CONs in Blount County.

- 6. Data:** The Department of Health data on the current supply and utilization of licensed and CON-approved nursing home beds should be the data source employed hereunder, unless otherwise noted.

**Rationale:** Using one source for data is the best way to ensure consistency across the evaluation of all applications. The Division believes the TDH's data should be relied upon as the primary source of data for CON nursing home services applications.

Two examples of such circumstances could be: 1) When a newly proposed facility is planned in conjunction with an existing continuum of services, such as the development of a continuing care campus or other type of multiple service provider, in which case a smaller number of beds may be justified; and 2) If the existing resources in a sparsely populated rural area are not sufficient and new nursing homes are needed, a smaller facility may be justified as compared to a larger facility. The State Health Plan encourages the HSDA to evaluate such applications carefully to ensure that they propose to provide services adequately to a broad population.

**RESPONSE:** Whenever available and as instructed by the Health Facilities Commission, Department of Health data has been utilized in preparing this application.

- 7. Minimum Number of Beds:** A newly established free-standing nursing home should have a sufficient number of beds to provide revenues to make the project economically feasible and thus is encouraged to have a capacity of least 30 beds. However, the HSDA should consider exceptions to this standard if a proposed applicant can demonstrate that economic feasibility can be achieved with a smaller facility in a particular situation.

**Rationale:** Quality of care is impacted by the relationship between facility size and the appropriate staffing of the facility. Assuming appropriate staffing exists, the HSDA should consider each applicant's circumstances individually regarding facility size. The Division's research in Tennessee indicates that 90-120 licensed beds may be an optimal range for ensuring both economic feasibility and the delivery of quality care. However, exceptions to this general range are certain to arise.

Two examples of such circumstances could be: 1) When a newly proposed facility is planned in conjunction with an existing continuum of services, such as the development of a continuing care campus or other type of multiple service provider, in which case a smaller number of beds may be justified; and 2) If the existing resources in a sparsely populated rural area are not sufficient and new nursing homes are needed, a smaller facility may be justified as compared to a larger facility. The State Health Plan encourages the HSDA to evaluate such applications carefully to ensure that they propose to provide services adequately to a broad population.

**RESPONSE:** With 76 licensed beds, the facility currently has the minimum number of beds.

- 8. Encouraging Facility Modernization:** The HSDA may give preference to an application that:
- a. Proposes a replacement facility to modernize an existing facility.
  - b. Seeks a certificate of need for a replacement facility on or near its existing facility operating location. The HSDA should evaluate whether the replacement facility is being located as closely as possible to the location of the existing facility and, if not, whether the need for a new, modernized facility is being impacted by any shift in the applicant's market due to its new location within the Service Area.
  - c. Does not increase its number of operating beds.

In particular, the HSDA should give preference to replacement facility applications that are consistent with the standards described in TCA §68-11-1627, such as facilities that seek to replace physical plants that have building and/or life safety problems, and/or facilities that seek to improve the patient-centered nature of their facility by adding home-like features such as private rooms and/or home-like amenities.

**Rationale:** The aging of nursing home facilities is an increasing concern within the industry. This standard seeks to provide support for an existing nursing home to modernize/update its facilities.

**RESPONSE:** Please see Chart for Criteria #8.c, which is included herein but unchanged from the last submission. The chart shows that all proposed beds will be either private or semi-private.

- 9. Adequate Staffing:** An applicant should document a plan demonstrating the intent and ability to recruit, hire, train, assess competencies of, supervise, and retain the appropriate numbers of qualified personnel to provide the services described in the application and that such personnel are available in the proposed Service Area. However, when considering applications for replacement facilities or renovations of existing facilities, the HSDA may determine the existing facility's staff would continue without significant change and thus would be sufficient to meet this Standard without a demonstration of efforts to recruit new staff.

**RESPONSE:** The applicant plans to hire approximately 5 additional staff based on and following the addition of 14 beds. Based on being an existing facility connected with a nearby hospital, the applicant does not anticipate issues obtaining sufficient staff.

- 10. Community Linkage Plan:** The applicant should describe its participation, if any, in a community linkage plan, including its relationships with appropriate health care system providers/services and working agreements with other related community services to assure continuity of care. If they are provided, letters from providers (including, e.g., hospitals, hospice services agencies, physicians) in support of an application should detail specific instances of unmet need for nursing home services.

**Rationale:** Coordinated, integrated systems of care may not be in place in much of rural Tennessee, and therefore this language has been deleted. Additionally, the Division recognizes that nursing homes may not be the primary drivers of community linkage plans, and the Division does not mean to suggest that an applicant should develop one itself; instead it should provide information on its participation in a community linkage plan, if any. However, the Division recognizes that hospitals, particularly rural ones, often encounter difficulties in discharge planning to nursing homes due to a lack of available beds. CON applications for new nursing home beds should therefore also provide letters from hospitals, hospice service agencies, physicians, or any other appropriate providers, to provide evidence of unmet need and the intent to meet that need.

**RESPONSE:** The applicant provides continuity of care through its relationship with Blount Memorial Hospital.

- 11. Access:** The applicant should demonstrate an ability and willingness to serve equally all of the Service Area in which it seeks certification. In addition to the factors set forth in HSDA Rule 0720-11-.01(1) (listing the factors concerning need on which an application may be evaluated), the HSDA may choose to give special consideration to an applicant that is able to show that there is limited access in the proposed Service Area. However, an applicant should address why Service Area residents cannot be served in a less restrictive and less costly environment and whether the applicant provides or will provide other services to residents that will enable them to remain in their homes.

**RESPONSE:** The applicant is able and willing to serve equally all of the Service Area in which it seeks certification. In 2022, over 99% of patients stayed less than 100 days. Other nursing facilities in Blount County range from around 85% to as low as 41% on this metric.

- 12. Quality Control and Monitoring:** The applicant should identify and document its existing or proposed plan for data reporting, quality improvement, and outcome and process monitoring systems, including in particular details on its Quality Assurance and Performance Improvement program as required by the Affordable Care Act. As an alternative to the provision of third party accreditation information, applicants may provide information on any other state, federal, or national quality improvement initiatives. An applicant that owns or administers other nursing homes should provide detailed information on their surveys and their quality control programs at those facilities, regardless of whether they are located in Tennessee.

**Rationale:** This section supports the State Health Plan's Principle No. 4 for Achieving Better Health regarding quality of care. Typically, nursing homes are not accredited by the Joint Commission or other accrediting bodies; applicants instead are asked and encouraged to provide information on other quality initiatives. The intent of this alternative is to permit the applicant to show its commitment to, as well as its performance regarding, quality control and improvement. Surveys and quality control programs at sister facilities may provide an indication of future quality performance at the applicant's proposed facility and are relevant to the HSDA's assessment of the application.

**RESPONSE:** The facility is fully accredited by The Joint Commission and licensed by the Tennessee Board for Licensing Health Care Facilities, with no public record of disciplinary actions with the Board. Additionally, the facility will submit annual Quality Measure reports as required by PC 1043, Acts of 2016, if this application is approved.

**13. Data Requirements:** Applicants should agree to provide the TDH and/or the HSDA with all reasonably requested information and statistical data related to the operation and provision of services at the applicant's facility and to report that data in the time and format requested. As a standard of practice, existing data reporting streams will be relied upon and adapted over time to collect all needed information.

**RESPONSE:** The applicant has already been complying with statistical data reporting requirements, as evinced by its annual Joint Annual Report submissions, and plans to continue to do so.

**14. Additional Occupancy Rate Standards:**

- a. An applicant that is seeking to add or change bed component within a Service Area should show how it projects to maintain an average occupancy rate for all licensed beds of at least 90 percent after two years of operation.
- b. There should be no additional nursing home beds approved for a Service Area unless each existing facility with 50 beds or more has achieved an average annual occupancy rate of 90 percent. In determining the Service Area's occupancy rate, the HSDA may choose not to consider the occupancy rate of any nursing home in the proposed Service Area that has been identified by the TDH Regional Administrator as consistently noncomplying with quality assurance regulations, based on factors such as deficiency numbers outside of an average range or standards of the Medicare 5 Star program.
- c. A nursing home seeking approval to expand its bed capacity should have maintained an occupancy rate of 90 percent for the previous year.

**Rationale:** The Division believes reducing the occupancy rates from 95 to 90 percent in numbers 14b and 14c more accurately reflects overall occupancy in the state, and also would take into consideration some increasing vacancy rates that current nursing homes may be experiencing due to decreasing admissions overall and increasing patient turnover due to short-stay patients.

**RESPONSE:** Please see Chart for Criteria #14.b, which is included herein but unchanged from the last submission. This chart shows a 2022 occupancy rate of 85.10% in 2022. To keep up with needs of the service area, the applicant seeks to increase its bed capacity by just over 18%. It is noted that a 10% increase is permissible every 3 years without this application, and would provide the applicant half of the total beds requested in this application initially and over half in 3 years. Approval of this application would enable the applicant to acquire fewer beds overall (14 now as opposed to 7 now and another 8 in 3

years), but it can lump what would be two projects into one, which is more efficient and cost effective.

## 1N. Charts

(As provided in response to Supplemental #2 on April 12, 2024)

**Criteria #1. Determination of Need**

The need for nursing home beds for each county in the state should be determined by applying the following population-based statistical methodology:

$$\begin{aligned} \text{Need} = & .0005 \times \text{population 64 and under} \\ & + .012 \times \text{population 65-74} \\ & + 0.060 \times \text{population 75-84} \\ & + .150 \times \text{population 85 and older} \end{aligned}$$

Service Area County	Total Population (2 Years Forward)*	Bed Need**	Total Licensed Beds***	Need/Surplus
Blount	141,468	1,341	661	680
<i>Add Rows as Necessary</i>				
<b>TOTAL</b>				<b>680</b>

\*Source: Tennessee Department of Health, Division of Policy Planning and Assessment, <https://www.tn.gov/health/health-program-areas/statistics/health-data/population.html>

\*\*Source: Tennessee Department of Health, Division of Policy, Planning and Assessment - Nursing Home Bed Need Projections (The above table should be populated based on the most current available report based on the project service area)

\*\*\*Source: Joint Annual Report for Nursing Homes

**Criteria #3. Establishment of Service Area**

Service Area County	Distance to Proposed Nursing Home Facility	Projected Number of Cases Year 1	% of Projected Cases Year 1
Anderson	38.6 miles	1	0.10%
Blount	0 miles	767	79.50%
Campbell	51 miles	2	0.20%
Davidson	187 miles	1	0.10%
Jefferson	41.9 miles	2	0.20%
Knox	29 miles	41	4.20%
London	78.6 miles	32	3.30%
McMinn	47.4 miles	2	0.20%
Monroe	29.8 miles	51	5.20%
Sevier	27.2 miles	65	6.70%
<b>TOTAL</b>	<b>471.8 miles</b>	<b>3,223</b>	<b>100</b>

Source: Joint Annual Report for Nursing Homes

**Criteria #4. Existing Nursing Home Capacity**

Historical Utilization Service Area Nursing Homes (Most Recent Year)						Skilled Care, Level II & Level I Totals						
Year (Most Recent Reported)	Facility ID	License Number	State ID	Facility Name	County	Admissions	Licensed Beds	Discharges (including deaths)	Deaths	Discharge Resident Days (including deaths)	Average Length of Stay	Licensed Occupancy Rate
2022	531	365	050922	Blount Memorial Transitional Care Center	Blount	1042	76	1002	16	22056	22.01	85.10
2022	528	10	050422	Asbury Place at Maryville	Blount	105	181	127	45	5997	47.22	48.80
2022	529	13	050522	Footfalls Transitional Care and Rehabilitation	Blount	474	185	476	71	44061	92.57	56.60
2022	530	12	050822	Fairpark Health and Rehabilitation	Blount	140	75	108	23	68701	636.12	93.20
2022	532	383	051022	Shannondale of Maryville Health Care Center	Blount	13	44	84	23	8343	99.32	56.90
2022	533	408	051122	Lisa Care Center of Blount County	Blount	1554	120	1641	45	33831	20.62	78.90
<i>Add Rows as Necessary</i>						<b>TOTAL</b>	<b>3328</b>					

Source: Joint Annual Report for Nursing Homes - Schedule FP1

Nursing Home	2022 Licensed Beds	2022 % Occupancy
Blount Memorial Transitional Care Center	76	85.10
<b>Total</b>	<b>76</b>	<b>85.10</b>

**Criteria #8.c. Encouraging Facility Modernization**

Bed Mix	Private Beds	%Total	Semi-Private Beds	% Total	Ward Beds	%Total
Current	44	57.89	32	42.11	0	0
Proposed	30	33.33	60	66.67	0	0

**Criteria #14.b. Additional Occupancy Rate Standards**

Nursing Home	2022 Licensed Beds	Overall	Health Inspections	Staffing	Quality Measures	2022 Occupancy %
Blount Memorial Transitional Care Center	76	**	**	***	***	85.10

**ORIGINAL**  
**APPLICATION**





**State of Tennessee  
Health Facilities Commission**

502 Deaderick Street, Andrew Jackson Building, 9<sup>th</sup> Floor, Nashville, TN 37243

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## CERTIFICATE OF NEED APPLICATION

### **1A. Name of Facility, Agency, or Institution**

Transitional Care Center

**Name**

2320 East Lamar Alexander Parkway

Blount

**Street or Route**

**County**

Maryville

Tennessee

37804

**City**

**State**

**Zip**

[https://blountmemorial.org/facility--Transitional\\_Care\\_Center\\_at\\_Morning\\_View\\_Village](https://blountmemorial.org/facility--Transitional_Care_Center_at_Morning_View_Village)

**Website Address**

**Note:** The facility's name and address **must be** the name and address of the project and **must be** consistent with the Publication of Intent.

### **2A. Contact Person Available for Responses to Questions**

Michael Brent

Attorney

**Name**

**Title**

Bradley Arant Boult Cummings

[mbrent@bradley.com](mailto:mbrent@bradley.com)

**Company Name**

**Email Address**

1221 Broadway, Suite 2400

**Street or Route**

Nashville

Tennessee

37203

**City**

**State**

**Zip**

Attorney

615-252-2361

**Association with Owner**

**Phone Number**

### **3A. Proof of Publication**

Attach the full page of newspaper in which the notice of intent appeared with the mast and dateline intact or submit a publication affidavit from the newspaper that includes a copy of the publication as proof of the publication of the letter of intent. (Attachment 3A)

**Date LOI was Submitted:** 03/14/24

**Date LOI was Published:** 03/14/24

**4A. Purpose of Review** (*Check appropriate box(es) – more than one response may apply*)

- Establish New Health Care Institution
- Relocation
- Change in Bed Complement
- Addition of a Specialty to an Ambulatory Surgical Treatment Center (ASTC)
- Initiation of MRI Service
- MRI Unit Increase
- Satellite Emergency Department
- Addition of Therapeutic Catheterization
- Positron Emission Tomography (PET) Service
- Initiation of Health Care Service as Defined in §TCA 68-11-1607(3)

Please answer all questions on letter size, white paper, clearly typed and spaced, single sided, in order and sequentially numbered. In answering, please type the question and the response. All questions must be answered. If an item does not apply, please indicate "N/A" (not applicable). Attach appropriate documentation as an Appendix at the end of the application and reference the applicable item Number on the attachment, i.e. Attachment 1A, 2A, etc. The last page of the application should be a completed signed and notarized affidavit.

**5A. Type of Institution** (*Check all appropriate boxes – more than one response may apply*)

- Hospital
- Ambulatory Surgical Treatment Center (ASTC) – Multi-Specialty
- Ambulatory Surgical Treatment Center (ASTC) – Single Specialty
- Home Health
- Hospice
- Intellectual Disability Institutional Habilitation Facility (ICF/IID)
- Nursing Home
- Outpatient Diagnostic Center
- Rehabilitation Facility
- Residential Hospice
- Nonresidential Substitution Based Treatment Center of Opiate Addiction
- Other

Other -

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Hospital -

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**6A. Name of Owner of the Facility, Agency, or Institution**

Blount Memorial Hospital

---

**Name**

907 East Lamar Alexander Parkway

865-983-7211

**Street or Route**

**Phone Number**

Maryville

Tennessee

37804

**City**

**State**

**Zip**

**7A. Type of Ownership of Control (Check One)**

- Sole Proprietorship
- Partnership
- Limited Partnership
- Corporation (For Profit)
- Corporation (Not-for-Profit)
- Government (State of TN or Political Subdivision)
- Joint Venture
- Limited Liability Company
- Other (Specify)

Attach a copy of the partnership agreement, or corporate charter and certificate of corporate existence. Please provide documentation of the active status of the entity from the Tennessee Secretary of State's website at <https://tnbear.tn.gov/ECommerce/FilingSearch.aspx>. If the proposed owner of the facility is government owned must attach the relevant enabling legislation that established the facility. (Attachment 7A)

Describe the existing or proposed ownership structure of the applicant, including an ownership structure organizational chart. Explain the corporate structure and the manner in which all entities of the ownership structure relate to the applicant. As applicable, identify the members of the ownership entity and each member's percentage of ownership, for those members with 5% ownership (direct or indirect) interest.

**RESPONSE:** Corporate documents Blount Memorial Hospital, Inc. are attached as Attachment 7A. Information about Ocoee Foundation, Inc. and its affiliates (collectively "Ocoee," which are all Tennessee not-for-profit entities) is included in the Executive Summary. The facility is currently owned and operated by Blount Memorial Hospital, Inc, a "Hospital District" created by Blount County, Tennessee. Effective June 30, 2024, the facility will be transferred to the affiliates of Ocoee, as described in transaction detailed in the Executive Summary. Attached are ownership structure organizational charts for the facility pre- and post- transaction, showing members with 5% or more direct or indirect ownership interest.

**8A. Name of Management/Operating Entity (If Applicable)**

**Name**

**Street or Route**

**County**

**City**

**State**

**Zip**

**Website Address**

For new facilities or existing facilities without a current management agreement, attach a copy of a draft management agreement that at least includes the anticipated scope of management services to be provided, the anticipated term of the agreement, and the anticipated management fee payment schedule. For facilities with existing management agreements, attach a copy of the fully executed final contract. (Attachment 8A)

## 9A. Legal Interest in the Site

Check the appropriate box and submit the following documentation. (Attachment 9A)

The legal interest described below must be valid on the date of the Agency consideration of the Certificate of Need application.

- Ownership (Applicant or applicant's parent company/owner) – Attach a copy of the title/deed.
  - Lease (Applicant or applicant's parent company/owner) – Attach a fully executed lease that includes the terms of the lease and the actual lease expense.
  - Option to Purchase - Attach a fully executed Option that includes the anticipated purchase price.
  - Option to Lease - Attach a fully executed Option that includes the anticipated terms of the Option and anticipated lease expense.
  - Letter of Intent, or other document showing a commitment to lease the property - attach reference document
  - Other
- 

**RESPONSE:** A copy of the original deed is attached as Attachment 9A. While Blount Memorial Hospital, Inc. currently owns the real property, it will be sold to Ocoee effective June 30, 2024, as described in transaction detailed in the Executive Summary.

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## 10A. Floor Plan

If the facility has multiple floors, submit one page per floor. If more than one page is needed, label each page. (Attachment 10A)

- Patient care rooms (Private or Semi-private)
- Ancillary areas
- Other (Specify)

**RESPONSE:** No change in the floor plan is anticipated, although 14 of the private rooms shown on the floor plan will be changed to semi-private rooms. The floor plan is attached as Attachment 10A.

---

## 11A. Public Transportation Route

Describe the relationship of the site to public transportation routes, if any, and to any highway or major road developments in the area. Describe the accessibility of the proposed site to patients/clients. (Attachment 11A)

**RESPONSE:** The site is located on East Lamar Alexander Parkway (Route 321/73), approximately 4 blocks away from Sevierville Road (Route 411/35) in a diagonal direction. The site is readily accessible to anyone near Maryville, Tennessee and able to travel by car, as it is approximately 2 miles from downtown Maryville, Tennessee which is approximately 4 minutes by car. Patients in Blount County may pay \$3.00 each way to schedule a curb-to-curb ride with East Tennessee Human Resources Agency (ETHRA) Public Transit to be taken by bus from their home to the facility, with medical appointments given priority. Patients in other participating counties may also schedule a ride that costs an additional \$3.00 per county line crossed. One escort may ride free-of-charge, and wheelchairs are accommodated. Senior patients over the age of 60 in Blount County may receive door-to-door transportation to the facility through Senior Miles (SMiles), with a membership cost of \$25.00 per year, and an advance purchase of four \$6.00 round trip rides.

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## 12A. Plot Plan

Unless relating to home care organization, briefly describe the following and attach the requested documentation on a letter

size sheet of white paper, legibly labeling all requested information. It **must** include:

- Size of site (in acres);
- Location of structure on the site;
- Location of the proposed construction/renovation; and
- Names of streets, roads, or highways that cross or border the site.

(Attachment 12A)

**RESPONSE:** Plot Plan is attached as Attachment 12A.

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### 13A. Notification Requirements

- TCA §68-11-1607(c)(9)(B) states that “... If an application involves a healthcare facility in which a county or municipality is the lessor of the facility or real property on which it sits, then within ten (10) days of filing the application, the applicant shall notify the chief executive officer of the county or municipality of the filing, by certified mail, return receipt requested.” Failure to provide the notifications described above within the required statutory timeframe will result in the voiding of the CON application.
  - Notification Attached (Provide signed USPS green-certified mail receipt card for each official notified.)
  - Notification in process, attached at a later date
  - Notification not in process, contact HFC Staff
  - Not Applicable
- TCA §68-11-1607(c)(9)(A) states that “... Within ten (10) days of the filing of an application for a nonresidential substitution based treatment center for opiate addiction with the agency, the applicant shall send a notice to the county mayor of the county in which the facility is proposed to be located, the state representative and senator representing the house district and senate district in which the facility is proposed to be located, and to the mayor of the municipality, if the facility is proposed to be located within the corporate boundaries of the municipality, by certified mail, return receipt requested, informing such officials that an application for a nonresidential substitution based treatment center for opiate addiction has been filed with the agency by the applicant.
  - Notification Attached (Provide signed USPS green-certified mail receipt card for each official notified.)
  - Notification in process, attached at a later date
  - Notification not in process, contact HFC Staff
  - Not Applicable

## **EXECUTIVE SUMMARY**

### **1E. Overview**

Please provide an overview not to exceed **ONE PAGE** (for 1E only) in total explaining each item point below.

- Description: Address the establishment of a health care institution, initiation of health services, and/or bed complement changes.

**RESPONSE:**

The application is for a Certificate of Need for the addition of fourteen (14) skilled care beds dually certified by Medicare and Medicaid to the existing Transitional Care Center of seventy-six (76) Medicare certified skilled care beds for a total of ninety (90) nursing home beds.

---

- Ownership structure

**RESPONSE:** The facility is currently owned by Blount Memorial Hospital, Inc., a not-for-profit corporation, which has contracted to sell substantially all of the assets and operations comprising the 76 bed nursing home known as Blount Memorial Transitional Care Center to Ocoee Transitional Care Center, LLC (a Tennessee not-for-profit limited liability company which is a subsidiary of Ocoee Foundation, Inc., a Tennessee non-profit corporation) effective June 30, 2024 (the "Ocoee Transaction").

---

- Service Area

**RESPONSE:** The facility primarily serves Blount County in Tennessee. The county with the next most patients in 2022 was Sevier, with less than 6.7% of the total residents that year. Out-of-state patients were less than .9% of total residents in 2022.

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- Existing similar service providers

**RESPONSE:** There are 6 existing skilled nursing facilities in Blount County: Asbury Place at Maryville, Blount Memorial Transitional Care Center (applicant), Fairpark Health and Rehabilitation, Foothills Transitional Care and Rehabilitation, Life Care Center of Blount Count, and Shannondale of Maryville Health Care Center.

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- Project Cost

**RESPONSE:** The total estimated project cost is \$103,000.

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- Staffing

**RESPONSE:** The facility staffing for the current 76 bed configuration currently includes approximately 26 direct patient care positions, and 10 non-patient care positions. After the addition of 14 additional beds, the staffing requirements will be 30 direct patient care positions, and 11 non-patient care positions.

---

## 2E. Rationale for Approval

A Certificate of Need can only be granted when a project is necessary to provide needed health care in the area to be served, will provide health care that meets appropriate quality standards, and the effects attributed to competition or duplication would be positive for consumers

Provide a brief description not to exceed ONE PAGE (for 2E only) of how the project meets the criteria necessary for granting a CON using the data and information points provided in criteria sections that follow.

- Need

**RESPONSE:** The facility currently is not certified for Medicaid, and after the Ocoee Transaction is completed the facility will apply for Medicaid certification, to better serve the TennCare population in the service area.

---

- Quality Standards

**RESPONSE:** The facility is licensed by the Tennessee Board for Licensing Health Care Facilities, and as such will be subject to periodic inspections and surveys to assure ongoing maintenance of quality care. In addition, [describe Quality Performance Improvement Plan if applicable]. Another indicator of quality assurance is [describe experience of management teams if extensive or impressive].

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- Consumer Advantage

- Choice

**RESPONSE:** While there are other facilities in the service area, the facility is currently located on a hospital campus, and after the Ocoee Transaction the Applicant believes it will be the closest to a hospital campus in the Service area. Additionally, the addition of 14 beds and the certification of all beds as both Medicare and Medicaid will allow the facility to better serve consumers, and their families, in the area.

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- Improved access/availability to health care service(s)

**RESPONSE:** The addition of the 14 beds and the certification of all beds as both Medicare and Medicaid will allow improved access and availability to all consumers in the area, especially Medicare, Medicaid and dually certified consumers, and their families. The location next to the Blount Memorial Hospital campus is also anticipated to enhance that access and availability.

---

- Affordability

**RESPONSE:** The certification of all beds (including the additional 14 beds) as both Medicare and Medicaid will allow improved access, combined with the demonstrated charity care policies of Ocoee as a not-for-profit provider, is anticipated to enhance affordability for consumers in the service area.

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## 3E. Consent Calendar Justification

- Letter to Executive Director Requesting Consent Calendar (Attach Rationale that includes addressing the 3 criteria)
- Consent Calendar NOT Requested

If Consent Calendar is requested, please attach the rationale for an expedited review in terms of Need, Quality Standards, and Consumer Advantage as a written communication to the Agency's Executive Director at the time the application is filed.

**4E. PROJECT COST CHART**

A. Construction and equipment acquired by purchase:		
1. Architectural and Engineering Fees		
2. Legal, Administrative (Excluding CON Filing Fee), Consultant Fees		\$20,000
3. Acquisition of Site		
4. Preparation of Site		
5. Total Construction Costs		\$20,000
6. Contingency Fund		\$10,000
7. Fixed Equipment (Not included in Construction Contract)		\$20,000
8. Moveable Equipment (List all equipment over \$50,000 as separate attachments)		\$30,000
9. Other (Specify): _____		
B. Acquisition by gift, donation, or lease:		
1. Facility (inclusive of building and land)		
2. Building only		
3. Land only		
4. Equipment (Specify): _____		
5. Other (Specify): _____		
C. Financing Costs and Fees:		
1. Interim Financing		
2. Underwriting Costs		
3. Reserve for One Year's Debt Service		
4. Other (Specify): _____		
D. Estimated Project Cost (A+B+C)		\$100,000
E. CON Filing Fee		\$3,000
F. Total Estimated Project Cost (D+E)	<b>TOTAL</b>	\$103,000



## **GENERAL CRITERIA FOR CERTIFICATE OF NEED**

In accordance with TCA §68-11-1609(b), “no Certificate of Need shall be granted unless the action proposed in the application for such Certificate is necessary to provide needed health care in the area to be served, will provide health care that meets appropriate quality standards, and the effect attributed to completion or duplication would be positive for consumers.” In making determinations, the Agency uses as guidelines the goals, objectives, criteria, and standards adopted to guide the agency in issuing certificates of need. Until the agency adopts its own criteria and standards by rule, those in the state health plan apply.

Additional criteria for review are prescribed in Chapter 11 of the Agency Rules, Tennessee Rules and Regulations 01730-11.

The following questions are listed according to the three criteria: (1) Need, (2) the effects attributed to competition or duplication would be positive for consumers (Consumer Advantage), and (3) Quality Standards.

### **NEED**

The responses to this section of the application will help determine whether the project will provide needed health care facilities or services in the area to be served.

- 1N.** Provide responses as an attachment to the applicable criteria and standards for the type of institution or service requested. A word version and pdf version for each reviewable type of institution or service are located at the following website. <https://www.tn.gov/hsda/hsda-criteria-and-standards.html> (Attachment 1N)

#### **RESPONSE:**

Responses to the Criteria and Standards for Nursing Home Services are attached as Attachment 1N.

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- 2N.** Identify the proposed service area and provide justification for its reasonable ness. Submit a county level map for the Tennessee portion and counties boarding the state of the service area using the supplemental map, clearly marked, and shaded to reflect the service area as it relates to meeting the requirements for CON criteria and standards that may apply to the project. Please include a discussion of the inclusion of counties in the border states, if applicable. (Attachment 2N)

#### **RESPONSE:**

The proposed service area is Blount County. A majority of patients of the facility will have had a hospital stay at Blount Memorial Hospital and will require a relatively short stay at the facility. Map of the proposed service area is attached as Attachment 2N.

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Complete the following utilization tables for each county in the service area, if applicable.

**HISTORICAL UTILIZATION**

Unit Type:

- Procedures
- Cases
- Patients
- Other

2022 Admissions of Skilled Care Level I and Level II Totals for Blount County Nursing Facilities

Total	3,223	100%
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**PROJECTED UTILIZATION**

Unit Type:

- Procedures
- Cases
- Patients
- Other

2025 Projected Admissions of Skilled Care Level I and Level II Totals for Blount County Nursing Facilities

Total	3,287	100%
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3N. A. Describe the demographics of the population to be served by the proposal.

**RESPONSE:**

Please see the table below.

Demographic Variable/Geographic Area	Department of Health/Health Statistics							Census Bureau				TennCare	
	Total Population-Current Year 2022	Total Population-Projected Year 2026	Total Population-% Change	*Target Population-65+ Current Year 2022	Target Population-Project Year 2026	Target Population-% Change	Target Population Projected Year as % of Total	Median Age**	Median Household Income	Person Below Poverty Level	Person Below Poverty Level as % of Total	TennCare Enrollees	TennCare Enrollees as % of Total
Blount County	139,965	142,679	1.9%	29,809	33,947	14%	24%	54.3% is 19-64	\$70,935	13,576	9.7%	23,405	16.7%
State of TN Total	7,051,355	7,231,338	2.6%	1,220,972	1,385,399	13.5%	19.2%	55.2% is 19-64	\$64,035	937,830	13.3%	1,574,879	22.1%

\* Target Population is population that project will primarily serve. For example, nursing home, home health agency, and hospice agency projects typically primarily serve the Age 65+ population. Projected Year is defined in select service-specific criteria and standards. If Projected Year is not defined, default should be four years from current year, e.g., if Current Year is 2022, then default Projected Year is 2026.

\*\* The Census Bureau website no longer provides the median age.

\*\*\* The Census Bureau website does not provide the number of persons below poverty level. The totals in this column are calculated by applying the poverty percentage, which is provided by the Census Bureau, to the 2022 population totals.

**B.** Provide the following data for each county in the service area:

- Using current and projected population data from the Department of Health. ([www.tn.gov/health/health-program-areas/statistics/health-data/population.html](http://www.tn.gov/health/health-program-areas/statistics/health-data/population.html));
- the most recent enrollee data from the Division of TennCare (<https://www.tn.gov/tenncare/information-statistics/enrollment-data.html>),
- and US Census Bureau demographic information (<https://www.census.gov/quickfacts/fact/table/US/PST045219>).

**RESPONSE:**

The target populations is ages 65+. The current year used in the table is 2022, and the projected year is 2026. The most recent Census Bureau data for median income is 2018-2022. Median ages are not provided, but based on the age breakdowns, a range was determined for approximately 50% of the population of 19-64 years old. The most recent TennCare data is February of 2024, and the percentage is calculated using the Department of Health 2024 population projections.

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4N. Describe the special needs of the service area population, including health disparities, the accessibility to consumers, particularly those who are uninsured or underinsured, the elderly, women, racial and ethnic minorities, TennCare or Medicaid recipients, and low income groups. Document how the business plans of the facility will take into consideration the special needs of the service area population.

**RESPONSE:**

As a division of Blount Memorial Hospital, Inc, the facility has a long-standing history of assisting uninsured or underinsured, especially the elderly. However, the facility has not been enrolled in TennCare, but has historically served Medicaid recipients and other low-income consumers through its charity care policies, By certifying the beds with TennCare after after the Ocoee Transaction, plus the utilization of the Ocoee charity care policies, the facility will continue to address the special needs of the service area population.

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5N. Describe the existing and approved but unimplemented services of similar healthcare providers in the service area. Include utilization and/or occupancy trends for each of the most recent three years of data available for this type of project. List each provider and its utilization and/or occupancy individually. Inpatient bed projects must include the following data: Admissions or discharges, patient days. Average length of stay, and occupancy. Other projects should use the most appropriate measures, e.g. cases, procedures, visits, admissions, etc. This does not apply to projects that are solely relocating a service.

**RESPONSE:**

There are no existing and approved but unimplemented services of any nursing facilities in Blount County. Utilization data for Blount County nursing homes is attached as Attachment 5N.

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6N. Provide applicable utilization and/or occupancy statistics for your institution services for each of the past three years and the project annual utilization for each of the two years following completion of the project. Additionally, provide the details regarding the methodology used to project utilization. The methodology must include detailed calculations or documentation from referral sources, and identification of all assumptions.

**RESPONSE:**

Applicant Historical & Projected Utilization is attached as Attachment 6N.

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7N. Complete the chart below by entering information for each applicable outstanding CON by applicant or share common ownership; and describe the current progress and status of each applicable outstanding CON and how the project relates to the applicant, and the percentage of ownership that is shared with the applicant's owners.

**RESPONSE:**

There are no outstanding Certificate of Need applications for the facility or its owner (or for Ocoee).

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**CONSUMER ADVANTAGE ATTRIBUTED TO COMPETITION**

The responses to this section of the application helps determine whether the effects attributed to competition or duplication would be positive for consumers within the service area.

1C. List all transfer agreements relevant to the proposed project.

**RESPONSE:** Project does not require any additional transfer agreements. Transfer Agreement with University Health System, Inc., d/b/a University of Tennessee Memorial Hospital, is attached as Attachment 1C.

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2C. List all commercial private insurance plans contracted or plan to be contracted by the applicant.

- Aetna Health Insurance Company
- Ambetter of Tennessee Ambetter
- Blue Cross Blue Shield of Tennessee
- Blue Cross Blue Shield of Tennessee Network S
- Blue Cross Blue Shiled of Tennessee Network P
- BlueAdvantage
- Bright HealthCare
- Cigna PPO
- Cigna Local Plus
- Cigna HMO - Nashville Network
- Cigna HMO - Tennessee Select
- Cigna HMO - Nashville HMO
- Cigna HMO - Tennessee POS
- Cigna HMO - Tennessee Network
- Golden Rule Insurance Company
- HealthSpring Life and Health Insurance Company, Inc.
- Humana Health Plan, Inc.
- Humana Insurance Company
- John Hancock Life & Health Insurance Company
- Omaha Health Insurance Company
- Omaha Supplemental Insurance Company
- State Farm Health Insurance Company
- United Healthcare UHC
- UnitedHealthcare Community Plan East Tennessee
-

- UnitedHealthcare Community Plan Middle Tennessee
- UnitedHealthcare Community Plan West Tennessee
- WellCare Health Insurance of Tennessee, Inc.
- Others

**RESPONSE:**

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- 3C. Describe the effects of competition and/or duplication of the proposal on the health care system, including the impact upon consumer charges and consumer choice of services.

**RESPONSE:**

The addition of the 14 beds at the facility will increase the number of licensed beds in Blount County by approximately 2%, which the applicant believes will not have a material impact as to duplication and/or the provision of nursing home services by other providers in the service area. As to the impact upon consumer charges and consumer choice, the applicant believes the addition of 14 beds at the facility will allow improved access and availability to all consumers in the area, especially Medicare, Medicaid and dually certified consumers, and their families. The location next to the Blount Memorial Hospital campus is also anticipated to enhance that access and availability.

---

- 4C. Discuss the availability of and accessibility to human resources required by the proposal, including clinical leadership and adequate professional staff, as per the State of Tennessee licensing requirements, CMS, and/or accrediting agencies requirements, such as the Joint Commission and Commission on Accreditation of Rehabilitation Facilities.

**RESPONSE:**

The facility is an existing provider and does not anticipate issues obtaining sufficient staff.

---

- 5C. Document the category of license/certification that is applicable to the project and why. These include, without limitation, regulations concerning clinical leadership, physician supervision, quality assurance policies and programs, utilization review policies and programs, record keeping, clinical staffing requirements, and staff education.

**RESPONSE:**

No additional licensure is required because the project will only increase the number of beds.

---

6C. See INSTRUCTIONS to assist in completing the following tables.

**HISTORICAL DATA CHART**

- Project Only      N/A  
 Total Facility

Give information for the last *three (3)* years for which complete data are available for the facility or agency.

	Year 1	Year 2	Year 3
A. Utilization Data	_____	_____	_____
Specify Unit of Measure _____	_____	_____	_____
B. Revenue from Services to Patients			
1. Inpatient Services	_____	_____	_____
2. Outpatient Services	_____	_____	_____
3. Emergency Services	_____	_____	_____
4. Other Operating Revenue (Specify) _____	_____	_____	_____
<b>Gross Operating Revenue</b>	_____	_____	_____
C. Deductions from Gross Operating Revenue			
1. Contractual Adjustments	_____	_____	_____
2. Provision for Charity Care	_____	_____	_____
3. Provisions for Bad Debt	_____	_____	_____
<b>Total Deductions</b>	_____	_____	_____
<b>NET OPERATING REVENUE</b>	_____	_____	_____

**HISTORICAL DATA CHART**

- Total Facility  
 Project Only

Give information for the last *three (3)* years for which complete data are available for the facility or agency.

	Year 1	Year 2	Year 3
	2022	2021	2020
A. Utilization Data			
Specify Unit of Measure _____ Patient Days	23604	21342	18698
B. Revenue from Services to Patients			
1. Inpatient Services	\$30,380,082	\$27,541,552	\$19,613,138
2. Outpatient Services	\$0	\$0	\$0
3. Emergency Services	\$0	\$0	\$0
4. Other Operating Revenue (Specify) _____ N/A	\$0	\$0	\$0
<b>Gross Operating Revenue</b>	_____	_____	_____
C. Deductions from Gross Operating Revenue			
1. Contractual Adjustments	20,432,667	18,394,458	11,576,998
2. Provision for Charity Care	\$0	\$0	\$0
3. Provisions for Bad Debt	\$0	\$0	\$0



	<b>Total Deductions</b>	<u>20,432,667</u>	<u>18,394,458</u>	<u>11,576,998</u>
<b>NET OPERATING REVENUE</b>		<u>\$9,947,415</u>	<u>\$9,147,094</u>	<u>\$8,036,141</u>

**PROJECTED DATA CHART**

- Project Only  
 Total Facility

Give information for the *two (2)* years following the completion of this proposal.

	<b>Year 1</b>	<b>Year 2</b>
	<u>2025</u>	<u>2026</u>
A. Utilization Data		
Specify Unit of Measure <u>                    Patient Days                    </u>	<u>4,249</u>	<u>4,721</u>
B. Revenue from Services to Patients		
1. Inpatient Services	<u>5,468,415</u>	<u>6,076,016</u>
2. Outpatient Services	<u>\$0</u>	<u>\$0</u>
3. Emergency Services	<u>\$0</u>	<u>\$0</u>
4. Other Operating Revenue (Specify) <u>                    N/A                    </u>	<u>\$0</u>	<u>\$0</u>
<b>Gross Operating Revenue</b>	<u>5,468,415</u>	<u>6,076,016</u>
C. Deductions from Gross Operating Revenue		
1. Contractual Adjustments	<u>3,677,880</u>	<u>4,086,533</u>
2. Provision for Charity Care	<u>\$0</u>	<u>\$0</u>
3. Provisions for Bad Debt	<u>\$0</u>	<u>\$0</u>
<b>Total Deductions</b>	<u>3,677,880</u>	<u>4,086,533</u>
<b>NET OPERATING REVENUE</b>	<u>1,790,535</u>	<u>1,989,483</u>

**PROJECTED DATA CHART**

- Total Facility  
 Project Only

Give information for the *two (2)* years following the completion of this proposal.

	<b>Year 1</b>	<b>Year 2</b>
	<u>2025</u>	<u>2026</u>
A. Utilization Data		
Specify Unit of Measure <u>                    Patient Days                    </u>	<u>27,853</u>	<u>28,325</u>
B. Revenue from Services to Patients		
1. Inpatient Services	<u>35,848,497</u>	<u>36,456,099</u>
2. Outpatient Services	<u>\$0</u>	<u>\$0</u>
3. Emergency Services	<u>\$0</u>	<u>\$0</u>
4. Other Operating Revenue (Specify) <u>                    N/A                    </u>	<u>\$0</u>	<u>\$0</u>
<b>Gross Operating Revenue</b>	<u>35,848,497</u>	<u>36,456,099</u>
C. Deductions from Gross Operating Revenue		
1. Contractual Adjustments	<u>24,110,547</u>	<u>24,519,200</u>

4. Provision for Charity Care	\$0	\$0
3. Provisions for Bad Debt	\$0	\$0
<b>Total Deductions</b>	<u>24,110,547</u>	<u>24,519,200</u>
<b>NET OPERATING REVENUE</b>	<u>11,737,950</u>	<u>11,936,899</u>

7C. Please identify the project’s average gross charge, average deduction from operating revenue, and average net charge using information from the Historical and Projected Data Charts of the proposed project.

**Project Only Chart**

	Previous Year to Most Recent Year	Most Recent Year	Year One	Year Two	% Change (Current Year to Year 2)
<b>Gross Charge</b> ( <i>Gross Operating Revenue/Utilization Data</i> )	\$0	\$0	\$1,287	\$1,287	\$0
<b>Deduction from Revenue</b> ( <i>Total Deductions/Utilization Data</i> )	\$0	\$0	\$866	\$866	\$0
<b>Average Net Charge</b> ( <i>Net Operating Revenue/Utilization Data</i> )	\$0	\$0	\$421	\$421	\$0

8C. Provide the proposed charges for the project and discuss any adjustment to current charges that will result from the implementation of the proposal. Additionally, describe the anticipated revenue from the project and the impact on existing patient charges.

**RESPONSE:**

Charges are not anticipated to change. Revenue will increase due to having more beds.

---

9C. Compare the proposed project charges to those of similar facilities/services in the service area/adjoining services areas, or to proposed charges of recently approved Certificates of Need.

If applicable, compare the proposed charges of the project to the current Medicare allowable fee schedule by common procedure terminology (CPT) code(s).

**RESPONSE:**

Proposed project charges are the same as the current 76 beds at the applicant's facility.

---

**10C.** Report the estimated gross operating revenue dollar amount and percentage of project gross operating revenue anticipated by payor classification for the first and second year of the project by completing the table below.

If applicable, compare the proposed charges of the project to the current Medicare allowable fee schedule by common procedure terminology (CPT) code(s).

**Applicant’s Projected Payor Mix  
Project Only Chart**

Payor Source	Year-		Year-	
	Gross Operating Revenue	% of Total	Gross Operating Revenue	% of Total
Medicare/Medicare Managed Care	\$3,718,522	68%	\$4,131,691	68%
TennCare/Medicaid	\$820,262	15%	\$911,402	15%
Commercial/Other Managed Care	\$546,842	10%	\$607,602	10%
Self-Pay	\$109,368	2%	\$121,520	2%
Other(Specify) Charity	\$273,421	5%	303,801	5%
<b>Total</b>	\$5,468,415.00	100%	\$6,076,016.00	100%
Charity Care	(see Other)		(see Other)	

*\*Needs to match Gross Operating Revenue Year One and Year Two on Projected Data Chart*

Discuss the project’s participation in state and federal revenue programs, including a description of the extent to which Medicare, TennCare/Medicaid, and medically indigent patients will be served by the project.

**RESPONSE:** The facility's current 76 beds are Medicare certified, and the additional 14 will be dually certified by Medicare and Medicaid. The facility plans to enroll in Medicaid.

**QUALITY STANDARDS**

**1Q.** Per PC 1043, Acts of 2016, any receiving a CON after July 1, 2016, must report annually using forms prescribed by the Agency concerning appropriate quality measures. Please attest that the applicant will submit an annual Quality Measure report when due.

- Yes
- No

**2Q.** The proposal shall provide health care that meets appropriate quality standards. Please address each of the following questions.

- Does the applicant commit to maintaining the staffing comparable to the staffing chart presented in its CON application?
  - Yes
  - No
  
- Does the applicant commit to obtaining and maintaining all applicable state licenses in good 3standing?
  - Yes
  -

No

- Does the applicant commit to obtaining and maintaining TennCare and Medicare certification(s), if participation in such programs are indicated in the application?

Yes

No

3Q. Please complete the chart below on accreditation, certification, and licensure plans. Note: if the applicant does not plan to participate in these type of assessments, explain why since quality healthcare must be demonstrated.

Credential	Agency	Status (Active or Will Apply)	Provider Number or Certification Type
Licensure	<input checked="" type="checkbox"/> Health Facilities Commission/Licensure Division <input type="checkbox"/> Intellectual & Developmental Disabilities <input type="checkbox"/> Mental Health & Substance Abuse Services	Active	00000365
Certification	<input checked="" type="checkbox"/> Medicare <input checked="" type="checkbox"/> TennCare/Medicaid <input type="checkbox"/> Other _____	Active Will Apply	44-5404
Accreditation(s)	TJC - The Joint Commission	Active	expires 2025

4Q. If checked “TennCare/Medicaid” box, please list all Managed Care Organization’s currently or will be contracted.

- AMERIGROUP COMMUNITY CARE- East Tennessee
- AMERIGROUP COMMUNITY CARE - Middle Tennessee
- AMERIGROUP COMMUNITY CARE - West Tennessee
- BLUECARE - East Tennessee
- BLUECARE - Middle Tennessee
- BLUECARE - West Tennessee
- UnitedHealthcare Community Plan - East Tennessee
- UnitedHealthcare Community Plan - Middle Tennessee
- UnitedHealthcare Community Plan - West Tennessee
- TENNCARE SELECT HIGH - All
- TENNCARE SELECT LOW - All
- PACE
- KBB under DIDD waiver
- Others

5Q. Do you attest that you will submit a Quality Measure Report annually to verify the license, certification, and/or accreditation status of the applicant, if approved?

- Yes
- No

6Q. For an existing healthcare institution applying for a CON:

- Has it maintained substantial compliance with applicable federal and state regulation for the three years prior to the CON application. In the event of non-compliance, the nature of non-compliance and corrective action should be discussed to include any of the following: suspension of admissions, civil monetary penalties, notice of 23-day or 90-day termination proceedings from Medicare/Medicaid/TennCare, revocation/denial of accreditation, or other similar actions and what measures the applicant has or will put into place to avoid similar findings in the future.

- Yes
- No
- N/A

- Has the entity been decertified within the prior three years? If yes, please explain in detail. (This provision shall not apply if a new, unrelated owner applies for a CON related to a previously decertified facility.)

- Yes
- No
- N/A

**7Q.** Respond to all of the following and for such occurrences, identify, explain, and provide documentation if occurred in last five (5) years.

**Has any of the following:**

- Any person(s) or entity with more than 5% ownership (direct or indirect) in the applicant (to include any entity in the chain of ownership for applicant);
- Any entity in which any person(s) or entity with more than 5% ownership (direct or indirect) in the applicant (to include any entity in the chain of ownership for applicant) has an ownership interest of more than 5%; and/or.

**Been subject to any of the following:**

- Final Order or Judgement in a state licensure action;
  - Yes
  - No
- Criminal fines in cases involving a Federal or State health care offense;
  - Yes
  - No
- Civil monetary penalties in cases involving a Federal or State health care offense;
  - Yes
  - No
- Administrative monetary penalties in cases involving a Federal or State health care offense;
  - Yes
  - No
- Agreement to pay civil or administrative monetary penalties to the federal government or any state in cases involving claims related to the provision of health care items and services;
  - Yes
  - No
- Suspension or termination of participation in Medicare or TennCare/Medicaid programs; and/or
  - Yes
  - No
- Is presently subject of/to an investigation, or party in any regulatory or criminal action of which you are aware.
  - Yes
  - No

8Q. Provide the project staffing for the project in Year 1 and compare to the current staffing for the most recent 12-month period, as appropriate. This can be reported using full-time equivalent (FTEs) positions for these positions.

Existing FTE not applicable (Enter year)

Position Classification	Existing FTEs(enter year)	Projected FTEs Year 1
<b>A. Direct Patient Care Positions</b>		
<b>Total Direct Patient Care Positions</b>	26	30

<b>B. Non-Patient Care Positions</b>		
<b>Total Non-Patient Care Positions</b>	10	11
<b>Total Employees (A+B)</b>	36	41

<b>C. Contractual Staff</b>		
<b>Total Staff (A+B+C)</b>	36	41



## **DEVELOPMENT SCHEDULE**

TCA §68-11-1609(c) provides that activity authorized by a Certificate of Need is valid for a period not to exceed three (3) years (for hospital and nursing home projects) or two (2) years (for all other projects) from the date of its issuance and after such time authorization expires; provided, that the Agency may, in granting the Certificate of Need, allow longer periods of validity for Certificate of Need for good cause shown. Subsequent to granting the Certificate of Need, the Agency may extend a Certificate of Need for a period upon application and good cause shown, accompanied by a non-refundable reasonable filing fee, as prescribed by rule. A Certificate of Need authorization which has been extended shall expire at the end of the extended time period. The decision whether to grant an extension is within the sole discretion of the Commission, and is not subject to review, reconsideration, or appeal.

- Complete the Project Completion Forecast Chart below. If the project will be completed in multiple phases, please identify the anticipated completion date for each phase.
- If the CON is granted and the project cannot be completed within the standard completion time period (3 years for hospital and nursing home projects and 2 years for all others), please document why an extended period should be approved and document the “good cause” for such an extension.

## **PROJECT COMPLETION FORECAST CHART**

Assuming the Certificate of Need (CON) approval becomes the final HFC action on the date listed in Item 1 below, indicate the number of days from the HFC decision date to each phase of the completion forecast.

<b>Phase</b>	<b>Days Required</b>	<b>Anticipated Date (Month/Year)</b>
1. Initial HFC Decision Date		05/22/24
2. Building Construction Commenced	72	08/01/24
3. Construction 100% Complete (Approval for Occupancy)	164	11/01/24
4. Issuance of License	194	12/01/24
5. Issuance of Service	225	01/01/25
6. Final Project Report Form Submitted (Form HR0055)	256	02/01/25

Note: If litigation occurs, the completion forecast will be adjusted at the time of the final determination to reflect the actual issue date.

## LIST OF ATTACHMENTS

Publisher's Affidavit	Attachment 3A
Blount Memorial Hospital, Inc. Organizational Documents	Attachment 7A
Original Deed	Attachment 9A
Floor Plan	Attachment 10A
Plot Plan	Attachment 12A
Executive Summary	Attachment 1E
Responses to the Criteria and Standards for Nursing Home Services	Attachment 1N
Map of the Proposed Service Area	Attachment 2N
Utilization Data for Blount County Nursing Homes	Attachment 5N
Applicant Historical & Projected Utilization	Attachment 6N
Transfer Agreement	Attachment 1C

**ATTACHMENT 3A:**

**Publisher's Affidavit**

*See attached.*

**AFFIDAVIT OF PUBLICATION**

**STATE OF TENNESSEE  
COUNTY OF BLOUNT**

ACCOUNT NAME:  
##BRADLEY ARANT BOULT  
CUMMINGS, LLP

##BRADLEY ARANT BOULT  
CUMMINGS, LLP  
1600 Division St Ste 700  
Nashville, TN 37203-2771

ACCT. NUMBER:  
STBABCL5

COST OF PUBLICATION:  
\$204.75

Before the undersigned, a Notary Public of said County and State, duly commissioned, qualified, and authorized by law to administer oaths, personally appeared Jeff Craft who being first duly sworn, deposes and says: that he (she) is \_\_\_\_\_ (Publisher or other officer or employee authorized to make affidavit) of ADAMS PUBLISHING GROUP, LLC, engaged in the publication of a newspaper known as **The Daily Times**, published, issued, and entered as periodicals class mail in the city of **MARYVILLE** in said County and State of Tennessee, that he (she) is authorized to make this affidavit and sworn statement; that the notice or other legal advertisement, a true copy of which is attached hereto, was published in **The Daily Times** on the following dates:

03/14/24

**THE DAILY TIMES**

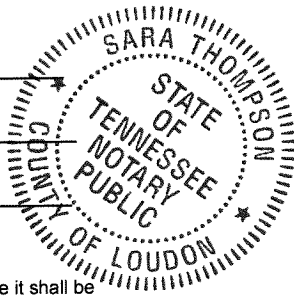
226 GILL ST. ALCOA, TN 37701  
865-981-1121

Subscribed and sworn to before me on this 15th day of March, 2024

Newspaper Representative: \_\_\_\_\_

Notary Public: \_\_\_\_\_

My Commission Expires: 9/28/25



The referenced publication of notice has been posted (1) On the newspaper's website, where it shall be published contemporaneously with the notice's first print publication and will remain on the website for at least as long as the notice appears in the newspaper; and (2) On a statewide website established and maintained as an initiative and service of the Tennessee Press Association as a repository for such notices.

# East Tennessee Classifieds



For Assistance call 865-981-1170 or email [classified@thedailytimes.com](mailto:classified@thedailytimes.com)  
Place ad 24/7 go to [www.TheDailyTimes.com](http://www.TheDailyTimes.com) Click on Classifieds

**PUBLIC NOTICES**

**PUBLIC NOTICES**

**IN THE CIRCUIT COURT FOR  
BLOUNT COUNTY,  
TENNESSEE**

ROBERT CHANDLER  
Plaintiff,

VS. No. CE-31816

ANGEL MARIE BLAIR,  
Defendant.

**NON-RESIDENT NOTICE**

In this cause, it appearing from the Complaint, which is sworn to, that the defendants, Angel Marie Blair is a non-resident of the State of Tennessee or whose whereabouts are unknown so that ordinary process cannot be served upon him/her. Said defendants must file an Answer in the Circuit Court for Blount County, at Maryville, Tennessee, and with plaintiffs attorney, John D. Haines, whose address is 109 S. Northshore Drive, Ste 401, Knoxville, TN 37919 within 30 days of the last date of publication or a Judgment by Default may be entered and the cause set for hearing ex parte as to defendant. This Notice will be published in the Daily Times for four successive weeks.

This the 26th day of February, 2024

Stephen S. Ogle  
Clerk & Master

Selina Sutera-Stong  
Deputy Clerk

Attorney  
John D. Haines

February 29, March 7, 14 & 21,  
2024

**IN THE CIRCUIT COURT FOR  
BLOUNT COUNTY,  
TENNESSEE**

DANIEL DYER  
Plaintiff,

VS. No. CE-31944

LESLEY ANN BLAIR,  
Defendant.

**NON-RESIDENT NOTICE**

In this cause, it appearing from the Complaint, which is sworn to, that the defendants, Lesley Ann Blair is a non-resident of the State of Tennessee or whose whereabouts are unknown so that ordinary process cannot be served upon him/her. Said defendants must file an Answer in the Circuit Court for Blount County, at Maryville, Tennessee, and with plaintiffs attorney, Ashley E. Bentley, whose address is 217 E. Broadway Ave. Maryville, TN 37804 within 30 days of the last date of publication or a Judgment by Default may be entered and the cause set for hearing ex parte as to defendant. This Notice will be published in the Daily Times for four successive weeks.

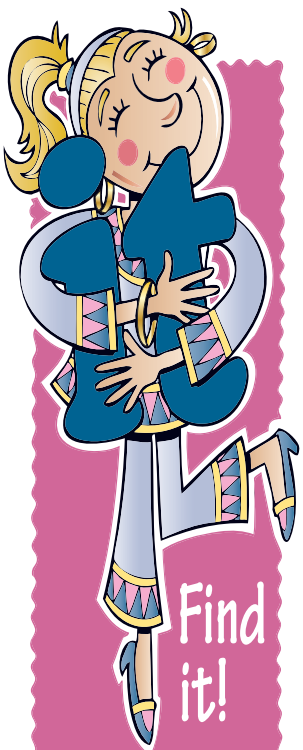
This the 26th day of February, 2024

Stephen S. Ogle  
Clerk & Master

Selina Sutera-Stong  
Deputy Clerk

Attorney  
Ashley E. Bentley

February 29, March 7, 14 & 21,  
2024



**PUBLIC NOTICES**

**NON-RESIDENT NOTICE**

**IN THE GENERAL SESSIONS  
COURT FOR BLOUNT  
COUNTY, TENNESSEE  
PROBATE DIVISION IN**

RE: ESTATE OF FRANCIS  
GILBERT BENDER

Docket No. PR-6004

**NOTICE OF PROBATE OF  
WILL**

TO: Catherine Z. Barnes, 694  
Von Lunen Road, Johnstown,  
PA 15902

Theda A. Bender, 805 Park  
Ave., Johnstown, PA 15902

Any Unknown Heirs of the late  
Francis Gilbert Bender

A Petition having been filed to admit the Last Will and Testament of Francis Gilbert Bender dated the 12th day of August, 2016 to probate in solemn form, the Blount County General Sessions Court, Probate Division, Honorable Michael E. Gallegos presiding, will hear said Petition on Tuesday, the 30th of April, 2024 at 9:00 a.m. You may appear if you so desire.

This Notice will be published in the Daily Times for four successive weeks.

This the 1st day of February, 2024.

Steve Ogle, Clerk & Master,  
Blount County Chancery Court

February 15, 22, 29 & March 7,  
2024

**PUBLIC NOTICES**

**NOTICE TO ASHLEY  
BRATCHER**

Cause No. PR-5699  
In the General Sessions Court for Blount County, Tennessee Probate Division

IN RE: THE ESTATE OF  
JOSEPH PRESTON CARNEY

KENDALL L. CANNON  
Petitioner,

v. No. PR-5699

JADEN NICHOLAS  
BRATCHER and MIRANDA  
GENE BOWEN,  
Respondents/Minor Children.

KENDALL L. CANNON has filed Petitions for the Appointment of a Guardian for Property of Minor Child with respect to Jaden Nicholas Bratcher and Miranda Gene Bowen in the General Sessions Court for Blount County, Tennessee. It is ordered that publication be made for four successive weeks, as required by law, in The Daily Times, a newspaper published in Alcoa, Tennessee, notifying you, Ashley Bratcher, that you are hereby ORDERED to file an Answer to the Petitions for the Appointment of a Guardian for Property of a Minor Child with the Blount County Clerk & Master, Probate Division, 900 E. Lamar Alexander Parkway, Maryville, Tennessee 37804, and to serve of copy of that Answer upon Counsel for the Petitioner, Attorney Elizabeth Maxey Long, Shepherd and Long P.C., at 322 Gill Street, Alcoa, Tennessee 37701, within 30 days from the last date of publication, exclusive of the last date of publication, or a judgement by default may be entered against you. You may view and obtain a copy of the Petitions for the Appointment of a Guardian for Property of a Minor Child and any other subsequently filed legal documents in the General Sessions Court for Blount County, Tennessee, Probate Division, Clerk & Master's Office at the address shown above.

Stephen S. Ogle  
Clerk & Master  
Blount County General Sessions Court

February 29, March, 7, 14 & 21,  
2024

**PUBLIC NOTICES**

**NOTICE TO CREDITORS**

DOCKET NO.: PR-6336  
(As required by section 30-2-306 of the Tennessee Code Annotated)

Estate of Geraldine L Messer, late of Blount County, Tennessee.

Notice is hereby given that on February 21, 2024, Letters of Testamentary in respect to the Estate of Geraldine L Messer, deceased, who died on December 17th, 2023, were issued to the undersigned by Probate Clerk of Blount County, Tennessee. All persons, resident and non-resident, having claims, matured or unmatured, against said Estate are required to file the same with the clerk of the above named Court on or before the earlier of the dates prescribed in (1) or (2), otherwise their claims will be forever barred: (1)(a) Four (4) months from the date of the first publication (or posting as the case may be) of this Notice if the creditor received an actual copy of this Notice to Creditors at least sixty (60) days before the date that is four (4) months from the date of first publication or posting; or (B) Sixty (60) days from the date the creditor received an actual copy of the Notice to Creditors if the creditor received the copy of the Notice less than sixty (60) days prior to the date that is four (4) months from the date of the first publication (or posting) as described in (1) (a); or (2) Twelve (12) months from the decedent's date of death.

This the 21 day of February, 2024.

Russell Eric Riddle  
Bryan Keith Riddle  
Personal Representative

By: Stephen S. Ogle,  
Blount County Probate Clerk  
Maryville, TN 37804  
March 1, 2024 & March 8, 2024



**ANNOUNCEMENTS**

**BULLETIN BOARD**

**PLEASE CHECK  
YOUR AD**

for errors the FIRST DAY it appears in print. Our paper will not be liable for incorrect ads after the first day of publication. You may request a proof of your ad be sent to you by fax or email before it prints to correct any errors.

Deadline for Corrections:  
Noon 1 day prior to publication.  
865-981-1170  
Classified hours are:  
Monday-Friday 8am-5pm

**GARAGE/  
YARD SALES**

**MARYVILLE**

**ESTATE SALE**

1114 Mercer Dr. Maryville  
Fri. 15th, 8-2 & Sat. 16th 8-1  
Precious Moments, Seraphim Angel's, teapots, linens, crystal, table six chairs, blankets, book-cases, cabinets, sewing machine, vintage/retro three piece bedroom suite, oak bedroom suite, transitional bedroom suite, beautiful powder blue leather reclining sofa and loveseat show-room pieces, brown leather reclining loveseat, retro desk, computer desk, marble top and chrome coffee table and two end tables, tools, tool cabinets and chests, holiday decor and Christmas trees, pot, pans, dishes, utensils, rugs, ladders, yard tools, books, desk chair, small appliances, washer and dryer, outdoor furniture, outdoor benches, luggage, clothing, shoes, hats, coats, military attire, gloves, beautiful jewelry cabinet! Ok, so come see what we missed. CASH and CARRY! Come prepared to spend because there are bargains galore!!!!  
You move and load. Everything must be removed by 12:00 noon on Saturday.

**MARYVILLE**

**HUGE FREE YARD SALE  
ITEMS**

1610 E Broadway "Blessing Our Community" with FREE items. Saturday March 16th, 10am-3pm. (NO DEALERS PLEASE)

**FRIENDSVILLE**

**YARD SALE**

336 Cedar Crest Lane. 1/2 mile past school. Saturday, March 16, 8am-2pm. Men, Women, and Teenager designer clothing, shoes, boots, purses, jackets, jeans, household items, linens, tools, cookware, and much more. Rain or Shine

**SERVICES**

**ADULT CARE**

**LOOKING FOR EMPLOYMENT**  
Experienced CNA to care for loved ones in home/hospital. Day or night. Open to background check, has references. Call Doris at (423) 836-4113.

**SERVICE  
AND REPAIR**

**MARYVILLE AREAS**

386-316-4777 Pressure washing, Repairs, Maintenance & More.

**EMPLOYMENT**

**GENERAL  
HELP WANTED**

**FACILITIES MANAGER**

Full-time open position at First Baptist Church, Maryville. 40-hour work week, benefits package including health care insurance. Requirements include having at least five years of experience in facilities maintenance and being an active member of a local church of the Christian faith. Must pass drug test and background/credit checks. To view job description, go to <https://www.fbc-maryville.org>. Interested candidates should submit a detailed resume and cover letter to [hello@fbcmaryville.org](mailto:hello@fbcmaryville.org).



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**NOTIFICATION OF INTENT TO APPLY FOR  
A CERTIFICATE OF NEED**

This is to provide official notice to the Health Facilities Commission and all interested parties, in accordance with T.C.A. §68-11-1601 et seq., and the Rules of the Health Facilities Commission, that Transitional Care Center, a/an Nursing Home owned by Blount Memorial Hospital with an ownership type of Corporation (Not-for-Profit) and to be managed by itself intends to file an application for a Certificate of Need for Blount Memorial Hospital which has contracted to sell substantially all of the assets and operations comprising the 76 bed nursing home known as Blount Memorial Transitional Care Center to Ocoee Transitional Care Center, LLC (a subsidiary of Ocoee Foundation, Inc., a Tennessee non-profit corporation), which will then be managed by Twin Rivers Health & Rehabilitation, LLC, and the parties intend to file an application for a Certificate of Need for the addition of fourteen (14) skilled care beds dually certified by Medicare and Medicaid to the existing Transitional Care Center of seventy-six (76) Medicare certified skilled care beds for a total of ninety (90) nursing home beds. The address of the project will be 2320 East Lamar Alexander Parkway, Maryville, Blount, Tennessee, 37804. The estimated project cost will be \$103,000.

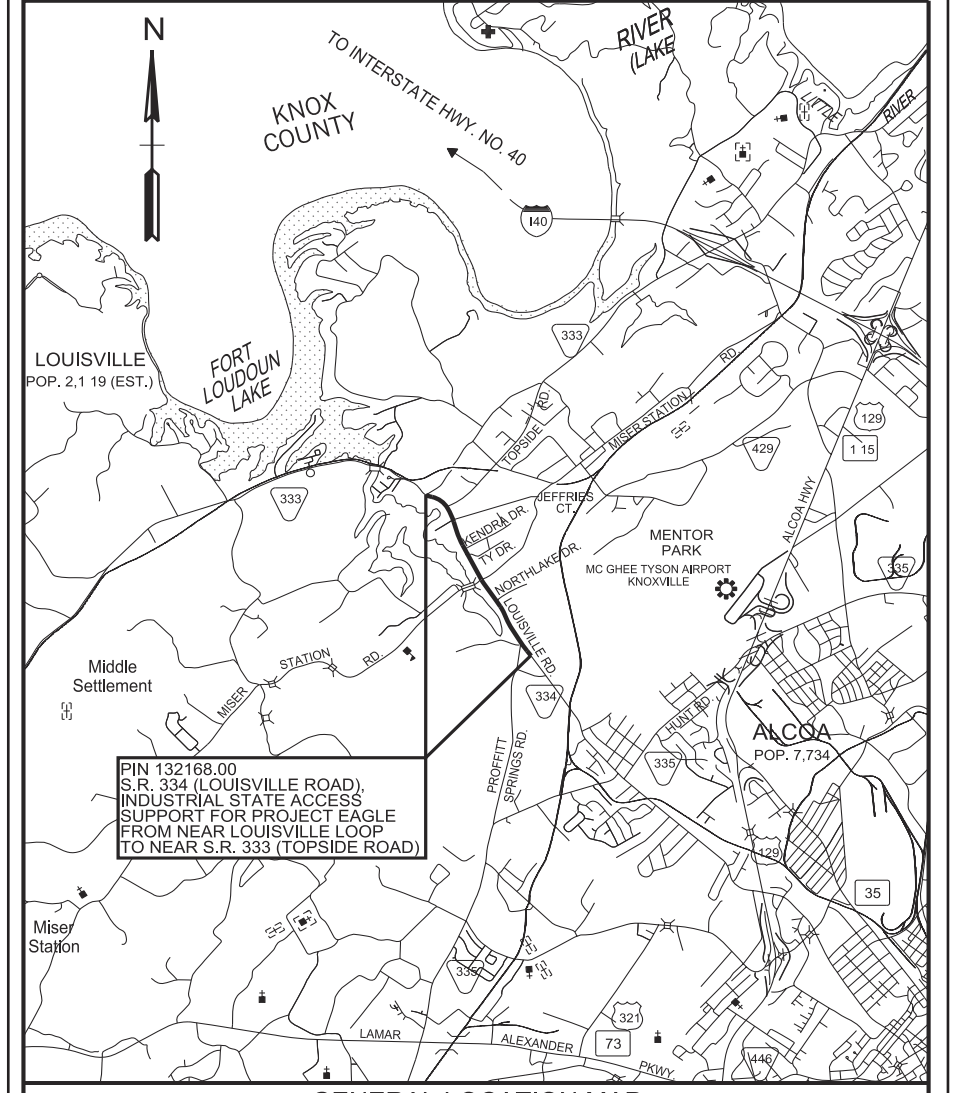
The anticipated date of filing the application is 04/01/2024

The contact person for this project is Attorney Michael Brent who may be reached at Bradley Arant Boult Cummings - 1221 Broadway, Suite 2400, Nashville, Tennessee, 37203 - Contact No. 615-252-2361.

The published Letter of Intent must contain the following statement pursuant to T.C.A. §68-11-1607 (c)(1). (A) Any healthcare institution wishing to oppose a Certificate of Need application must file a written notice with the Health Facilities Commission no later than fifteen (15) days before the regularly scheduled Health Facilities Commission meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application may file a written objection with the Health Facilities Commission at or prior to the consideration of the application by the Commission, or may appear in person to express opposition. Written notice may be sent to: Health Facilities Commission, Andrew Jackson Building, 9th Floor, 502 Deaderick Street, Nashville, TN 37243 or email at [hdsa.staff@tn.gov](mailto:hdsa.staff@tn.gov).

**NOTICE OF PUBLIC MEETING**

The Tennessee Department of Transportation (TDOT) will host a public design meeting on March 28, 2024, to gather public input on the proposed SIA Project Serving Project Eagle in Blount County. The meeting will be held from 6:00pm until 8:00pm at the following location: Louisville Town Hall, 3623 Louisville Road, Louisville, TN 37777. This project will widen SR-334 from near Louisville Loop Road to near SR-333 (Topside Road) and improve the intersection with SR-333. The meeting is being held to provide the public an opportunity to provide comments regarding this proposed SIA project. Representatives of TDOT will be available to provide information on various aspects of this proposed project. Anyone with questions regarding the meeting should contact: Mr. Jeremy Mefford, Project Manager 3, Project Management, Region 1, Tennessee Department of Transportation, 7345 Region Lane, Knoxville, TN 37914. Phone: (865) 594-2349, [Jeremy.Mefford@tn.gov](mailto:Jeremy.Mefford@tn.gov) Persons with a disability, who require aids or services to participate at the meeting, may contact Ms. Shanna Chevalier no less than ten (10) days prior to the date of the meeting: Ms. Shanna M. Chevalier, ADA/504 Coordinator, Suite 1200, James K Polk Building, 505 Deaderick Street, Nashville, TN 37243, [Shanna.Chevalier@tn.gov](mailto:Shanna.Chevalier@tn.gov), Phone: (615) 741-0465, TTY Relay (615) 253-8311. A court reporter will be available to receive oral statements to be included in the project transcript. In addition, comment sheets will be available for those who prefer to make written statements. Written statements and other exhibits to be included in the project transcript may be submitted within twenty-one (21) days after the meeting date to the following address: Project Comments, Tennessee Department of Transportation, Suite 700, James K. Polk Building, 505 Deaderick Street, Nashville, TN 37243-0332. TDOT is an Equal Opportunity Employer and does not discriminate on the basis of race, age, sex, religion, color, disability, or national origin.



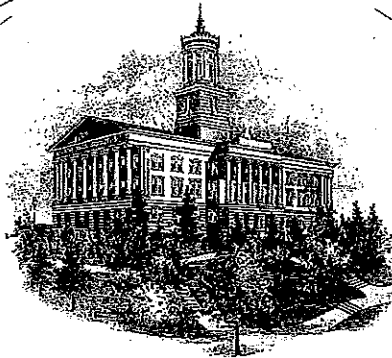
**GENERAL LOCATION MAP  
S.R. 334 (LOUISVILLE ROAD),  
INDUSTRIAL STATE ACCESS SUPPORT FOR PROJECT EAGLE  
FROM NEAR LOUISVILLE LOOP TO NEAR S.R. 333 (TOPSIDE ROAD)**

**ATTACHMENT 7A:**

**Blount Memorial Hospital, Inc. Organizational Documents**

*See attached.*

# State of Tennessee



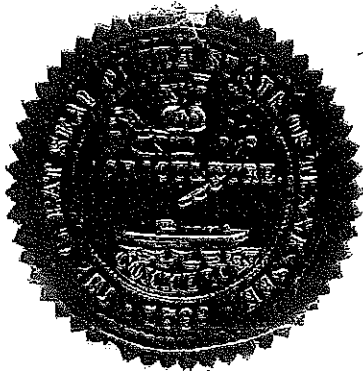
## Department of State

I Joe C. Carr, Secretary of State of the State of Tennessee, do hereby certify that the annexed Instrument with Certificate of Acknowledgment was filed in my office, and recorded on the 22nd day of January 19 46 in Corporation Record Book MISCELLANEOUS A-3 page 35B

In Testimony Whereof, I have hereunto subscribed my Official Signature, and by order of the Governor, affixed the Great Seal of the State of Tennessee, at the Department, in the City of Nashville, this 22nd day of

January A.D. 19 46

*Joe C. Carr*  
Secretary of State.



STATE OF TENNESSEE

CHARTER OF INCORPORATION

BE IT KNOWN, That we, George D. Roberts, A. D. Huddleston, J. C. Gamble, O. W. Brumfield, V. J. Hultquist, James W. King, J. T. Trotter, E. C. Brown and Homer A. Goddard, are hereby constituted a body politic under the name and style of

BLOUNT MEMORIAL HOSPITAL, INCORPORATED

the principal office of which shall be in Blount County, Tennessee, for the purpose of leasing, operating and/or maintaining a general non-profit hospital to be operated in Blount County, Tennessee.

The general powers of said corporation shall be, to sue and be sued by the corporate name; to have and use a common seal, which it may alter at pleasure; if no common seal, then the signature of the name of the corporation by any duly authorized officers shall be legal and binding; to purchase and hold or receive by gift, bequest or devise, personal property and real estate, and also to accept any real estate or personal property in payment or in part payment of any debt due to the corporation, and sell the same; to establish bylaws, and make all rules and regulations not inconsistent with the laws and Constitution deemed expedient for the management of corporate affairs, and to select such subordinate officers and agents in addition to a President, Vice President and Secretary and/or Treasurer, as the business of the corporation may require, designate the name of the office and fix the compensation of such officers and agents.

The first Board of Directors of said Corporation shall be composed of the nine incorporators in this Charter, but who



will within a reasonable time after the granting and recording of this Charter meet for the purpose of organization.

The first permanent Board of Directors shall be selected within ninety days after the granting of the Charter, and shall be composed of nine (9) members, who shall have been residents of Blount County, Tennessee for at least three years next before their election, and who shall be persons of business experience and moral integrity, and who shall be freeholders in Blount County, and which directors shall receive no compensation for their services as such. Four of the members of said first permanent Board of Directors shall be such persons who shall be elected by the Quarterly County Court of Blount County, Tennessee; two of the members thereof shall be such persons as are elected by the Board of Commissioners of the City of Alcoa, and who shall be residents of the City of Alcoa; two of the members thereof shall be such persons as are elected by the Board of Commissioners of the City of Maryville, and who shall be residents of the City of Maryville; and, one of such members shall be such person as is elected by the Board of Directors of Maryville College. The eventual term of the members of said Board of Directors shall be three years, but in order that the terms of said members shall not all expire simultaneously, it is provided hereunder that two of such persons as are elected by the Quarterly County Court, and the one person elected by the Directors of Maryville College shall serve for a term of one year; one of such persons elected by the Quarterly County Court, one of the persons elected by the Board of Commissioners of the City of Alcoa, and one of the persons elected by the Board of Commissioners of the City of Maryville shall serve for a term of two years, and one of the persons elected by the Quarterly County Court, one of the persons elected by the Board of Commissioners of the City of Maryville, and one of the persons elected by the Board of Commissioners of the City of Alcoa shall serve for a term of three years.

At the expiration of the first terms of the first permanent Board of Directors, in the manner hereinabove set out, the members to be selected by the agencies above provided, shall be elected by such respective agencies for a term of three years each. In the event of a vacancy in the Board of Directors such vacancy shall be filled by the agency originally selecting such members.

Evidence of the election of the members by the different agencies as above provided, shall be by certified copy of a minute or resolution of such agencies.

Within a convenient time after the selections of the first permanent Board of Directors, such Board shall meet and elect a President, Vice President, Secretary and/or Treasurer, all of which, except the Secretary and/or Treasurer, shall be members of said Board, and the said Secretary and/or Treasurer may or may not be members of such Board, and shall select such other officers and/or agents as may be provided for by the bylaws adopted by said Board of Directors. In all meetings of said Board a majority of the members shall constitute a quorum for the transaction of business, and the result of any vote shall be determined by the vote of a majority of the votes cast. The regular meetings and special meetings of said Board of Directors shall be held when, and in the manner provided by the bylaws, and the Board of Directors shall keep a record of all of its proceedings. The Board of Directors shall not at any time incur any obligations unless the money for such expenditures is either in the treasury or has been bona fide pledged for such purpose. There shall be an annual audit of the books of the corporation by some recognized and competent auditing firm, a copy of which audit shall be furnished to the agencies selecting the Board of Directors.

The general welfare of society, not individual profit, is the object for which this charter is granted, and hence neither

the directors nor the agencies selecting them are stockholders in the legal sense of the term, and no dividends or profits shall be divided among them.

This charter may be modified or amended, or the corporation may at any time be voluntarily dissolved upon the affirmative vote of all the governmental agencies selecting the permanent Board of Directors, which vote shall be evidenced by resolution duly adopted by all of such agencies.

A violation of any of the provisions of this charter shall subject the corporation to dissolution at the instance of the State.

The means, assets, income or other property of the corporation shall not be employed directly or indirectly for any other purpose whatever than to accomplish the legitimate objects of its creation, and by no implication shall it possess the power to issue notes or currency, deal in currency, notes or coin, buy or sell products, or engage in any kind of trading operation.

We, the undersigned, hereby apply to the State of Tennessee by virtue of the laws of the land for a Charter of Incorporation for the purpose and with the powers declared in the foregoing instrument.

This 12<sup>th</sup> day of January, 1946.

Geo. P. Roberts ✓  
W. G. Anderson  
J. C. Galloway  
O. B. Grunkid  
V. J. Hutzgeist  
J. J. King  
L. E. Potter ✓  
W. C. Brown  
Wm. A. Tuller

STATE OF FLORIDA |  
COUNTY OF MANATEE | SS.

Personally appeared before me, the undersigned authority, J. T. Trotter, who acknowledged that he executed the foregoing application for Charter of Incorporation for the purpose therein expressed.

Witness my hand and seal at office in Bradenton, Florida on this the 12th day of January, 1946.

My commission expires:  
Notary Public, State of Florida at Large.  
My commission expires March 20, 1948.  
Revised by American Surety Co. of N. Y.

J. Howard Shepard  
Notary Public

STATE OF TENNESSEE |  
BLOUNT COUNTY | SS.

Personally appeared before me, the undersigned authority, George D. Roberts, A. D. Huddleston, J. C. Gamble, O. W. Brumfield, V. J. Hultquist, James W. King, E. C. Brown and Homer A. Goddard, who acknowledged that they executed the foregoing application for Charter of Incorporation for the purpose therein expressed.

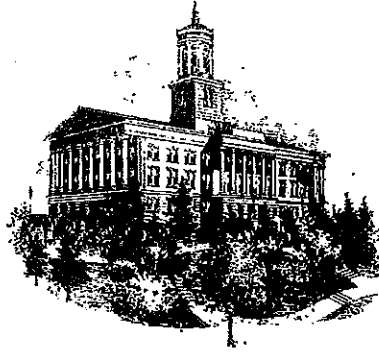
Witness my hand and seal at office in Maryville, Tennessee on this the 21st day of January, 1946.

My commission expires:

July 15, 1946

Billie M. White  
Notary Public

# State of Tennessee



## Department of State

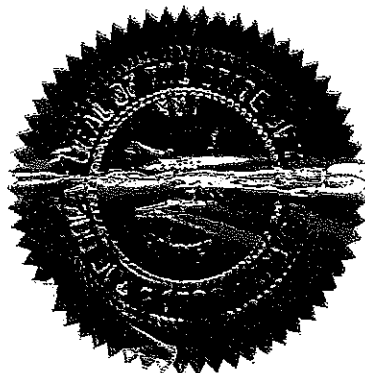
### Certificate

The undersigned, as Secretary of State of the State of Tennessee, hereby certifies that the attached document was received for filing on behalf of

BLOUNT MEMORIAL HOSPITAL, INCORPORATED

was duly executed in accordance with the Tennessee General Corporation Act, was found to conform to law, and was filed by the undersigned, as Secretary of State, on the date noted on the document.

Therefore, the undersigned, as Secretary of State, and by virtue of the authority vested in him by law, hereby issues this certificate and attaches hereto the document which was duly filed on October 24th, 19 84.



*Y. B. Powell*  
Secretary of State  
*Quetta C. Co. B...*  
Deputy

FILED  
SECRETARY OF STATE  
1984 OCT 24 AM 10:50

THIS INSTRUMENT WAS PREPARED BY ARTHUR D. GODDARD  
FIRST TENNESSEE BANK BLDG.  
MARYVILLE, TENNESSEE

AMENDMENT TO THE CHARTER OF INCORPORATION OF  
BLOUNT MEMORIAL HOSPITAL, INCORPORATED

KNOW ALL MEN BY THESE PRESENTS THAT WHEREAS, at a regular meeting of the Directors of Blount Memorial Hospital, Incorporated, held on the 23rd day of October, 1984, at Blount Memorial Hospital in Maryville, Blount County, Tennessee, the following resolution was adopted by affirmative vote of a majority of the Director of Blount Memorial Hospital, Incorporated, to-wit:

"RESOLUTION

BE IT RESOLVED by the Board of Directors of Blount Memorial Hospital, Incorporated, in regular session assembled on this 23rd day of October, 1984, that the Charter of Blount Memorial Hospital, Incorporated, be amended as follows:

That the following paragraph of the Charter of Incorporation of Blount Memorial Hospital, Incorporated, be stricken:

'At the expiration of the first terms of the first permanent Board of Directors, in the manner hereinabove set out, the members to be selected by the agencies above provided, shall be elected by such respective agencies for a term of three years each. In the event of a vacancy in the Board of Directors such vacancy shall be filled by the agency originally selecting such members.'

and that there be substituted in lieu thereof the following:

'As the terms of the present Board of Directors expire, the members of the Board of Directors to be selected by the agencies above provided shall be elected by such respective agencies for a term of three (3) years each in the manner hereinafter provided.

That in the event of a vacancy in the Board of Directors, such vacancy shall be filled by the agency originally selecting such member in the manner hereinafter provided.

All Directors of Blount Memorial Hospital, Incorporated, shall be nominated by a Nominating Committee as hereinafter designated, which nominations shall be made to the respective electing bodies on or before the 1st day of January of each year.

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In the event of a vacancy in the Board of Directors, the Nominating Committee, as hereinafter provided, shall nominate to the respective electing bodies a Director to serve the unexpired term and which nomination shall be made within thirty (30) days after the occurrence of the vacancy.

The Nominating Committee shall be composed of seven (7) members, one (1) of whom shall be the President of the Board of Directors of Blount Memorial Hospital, Incorporated; of the remaining six (6) members, one shall be selected by the President or Chief Executive Officer of each of the following organizations: Blount County Medical Society, the largest industrial employer of Blount County, the largest labor union in Blount County, Blount County Farm Bureau; Blount County Chamber of Commerce; one of the following financial institutions: First Tennessee Bank, Maryville, First Federal Savings & Loan Association of Maryville, Blount National Bank of Maryville, Citizens Bank of Blount County, and American Fidelity Bank, or the successor of any of said financial institutions herein named, who shall serve a term of one (1) year on a rotating basis in the order named. All members of the Nominating Committee shall be residents of Blount County, Tennessee.

The President of the Board of Directors of Blount Memorial Hospital, Incorporated, shall be the permanent Chairman of the Nominating Committee and shall annually convene the Nominating Committee for the purpose of making nominations to the respective electing bodies and shall also convene the Nominating Committee to nominate any vacancies which may occur in the Board of Directors of Blount Memorial Hospital, Incorporated. The Chairman shall be obligated to convene the Nominating Committee into session upon the request of four (4) members of the Nominating Committee.

In the event the Nominating Committee should fail or refuse to nominate a Director by the time herein specified, the electing body shall be free to select and elect a Director by nominations from the floor or by nomination by a standing Committee of the electing body and without reference to the Nominating Committee herein created.

In the event the electing body should decline to elect the person nominated by the Nominating Committee, the Nominating Committee shall immediately be reconvened and shall submit a new nomination to the electing body within thirty (30) days after the nominee has been turned down by the electing body.

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All provisions of the original charter of incorporation not inconsistent herewith shall remain in full force and effect.'

BE IT FURTHER RESOLVED that the President and Secretary of Blount Memorial Hospital, Incorporated, are hereby authorized and directed to apply for and obtain an amendment to the Charter of Incorporation of Blount Memorial Hospital, Incorporated, as hereinabove set out."

WHEREAS, the Charter of Blount Memorial Hospital, Incorporated, provides that the charter may be amended upon the affirmative vote of all of the governmental agencies selecting the permanent Board of Directors, which vote shall be evidenced by resolution duly adopted by all of such agencies; and

WHEREAS, the governmental agencies electing the permanent Board of Directors are the Legislative Body of Blount County, Tennessee, the City Council of the City of Maryville and the City Commission of the City of Alcoa; and

WHEREAS, each governmental agency has adopted a similar resolution to that hereinabove, as evidenced by certified copies of the resolutions attached hereto of each of the governmental agencies.

NOW THEREFORE, for and in consideration of the premises and in accordance with the Board of Directors and the concurring resolutions of all three of the governmental agencies electing the permanent Board of Directors, we, the undersigned, do hereby certify that we are the duly elected and constituted President and Secretary, respectively, of Blount Memorial Hospital, Incorporated, and we further certify that the resolution hereinabove set out was duly and regularly passed by a majority of the Board of Directors held on the 23rd day of October, 1984, and we hereby apply to the State of Tennessee, pursuant to the general laws the State, for an amendment to the Charter of Incorporation of Blount Memorial Hospital, Incorporated, for the



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purposes set out and expressed in said resolution hereinbefore set out.

IN WITNESS WHEREOF, we have set our hands and seals on the 23rd day of October, 1984.

Edward J. P...  
President, Blount Memorial Hospital, Incorporated

Frank Mcisame  
Secretary, Blount Memorial Hospital, Incorporated

900 New Walland Highway  
Maryville, Tennessee 37801

23 MAR 27 11:10:18  
DANIELL  
SECRETARY OF STATE

THIS INSTRUMENT WAS PREPARED BY ARTHUR B. GODDARD  
FIRST TENNESSEE BANK BLDG.  
MARYVILLE, TENNESSEE

AMENDMENT TO THE CHARTER OF INCORPORATION OF  
BLOUNT MEMORIAL HOSPITAL, INCORPORATED

70

KNOW ALL MEN BY THESE PRESENTS, THAT WHEREAS, at a regular meeting of the Board of Directors of Blount Memorial Hospital, Incorporated, held on the 24th day of March, 1992, at Blount Memorial Hospital in Maryville, Blount County, Tennessee, the following resolution was adopted by the affirmative vote of a majority of the Directors of Blount Memorial Hospital, Incorporated, to-wit:

"RESOLUTION

BE IT RESOLVED by the Board of Directors of Blount Memorial Hospital, Incorporated, in regular session assembled on this the 24th day of March, 1992, that the Charter of Blount Memorial Hospital, Incorporated, be amended as follows:

By striking that portion of the first paragraph of the Charter of Incorporation appearing after the words

'BLOUNT MEMORIAL HOSPITAL, INCORPORATED' and inserting in lieu thereof the following: 'the principal office of which shall be in Blount County, Tennessee, for the purpose of leasing, operating and/or maintaining a general non-profit hospital and associated and related programs and facilities.'

All provisions of the original charter of incorporation, as heretofore amended, not inconsistent herewith shall remain in full force and effect.

BE IT FURTHER RESOLVED that the President and Secretary of Blount Memorial Hospital, Incorporated, are hereby authorized and directed to apply for and obtain an amendment to the Charter of Incorporation of Blount Memorial Hospital, Incorporated, as hereinabove set out."

WHEREAS, the Charter of Blount Memorial Hospital, Incorporated, provides that the charter may be amended upon the affirmative vote of all of the governmental agencies selecting the permanent Board of Directors, which vote shall be evidenced by resolution duly adopted by all of such agencies; and

93 MAY 27 AM 10:18

SECRETARY OF STATE  
DARNELL  
permanent

WHEREAS, the governmental agencies electing the Board of Directors are the Legislative Body of Blount County, Tennessee, the City Council of the City of Maryville, and the City Commission of the City of Alcoa; and

WHEREAS, each governmental agency has adopted a similar resolution to that hereinabove, as evidenced by certified copies of the resolutions attached hereto of each of the governmental agencies.

NOW THEREFORE, for and in consideration of the premises and in accordance with the resolution of the Board of Directors and the concurring resolutions of all three of the governmental agencies electing the permanent Board of Directors, we, the undersigned, do hereby certify that we are the duly elected and constituted President and Secretary, respectively, of Blount Memorial Hospital, Incorporated, and we further certify that the resolution hereinabove set out was duly and regularly passed by a majority of the Board of Directors held on the 24th day of March, 1992, and we hereby apply to the State of Tennessee, pursuant to the general laws of the State, for an amendment to the Charter of Incorporation of Blount Memorial Hospital, Incorporated, for the purposes set out and expressed in said resolution hereinbefore set out.

IN WITNESS WHEREOF, we have hereunto set our hands and seals on the 25 day of May, 1993.

*Robert P. Redwine*

President, Blount Memorial Hospital, Incorporated

*Joseph M. Dawson*

Secretary, Blount Memorial Hospital, Incorporated



**Tre Hargett**  
Secretary of State

**Division of Business Services**  
**Department of State**  
State of Tennessee  
312 Rosa L. Parks AVE, 6th FL  
Nashville, TN 37243-1102

## Filing Information

Name: **BLOUNT MEMORIAL HOSPITAL, INCORPORATED**

### General Information

<b>SOS Control #</b>	<b>000068648</b>	Formation Locale: TENNESSEE
Filing Type:	Nonprofit Corporation - Domestic	Date Formed: 01/22/1946
	01/22/1946 4:30 PM	Fiscal Year Close 6
Status:	Active	
Duration Term:	Perpetual	
Public/Mutual Benefit:	Public	

### Registered Agent Address

JONATHAN SMITH  
907 E LAMAR ALEXANDER PKWY  
MARYVILLE, TN 37804-5016

### Principal Address

G. HAROLD NARAMORE, M.D.  
907 E LAMAR ALEXANDER PKWY  
MARYVILLE, TN 37804-5016

The following document(s) was/were filed in this office on the date(s) indicated below:

<u>Date Filed</u>	<u>Filing Description</u>	<u>Image #</u>
12/20/2023	Administrative Amendment	B1481-3446
12/14/2023	Registered Agent Change (by Entity)	B1480-1739
	Registered Agent First Name Changed From: G. To: JONATHAN	
	Registered Agent Last Name Changed From: NARAMORE, M.D. To: SMITH	
	Registered Agent Middle Name Changed From: HAROLD To: No Value	
08/04/2023	2023 Annual Report	B1432-3257
07/07/2022	2022 Annual Report	B1244-6155
	Principal Address 3 Changed From: DON HEINEMANN To: G. HAROLD NARAMORE, M.D.	
	Registered Agent First Name Changed From: DON To: G.	
	Registered Agent Middle Name Changed From: No Value To: HAROLD	
	Registered Agent Last Name Changed From: HEINEMANN To: NARAMORE, M.D.	
12/07/2021	2021 Annual Report	B1133-4829
12/02/2021	Notice of Determination	B1083-8068
07/08/2020	2020 Annual Report	B0888-5646
06/12/2019	2019 Annual Report	B0721-7487
06/27/2018	2018 Annual Report	B0566-6199
07/27/2017	2017 Annual Report	B0422-9756

## Filing Information

Name: **BLOUNT MEMORIAL HOSPITAL, INCORPORATED**

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07/28/2016	2016 Annual Report	B0277-6333
06/04/2015	2015 Annual Report	B0112-0092
06/11/2014	2014 Annual Report	A0250-2270
Public Benefit Changed From: Mutual To: Public		
06/27/2013	2013 Annual Report	A0190-2920
Public Benefit Changed From: Public To: Mutual		
06/15/2012	2012 Annual Report	A0133-1590
Principal Address 3 Changed From: No value To: DON HEINEMANN		
08/18/2011	2011 Annual Report	A0093-1496
Registered Agent Last Name Changed From: Heiniemann To: Heinemann		
08/30/2010	2010 Annual Report	A0046-0518
Registered Agent First Name Changed From: JOSEPH To: Don		
Registered Agent Middle Name Changed From: M To: No Value		
Registered Agent Last Name Changed From: DAWSON To: Heiniemann		
07/13/2009	2009 Annual Report	6567-2700
08/26/2008	2008 Annual Report	6369-2095
07/12/2007	2007 Annual Report	6091-1700
06/21/2006	2006 Annual Report	5813-0510
07/19/2005	2005 Annual Report	5511-0111
10/01/2004	2004 Annual Report	5247-0206
09/23/2003	2003 Annual Report	4917-1095
09/25/2002	2002 Annual Report	4610-0563
08/21/2001	2001 Annual Report	4279-0467
Principal Address Changed		
Mail Address Changed		
09/27/2000	2000 Annual Report	4015-0544
08/14/1998	CMS Annual Report Update	3542-0684
Registered Agent Physical Address Changed		
12/20/1996	Notice of Determination	ROLL 3259
09/30/1994	CMS Annual Report Update	2897-2440
Principal Address Changed		
Registered Agent Physical Address Changed		
Mail Address Changed		
05/27/1993	Articles of Amendment	2697-1768
04/22/1993	Administrative Amendment	2683-3360

Fiscal Year Close Changed

3/19/2024 4:04:16 PM

## Filing Information

Name: **BLOUNT MEMORIAL HOSPITAL, INCORPORATED**

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05/07/1987	Administrative Amendment	685 02143
	Mail Address Changed	
02/18/1987	Articles of Amendment	668 02529
	Principal Address Changed	
02/20/1986	Registered Agent Change (by Entity)	595 00607
	Registered Agent Physical Address Changed	
	Registered Agent Changed	
	Mail Address Changed	
10/24/1984	Articles of Amendment	499 03424
12/29/1981	Registered Agent Change (by Entity)	259 00201
	Registered Agent Physical Address Changed	
	Registered Agent Changed	
01/22/1946	Initial Filing	M-A3P0358

**Active Assumed Names (if any)**

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**Date**

**Expires**



Tre Hargett  
Secretary of State

Division of Business Services  
Department of State  
State of Tennessee  
312 Rosa L. Parks AVE, 6th FL  
Nashville, TN 37243-1102

BRADLEY ARANT BOULT CUMMINGS LLP  
MICHAEL BRENT  
SUITE 2400  
1221 BROADWAY  
NASHVILLE, TN 37203

March 25, 2024

Request Type: Certificate of Existence/Authorization  
Request #: 0574944

Issuance Date: 03/25/2024  
Copies Requested: 1

Document Receipt

Receipt #: 008820310

Filing Fee: \$20.00

Payment-Credit Card - State Payment Center - CC #: 3870318122

\$20.00

Regarding: BLOUNT MEMORIAL HOSPITAL, INCORPORATED

Filing Type: Nonprofit Corporation - Domestic

Control #: 68648

Formation/Qualification Date: 01/22/1946

Date Formed: 01/22/1946

Status: Active

Formation Locale: TENNESSEE

Duration Term: Perpetual

Inactive Date:

Business County: BLOUNT COUNTY

CERTIFICATE OF EXISTENCE

I, Tre Hargett, Secretary of State of the State of Tennessee, do hereby certify that effective as of the issuance date noted above

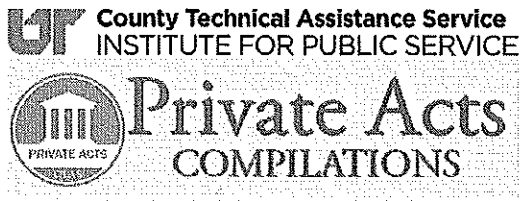
BLOUNT MEMORIAL HOSPITAL, INCORPORATED

- \* is a Corporation duly incorporated under the law of this State with a date of incorporation and duration as given above;
- \* has paid all fees, interest, taxes and penalties owed to this State (as reflected in the records of the Secretary of State and the Department of Revenue) which affect the existence/authorization of the business;
- \* has filed the most recent annual report required with this office;
- \* has appointed a registered agent and registered office in this State;
- \* has not filed Articles of Dissolution or Articles of Termination. A decree of judicial dissolution has not been filed.

Tre Hargett  
Secretary of State

Processed By: Cert Web User

Verification #: 066480025



February 08, 2018

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## Private Acts of 1945 Chapter 187



## Table of Contents

Private Acts of 1945 Chapter 187.....	3
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## Private Acts of 1945 Chapter 187

**SECTION 1.** That Blount County, Tennessee is hereby authorized and empowered to build, purchase, own and/or operate and maintain a non-profit general hospital in said County, acting by and through its Quarterly County Court, with authority to either accept the legal title to such hospital to be operated by some non-profit corporation, organized for such purpose, or to own such hospital and turn over the maintenance and operation thereof to such non-profit corporation, or to own, maintain and operate such hospital under the supervision of said Quarterly County Court.

**SEC. 2.** That the County of Blount, acting by and through its Quarterly County Court, be, and it is hereby authorized and empowered, without the necessity of a referendum election therefor, to borrow money, not exceeding Two Hundred Thousand (\$200,000.00) Dollars, and to issue and sell bonds therefor, or to execute and deliver any other evidences of said indebtedness that may be necessary or required for the purpose of obtaining any monies or funds available from the Federal Government, or from or through any of its agencies, bureaus of departments, by virtue of any Act of Congress theretofore or hereafter enacted, or for the purpose of matching or supplementing any monies or funds available or provided by the Federal Government, or from or through any of its agencies, bureaus or departments; said funds to be used and applied in acquiring land for non-profit hospital purposes and/or erecting a hospital building or buildings thereon.

**SEC. 3.** That said bonds shall bear interest at a rate not exceeding four (4) per cent per annum, and shall mature in not more than fifty (50) years from their date or dates of issue, and the interest thereon shall be payable semiannually in lawful money of the United States of America. Said bonds may be either serial or term bonds, as the Quarterly County Court of said County may elect, and if serial bonds they shall begin to mature not later than five (5) years after their date or dates of issuance. Subject to the restrictions contained in this Act the Quarterly County Court of said County may fix the rate of interest on said bonds, their maturity and form, and the method of issuing and selling the same, but said bonds shall be sold for not less than par and accrued interest. Said bonds shall be in such denominations and such forms as shall be directed by the proper resolution or resolutions of the Quarterly County Court of said County, and shall be sold in such manner as may be directed by said Quarterly County Court, subject to the provisions of this Act; provided, however, that said Quarterly County Court may sell such bonds at such time or times and in such lot or lots as it shall determine, and shall not be required to sell all the bonds at any one time or to any one bidder.

**SEC. 4.** That said bonds or other evidences of indebtedness that may be determined by said Quarterly County Court shall be the general obligation of the County of Blount, and the full faith and credit of said County shall be pledged to the payment of said bonds or other evidences of indebtedness and interest as may be determined and provided by said Quarterly County Court, and to the levy and collection of such taxes for that purpose. It shall be the duty of the Quarterly County Court of said County annually to levy a tax on the taxable property of said County for the purpose of paying interest on said bonds or other evidences of indebtedness, and also for the purpose of creating a sinking fund for the redemption of said bonds or other evidences of indebtedness.

**SEC. 5.** That any bonds issued under the provisions of this Act shall be exempt from all State, County and Municipal Taxes, and it shall be so stated on the face of said bonds.

**SEC. 6.** That the funds borrowed or the proceeds from the sale of any of said bonds or other evidences of indebtedness, as herein provided shall be turned over to the County Trustee and he shall keep the same separate and apart from any monies in his hands, and he shall pay the same out on warrants drawn by the County Judge of said County.

**SEC. 7.** That said funds or any part thereof shall be appropriated and disbursed by and under the supervision of the County Judge of said County, and shall be used for the purpose hereinbefore explained in this Act.

**SEC. 8.** That if any section or part of this Act for any reason be held unconstitutional or invalid, the same shall not effect the constitutionality or validity of the remaining parts or sections thereof, but the same shall remain in full force and effect as if the unconstitutional or invalid part had been omitted.

**SEC. 9.** That all laws and parts of laws in conflict with this Act be, and the same are, hereby repealed.

**SEC. 10.** That this Act take effect from and after its passage, the public welfare requiring it.

Passed: February 9, 1945.

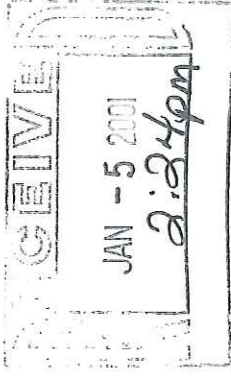
**Source URL:** <http://privateacts.ctas.tennessee.edu/content/private-acts-1945-chapter-187>

**ATTACHMENT 9A:**

**Original Deed**

*See attached.*

Lot 1



THIS INSTRUMENT PREPARED BY:  
GARNER & DUGGAN, ATTORNEYS  
P. O. Box 5059  
Maryville, TN 37802-5059  
By: J. Michael Garner

Name of Property Owner:  
Blount Memorial Hospital, Inc.  
907 E. Lamar Alexander Pkwy.  
Maryville, TN 37804  
Name and Address of Person or  
Entity Responsible for Real  
Property Taxes:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

208

Tax ID 058-E (058C) A 002.00000

WARRANTY DEED

THIS INDENTURE, Made this 2nd day of January, 2001, by and between GEORGE W. PROVINCE and wife, BARBARA A. PROVINCE, of Blount County, Tennessee, hereinafter designated Grantor, and BLOUNT MEMORIAL HOSPITAL, INCORPORATED, a corporation created and existing by virtue of the laws of the State of Tennessee and doing business at Maryville, Blount County, Tennessee, herein- after designated Grantee;

WITNESSETH:

That the said Grantor for and in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration to him in hand paid by the said Grantee, he has granted, bargained, sold and conveyed and does hereby grant, bargain, sell and convey unto the said Grantee, the following described premises; to-wit:

SITUATED in District No. 9 of Blount County, Tennessee, and being in two tracts more particularly described as follows:

TRACT ONE: BEGINNING at an iron pin in the Southeastern line of State Highway No. 73, corner to Lee Wilkinson; thence from said beginning iron pin, S. 03-15 E. 158.4 feet to an iron pin; thence S. 79-14 W. 610 103.2 feet to an iron pin marking the common corner of Lee Wilkinson and Wilkinson Feed and Egg Service, Inc.; thence N. 27-30 E. 200 feet to the point of beginning.

INST: 0018529801  
RECEIVED: 01/05/2001 2:24 PM  
BRYERLY D. WOODRUFF  
REGISTER OF DEEDS BLOUNT CO. TN

TRACT TWO: BEGINNING at an iron pin in the Southeastern line of State Highway No. 73, corner to the property of Mary Evelyn Brown Smith; thence from said beginning point S. 27-30 W. 200 feet to an iron pin; thence N. 02-30 E. 172.8 feet to an iron pin in the Southeastern line of State Highway No. 73; thence with the Southeastern line of State Highway No. 73 N. 86-45 E. 85 feet to the point of beginning and containing 0.168 acre.


BEING THE same property conveyed to George W. Province and wife, Barbara A. Province, by deed from Lee Wilkinson and wife, Rose Ann Wilkinson, dated September 21, 1978, and of record in the Register's Office for Blount County, Tennessee, in Warranty Deed Book 417, page 319.

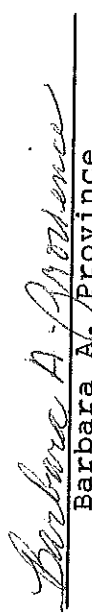
With the hereditaments and appurtenances thereto appertaining, hereby releasing all claim to homestead and dower therein; to have and to hold the said premises to the said Grantee, his heirs, administrators and assigns, forever.

And the said Grantor, his heirs, administrators and assigns, does hereby covenant with the said Grantee, his heirs, administrators and assigns, that he is lawfully seized in fee-simple of the premises above conveyed and has full power, authority and right to convey the same; that said premises are free from all encumbrances, EXCEPT those hereinabove set forth, and that he will forever warrant and defend the said premises and the title thereto against the lawful claims of all persons whomsoever.

WHEREVER used, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

IN WITNESS WHEREOF, the Grantor has set his hand and seal on the day and date first above written.

  
George W. Province

  
Barbara A. Province

209

STATE OF TENNESSEE )

) SS.

COUNTY OF BLOUNT )

210

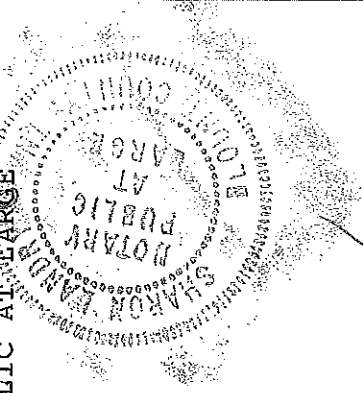
Personally appeared before me, the undersigned, a Notary Public in and for the said County, the within named bargainors, GEORGE W. PROVINCE and wife, BARBARA A. PROVINCE, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged that they executed the within instrument for the purposes therein contained.

Witness my hand and official seal at office this 5 day of January, 2001.

My commission expires:

07/30/02

Sharon D. Woodbury  
NOTARY PUBLIC AT LARGE



STATE OF TENNESSEE  
COUNTY OF Blount

I hereby swear or affirm that the actual consideration or value of this transfer, whichever is greater, is \$ 270,000.00

Subscribed and sworn to before me this 5 day of January, 2001.  
Sharon D. Woodbury  
Notary

Commission Expires 07/30/02

I, or we hereby swear to affirm the actual consideration for this transfer or value of the property transferred. Whichever is greater is \$ 270,000 which amount is equal to or greater than the amount which property transferred would command at a fair voluntary sale.

Amount Tax Paid \$ 0  
Subscribed and sworn to before me this the 5 day of JAN, 2001

Barbara A. Woodbury  
Affiant

**ATTACHMENT 10A:**

**Floor Plan**

*See attached.*





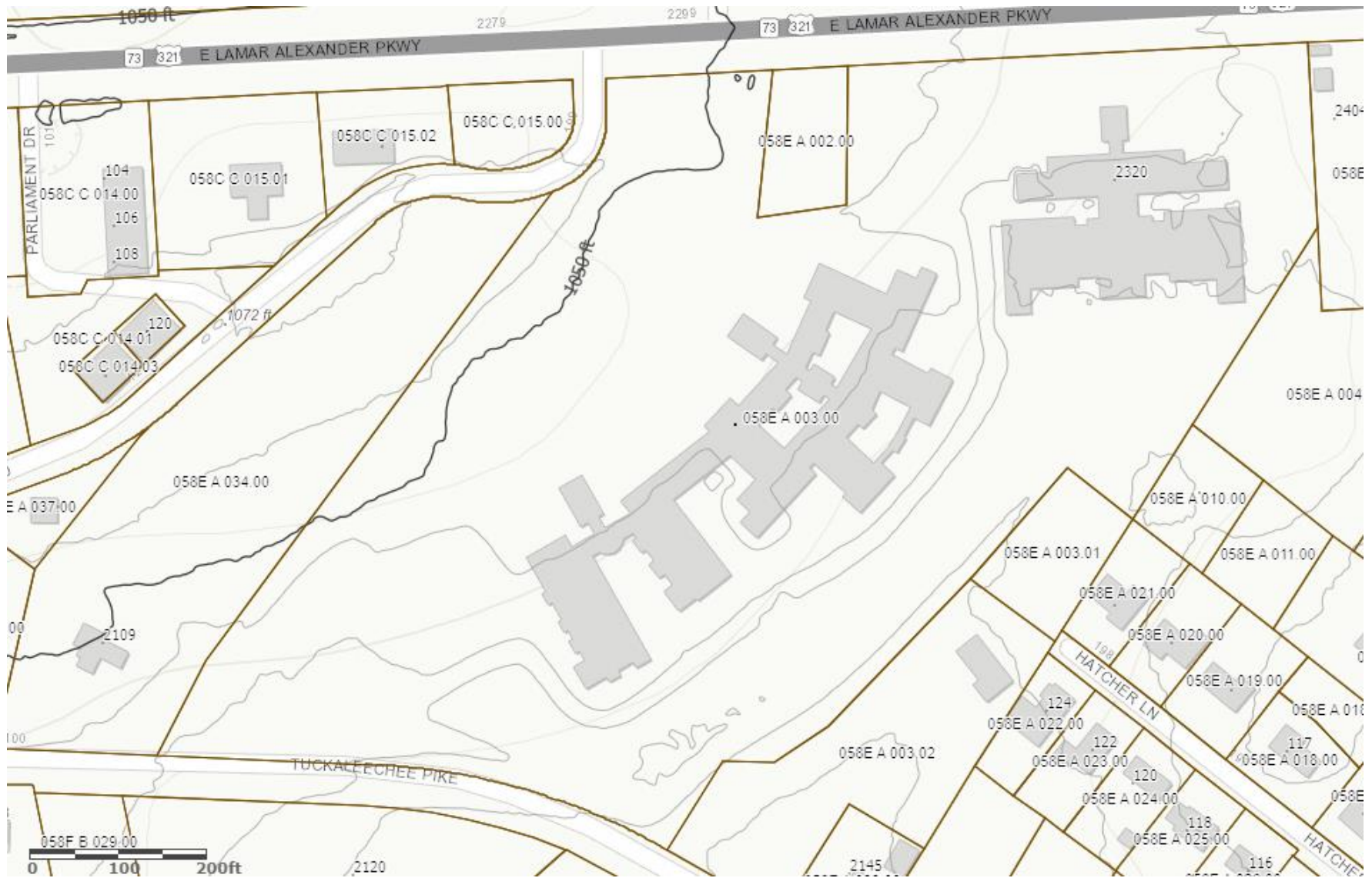




**ATTACHMENT 12A:**

**Plot Plan**

*See attached.*



**2320 East Lamar Alexander Parkway, Maryville, Tennessee**

# Parcel Details

BLOUNT COUNTY, TN | TAX YEAR 2024

## Property Owner and Mailing Address

**January 1 Owner**  
BLOUNT MEMORIAL HOSPITAL INC  
907 E LAMAR ALEX PKWY  
MARYVILLE TN 37801

## Value Information

<b>Land Market Value:</b>	\$1,103,100
<b>Improvement Value:</b>	\$24,411,400
<b>Total Market Appraisal:</b>	\$25,514,500
<b>Assessment Percentage:</b>	0%
<b>Assessment:</b>	\$0

## County Information

**County Number:** 005

**Reappraisal Year:** 2023

## Property Location

**Address:** E LAMAR ALEX PKWY 2304

<b>Control Map:</b>	<b>Group:</b>	<b>Parcel:</b>	<b>Property Identifier:</b>	<b>Special Interest:</b>
058E	A	003.00		000

## Additional Information

MORNINGVIEW

**2320 East Lamar Alexander Parkway, Maryville, Tennessee**  
**Map and Parcel 058E A 003.00**

**ATTACHMENT 1E:**

**Executive Summary**

*See attached.*

Blount Memorial Hospital, Incorporated (a Tennessee not-for-profit corporation) (“BMH”) was created pursuant to the Tennessee Private Acts of 1945, Chapter 187, as amended, originally for the management and operation of Blount Memorial Hospital, and subsequently also for the management and operation of two separate long term care facilities, Blount Memorial Transitional Care Center, a skilled nursing facility licensed for 76 beds (“TCC”) and Morningview Village (A/K/A Morningview Village Senior Community), Maryville, Tennessee, an assisted care living facility licensed for 85 beds, plus an unlicensed independent senior living facility (“MVV”), all located on East Lamar Alexander Parkway, Maryville, Tennessee.

Ocoee Foundation, Inc., a Tennessee not-for-profit corporation and two of its affiliates (“Ocoee”), and BMH have executed an Asset Purchase Agreement (“APA”) for the acquisition of TCC and MVV, and the terms of the APA call for BHM, with assistance from Ocoee, to seeking to file a certificate of need application seeking to add the 14 additional skilled nursing beds at TCC which are the subject of this application (the “Ocoee Transaction”).

Ocoee is a longtime long term care provider in Tennessee, currently operating 9 nursing homes and one assisted living facility in Tennessee, with all of its nursing homes being dually certified for both Medicare and Medicaid. Given the desires Ocoee has to benefit consumers in the service area, BMH and Ocoee determined that it would be beneficial for BMH to seek the 14 additional beds at this time, so that when the Ocoee Transaction is concluded (currently anticipated to occur on approximately June 30, 2024), the CON for the 14 additional beds will have been approved for BMH, and Ocoee can then promptly make the necessary physical improvements needed, and seek TennCare/Medicaid certification for all 90 beds.



**ATTACHMENT 2N:**

**Map of the Proposed Service Area**

*See attached.*



**ATTACHMENT 5N:**

**Utilization Data for Blount County Nursing Homes**

*See attached.*

**Item 5N - Service Area Historical Utilization**

Historical Utilization Service Area Nursing Homes (Most Recent Year)						Skilled Care, Level II & Level I Totals						
Year	Facility ID	License Number	State ID	Facility Name	County	Licensed Beds	Admissions	Discharges (including deaths)	Deaths	Discharge Resident Days (including deaths)	Average Length of Stay	Licensed Occupancy Rate
2022	531	365	050922	Blount Memorial Transitional Care Center	Blount	76	1042	1002	16	22056	22.01	85.10
2022	528	10	050422	Asbury Place at Maryville	Blount	181	105	127	45	5997	47.22	48.80
2022	529	13	050522	Foothills Transitional Care and Rehabilitation	Blount	185	474	476	71	44061	92.57	56.60
2022	530	12	050822	Fairpark Health and Rehabilitation	Blount	75	140	108	23	68701	636.12	93.20
2022	532	383	051022	Shannondale of Maryville Health Care Center	Blount	44	13	84	23	8343	99.32	56.90
2022	533	408	051122	Life Care Center of Blount County	Blount	120	1554	1641	45	33831	20.62	78.90
<b>TOTAL</b>						<b>681</b>						

Source: Joint Annual Report for Nursing Homes - Schedule FP-1

**ATTACHMENT 6N:**

**Applicant Historical & Projected Utilization**

*See attached.*

**Item 6N - Applicant Historical Utilization (Last 3 Years)**

Historical Utilization Applicant Affiliated Nursing Homes (Three Most Recent Years Reported)						Skilled Care, Level II & Level I Totals						
Year	Facility ID	License Number	State ID	Facility Name	County	Admissions	Licensed Beds	Discharges (including deaths)	Deaths	Discharge Resident Days (including deaths)	Average Length of Stay	Licensed Occupancy Rate
2022	531	365	050922	Blount Memorial Transitional Care Center	Blount	1042	76	1002	16	22056	22.01	85.1
2021	531	365	050922	Blount Memorial Transitional Care Center	Blount	1122	76	1108	36	29100	26.26	76.9
2020	531	365	050922	Blount Memorial Transitional Care Center	Blount	932	76	927	36	18176	19.61	67.4

Source: Joint Annual Report for Nursing Homes - Schedule FP1

**ATTACHMENT 1C:**

**Transfer Agreement**

*See attached.*

## TRANSFER AGREEMENT

In consideration of the needs of the residents of the area served by both the institutions herein named, this Agreement is entered into as of this the 14 day of April, 2012 ("Effective Date") by and between, Blount Memorial Transitional Care ("Facility") and University Health System, Inc., d/b/a University of Tennessee Memorial Hospital ("UTMH"), each of which herein may be individually referred to as "Party" or collectively as "Parties."

**WHEREAS**, the Parties are health care facilities serving the health care needs of the residents of their respective service areas; and

**WHEREAS**, a Party ("Transferring Facility") may, from time to time, require the services of the other Party ("Receiving Facility") to assist with the provision of health care services to the patients served by Transferring Facility;

**NOW, THEREFORE**, in consideration of the promises herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

- 1.0** Under this Agreement, the Receiving Facility will provide treatment and hospitalization for patients of the Transferring Facility when said patients require acute inpatient services, on the conditions set forth in this Agreement. Neither Transferring Facility nor Receiving Facility shall make any decision regarding the transfer or reception of a patient in a discriminatory, arbitrary or capricious manner or in the case of an emergency on the basis of a patient's insurance status or other ability to make payment. However, this shall in no way require either Party to accept nonemergent patients for transfer when the Receiving Facility is not in patient's managed care organization's ("MCO") provider network ("Network") or for whom the Receiving Facility cannot work out other arrangements with MCO, provided however that there is a facility which is in Network that is willing to accept patient.
- 2.0** This Agreement shall be governed by, and services performed hereunder shall be provided in a manner consistent with, Tennessee and applicable Federal laws and/or regulations, without regard to principles of conflicts of law. This includes, but is not limited to, the provisions of the Emergency Medical Treatment and Active Labor Act ("EMTALA"), 42 USCA §1395dd; Tennessee law regarding patient transfer, TCA 68-11-701-705; EMTALA regulations, 42 CFR 489.24; and Tennessee regulation governing patient transfers, Tenn. Reg. §1200-8-1-.05. This provision shall survive the termination of this Agreement.
- 3.0** The Transferring Facility assumes responsibility for assuring that the patient is transferred using the appropriate method of transportation and is accompanied by the appropriate personnel and equipment during the transfer. The Transferring Facility assumes responsibility for arrangements for and cost of such transportation, personnel and equipment.
- 4.0** The Transferring Facility shall assure that the relevant portions of patient's medical record and other relevant information needed to continue the care of the patient are sent with the patient on transport.
- 5.0** The Receiving Facility agrees to accept the patient for prompt evaluation and, within its capabilities and resources, provide care as indicated after acceptance of patient by a physician at Receiving Facility, contingent upon available space, personnel and resources. The Transferring Facility shall bear no responsibility for the care and treatment provided to any patient after arrival at the Receiving Facility. The Receiving Facility shall bear no responsibility for the care and treatment provided to any patient prior to the arrival at the Receiving Facility.
- 6.0** It is agreed that services rendered by the Receiving Facility or the Transferring Facility shall be charged to the patient and that neither shall be held responsible for payment of services rendered to the patient by the other. The Parties shall cooperate in the provision of the information for each Party to bill for the services provided by them. Each Party will use its best efforts to abide by all policies, regulations and contractual obligations with regard to billing patients and/or third party payors for services it performs.



- 7.0** Subject to all the transfer policies outlined in this Agreement, Transferring Facility agrees to accept the return transfer of patient when:
- 7.1** Reasonably requested by Receiving Facility;
  - 7.2** Patient is stable for transport;
  - 7.3** Transfer is acceptable to the patient or, when necessary, acceptable to the patient's legal designee;
  - 7.4** A physician at Transferring Facility is willing to assume responsibility for the care and treatment of patient; and
  - 7.5** Transferring Facility has sufficient capabilities and resources to continue patient's course of treatment.
- 8.0** The Parties agree to promptly notify each other in writing of any incident, occurrence, or claim arising out of or in connection with the transfer or medical treatment of a patient transferred under the Agreement and to cooperate with each other in any investigation of said incident, occurrence, or claim.
- 9.0** Nothing contained in this Agreement shall be construed or deemed to create a relationship of employer and employee, principal and agent, insured and insurer, partnership, joint venture, or any other relationship other than that of independent parties, contracting with each other solely to carry out the purposes recited in the Agreement.
- 10.0** Both Parties agree to maintain adequate liability coverage to cover themselves, their employees, contractors and agents from any and all liability arising out of or related to the services provided pursuant to this Agreement including, but not limited to, general and professional liability coverage. However, this provision shall not be construed so as to prohibit the Parties from fulfilling this obligation with various programs of insurance, self-insurance and/or self insured retention. This shall survive the expiration or termination of this Agreement for any reason.
- 11.0** Either party may terminate this Agreement upon thirty (30) days written notice to the other party. This Agreement shall automatically terminate should either party fail to maintain licensure or certification as provided by law or regulation.
- 12.0** Both Parties acknowledge that they may have access to confidential protected health information ("PHI") including, but not limited to, patient identifying information. The Parties agree that they (a) will not use or further disclose PHI other than as permitted or required by this Agreement or as permitted or required by law; (b) will protect and safeguard from any oral and written disclosure all confidential information regardless of the type of media on which it is stored (e.g., paper, fiche, etc.) with which it may come into contact; (c) will use appropriate safeguards to prevent use or disclosure of PHI other than as permitted by this Agreement or required by law; (d) will ensure that any subcontractors and agents to which they may provide PHI pursuant to the terms of this Agreement shall agree to all of the same restrictions and conditions to which the Parties are bound; (e) will report to the other Party any unauthorized use or disclosure immediately upon becoming aware of it; (f) will make available PHI in accordance with 45 CFR § 164.524; (g) will make available PHI for amendment and incorporate any amendments to PHI in accordance with 45 CFR § 164.526; (h) will make available the information required to provide an accounting of disclosures in accordance with 45 CFR § 528; (i) will make its internal practices, books and records relating to the use and disclosure of PHI received from, or created or received by one Party on behalf of, the other available to the Secretary of Health and Human Services, governmental officers and agencies and the other Party for purposes of determining compliance with 45 CFR §§ 164.500-534; (j) upon termination of this Agreement, for whatever reason, will return or destroy all PHI, if feasible, received from, or created or received by it on behalf of, the other Party which the other Party maintains in any form, and retain no copies of such information, or if such return or destruction is not feasible, extend the precautions of this Agreement to the information and limit further uses and disclosures to those purposes that make the return or destruction of the information infeasible; and (k) will comply with all applicable laws and regulations, specifically including the private and security standards of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), as amended from time to time. The

Parties agree that any violation of HIPAA with respect to any patient's PHI may result in the termination of this Agreement and/or legal action.

- 13.0 This Agreement is intended solely for the benefit of UTMH and Facility. All other parties, named or unnamed in this Agreement, shall have no rights or remedies under this Agreement.
- 14.0 If any provision of this Agreement is held to be illegal or invalid for any reason, such illegality or invalidity shall not affect the remaining portions of this Agreement unless such illegality or invalidity prevents accomplishment of the goals, objectives, or purposes of the Agreement.
- 15.0 Any waiver of past breach, default, deficient performance or otherwise, even on multiple occasions, shall not be considered as a waiver of any rights or remedies at law or equity in any future circumstance regardless of similarity to past instances.
- 16.0 Until the expiration of four (4) years after the furnishing of services pursuant to this Agreement or any greater length of time as may be required by applicable federal statute or regulation, the Parties shall make available upon written request from the other Party or the Secretary of the United States Department of Health and Human Services, or upon request of the Comptroller General of the United States or any of their duly authorized representatives, this Agreement and books, documents, and records of that are necessary to certify the nature and extent of costs and services provided under this Agreement.
- 17.0 The Parties enter into this Agreement with the intent of conducting their relationship in full compliance with applicable state, local and federal law, including the Medicare/Medicaid anti-kickback/Fraud and Abuse provisions. Notwithstanding any unanticipated effect of any provisions herein, neither Party will intentionally conduct itself under the terms of this Agreement in a manner to constitute a violation of said statutes.
- 18.0 Any requirements imposed under applicable law or regulation as in effect from time to time, shall, where inconsistent with any provision of this Agreement, be controlling and shall govern rights of the Parties hereto. Any such provisions under applicable law or regulation which will supersede or invalidate any provisions hereof shall not affect the validity of this Agreement and the remaining provisions hereof, unless such a change would prevent the accomplishment of the objectives and purposes of this Agreement as set forth herein.
- 19.0 No revision in or amendment to this Agreement shall be valid unless such revision or amendment is in writing and executed by all Parties hereto.

IN WITNESS WHEREOF, the Parties have entered into this Agreement to be effective as of Effective Date.

FACILITY:

Blount Memorial Transitional Care Center

BY:

[Signature]

TITLE:

Administrator

DATE:

4/25/11

UTMH:

University Health System, Inc.  
d/b/a University of Tennessee Memorial Hospital

BY:

[Signature]  
Gary Thomas

TITLE: Vice President, Compliance and Administration

DATE:

4-14-11



**State of Tennessee  
Health Facilities Commission**

**Andrew Jackson Building, 9<sup>th</sup> Floor**

**www.tn.gov/hsda** Phone: 615-741-2364/Fax: 615-741-9884

April 5, 2024

Michael Brent, Attorney  
Bradley Arant Boult Cummings  
1221 Broadway, Suite 2400  
Nashville, TN 37203

RE: Certificate of Need Application CN2403-008  
Transitional Care Center

Dear Mr. Brent:

This will acknowledge our April 1, 2024 receipt of your application for a Certificate of Need for the addition of fourteen (14) skilled care beds dually certified by Medicare and Medicaid to the existing Transitional Care Center of seventy-six (76) Medicare certified skilled care beds for a total of ninety (90) nursing home beds.

Several items were found which need clarification or additional discussion. Please review the list of questions below and address them as indicated. The questions have been keyed to the application form for your convenience. I should emphasize that an application cannot be deemed complete and the review cycle begun until all questions have been answered and furnished to this office.

Please submit responses electronically by 4:30 p.m., Thursday April 11th. If the supplemental information requested in this letter is not submitted by or before this time, then consideration of this application may be delayed into a later review cycle.

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**1. General**

Please attach a completed bed complement form to the application. The form can be accessed at [STATE OF TENNESSEE \(tn.gov\)](http://STATE OF TENNESSEE (tn.gov)).

**RESPONSE:** Bed Complement Form is included herein as Attachment 4A-Supplemental #1.

## 2. Item 7A., Type of Ownership of Control

Please attach the referenced ownership structure organizational charts for the facility pre- and post- transaction, showing members with 5% or more direct or indirect ownership interest.

**RESPONSE:** Ownership Structure Organizational Charts Pre- and Post-Transaction will be provided as a separate attachment via email.

## 3. Item 13A., Notification Requirements

Please attach the notifications required under TCA §68-11-1607(c)(9)(B).

**RESPONSE:** Notification to County Chief Executive Officer is included herein as Attachment 13A- Supplemental #1.

## 4. Item 1E., Overview

Please make reference to Attachment 1E in the Executive Summary.

**RESPONSE:** Revised Executive Summary will be provided as a separate attachment via email. As the Asset Purchase Agreement is referenced in the summary, it is included herein as Attachment 1E- Supplemental #1.

Please clarify the following in the Executive Summary:

- What is the current mix of private vs. semi-private beds at the SNF?

**RESPONSE:** The current mix is 44 private and 32 semi-private beds.

- What will the mix of private vs. semi-private rooms be for the 14 new beds?

**RESPONSE:** After adding 14 beds the mix will be 30 private rooms/beds and 60 semi-private bed (in 30 semi-private rooms).

- Will the 14 new beds be the only beds to be TennCare certified, or will all beds become TennCare certified?

**RESPONSE:** After the closing of the Ocoee Transaction the Ocoee proposed licensee subsidiary will promptly seek TennCare certification for all 90 beds (76 existing and 14 new).

- Where are patients being referred from currently?

**RESPONSE:** According to the most recently filed JAR for the facility, there were 1,042 admissions that year. Of those 875 were admitted from Blount Memorial Hospital, 125 were admitted from UT Medical Center, 11 were admitted from Park West Hospital and 6 were admitted from other hospitals. Additionally, 8 were admitted from an the MorningView Village assisted living facility adjacent to the Applicant’s facility, and the other 17 were admitted from other nursing homes, other assisted living facilities or from home.

- How is the patient base projected to change with the change in room types as well as the addition of TennCare certification?

**RESPONSE:** The patient base is not projected to materially change with the addition of 14 beds and/or the change in the mix of private vs. semi-private rooms; however, the length-of-stay of some patients will increase for some admissions who are dually certified for both Medicare and Medicaid, as some of those patients will be able to extend their stay (due to Medicaid coverage) after their Medicare benefits are exhausted.

Which other SNFs are operated by the Ocoee Foundation, Inc.?

**RESPONSE:** Please see below chart.

Facility	Street address	City, State Zip
Elk River Health & Nursing Center of Ardmore	24623 Union Hill Rd	Ardmore, TN 38449
Elk River Health & Nursing Center of Fayetteville	4081 Thornton Taylor Pkwy	Fayetteville, TN 37334
Elk River Health & Nursing Center of Winchester	32 Memorial Dr	Winchester, TN 37398
Ocoee Copper Basin Health and Rehabilitation Center	166 Industrial Park Dr	Ducktown, TN 37326
Ocoee Hermitage Health Center	1633 Hillview Dr	Elizabethton, TN 37643
Ocoee Hillview Health Center	1666 Hillview Dr	Elizabethton, TN 37643
Ocoee Sevierville Health &	415 Catlett Rd	Sevierville, TN 37862

<b>Rehabilitation</b>		
<b>Ocoee Woodbury Health &amp; Rehabilitation</b>	<b>119 West High St</b>	<b>Woodbury, TN 37190</b>
<b>Ocoee Wood Presbyterian Home</b>	<b>520 Old Highway 68</b>	<b>Sweetwater, TN 37874</b>
<b>Colonial Health &amp; Rehabilitation of Colby</b>	<b>702 W. Dolf St</b>	<b>Colby, WI 54421</b>

**5. Item 2E., Rationale for Approval**

How was the need for the proposed bed expansion and TennCare certification identified?

**RESPONSE:** The applicant and Ocoee reviewed various data as to the discharge history of the facility, including patients dually certified for Medicare and Medicaid, and also reviewed the physical layout of the facility, including the number of rooms in the facility currently used as private rooms but which are sufficient in size and layout to be semi-private rooms and determined that 14 additional rooms would be a reasonable expansion to seek by this application, rather than adding 7 beds at this time pursuant to the "10 bed/10 percent" provision of the applicable statutes and regulations (and an additional 7 beds in 3 more years pursuant to such statutes and regulations.

Does the applicant currently maintain a Charity Care policy? If so, please include as an attachment.

**RESPONSE:** Both the Applicant and Ocoee, as nonprofit entities, abide by IRS guidelines as to charity care, but do not have formal charitable care policies as matters are dealt with on a case-by-case basis. It should also be noted that in the documents for the Ocoee Transaction "the Buyer [Ocoee] shall provide agreed "scholarship care" (at predetermined rates) and up to 365 patient days of "charity care" in the community, each such commitment to be subject to applicable federal and state regulations and safe harbor regulations."

The applicant's response to the quality standards section of the application on Page 7 appears to contain information that may need to be removed. Please revise and include any appropriate information regarding the applicant history of quality care, QAPI, etc.

**RESPONSE:** Revised Quality Standards language will be provided separately via email.

**6. Item 4E., Project Cost Chart**

Please discuss the build-out of the facility that will be necessary to support the conversion to semi-private rooms as the construction costs are very limited.

**RESPONSE:** There are no significant modifications required to the 14 rooms which will be converted from private, only minor modifications (including some additional lighting and electrical outlets, and communication devices), plus the addition of beds, tables, and other furnishings in those rooms.

Are any significant modifications required to support TennCare certification of the expanded facility?

**RESPONSE:** There are no significant modifications required or contemplated, just the minor modifications noted above.

7. Item 2N., Service Area

Please revise the Historical and Projected Utilization Charts to include county of patient origin data.

**RESPONSE:** Patient Origin Data is included herein as Attachment 2N-Supplemental #1. Additionally, please see revised Utilization Data below:

Complete the following utilization tables for each county in the service area, if applicable.

**HISTORICAL UTILIZATION**

Unit Type:

- Procedures
- Cases
- Patients
- Other

2022 Admissions of Skilled Care Level I and Level II Totals for Blount County Nursing Facilities

Total	3,328	100%
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**PROJECTED UTILIZATION**

Unit Type:

- Procedures
- Cases
- Patients
- Other

2025 Projected Admissions of Skilled Care Level I and Level II Totals for Blount County Nursing Facilities

Total	3,340	100%
-------	-------	------

**8. Item 3N., Demographic Information**

Please update the demographic table to include population data from 2024-2026 which is available through the Tennessee Department of Health.

**RESPONSE:** Please see revised Demographic Table below:

3N. A. Describe the demographics of the population to be served by the proposal.

**RESPONSE:**

Please see the table below.

Demographic Variable/Geographic Area	Department of Health/Health Statistics							Census Bureau				TennCare	
	Total Population-Current Year 2024	Total Population-Projected Year 2026	Total Population-% Change	*Target Population-65+ Current Year 2024	Target Population-Project Year 2026	Target Population-% Change	Target Population Projected Year as % of Total	Median Age**	Median Household Income	Person Below Poverty Level	Person Below Poverty Level as % of Total	TennCare Enrollees	TennCare Enrollees as % of Total
Blount County	140,216	142,679	1.8%	32,321	33,947	5.0%	23.8%	54.3% is 19-64	\$70,935	13,576	9.7%	23,405	16.7%
State of TN Total	7,125,908	7,231,338	1.5%	1,324,362	1,385,399	4.6%	19.2%	55.2% is 19-64	\$64,035	937,830	13.3%	1,574,879	22.1%

\* Target Population is population that project will primarily serve. For example, nursing home, home health agency, and hospice agency projects typically primarily serve the Age 65+ population. Projected Year is defined in select service-specific criteria and standards. If Projected Year is not defined, default should be four years from current year, e.g., if Current Year is 2022, then default Projected Year is 2026.

\*\* The Census Bureau website no longer provides the median age.

\*\*\* The Census Bureau website does not provide the number of persons below poverty level. The totals in this column are calculated by applying the poverty percentage, which is provided by the Census Bureau, to the 2022 population totals.



Please discuss the projected growth in the target population (65+) in response to this item.

**RESPONSE:** The target population is projected to increase from 2024 to 2026, in both Blount County and Tennessee, more than the population is projected to increase for each area during that time (3.2% more for Blount County and 3.1% more for Tennessee). Additionally, the target population, which is age 65+, is projected to increase more from 2024 to 2026 in Blount County than Tennessee as a whole (.4% more).

#### 9. Item 4N., Special Needs of the Service Area Population

What % of SNF patients in Blount County are utilizing TennCare certified beds currently?

**RESPONSE:** 58.8%

How many TennCare patients are projected to be served at the facility post-expansion?

**RESPONSE:** It is anticipated that a substantial number of TennCare patients will be served. These numbers have not been reported on the Joint Annual Report, and as such, it is difficult to make a projection. However, with about 84% of patients coming from Blount Memorial Hospital, the percentage of TennCare patients should be similar to that of the hospital, which was 18.11% in 2022.

#### 10. Item 5N., Service Area Historical Utilization

Please include utilization data for service area SNFs for 2020 and 2021 in addition to the 2022 data.

**RESPONSE:** Revised Utilization Data for Blount County Nursing Homes is included herein as Attachment 5N- Supplemental #1.

#### 11. Item 6N., Applicant's Historical and Projected Utilization

Please include projected utilization data for the first two years of the project in response to Item 6N.

**RESPONSE:** Projected utilization data will be provided separately via email.

Please complete the following table for projected Year One and Year Two of the proposed project.

**Transitional Care Center--Projected Utilization Year 1 and 2**

Year	Licensed Beds	Medicare-certified beds	SNF Medicare ADC	Level 2 Medicaid ADC	SNF Other Payors ADC	Non-Skilled ADC	Total ADC	Licensed Occupancy
<i>Proposed 14 bed Addition</i>								
2025	14							
2026	14							
<i>90 Bed Facility (76 existing beds + proposed 14 bed addition)</i>								
2025	90							
2026	90							

**RESPONSE:** Above table will be provided separately via email.

**12. Item 3C., Effects of Competition and/or Duplication**

What are the benefits/drawbacks to facility operations and patient experience with the addition of the semi-private beds proposed as well as the addition of TennCare certified beds?

**RESPONSE:** Ocoee recently built a replacement facility in Ardmore, Tennessee, pursuant to Certificate of Need No. CN1910-042, Elk River Health and Nursing Center of Ardmore, Inc. f/k/a Elk River Health & Rehabilitation of Ardmore LLC, which included a larger percentage of semi-private beds than were in the replaced facility, which has worked well for the patient mix in that facility. The addition of TennCare certification for all 90 beds will provide benefits in the service area for the TennCare population, especially those patients who are dually certified for both Medicare and Medicaid.

Are there any patient safety concerns of or policy changes that will be required to support the changes in bed types or to accommodate TennCare certification?

**RESPONSE:** No patient safety concerns or policy changes are required or anticipated.

What are the key differences between this facility and other area SNF facilities in terms of referral sources, levels of care, Medicare TennCare certified beds, etc.?

**RESPONSE:** Being part of the Blount Memorial Hospital campus, approximately 85% of admissions come from the hospital, which we expect will continue.

### 13. Item 4C., Availability of Human Resources

Please confirm whether the SNF facility is currently fully staffed?

**RESPONSE:** The SNF facility of the Applicant is currently fully staffed, as are the closest two facilities to this facility (in Sevierville, TN and Sweetwater, TN).

What types of additional direct care staff will be required to support the (14) bed expansion to the SNF? Where does the applicant intend to recruit them from?

**RESPONSE:** It is anticipated that no more than 3 additional CNAs will be added to the staff for the additional 14 beds, and no additional nurses or non-direct care staff will be required. Both the Applicant and Ocoee have Human Resources departments which have proven themselves capable of recruiting staff as needed, and no change in such outcomes is anticipated by the addition of 14 beds.

### 14. Item 5C., Licensure, Certification, Accreditation

Please explain the requirements of TennCare certification for this facility and why this level of certification is being pursued at this time. How will the conversion to semi-private beds impact this process, if at all?

**RESPONSE:** Ocoee is very familiar with the requirements for TennCare certification, and related contracting with the TennCare MCOs due to its operation of several other facilities in Tennessee. As noted elsewhere, TennCare certification will be beneficial for the TennCare population in the service area, especially those who are dually certified for both Medicare and Medicaid, as some of those patients will be able to extend their stay (due to Medicaid coverage) after their Medicare benefits are exhausted. Based on Ocoee's operation of other dually certified facilities in Tennessee the conversion of some rooms to semi-private beds is not anticipated to have a material impact.

### 15. Item 6C., Historical and Projected Data Charts

Please enter Gross Operating Revenue amounts in the Historical Data Chart.

**RESPONSE:** Please see revised Historical Data chart below:

**HISTORICAL DATA CHART**

- Total Facility  
 Project Only

Give information for the last *three (3)* years for which complete data are available for the facility or agency.

	Year 1 2022	Year 2 2021	Year 3 2020
<b>A. Utilization Data</b>			
Specify Unit of Measure <u>          Patient Days          </u>	23604	21342	18698
<b>B. Revenue from Services to Patients</b>			
1. Inpatient Services	\$30,380,082	\$27,541,552	\$19,613,138
2. Outpatient Services	\$0	\$0	\$0
3. Emergency Services	\$0	\$0	\$0
4. Other Operating Revenue (Specify) <u>          N/A          </u>	\$0	\$0	\$0
<b>Gross Operating Revenue</b>	<b>\$30,380,082</b>	<b>\$27,541,552</b>	<b>\$19,613,138</b>
<b>C. Deductions from Gross Operating Revenue</b>			
1. Contractual Adjustments	\$20,432,667	\$18,394,458	\$11,576,998
2. Provision for Charity Care	\$0	\$0	\$0
3. Provisions for Bad Debt	\$0	\$0	\$0
<b>Total Deductions</b>	<b>\$20,432,667</b>	<b>\$18,394,458</b>	<b>\$11,576,998</b>
<b>NET OPERATING REVENUE</b>	<b>\$9,947,415</b>	<b>\$9,147,094</b>	<b>\$8,036,141</b>

Please explain the absence of Charity Care and Bad Debt in the Historical and Projected Data Charts.

**RESPONSE:** The breakdown is currently unknown. Deduction amounts provided were pulled from the 2022 Joint Annual Report, which does not provide for such a breakdown.

Please confirm whether the Project Only - Projected Data Chart is for the 14 expanded beds only, or something else?

**RESPONSE:** The Project Only - Projected Data Chart is for the expanded beds only. For the facility as a whole, we built in an 18% increase in amounts from 2022 to 2025, then another 2% for a 20% total increase from 2022 to 2026. For the project amounts, we used the differences between the facility numbers from 2022 to 2025, and from 2022 to 2026.

**16. Item 8C., Difference in Charges**

Please discuss whether any difference in revenue or patient costs is projected to result from the conversion of beds from private to semi-private, or from the

TennCare certification of the facility.

**RESPONSE:** No material difference in revenue or patient costs is anticipated from the conversion of beds from private to semi-private, or from the TennCare certification of the facility.

**17. Item 10C., Payor Mix**

Please list Charity Care under the Charity Care row of the Payor Mix Chart.

**RESPONSE:** Please see revised Payor Mix Chart below:

Applicant's Projected Payor Mix  
 Project Only Chart

Payor Source	Year-		Year-	
	Gross Operating Revenue	% of Total	Gross Operating Revenue	% of Total
Medicare/Medicare Managed Care	\$3,718,522	69.25%	\$4,131,691	69.25%
TennCare/Medicaid	\$820,262	16.25%	\$911,402	16.25%
Commercial/Other Managed Care	\$546,842	11.25%	\$607,602	11.25%
Self-Pay	\$109,368	3.25%	\$121,520	3.25%
Other(Specify) N/A	\$0	0%	\$0	0%
<b>Total</b>	<b>\$5,468,415.00</b>	<b>100%</b>	<b>\$6,076,016.00</b>	<b>100%</b>
<b>Charity Care</b>	<b>\$273,421</b>		<b>\$303,801</b>	

*\*Needs to match Gross Operating Revenue Year One and Year Two on Projected Data Chart*

**18. Item 3Q., Accreditation, Certification and Licensure Plans**

Please attach a copy of the most recent TJC accreditation if available.

**RESPONSE:** The Joint Accreditation is included herein as Attachment 3Q-Supplemental #1.

**19. Item 8Q., Staffing Chart**

Please list the position types within the Project Staffing Chart.

**RESPONSE:** Project Staffing Chart will be provided separately via email.

*Please respond to the following service specific criteria questions as an attachment labeled Attachment 1N-Supplemental #1.*

**20. Item 1N., Project Specific Criteria, General**

Please respond to the Criteria and Standards for Nursing Home Services as Attachment 1N.

**RESPONSE:** Revised Responses to the Criteria and Standards for Nursing Home Services is included herein as Attachment 1N- Supplemental #1.

**21. Item 1N., Project Specific Criteria, Nursing Home Services, Item #1, Determination of Need**

Please respond to Criterion #1 with the most recent need formula from the Tennessee Department of Health. It is included as an attachment to these supplemental questions.

**RESPONSE:** Please see Revised Responses to the Criteria and Standards for Nursing Home Services, which is included herein as Attachment 1N-Supplemental #1.

**22. Item 1N., Project Specific Criteria, Nursing Home Services, Item #3, Establishment of Service Area**

The projected number of patients listed in response to Criterion #3 does not match the projected number of patients in response to Items 2N, 6N, or 6C of the application. Please ensure that the utilization projections for the project are consistent throughout the application.

**RESPONSE:** Please see Revised Responses to the Criteria and Standards for Nursing Home Services, which is included herein as Attachment 1N-Supplemental #1.

**23. Item 1N., Project Specific Criteria, Nursing Home Services, Item #4, Existing Nursing Home Capacity**

Please revise the data presented in the Admissions and Licensed Beds columns of the table provided as they appear to be reversed.

**RESPONSE:** Please see Revised Responses to the Criteria and Standards for Nursing Home Services, which is included herein as Attachment 1N-

### Supplemental #1.

Please complete the following table:

**RESPONSE:** Please see below table:

SNF Facility 2022	Private Beds	% Total	Semi-Private Beds	% Total	Ward Beds	% Total
Asbury Place at Maryville	31	12%	89	28%	0	0%
Foothills Transitional Care and Rehabilitation	16	7%	162	51%	7	15%
Fairpark Health and Rehabilitation	0	0%	36	11%	39	85%
Blount Memorial Transitional Care Center	44	17%	32	10%	0	0%
Shannondale of Maryville Health Care Center	44	17%	0	0%	0	0%
Life Care Center of Blount County	120	47%	0	0%	0	0%

In accordance with Tennessee Code Annotated, §68-11-1607(c) (5), "...If an application is not deemed complete within sixty (60) days after initial written notification is given to the applicant by the Commission staff that the application is deemed incomplete, the application shall be deemed void." **For this application the sixtieth (60<sup>th</sup>) day after written notification is June 4, 2024. If this application is not deemed complete by this date, the application will be deemed void.** Commission Rule 0720-10-.03(4) (d) (2) indicates that "Failure of the applicant to meet this deadline will result in the application being considered withdrawn and returned to the contact person. Re-submittal of the application must be accomplished in accordance with Rule 0720-10-.03 and requires an additional filing fee." Please note that supplemental information must be submitted timely for the application to be deemed complete prior to the beginning date of the review cycle which the applicant intends to enter, even if that time is less than the sixty (60) days allowed by the statute. The supplemental information must be submitted with the enclosed affidavit, which shall be executed and notarized; please attach the notarized affidavit to the supplemental information.

If all supplemental information is not received and the application officially deemed complete prior to the beginning of the next review cycle, then consideration of the application could be delayed into a later review cycle. The review cycle for each application shall begin on the fifteenth day of the month after the application has been deemed complete by the staff of the Health Facilities Commission. Any communication regarding projects under consideration by the Health Facilities Commission shall be in accordance with T.C.A. ' 68-11-1607(d):

No communications are permitted with the members of the Commission once the Letter of Intent initiating the application process is filed with the Commission.

Communications between Commission members and Commission staff shall not be prohibited. Any communication received by a Commission member from a person unrelated to the applicant or party opposing the application shall be reported to the Executive Director and a written summary of such communication shall be made part of the certificate of need file.

Mr. Michael Brent  
April 4, 2024  
Page 14

Should you have any questions or require additional information, please do not hesitate to contact this office.

Sincerely,

Thomas Pitt  
HFC Health Planner

Enclosure



## LIST OF SUPPLEMENTAL ATTACHMENTS

Bed Complement Form	Attachment 4A- Supplemental #1
Ownership Structure Organizational Charts Pre- and Post- Transaction	Attachment 7A- Supplemental #1
Revised Floor Plan	Attachment 10A- Supplemental #1
Notification to County Chief Executive Officer	Attachment 13A- Supplemental #1
Revised Executive Summary with Asset Purchase Agreement	Attachment 1E- Supplemental #1
Revised Responses to the Criteria and Standards for Nursing Home Services	Attachment 1N- Supplemental #1
Patient Origin Data	Attachment 2N- Supplemental #1
Revised Utilization Data for Blount County Nursing Homes	Attachment 5N- Supplemental #1
Applicant Projected Utilization	Attachment 6N- Supplemental #1
The Joint Commission Accreditation	Attachment 3Q- Supplemental #1

**ATTACHMENT 4A- Supplemental #1:**

**Bed Complement Form**

*See attached.*

## Attachment – Bed Complement Data

	<u>Current Licensed</u>	<u>Beds Staffed</u>	<u>Beds Proposed</u>	<u>*Beds Approved</u>	<u>**Beds Exempted</u>	<u>TOTAL Beds at Completion</u>
1) Medical	_____	_____	_____	_____	_____	_____
2) Surgical	_____	_____	_____	_____	_____	_____
3) ICU/CCU	_____	_____	_____	_____	_____	_____
4) Obstetrical	_____	_____	_____	_____	_____	_____
5) NICU	_____	_____	_____	_____	_____	_____
6) Pediatric	_____	_____	_____	_____	_____	_____
7) Adult Psychiatric	_____	_____	_____	_____	_____	_____
8) Geriatric Psychiatric	_____	_____	_____	_____	_____	_____
9) Child/Adolescent Psychiatric	_____	_____	_____	_____	_____	_____
10) Rehabilitation	_____	_____	_____	_____	_____	_____
11) Adult Chemical Dependency	_____	_____	_____	_____	_____	_____
12) Child/Adolescent Chemical Dependency	_____	_____	_____	_____	_____	_____
13) Long-Term Care Hospital	_____	_____	_____	_____	_____	_____
14) Swing Beds	_____	_____	_____	_____	_____	_____
15) Nursing Home – SNF (Medicare only)	<u>76</u>	<u>76</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>76</u>
16) Nursing Home – NF (Medicaid only)	_____	_____	_____	_____	_____	_____
17) Nursing Home – SNF/NF (dually certified Medicare/Medicaid)	<u>0</u>	<u>0</u>	<u>14</u>	<u>0</u>	<u>0</u>	<u>14</u>
18) Nursing Home – Licensed (non-certified)	_____	_____	_____	_____	_____	_____
19) ICF/IID	_____	_____	_____	_____	_____	_____
20) Residential Hospice	_____	_____	_____	_____	_____	_____
<b>TOTAL</b>	<u>76</u>	<u>76</u>	<u>14</u>	<u>0</u>	<u>0</u>	<u>90</u>

*\*Beds approved but not yet in service*

*\*\*Beds exempted under 10% per 3 year provision*

**ATTACHMENT 7A- Supplemental #1:**

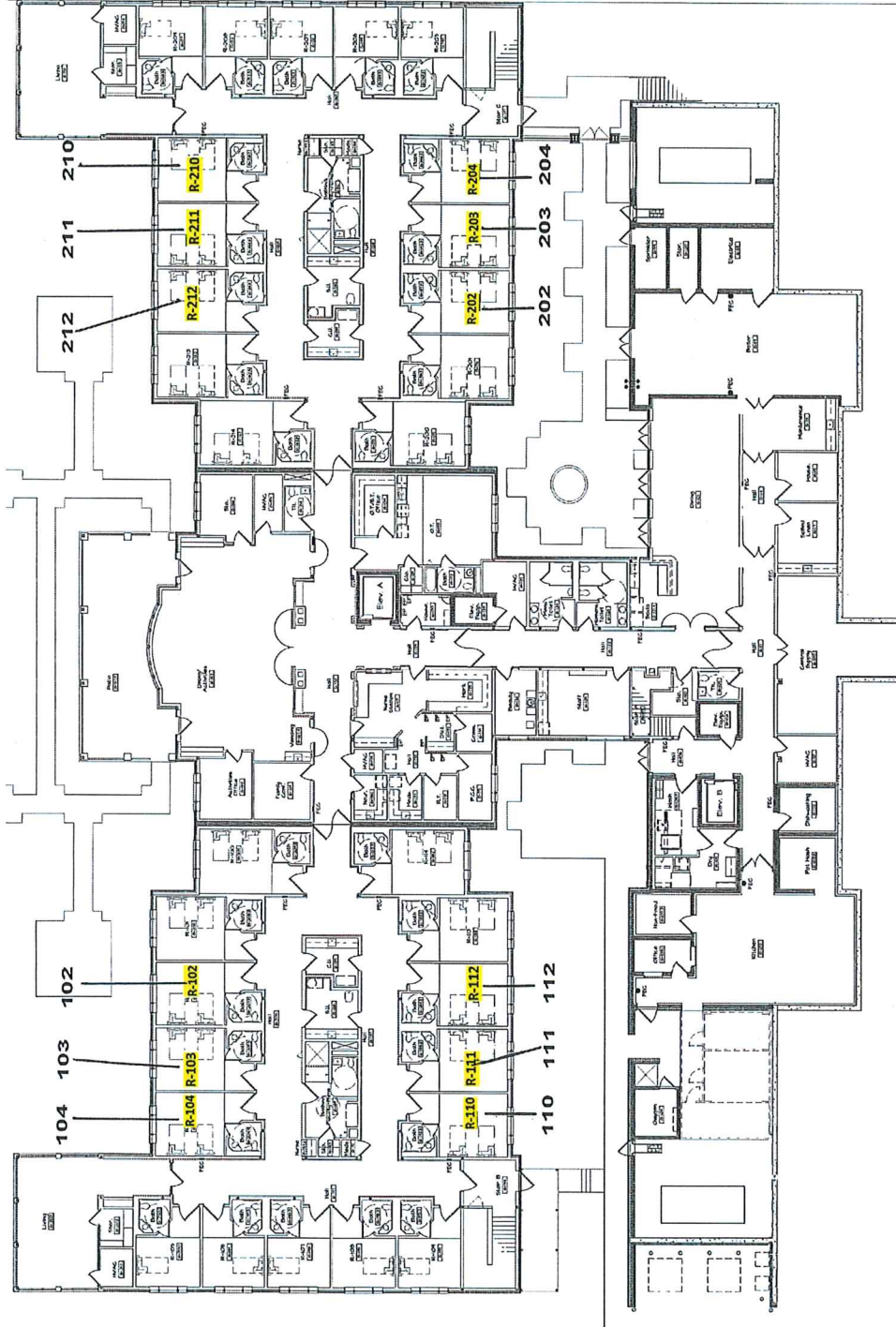
**Ownership Structure Organizational Charts Pre- and Post- Transaction**

*To be provided separately via email.*

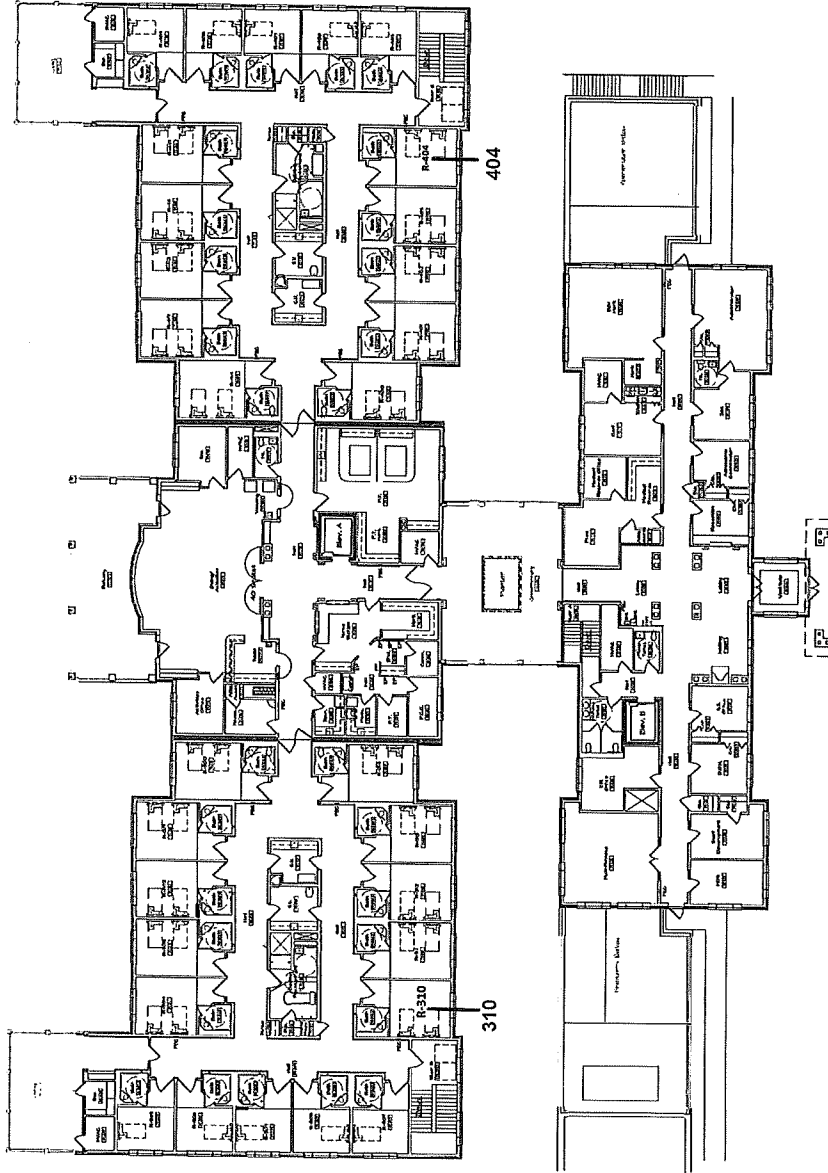
**ATTACHMENT 10A- Supplemental #1:**

**Revised Floor Plan**

*See attached.*



Rooms 102, 103, 104, 110, 111, 112, 202, 203, 204, 210, 211 and 212 on the ground floor are currently single-occupancy rooms but, as shown above and highlighted in yellow, were designed to accommodate double-occupancy.



Rooms 310 and 404 on the main floor are currently single-occupancy rooms, but as shown above and highlighted in yellow, were designed to accommodate double-occupancy.



**ATTACHMENT 13A- Supplemental #1:**

**Notification to County Chief Executive Officer**

*See attached.*



**Michael D. Brent**  
Partner  
mbrent@bradley.com  
615.252.2361 direct  
615.252.6361 fax



April 10, 2024

**VIA CERTIFIED MAIL (70111570000303966740)**

**RETURN RECEIPT REQUESTED**

Mayor Ed Mitchell  
Blount County Mayor  
Blount County Courthouse, Third Floor  
341 Court Street  
Maryville, Tennessee 37804

**Re: Blount Memorial Transitional Care Center - CON Notice**

Dear Mayor Mitchell:

This notice is provided pursuant to Tennessee Code Annotated 68-11-1607(c)(9)(B), which provides: "If an application involves a healthcare facility in which a county or municipality is the lessor of the facility or real property on which it sits, then, within ten (10) days of filing the application, the applicant shall notify the chief executive officer of the county or municipality of the filing, by certified mail, return receipt requested."

Because of the involvement of the Blount County Board of Commissioners, and you as County Mayor, in the transaction noted below, I believe you are aware that I filed an application with the Tennessee Health Facilities Commission on April 1, 2024, regarding Blount Memorial Transitional Care Center (the "Center"), a 74-bed skilled nursing facility in Blount County, Tennessee, located at 2320 East Lamar Alexander Parkway, Maryville, Tennessee 37804. The Center is currently operated by the not-for-profit corporation Blount Memorial Hospital, Inc. ("Blount Memorial"), which has contracted to sell substantially all the assets and operations of the Center to my client, Ocoee Transitional Care Center, LLC ("Ocoee"), a not-for-profit limited liability company, which is a subsidiary of Ocoee Foundation, Inc., with a closing anticipated on or before June 30, 2024 (the "Transaction"). The application, which was filed in anticipation of the Transaction, requests the addition of 14 beds to the Center's existing 76 licensed beds, as contemplated in the Asset Purchase Agreement between Blount Memorial and Ocoee.

Should you have any questions, please contact me at (615) 252-2361 or by email at [mbrent@bradley.com](mailto:mbrent@bradley.com).

Very truly yours,

BRADLEY ARANT BOULT CUMMINGS LLP

A handwritten signature in blue ink, appearing to read "Michael D. Brent".

Michael D. Brent

cc: Tennessee Health Facilities Commission  
(by inclusion with Supplemental Information for Certificate of Need Application  
CN2403-008)

4872-5480-9270.1

**ATTACHMENT 1E- Supplemental #1:**

**Revised Executive Summary with Asset Purchase Agreement**

*See Asset Purchase Agreement attached. Revised Executive Summary with Asset Purchase Agreement to be provided separately via email.*

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**ASSET PURCHASE AGREEMENT**

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**BLOUNT MEMORIAL HOSPITAL, INCORPORATED (a Tennessee Nonprofit corporation) D/B/A BLOUNT MEMORIAL TRANSITIONAL CARE CENTER (A/K/A TRANSITIONAL CARE CENTER AT MORNINGVIEW VILLAGE), MARYVILLE, TENNESSEE**

**BLOUNT MEMORIAL HOSPITAL, INCORPORATED (a Tennessee Nonprofit corporation) D/B/A MORNINGVIEW VILLAGE (A/K/A MORNINGVIEW VILLAGE SENIOR COMMUNITY), MARYVILLE, TENNESSEE**

**AND**

**OCOEE TCC-MVV PROPCO, LLC (a Tennessee Nonprofit limited liability company)**

**OCOEE TRANSITIONAL CARE CENTER, LLC (a Tennessee Nonprofit limited liability company)**

**OCOEE MORNINGVIEW VILLAGE, LLC (a Tennessee Nonprofit limited liability company)**

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February 7, 2024

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## ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (“Agreement”), is entered into as of February 7, 2024 (the “Contract Date”) between Ocoee TCC-MVV PropCo, LLC, Ocoee Transitional Care Center, LLC and Ocoee MorningView Village, LLC, (all being Tennessee Nonprofit limited liability companies, and collectively, whether referring to one entity or all entities, the “Buyer”) in accordance with the assignment rights set forth below, and Blount Memorial Hospital, Incorporated (a Tennessee Nonprofit corporation) D/B/A Blount Memorial Transitional Care Center (A/K/A Transitional Care Center At Morningview Village), Maryville, Tennessee (“TCC”) and Blount Memorial Hospital, Incorporated (a Tennessee Nonprofit corporation) D/B/A Morningview Village (A/K/A Morningview Village Senior Community), Maryville, Tennessee (“MVV”) (TCC and MVV are collectively sometimes referred to as “BMH” or the “Seller”). Additionally, the Blount County Board of Commissioners joins in this Agreement for purposes of acknowledging its obligations as to the execution of certain transactional documents at Closing, as further set forth below.

### WITNESSETH:

WHEREAS, the business of Seller includes operating and managing two long term care facilities commonly known as Blount Memorial Transitional Care Center (A/K/A Transitional Care Center At Morningview Village), a skilled nursing facility licensed for 76 beds, and Morningview Village (A/K/A Morningview Village Senior Community), an assisted living and independent living facility licensed for at least 85 assisted living beds (plus other unlicensed senior living one-bedroom units and two bedroom units) (collectively the “Seller’s Business”), with the locations being set forth on Exhibit A attached hereto (individually the “TCC Facility” or the “MVV Facility” or collectively a “Facility” or the “Facilities”);

WHEREAS, Buyer desires to purchase substantially all of the assets of Seller regarding the Facility, and Seller desires to sell such assets to Buyer, all as more fully set forth below (the “Purchase”); and

NOW, THEREFORE, for and in consideration of the premises, and the agreements, covenants, representations and warranties hereinafter set forth, and other good and valuable consideration, the receipt and adequacy all of which are forever acknowledged and confessed, the parties hereto hereby agree as follows:

### ARTICLE 1 DEFINITIONS

For the purposes of this Agreement, the following definitions shall apply:

“**Affiliate**” means with respect to Buyer and/or Seller, any entity that controls, is controlled by, or is under common control with either party all as more fully set forth in the rules and regulations of the Securities and Exchange Commission under the Securities Act of 1933, as amended.

“**Agreement**” is defined in the Preamble.

“**Assets**” means all of Seller’s right, title and interest in and to the following assets by Seller and located at the Facility, other than Excluded Assets, which will be transferred to either Ocoee TCC-MVV PropCo, LLC, Ocoee Transitional Care Center, LLC or Ocoee MorningView Village, LLC, as further set forth below or in the Operations Transfer Agreement:

- (a) the real property and improvements owned by Seller and/or Blount County, Tennessee on which the Facility is situated described in Appendix 1A including Lot 1 and Lot 2 as described in Exhibit 2.6 (the “Real Property”);
- (b) all furnishings, fixtures and equipment, and other tangible personal property, owned by Seller and/or Blount County, Tennessee, located at the Facility, and used in the operation of the Facility, to the extent assignable, including, without limitation, the items listed in Appendix 1B (the “FF&E”);
- (c) all licenses and intangible rights of Seller related to the Facility, if any, to the extent transferable;
- (d) any goodwill of Seller in or arising from the ownership, operation or management of the Facility; and
- (e) all other assets, personal or mixed, tangible or intangible, used in connection with the operation of Seller’s Business, if any, other than the Excluded Assets.

“**Benefit Plans**” is defined in § 3.21.

“**Best Efforts**” means the reasonable commercial efforts that a prudent Person desirous of achieving a result would use in similar circumstances to achieve that result as expeditiously as possible; provided, however, that a Person required to use Best Efforts under this Agreement will not be thereby required to take actions that would result in a material adverse change in the benefits to such Person of this Agreement and the Contemplated Transactions or to dispose of or make any change to its business, expend any material funds or incur any other material burden.

“**Blount County Board of Commissioners**” or “**BCBC**” means the legislative branch of Blount County, Tennessee, which on December 14, 2023 adopted Resolution No. 23-12-007, which resolution, among other things, (a) acknowledged that Blount County, Tennessee owns Blount Memorial Hospital and its related and associated facilities, (b) that BMH is the agent of Blount County, Tennessee for the management and operation of the hospital, both pursuant to the Tennessee Private Acts of 1945, Chapter 187, as amended by the Tennessee Private Acts of 2023, Chapter 28 (collectively the “Blount County Hospital Private Act”), and (c) BCBC authorized Seller to negotiate and enter into this Agreement for the purposes stated herein.

“**Buyer**” means Ocoee TCC-MVV PropCo, LLC, Ocoee Transitional Care Center, LLC and Ocoee MorningView Village, LLC, all Tennessee Nonprofit limited liability companies.

“**Purchase Price**” means Twenty-Two Million Eight Hundred Twenty-Five Thousand and No/100 Dollars (\$22,825,000.00), as described in § 2.4(b).

“**CERCLA**” is defined in § 3.20.

“**Closing**” and “**Closing Date**” are defined in § 2.11.

“**Closing Statement**” is defined in § 2.9.

“**Code**” means the Internal Revenue Code of 1986, as amended.

“**Contemplated Transactions**” means all of the transactions contemplated by this Agreement.

“**Contract Date**” is defined in the Preamble.

“**Ocoee TCC OpCo**” is defined in the Preamble and in the definition of “**New Operator**.”

“**Ocoee MVV OpCo**” is defined in the Preamble and in the definition of “**New Operator**.”

“**Deposit**” is defined in § 2.4(a).

“**Due Diligence Checklist**” is defined in § 2.8.

“**Due Diligence Period**” is defined in § 2.8.

“**Effective Time**” is defined in § 2.11.

“**Environmental**” is defined in § 11.1(e).

“**Environmental Laws**” is defined in § 3.20.

“**ERISA**” means the Employee Retirement Income Security Act of 1974, as amended.

“**Escrow Agent**” is defined in § 2.4(a).

“**Excluded Assets**” is defined in § 2.3.

“**Excluded Liabilities**” is defined in § 2.5.

“**Exhibit Volume**” means the volume of Exhibits referred to in this Agreement prepared and delivered by Seller.

“**Extended Closing Date**” is defined in § 2.11.

“**Facility**” or “**Facilities**” has the meaning set forth in the Recitals.

“**FF&E**” is defined in the definition of “**Assets**” above.

“**GAAP**” means generally accepted accounting principles for financial reporting in the United States, applied on a basis consistent with the basis on which the Seller Audited Financial Statements were prepared.

**“Governing Documents”** means, with respect to any particular entity, (a) if a corporation, the articles or certificate of incorporation and the bylaws; (b) if a general partnership, the partnership agreement and any statement of partnership; (c) if a limited partnership, the limited partnership agreement and the certificate of limited partnership; (d) if a limited liability company, the articles of organization and operating agreement; (e) if a governmental or quasi-governmental entity, appropriate authorization documents regarding Blount County, Tennessee and BCBC reasonably acceptable to the Buyer and the Title Insurance Company; (f) if another type of Person, any other charter or similar document adopted or filed in connection with the creation, formation or organization of the Person; (g) all equity holders’ agreements, voting agreements, voting trust agreements, joint venture agreements, registration rights agreements or other agreements or documents relating to the organization, management or operation of any Person or relating to the rights, duties and obligations of the equity holders of any Person; and (h) any amendment or supplement to any of the foregoing.

**“Governmental Authorization”** means any consent, license, registration or permit issued, granted, given or otherwise made available by or under the authority of any Governmental Body or pursuant to any Legal Requirement.

**“Governmental Body”** means any:

- (a) nation, state, county, city, town, borough, village, district or other jurisdiction;
- (b) federal, state, local, municipal, foreign or other government;
- (c) governmental or quasi-governmental authority of any nature (including any agency, branch, department, board, commission, court, tribunal or other entity exercising governmental or quasi-governmental powers);
- (d) multinational organization or body;
- (e) body exercising, or entitled or purporting to exercise, any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power; or
- (f) official of any of the foregoing.

**“Hazardous Substance”** is defined in § 3.20.

**“IRS”** means the Internal Revenue Service.

**“Lists”** is defined in § 3.19.

**“Material Damage”** is defined in § 11.3(a).

**“New Operator”** means Ocoee Transitional Care Center, LLC (“Ocoee TCC OpCo”) and Ocoee MorningView Village, LLC (“Ocoee MVV OpCo”), both Tennessee Nonprofit limited liability companies.

**“Operations Transfer Agreement”** or **“OTA”** means two separate Operations Transfer Agreements in substantially the form of that attached hereto as Exhibit OTA between Seller and the New Operator (one for Ocoee TCC OpCo and one for Ocoee MVV OpCo).

**“Order”** and **“Orders”** is defined in § 3.19.

**“Ordinary Course of Business”** means an action taken by a Person will be deemed to have been taken in the “Ordinary Course of Business” only if that action:

- (a) is consistent in nature, scope and magnitude with the past practices of such Person and is taken in the ordinary course of the normal, day-to-day operations of such Person; and
- (b) does not require authorization by the board of directors or shareholders of such Person (or by any Person or group of Persons exercising similar authority) and does not require any other separate or special authorization of any nature.

**“Permitted Encumbrances”** is defined in § 3.7.

**“Person”** means any individual, corporation, partnership, joint venture, association, joint stock company, trust or unincorporated organization.

**“Purchase”** is defined in the Recitals.

**“RCRA”** is defined in § 3.20.

**“Real Property”** is defined in the definition of “Assets” above.

**“Retained Employee PTO”** means accrued (whether vested, unvested, contingent or mature) paid time off with respect to the Retained Employees as of the Closing (which shall include all days for which Retained Employees are paid but do not actually work, such as sick days, vacation days, and holidays), as further set forth in the OTA

**“Seller”** or **“BMH”** means, collectively, Blount Memorial Hospital, Incorporated (a Tennessee Nonprofit corporation) D/B/A Blount Memorial Transitional Care Center (A/K/A Transitional Care Center At Morningview Village), Maryville, Tennessee and Blount Memorial Hospital, Incorporated (a Tennessee Nonprofit corporation) D/B/A Morningview Village (A/K/A Morningview Village Senior Community). BCBC joins in this Agreement for purposes of acknowledging its obligations, as a “seller” as to the execution of certain transactional documents at Closing, as further set forth below.

**“Seller Financial Statements”** is defined in § 3.3.

**“Seller Restricted Person”** is defined in § 11.5.

**“Seller’s Business”** is defined in the Recitals.

“**Seller’s Knowledge Individuals**” is defined in § 3.32.

“**Surviving Obligations**” is defined in § 9.4(a).

“**TI Inspection**” is defined in § 11.1(f).

“**Title Insurance Company**” is Fidelity National Title Insurance Company, a nationally recognized title insurance company which has been acknowledged as being acceptable to Buyer, with Professional Title Services, Inc., Cleveland, Tennessee, serving as the title agent.

“**Title Policy**” is defined in § 11.1(b).

## **ARTICLE 2 SALE AND TRANSFER OF ASSETS**

### **2.1. Sale and Transfer of Assets.**

Upon the terms and subject to the conditions set forth in this Agreement, at the Closing, but effective as of the Effective Time, Seller shall sell, convey, assign, transfer and deliver to Buyer and New Operator, and Buyer and New Operator shall purchase and acquire from Seller, as further set forth below or in the Operations Transfer Agreement, free and clear of any encumbrances other than Permitted Encumbrances, all of Seller’s right, title and interest in and to the Assets.

### **2.2. Assets Free and Clear; Undertaking.**

The Assets shall be sold free and clear of all liabilities, liens and encumbrances except those liabilities of Seller expressly assumed or agreed to be discharged by Buyer as set forth in this Agreement or in the Operations Transfer Agreement. Except as provided herein, Buyer shall not assume any other liability or obligation of Seller, fixed or contingent, disclosed or undisclosed. Seller agrees to satisfy, when due, all of its liabilities, indebtedness and obligations not assumed by Buyer pursuant to this Agreement. Buyer will pay, perform and discharge when due in accordance with their terms all obligations, indebtedness and liabilities of the Facility and/or Seller assumed by it pursuant to this Agreement or the Operations Transfer Agreement.

### **2.3. Excluded Assets.**

Seller is not selling and Buyer is not purchasing or assuming obligations with respect to the following, pursuant to this Agreement or the Operations Transfer Agreement (collectively, the “Excluded Assets”):

- (a) Seller’s bank accounts, cash, cash reserves, cash deposits and escrows, and all other cash equivalent items; provided, however, Seller will transfer to Buyer the residential deposits at Morning View Village Senior Community.
- (b) Seller’s business and fiscal records and other records that Seller is required by law to retain in its possession; however, after Closing, Buyer or Buyer’s representatives will have reasonable access upon reasonable prior notice during normal business hours to such portions of such business and fiscal

records and other records related to the prior operation of the Facility as may be necessary or convenient for the operations of the Facility by Buyer.

- (c) Seller's accounts receivable.
- (d) All prepaid expenses (said prepaid expenses shall be prorated as of the Closing Date and Buyer shall pay to Seller the portion thereof attributable to periods from and after the Closing Date).
- (e) All leases, contracts and agreements not expressly assumed hereunder or under the OTA.
- (f) The additional items on Schedule 2.3(f), including, without limitation, vendor-owner equipment and property owned by the patients and residents.

#### 2.4. Consideration for Sale and Transfer.

- (a) Buyer has begun its "Due Diligence" with respect to the Assets (as further described in § 2.9) and upon execution and delivery of this Agreement by all parties, including BCBC, Buyer shall deposit Two Hundred Fifty Thousand and No/100 Dollars (\$250,000.00) in cash with the Title Insurance Company ("Escrow Agent"), and the parties direct the Escrow Agent to retain such deposit as escrow agent, to be applied against the Cash Purchase Price at Closing (the "Deposit"), pursuant to the terms of the Escrow Agreement attached hereto as Exhibit 2.4(a). The Deposit shall be refundable to Buyer only if (i) Buyer has given written notice to Seller and Escrow Agent, prior to the expiration of Due Diligence Period, that it does not wish to proceed with the Transaction, in its sole and absolute discretion, (ii) Seller fails to perform any of its obligations pursuant to this Agreement in any material respects, (iii) the failure of any of the conditions precedent to Buyer's obligation to close as of the last date provided for herein for Closing, including, but not limited to, that all representations, warranties and covenants of Seller in this Agreement are true and correct as of the Closing Date, and/or (iv) this Agreement otherwise provides for the refund of such Deposit.
- (b) The purchase price for the Assets shall be Twenty-Two Million Eight Hundred Twenty-Five Thousand and No/100 Dollars (\$22,825,000.00) (the "Cash Purchase Price"), which Buyer shall deliver at Closing (less the Deposit, which shall become part of the Cash Purchase Price), by wire transfer of immediately available funds, subject to the prorations and adjustments set forth in this Agreement and/or the OTA, to Seller.
- (c) As further described in the OTA, Buyer shall assume up to \$300,000 of Retained Employee PTO.
- (d) As further described in the OTA, Buyer shall provide agreed "scholarship care" (at predetermined rates) and up to 365 patient days of "charity care"



in the community, each such commitment to be subject to applicable federal and state regulations and safe harbor regulations.

2.5. Excluded Liabilities.

Buyer shall not assume and under no circumstances shall Buyer be obligated to pay or assume, and none of the assets of Buyer shall be or become liable for or subject to, any liability, indebtedness, commitment, or obligation of Seller, whether known or unknown, fixed or contingent, recorded or unrecorded, currently existing or hereafter arising or otherwise (collectively, the “Excluded Liabilities”), including, without limitation, the following Excluded Liabilities:

- (a) all suits, claims, indemnities, judgments, stipulation agreements, mortgages, taxes (other than prorated property taxes for 2024 which Buyer is agreeing to pay in full after allocation and appropriate credits), contingent liabilities and other obligations of Seller, including, without limitation, any and all investment tax credit recapture, depreciation recapture, and all impositions of income tax and other taxes for all time periods prior to the Effective Time;
- (b) all suits, claims, indemnities, judgments, stipulation agreements, contingent liabilities and other obligations of Seller based upon any tort or breach of contract claim asserted by any party that is based upon acts or omissions or events for all time periods prior to the Effective Time;
- (c) all suits, claims, indemnities, judgments, stipulation agreements, contingent liabilities and other obligations of Seller attributable to any time periods arising out of any lease, contract or agreement of Seller not expressly assumed by Buyer hereunder or by New Operator under the OTA;
- (d) all suits, claims, indemnities, judgments, stipulation agreements, contingent liabilities and other obligations of Seller attributable to any time periods prior to the Effective Time arising out of any lease, contract or agreement of Seller (or otherwise related to the Assets or Facilities) assumed by Buyer hereunder or by New Operator under the OTA;
- (e) all claims with respect to employee (and former employee) wages, salaries and benefits not specifically assumed by Buyer or New Operator hereunder or under the OTA;
- (f) any liability of Seller arising out of the injury to or death of any person, or damage to or destruction of any property, whether based on negligence, breach of warranty, strict liability, enterprise liability or any other legal or equitable theory arising from or related to services provided by Seller, to the extent any of such liabilities arose prior to the Closing;
- (g) all obligations pursuant to or related to any loan or debt obligations; and

- (h) all amounts owed by any Seller to any third party payors, including Medicare and Medicaid, for the periods prior to Closing as a result of any settlement or other adjustment process used by such third party payors, including cost reports filed or to be filed.

The parties agree and expressly understand that Buyer is not responsible for and is not assuming any liabilities or obligations of Seller or relating to the Assets except for the specific obligations listed in this Agreement and/or the OTA relating to periods on and after Closing, and Seller will hold Buyer harmless from same. Similarly, the parties agree and expressly understand that Seller is not responsible for and is not to be liable for any liabilities or obligations of Buyer or New Operator relating to periods on and after Closing, and Buyer will hold Seller harmless from same.

2.6. Allocation of Purchase Price.

- (a) Tax Purposes. The parties agree that the consideration paid to Seller pursuant to § 2.4 shall be allocated among the Assets as set forth on Exhibit 2.6 attached hereto. The parties hereto make this allocation with the knowledge and understanding that it will be used by them for all purposes, including tax purposes. Each party hereto agrees that it will report the transaction in accordance with such allocation, including under Section 1060 of the Internal Revenue Code of 1986, as amended (the "Code"), and that it will not take a position inconsistent with such allocation except with the written consent of the other party hereto. Each party agrees to cooperate with the other so that the information shown on Form 8594 filed with the IRS by such party will be consistent with the information on the other party's Form 8594. At least three (3) business days prior to Closing, the Parties agree to arrive at an allocation of purchase price. If the Parties cannot arrive at a mutually agreeable allocation, the Parties agree to select an independent accounting service to choose an allocation that is most beneficial to both Parties.

2.7. Proration of Real Estate Closing Adjustments.

At the Closing, the parties shall calculate the proration of expenses related to ownership of Real Property between the parties through the Effective Time, and, as appropriate, adjust the Cash Purchase Price accordingly pursuant to a Closing Statement in customary form setting forth the debits and credits applicable to each party. With respect thereto, the following provisions shall apply:

- (a) Property Taxes. Ad valorem taxes and special assessments against the Real Property and the personal property shall be prorated at Closing based on the tax bills for the tax year of the Closing. In the event the real estate tax bill for the current year has not yet been received by Seller, taxes assessed upon the Real Property and the personal property for the current calendar year shall be prorated based on 105% of the previous year's tax rate, however, Seller and Buyer agree that once the current year's tax rate has been established, within thirty (30) days Buyer shall pay to Seller, or Seller shall

pay to Buyer, as applicable, the difference between the estimate based on 105% of the previous year's tax rate and the actual taxes for such period. Buyer, as a nonprofit entity, intends to seek exemption from property taxes, and Seller and BCBC shall not oppose such exemption application.

- (b) Utilities. Utility charges shall not be prorated but shall be adjusted in the manner of other accounts payable and accounts receivable of Seller in accordance with the provisions of the Operations Transfer Agreement. Without modifying the obligations set forth in this § 2.7, Seller and Buyer shall cooperate to coordinate an orderly transfer of all utilities into the name of the applicable Buyer or New Operator, and Seller shall not take any action to terminate the existing utilities serving the Facility prior to thirty (30) days after the Closing. All utility deposits made by Seller shall be returned to Seller.
- (c) Post-Closing. If any charges or expenses are unavailable at the Closing, a readjustment shall be made within ten (10) days following the availability of accurate bills and figures. Taxes prorated at Closing shall be re-prorated between Buyer and Seller promptly upon the receipt of the real estate tax bill for the current year and Buyer shall refund to Seller any amount overpaid by Seller or Seller shall pay to Buyer the amount of any deficiency in the proration.

## 2.8. Due Diligence Period.

Buyer and the Title Insurance Company have requested that Seller either (i) cause BCBC and the Tennessee Legislature to amend the Blount County Hospital Private Act to clarify the authority needed for Seller and/or BCBC to sell the Real Property and certain other of the Assets, to the reasonable satisfaction of the Buyer and the Title Insurance Company, or (ii) cause counsel for BCBC to deliver to Buyer and the Title Insurance Company an opinion from Bass Berry and Sims, special counsel to BCBC (the "BBS 2024 Opinion"), which BBS 2024 Opinion is reasonably acceptable to Buyer and the Title Insurance Company, to the effect that no amendment to the Blount County Hospital Private Act is required to provide BCBC the authority needed for Seller and/or BCBC to sell the Real Property and certain other of the Assets to Buyer pursuant to the terms of this Agreement. Buyer shall have from the date of the Preliminary Obligations Agreement (as defined in Section 2.11 hereof) until 9:00 a.m. Eastern Time on the sixtieth (60<sup>th</sup>) day after execution and delivery of this Agreement by an authorized representative of BCBC (the "Due Diligence Period") to conduct such due diligence investigation as may be deemed appropriate by Buyer, and finalize and place in escrow the Operations Transfer Agreement. To facilitate Buyer's due diligence investigation, Buyer has identified certain items of diligence, as are listed on a due diligence checklist attached as Schedule 2.8 (the "Due Diligence Checklist"). If not already delivered pursuant to the Letter of Intent previously executed by the Seller and an affiliate of the Buyer, Seller shall promptly deliver to Buyer (a) all items on the Due Diligence Checklist in the possession of Seller which have previously been prepared by Seller, and (b) all items in the possession of or readily accessible to Seller and reasonably requested by Buyer which may assist Buyer in obtaining new or updated similar items (such as environmental studies, appraisals, feasibility studies, insurance reviews, and title insurance policies), if any. Title insurance

commitments and policies will be obtained from the Title Insurance Company, which is also serving as Escrow Agent). Buyer may add to the Due Diligence Checklist during the Due Diligence Period by delivering either (x) an amended written Due Diligence Checklist, or (y) a request for additional information, which may be by email or fax, to Seller from time to time. Buyer may, at its discretion, prior to the expiration of the Due Diligence Period, terminate this Agreement by notice to Seller and receive a full refund of the Deposit. Buyer shall have the right to terminate this Agreement during the Due Diligence Period by delivering written notice to Seller and Escrow Agent pursuant to § 11.9 of this Agreement at any time before the end of the Due Diligence Period, in its sole and absolute discretion. If such notice is timely received by Seller, the Deposit shall promptly be fully refunded to Buyer. If no such notice is sent by Buyer and received by Seller before the end of the Due Diligence Period, Buyer shall be obligated to close, subject to satisfaction of each of the conditions set forth in Article 8 hereof, and if any such condition is not satisfied, the Deposit shall promptly be fully refunded to Buyer. The Deposit shall become non-refundable at the end of the Due Diligence Period, except as otherwise set forth herein or in the Escrow Agreement. In conducting due diligence, Buyer shall abide by the provisions of § 6.1 below, and otherwise preserve the confidentiality of the transaction contemplated herein and shall use its Best Efforts to avoid disrupting normal operations of the Facility. If any title defects or other matters objectionable to Buyer are discovered during the Due Diligence Period, Buyer shall give Seller written notice of such defects or objections in accordance with the provisions of § 11.1 below, and Seller shall be allowed to cure such defects or objections in accordance with the provisions of § 11.1 below.

2.9. Closing Statement.

At Closing, Buyer shall prepare and deliver to Seller a closing statement ("Closing Statement") as of the Closing Date mutually agreeable to both Buyer and Seller, and their representatives shall be provided access to the books and records of Buyer as necessary to verify the accuracy of such calculations. Upon the request of either party, a revised post-closing Closing Statement shall be prepared to reflect any post-closing adjustments made pursuant to the terms of this Agreement.

2.10. Employee Matters.

Nothing in this Agreement shall create any rights in favor of any person not a party hereto, including the persons working at the Facility, or constitute an employment agreement or condition of employment for any person. All matters as to employment by Buyer of persons working at the Facility shall be governed by the Operations Transfer Agreement.

2.11. Closing.

Buyer shall use Best Efforts to close the sale, purchase and other activities provided for herein (the "Closing"), effective as of 12:00:01 AM Eastern Time, no later than the first day of the month which begins not less than thirty (30) days after the end of the Due Diligence Period (the "Closing Date") (such effective time is herein referred to as the "Effective Time"), and all expenses attributable to the ownership of the Assets to the Effective Time shall be for the account of Seller and thereafter for the account of Buyer. Closing shall occur at such time (and date, if the Closing Date is not a Business Day) as the parties may agree, at the offices of the Seller in Maryville,

Tennessee, or such other place as the parties may agree, or through escrow by mail. However, in the event Buyer has been unable to obtain reasonable assurances by the tenth (10<sup>th</sup>) day before the Closing Date that the licenses necessary to operate the Facility will be issued as of the Closing Date, after having used all reasonable good faith efforts in connection therewith, the Closing Date will be postponed for an additional thirty (30) days, or a date that is mutually agreed upon by Buyer and Seller (the "Extended Closing Date"); provided that Buyer simultaneously deposits an additional Two Hundred Fifty Thousand Dollars (\$250,000.00) of earnest money with the Escrow Agent, increasing the total Deposit to Five Hundred Thousand Dollars (\$500,000.00). However, notwithstanding anything to the contrary herein, (a) if any Third Party Consent required under Section 7.5, which shall be satisfactory to the Seller, Buyer and Title Company, has not been received by the tenth (10<sup>th</sup>) day before the Closing Date, Seller shall direct the Escrow Agent to promptly refund the full Deposit to the Buyer, and Seller shall pay Buyer the partial reimbursement for the expenses incurred by Buyer regarding its due diligence and other costs and expenses incurred by Buyer in preparing for the Closing of the Contemplated Transactions (as set forth in that certain Preliminary Obligations as to Asset Purchase Agreement between Buyer and Seller, dated as of February 7, 2024 (the "Preliminary Obligations Agreement")), and this Agreement shall be deemed terminated, as provided in Section 9.1(c) hereof. While the parties desire that the Closing pursuant to this Agreement be simultaneous as to both Facilities which comprise the collective definition of Facility used in this Agreement, in the event the parties are ready to Close as to one Facility but not the other Facility (for a reason set forth above as to either obtaining all licenses necessary to operate, or otherwise), the Closing of both Facilities shall be postponed to the Extended Closing Date.

Each party shall, at any time and from time to time at and after the Closing, upon request of the other party, take any and all steps necessary to place Buyer in possession of the Assets and will do, execute, acknowledge and deliver, or will cause to be done, executed, acknowledged and delivered, all such further acts, deeds, assignments, transfers, conveyances, powers of attorney and assurances as may be required for the better transferring and confirming to Buyer or to its successors or assigns, or for reducing to possession, any or all of the Assets.

2.12. Accounts Receivable and Bank Accounts.

Seller's accounts receivable and Seller's bank accounts shall remain the sole and exclusive property of Seller, and Seller's accounts receivable shall be subject to the provisions of the Operations Transfer Agreement as to assistance by Buyer in the collection thereof.

**ARTICLE 3  
REPRESENTATIONS AND WARRANTIES OF SELLER**

Seller hereby represents and warrants to Buyer as follows:

3.1. Organization, Corporate Power and Qualification.

BMH is a nonprofit corporation duly organized, validly existing and in good standing under the laws of the State Tennessee. Seller has full corporate power and authority and all authorizations, licenses and permits necessary to own, operate and manage the properties and assets and to carry on Seller's Business as and where it is now being conducted, to enter into this

Agreement. Subject to receipt of written concurrence and waiver from BCBC acceptable to Seller, Buyer and the Title Insurance Company, and satisfaction of such requirements, if any, as may be applicable under T.C.A. 48-62-102, Seller will have at closing the corporate power and authority necessary to consummate the transactions contemplated hereby. Seller is duly qualified to do business and is in good standing in each jurisdiction in which the character of the properties owned or leased by it or the nature of the business transacted by it makes such qualification necessary. No jurisdiction where Seller is not presently qualified as a foreign corporation has made any assertion that Seller's Business or ownership of property makes qualification as a foreign corporation in such jurisdiction necessary. A copy of Seller's charter and all amendments thereto as of the date hereof (certified by the applicable Secretary of State), and a copy of Seller's bylaws and all amendments thereto, are included as Exhibit 3.1 of the Exhibit Volume and are true, accurate and complete as of the date hereof. Seller is not in default under or in violation of any provision of its charter or bylaws.

3.2. Subsidiaries, Affiliates, Affiliated Companies and Joint Venture.

Seller has no direct or indirect ownership interest in, by way of stock ownership or otherwise, any corporation, association or business enterprise.

3.3. Financial Statements.

Exhibit 3.3 consists of the financial statements of the Seller's Business for the annual periods ending December 31, 2021 and December 31, 2022, and for the interim eleven (11) month period ending November 30, 2023 (such financial statements being herein called "Seller Financial Statements").

The Seller Financial Statements are true, complete and accurate in all material respects, have been based upon the information contained in the books and records of Seller and present fairly the assets, liabilities and financial condition of Seller as at the respective dates thereof and the results of its operations for the periods ended at the respective dates thereof; however, Buyer specifically acknowledges that the Seller Financial Statements are unaudited, and do not contain "audit adjustments," corrections or footnotes. The Seller Financial Statements have been prepared substantially in accordance with GAAP, subject to normal year-end adjustments, corrections and review, and the absence of footnotes, as historically applied.

3.4. Absence of Undisclosed Liabilities.

Except as and to the extent reflected in the Seller Financial Statements and except for commitments and obligations incurred in the Ordinary Course of Business accruing after the date of the most recent Seller Financial Statements, to Seller's knowledge, Seller, as of the date of the most recent Seller Financial Statements, had, or will have at Closing, no liabilities, claims or obligations (whether accrued, absolute, contingent, unliquidated or otherwise, known to Seller or

any directors or officers of Seller, whether due to become payable and regardless of when or by whom asserted), except for the litigation described on Exhibit 3.16.

3.5. Letters of Credit.

There are no outstanding letters of credit issued at the request of Seller to any person or entity with respect to the Seller's Business.

3.6. Absence of Certain Recent Changes.

Except as expressly provided in this Agreement or as set forth on Exhibit 3.6 in alphabetical order corresponding to the following subsections, since the date of the most recent Seller Financial Statements, and through the Effective Time, Seller has not and will use commercially reasonable efforts not to have:

- (a) except in the usual and Ordinary Course of its Business, consistent with past practice, and in an amount that is usual and normal, incurred any indebtedness or other liabilities (whether accrued, absolute, contingent or otherwise), guaranteed any indebtedness or sold any of its assets;
- (b) suffered any damage, destruction or physical loss, whether or not covered by insurance, in excess of Ten Thousand and No/100 Dollars (\$10,000.00) per any single Facility;
- (c) except with respect to liens or encumbrances arising by operation of law, permitted or allowed any of the Assets to be subjected to any mortgage, pledge, lien, security interest, encumbrance, restriction or charge of any kind;
- (d) written off any of the Assets, except for write-downs and write-offs in the Ordinary Course of Business and consistent with past practice, none of which are material;
- (e) paid, discharged or satisfied any claims, liabilities or obligations (absolute, accrued, contingent or otherwise) other than in the usual and Ordinary Course of Business;
- (f) suffered any extraordinary losses, canceled any debts or waived any claims or rights of substantial value, whether or not in the usual and Ordinary Course of Business;
- (g) paid, lent or advanced any amount to, or sold, transferred or leased any properties or assets (real, personal or mixed, tangible or intangible) to, or entered into any agreement or arrangement with, any member of Seller or any of the officers or directors of Seller or of any "affiliate" or "associate" of any of its officers or directors (as such terms are defined in the rules and regulations of the Securities and Exchange Commission under the Securities Act of 1933, as amended), except for reimbursement of ordinary

and reasonable business expenses related to the business of Seller and compensation to officers at rates not exceeding the rates of compensation as of the date of the most recent Seller Financial Statements;

- (h) amended, terminated or otherwise altered (whether by action or inaction) any contract, agreement or license of significant value pertaining to the Seller's Business or the Assets;
- (i) entered into a material transaction pertaining to the Seller's Business or the Assets other than in the Ordinary Course of Business or made any change in any method of accounting or accounting practice; or
- (j) agreed, whether in writing or otherwise, to take any action described in this § 3.6.

3.7. Title to Real Property.

- (a) Except as disclosed in Exhibit 3.7(a) of the Exhibit Volume, or otherwise set forth on the title commitment described in § 11.1 below, Seller has, or will have at Closing, good and marketable title to all of the Real Property subject to no mortgage, pledge, lien, lease, conditional sales agreement, option, right of first refusal or to any other encumbrance or charge, including taxes, except Permitted Encumbrances, and all:
  - (i) liens in respect of taxes not yet due and payable;
  - (ii) such matters of record, imperfections of title and other encumbrances, if any, that do not in the aggregate materially interfere with the use of the Real Property or otherwise materially impair the Seller's Business;
  - (iii) building, zoning, land use and subdivision laws and regulations;
  - (iv) easements of record for roads, rights-of-way, and public utilities serving the Real Property; and
  - (v) such non-monetary encumbrances with respect to the Real Property which are shown on the title commitment or the survey but are not objected to by Buyer in accordance with § 11.1 or which are otherwise deemed to be Permitted Encumbrances in accordance with this Agreement.

The term "Permitted Encumbrances" shall mean those items identified in § 3.7(a)(i) through § 3.7(a)(v) herein.

- (b) Other Representations Respecting Real Property. Except as disclosed in Exhibit 3.7(b) of the Exhibit Volume:



- (i) Seller enjoys peaceful and undisturbed possession of the Real Property. To Seller's knowledge, Seller's use of the Real Property does not currently, and did not in the past, violate any existing zoning, building or land use statutes, rules, ordinances or regulations of any federal, state, county or local entity, authority or agency the violation of which would have a material adverse effect on the Assets or the Seller's Business as it is presently conducted. Seller has not received any notice of any violation of any law, zoning ordinance or regulation affecting the Real Property and has not received any notice of nor has any knowledge of or information as to any existing or threatened condemnation or other legal action of any kind involving the Real Property that may affect the use of the Real Property. To Seller's knowledge, the use of the Real Property has been, and is proper and in compliance with all material applicable laws, rules and regulations with proper permits and licenses and the property has in effect a valid certificate of occupancy;
- (ii) there are no contracts, leases or agreements in effect with respect to the Real Property of any kind or nature whatsoever, whether or not of record, with the exception of admission agreements and residential agreements entered into by Seller with patients and residents of the Facility in the Ordinary Course of Business of Seller;
- (iii) to Seller's knowledge, there are no building, use or deed restrictions relating to the Real Property that are not of public record. To Seller's knowledge, there are no latent structural defects in any buildings or improvements located on the Real Property;
- (iv) except as set forth on Exhibit 3.7(a), to Seller's knowledge, there are no unrecorded easements relating to the Real Property, or special assessments or proposed special assessments relating to the Real Property, and no federal, state or local taxing authority has asserted any tax deficiency, lien or assessment against the Real Property that has not been paid;
- (v) there are no outstanding accounts payable or choate or inchoate mechanics' liens or rights to claim a mechanic's lien in favor of any contractor, materialman, laborer or any other Person in connection with any portion of the Real Property;
- (vi) to Seller's knowledge, the land adjacent, abutting or contiguous to the Real Property is not used for the benefit of the Real Property for any purpose, including, but not limited to, storm drainage, utility service or access to the Real Property and such land is not in any way necessary for the operation or use of the Real Property. Seller

- has rights of ingress and egress from the Real Property that are adequate for the purposes for which the Real Property currently is used;
- (vii) all service utilities, including gas, water, electricity, telephone and sewer, are presently available and serving the Real Property in an adequate manner for its current use;
  - (viii) to Seller's knowledge, no part of any Improvement encroaches on any real property not included in the Real Property, and there are no buildings, structures, fixtures or other Improvements primarily situated on adjoining property which encroach on any part of the Real Property;
  - (ix) the Real Property utilized by the Facility abuts on and has direct vehicular access to a public road or has access to a public road via a permanent, irrevocable, appurtenant easement benefiting the Real Property, is supplied with public or quasi-public utilities, and to Seller's knowledge is not located within any flood plain or area subject to wetlands regulation or any similar restriction; and
  - (x) there is no existing, or to Seller's knowledge, proposed plan to modify or realign any street or highway, and Seller has not received written notice of proposed eminent domain proceeding that would result in the taking of all or any part of the Real Property or that would prevent or hinder the continued use of the Real Property as heretofore used.

None of the encumbrances set forth in the title report impairs or materially interferes with the use of the Real Property or the Facility. The Real Property described on Appendix 1A constitutes all real property used in connection with the operation of the Facility.

- (c) Personal Property. The Assets consisting of owned personal property, including the Equipment and Furnishings listed on Appendix 1B are subject to no liens or encumbrances except for the security interests of record set forth on Exhibit 3.7(c) of the Exhibit Volume. Seller agrees to remove all security interests encumbering the Assets reflected on Buyer's UCC search, if any, on or before the Closing Date (except those approved by Buyer in writing, but Buyer shall not be anticipated to accept or approve any leases or financing documents related to any vehicles and/or equipment used with respect to the Seller's Business) and to similarly remove any other security interests filed against Seller's interest with respect to the Assets between the date of such UCC search or title search and the Closing Date. The bills of sale, special warranty deed, vehicle titles, assignments and other instruments to be executed and delivered by Seller at Closing will be valid and binding and enforceable in accordance with their respective terms, and will effectively vest in Buyer good and marketable title to all the Assets.

3.8. Contracts.

There are no contracts, leases, agreements or other instruments to which Seller is a party that could either singularly or in the aggregate have an adverse effect on the use of the Assets.

Other than the items described on Exhibit 3.7(a) and/or 3.8, Seller is not, as of the date of this Agreement, a party to or bound by:

- (a) Any material agreement or contract not made in the Ordinary Course of Seller's Business;
- (b) Any employee collective bargaining agreement or other contract with any labor union;
- (c) Any covenant not to compete;
- (d) Any lease or similar agreement under which Seller is a lessor or sublessor of any material real property owned or leased by Seller;
- (e) Any (i) lease or similar agreement under which (A) Seller is lessee of, or holds or uses, any machinery, equipment, vehicle or other tangible personal property owned by a third party or (B) Seller is a lessor or sublessor of any tangible personal property owned by Seller, (ii) continuing contract for the future purchase of materials, supplies or equipment pertaining to the Facility, or (iii) management, service, consulting or other similar type of contract pertaining to the Facility;
- (f) Any material license or other agreement relating in whole or in part to, trademarks;
- (g) Any agreement or contract under which Seller has borrowed or lent any money or issued any note, bond, indenture or other evidence of indebtedness or directly or indirectly guaranteed indebtedness, liabilities or obligations of others (other than endorsements for the purpose of collection in the Ordinary Course of Business);
- (h) Any mortgage, pledge, security agreement, deed of trust or other document granting a lien on the Assets or the Real Property (including liens upon properties acquired under conditional sales, capital leases or other title retention or security devices but excluding operating leases) other than Permitted Encumbrances and/or Permitted Exceptions; or
- (i) Any other material written agreement, contract, lease, license, commitment or instrument relating to the Assets to which Seller is a party.

### 3.9. Burdensome Agreements.

Other than the items described on Exhibit 3.8, Seller is not a party to, nor are the Assets subject to or bound or affected by, any provision of any order of any court or other agency of government or any indenture, agreement or other instrument or commitment that adversely affects the operations, earnings, assets, properties, liabilities, business or prospects of Seller or its condition, financial or otherwise.

### 3.10. Absence of Related Party Transactions.

Neither Seller, nor any officer, director or affiliate of Seller, has any material direct or indirect financial or economic interest in any competitor or supplier of the Facility. Other than the items described on Exhibit 3.8, neither Seller nor any officer, director or affiliate of Seller is a party to any transaction or proposed transaction related to the Facility, including, without limitation, the leasing of property, or the furnishing of its services; and Seller has not directly or indirectly entered into any agreement or commitment pertaining to the Facility that could result in Seller becoming obligated to provide funds in respect of or to assume any obligation of any such affiliated person or entity. There are no debts owing to Seller or any shareholder of Seller by, or any contractual agreements or understandings between Seller and, any member, director or officer of Seller, any member of their respective families, or any affiliate or associate of any of the foregoing individuals, as the term "affiliate" is defined for purposes of the Securities Act of 1933 and the rules and regulations thereunder, and none of the foregoing individuals or any affiliate or associate of them owns any property or rights, tangible or intangible (other than an equitable interest) used in or related to Seller's Business.

### 3.11. Defaults.

- (a) Except as disclosed in Exhibit 3.11, Seller is not in default under, nor has any event occurred that, with the lapse of time or action by a third party, could result in a default under any outstanding indenture, mortgage, contract, instrument or agreement pertaining to the Assets to which Seller is a party.
- (b) Subject to Buyer's obtaining the necessary regulatory approvals the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated by this Agreement will not violate any provision of, or result in the breach of, or constitute a default under, any law the violation of which would result in a significant liability to Buyer, or any order, writ, injunction or decree of any court, governmental agency or arbitration tribunal; constitute a violation of or a default under, or a conflict with, any contract, commitment, indenture, lease, instrument or other agreement, or any other restriction of any kind to which Seller is a party; or cause, or give any party grounds to cause (with or without notice, the passage of time or both) the maturity of any liability or obligation of Seller, to be accelerated, or increase any such liability or obligation.

3.12. Equipment.

The present quantity of all FF&E owned and/or operated by Seller is to be transferred and conveyed in "AS IS, WHERE IS" condition.

3.13. Powers of Attorney.

There are no outstanding powers of attorney related to Seller.

3.14. Guarantees.

Except as may exist in connection with bonds previously issued by Blount County, Tennessee for the use and benefit of Seller, there are no outstanding guarantees, matters of suretyship and contingent liabilities of Seller.

3.15. Permits and Licenses.

Included as Exhibit 3.15 in the Exhibit Volume is a schedule of permits, certifications, certificates of need and licenses of Seller, listing and briefly describing each permit, certification, license, certificate of need or similar authorization from each governmental authority issued with respect to the ownership and operation of the Facilities by Seller together with the designation of the respective expiration dates of each, if any. All of such permits, certifications, licenses, certificates of need and authorizations will continue to be valid and in full force and effect in accordance with their respective terms until the consummation of the transactions contemplated hereby. To Seller's knowledge, Seller is not required to obtain any additional permits, certifications, licenses, certificates of need or similar authorizations (including, without limitation, any additional certificates of need) from any governmental authority for the proper conduct of the Seller's Business, other than those listed on Exhibit 3.15 in the Exhibit Volume. In addition:

- (a) no default has occurred in any material respect in the due observance or condition of any permit, certifications, certificates of need or license that has not been heretofore corrected;
- (b) Seller has not received any notice from any source to the effect that Seller is lacking any permit, certifications, certificates of need or license needed in any material respect in connection with the operation of Seller's Business; and
- (c) Seller has not received any notice that the Facility is out of compliance with the terms of all such permits, certifications, certificates of need and licenses held by Seller, or that such permits, certifications, certificates of need or licenses will not be renewed upon expiration, or that any material conditions will be imposed in order to receive any such renewal, nor has Seller received any notice that it has not complied in all material respects with the terms of all permits, certifications, certificates of need and licenses held by Seller.

Notwithstanding anything herein to the contrary, Buyer acknowledges that skilled nursing facilities such as the Facility are subject to periodic surveys by Governmental Bodies, and the

results of such surveys can, in the ordinary course include immaterial statements of deficiencies. No guaranty, representation or warranty is made that the Facility shall be free from such ordinary survey deficiencies at Closing.

3.16. Litigation, etc.

Except as set forth in Exhibit 3.16 of the Exhibit Volume, there is no litigation, arbitration, governmental claim, investigation or proceeding pending or, to Seller's knowledge, threatened against Seller, at law or in equity, before any court, arbitration tribunal or governmental agency.

3.17. Court Orders, Decrees and Laws.

Except as set forth in Exhibit 3.16 of the Exhibit Volume, there is not outstanding or threatened any order, writ, injunction or decree of any court, governmental agency or arbitration tribunal against or affecting Seller which would significantly interfere with the abilities to conduct the Seller's Business. Seller is in compliance in all material respects with all applicable federal, state and local laws, regulations and administrative orders that are material to its ownership, operation and/or management of its Assets, and Seller has received no notices of alleged violations thereof which remain uncured, except as disclosed in Exhibit 3.17 hereof. To Seller's knowledge, no governmental authorities are presently conducting regulatory proceedings against Seller, and no such regulatory investigation or proceeding is pending or being threatened.

3.18. Taxes.

All federal, state and other tax returns of Seller, as an entity, required by law to be filed have been timely filed or will be filed as of Closing, and Seller, as an entity, has paid or will pay at Closing all taxes (including taxes on properties, income, franchises, licenses, sales and payrolls) which have become due pursuant to such returns of Seller or pursuant to any assessment against Seller, except for any taxes and assessments of which the amount, applicability or validity is currently being contested in good faith by appropriate proceedings and with respect to which Seller has set aside on its books adequate reserves. All such tax returns have been prepared in compliance with all applicable laws and regulations, to Seller's knowledge, and are true and accurate in all respects. There are no tax liens on any of the Assets except those with respect to taxes not yet due and payable and except for any taxes and assessments of which the amount, applicability or validity is currently being contested in good faith by appropriate proceedings and with respect to which Seller has set aside on its books adequate reserves.

3.19. Non-Foreign Status; Patriot Act.

Seller is not a "foreign person" as such term is defined in Section 1445(f) of the Internal Revenue Code of 1986, as amended. Seller is a "United States person" within the meaning of Section 7701(a)(30) of the Internal Revenue Code of 1986, as amended. Seller is in compliance with the requirements of Executive Order No. 13224, 66 Fed. Reg. 49079 (Sept. 25, 2001) (the "Order") and other similar requirements contained in the rules and regulations of the Office of Foreign Assets Control, Department of the Treasury (OFAC) and in any enabling legislation or other Executive Orders or regulations in respect thereof (the Order and such other rules, regulations, legislation, or orders are collectively called the "Orders"). Neither Seller nor any

beneficial owner of Seller: (i) is listed on the Specially Designated Nationals and Blocked Persons List maintained by OFAC pursuant to the Order and/or on any other list of terrorists or terrorist organizations maintained pursuant to any of the rules and regulations of OFAC or pursuant to any other applicable Orders (such lists are collectively referred to as the "Lists"); (ii) is a Person who has been determined by competent authority to be subject to the prohibitions contained in the Orders; or (iii) is owned or controlled by, or acts for or on behalf of, any Person on the Lists or any other Person who has been determined by competent authority to be subject to the prohibitions contained in the Orders.

3.20. Environmental Matters.

Except as disclosed on Exhibit 3.20:

- (a) All federal, state and local permits, licenses and authorizations required for the use and operation of the Real Property have been obtained and are presently in effect, except to the extent such failure would not be reasonably expected to have a material adverse effect on the Facilities.
- (b) To the knowledge of Seller, none of the Real Property has been used by Seller (and to Seller's knowledge, by any other Person at any time) to handle, treat, store or dispose of any Hazardous Substance (as defined below), nor, to Seller's knowledge, is any of the Real Property, including all soils, groundwaters and surface waters located on, in or under the Real Property, contaminated with pollutants or other substances which contamination may give rise to a clean-up obligation under any federal, state or local law, rule, regulation or ordinance, including, but not limited to, the federal Comprehensive Environmental Response, Compensation and Liability Act, 42 USC 9601 et seq., and the common law.
- (c) All underground and aboveground tanks located in, on or under any Real Property are, to Seller's knowledge, in a state of good condition and repair and have not leaked nor are they presently leaking any of the contents that they have held or presently hold. A list of all such tanks is set forth on Exhibit 3.20.
- (d) There are no outstanding violations or any consent decrees entered against Seller regarding environmental and land use matters, including, but not limited to, matters affecting the emission of air pollutants, the discharge of water pollutants, the management of hazardous or toxic substances or wastes, or noise.
- (e) There are no claimed, threatened or alleged violations by Seller with respect to any federal, state or local environmental law, rule, regulation, ordinance, permit, license or authorization, and there are no present discussions with any federal, state or local governmental agency concerning any alleged violation of environmental laws, rules, regulations, ordinances, permits, licenses or authorizations.

- (f) All operations conducted by Seller regarding the Real Property have been and are in compliance with all federal, state and local statutes, rules, regulations, ordinances, permits, licenses and authorizations relating to environmental compliance and control.
- (g) To Seller's knowledge, no part of the Real Property has been designated by any governmental agency having jurisdiction as wetlands or as inhabited by an endangered species.

For purposes hereof, "Hazardous Substances" means any of the following: (i) any "hazardous waste," "solid waste," "hazardous material," "hazardous substance," "toxic substance," "pollutant," or "contaminant" as those or similar terms are defined or regulated under any Environmental Laws; (ii) asbestos (whether or not friable) and asbestos-containing materials; (iii) any volatile organic compounds, including oil and petroleum products; (iv) any substances that because of their quantitative concentration, chemical, radioactive, flammable, explosive, infectious or other characteristics, constitute or may reasonably be expected to constitute or contribute to a danger or hazard to health, safety or welfare of any person or to the environment, including any polychlorinated biphenyls (PCBs), infectious medical wastes (including tissue, syringes, needles, blood samples or any material contaminated with bodily fluids of any type), toxic metals, etchants, pickling and plating wastes, explosives, reactive metals and compounds, pesticides, herbicides, urea formaldehyde foam insulation and chemical, biological and radioactive wastes; (v) radon gas; (vi) any other substance the presence of which on the Premises is prohibited by any Environmental Laws; and (vii) any other substance that by any Environmental Laws requires special handling or notification of any Governmental Authority in its collection, storage, treatment, or disposal. However, for the purposes of the covenants and indemnification obligations set forth in this Agreement, the term "Hazardous Substances" shall not include quantities of materials, chemicals or substances normally used in connection with the use, management or operation of the Facility, nor medical waste generated from the operation of the Facility, provided that such materials, chemicals, substances or medical waste are generated, produced, stored, handled, used, transported and disposed in a safe and prudent manner in strict compliance with all Environmental Laws.

"Environmental Laws" means all laws, statutes, codes, ordinances, orders, interpretations, rules and regulations of any governmental authority relating to human health or the environment, including the Resource Conservation and Recovery Act of 1976, 42 U.S.C. Section 6901, et seq. ("RCRA"); the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Toxic Substances Control Act, 15 U.S.C. Section 2601, et seq., the Federal Hazardous Materials Transportation Law, 49 U.S.C. Section 5101, et seq., the Clean Water Act, 33 U.S.C. Section 1251, et seq., the Clean Air Act, 42 U.S.C. Section 7401, et seq., the Occupational Safety and Health Act, 29 U.S.C. Section 651, et seq., and all similar state laws that are applicable, as well as all regulations promulgated thereunder and any common law or any other rule of law of any governmental authority applicable to the Real Property and/or Facility and relating to human health or the environment.



### 3.21. Employee Benefit Plans.

All matters as to sponsorship of or participation in pension, profit-sharing, stock bonus, deferred compensation, or other tax-qualified or nonqualified retirement plans; welfare benefit plans, including group health, life, disability, or similar plans; fringe benefit, cafeteria, flexible benefit, or educational assistance plans; executive compensation, bonus, or incentive plans; severance plans; vacation, holiday, sick-leave, paid-time-off, or other employee compensation-related plans, procedures, programs, payroll practices, policies, agreements, commitments, contracts, or understandings under which any of the benefits described above are provided to any Persons; or any trusts or other agreements related thereto (all collectively, the "Benefit Plans") regarding persons working at the Facility shall be governed by the Operations Transfer Agreement.

### 3.22. Insurance.

Exhibit 3.22 of the Exhibit Volume is a list and brief description of all policies of fire, general liability, environmental impairment liability, and other forms of insurance policies or binders currently in force insuring against risks of Seller. All insurance policies or binders of Seller are valid, outstanding and enforceable and will continue to be valid, binding and enforceable until the consummation of the transactions contemplated by this Agreement. Seller is not in default or breach with respect to any provision of any such insurance policies nor has any Seller failed to give any notice or to present any claim thereunder in due and timely fashion.

### 3.23. Labor Matters.

There are no collective bargaining agreements with any labor union to which Seller is a party or by which Seller is bound, and Seller is not currently negotiating with a labor union. Except as set forth on Exhibit 3.23, there is no pending or threatened labor dispute, work stoppage, unfair labor practice complaint, strike, administrative or court proceeding or order between Seller and any present or former employee(s) of Seller.

### 3.24. Improper Payments.

Neither Seller nor any officer or employee of Seller have made any bribes, kickbacks or other improper payments on behalf of the Facility or received any such payments from vendors, suppliers or other persons contracting with the Facility.

### 3.25. Books of Account; Reports.

The books of account and other financial Records of Seller, all of which have been made available to Buyer to the extent requested by Buyer, are complete and correct in all material respects and represent actual, bona fide transactions and have been maintained in accordance with sound business practices. Seller has filed all reports and returns required by any law or regulation to be filed by it.

### 3.26. No Finders or Brokers.

Neither Seller nor any officer or director of Seller has engaged any finder or broker in connection with the transactions contemplated hereunder, except for PYA, P.C. and Realty Trust

Group, LLC, and any fee or commission due to such broker shall be the sole responsibility of Seller.

3.27. Enforceability; Authority; No Conflict.

Seller has full power and authority to enter into this Agreement and to carry out the transactions contemplated herein, subject to Buyer's obtaining the necessary regulatory approvals. The execution, delivery, and performance of this Agreement constitute the valid and binding agreement of Seller enforceable in accordance with its terms.

3.28. Condition of the Property and Major Mechanical Components.

To Seller's knowledge, there currently exists no defective condition, structural or otherwise, with respect to the Real Property and/or Facility. In addition, to Seller's knowledge, Seller has not received any written notice during the twelve (12) months prior to the date of this Agreement from any insurance company which has issued a policy with respect to the Real Property and/or Facility or from any board of fire underwriters (or other body exercising similar functions) claiming any defects or deficiencies in the Real Property and/or Facility or suggesting or requesting the performance of any repairs, alterations or other work to the Real Property and/or Facility. To Seller's knowledge, the sewage or any waste water systems, life safety systems, the incinerators and the heating or air conditioning equipment located on the Real Property and/or Facility are in normal operating condition and in compliance with applicable federal, state, commonwealth or municipal laws, ordinances, orders, regulations or requirements. To Seller's knowledge, Seller has received no written notice that either of the sewage or any waste water systems, life safety systems, incinerators or the heating or air conditioning equipment located on the Real Property and/or Facility violate any applicable federal, state, commonwealth or municipal laws, ordinances, orders, regulations or requirements.

3.29. Purchased Assets; Liens.

All of the Assets to be transferred hereunder or by the OTA are owned, operated and/or managed by Seller and are located at or on the Real Property and/or Facility. The Assets which are being transferred pursuant to this Agreement or the Operations Transfer Agreement are sufficient to operate the Facility in the manner conducted by Seller as of the date hereof and as of the Closing Date. All of the assets necessary to operate the Facility are owned by BMH and/or Blount County, Tennessee and BMH and/or Blount County, Tennessee have good and marketable Fee title or leasehold title to the Assets. The Assets include all buildings, machinery, equipment, and other tangible assets currently used in the operation and management of the Facility by Seller, but exclude vendor-owner equipment and property owned by the patients and residents.

3.30. "Life Care" and Other Residency Contracts.

Exhibit 3.30 includes a true and complete copy of each endowment, "life care," or other lump sum monetary payment contract or agreement in connection with the use or occupancy of the Facility by any person. Except as specifically set forth in Exhibit 3.30, no person using or occupying any part of the Facility has paid any entrance fee, investment fee, endowment, "life care" fee, or other lump sum monetary payment in connection with his or her use or occupancy of the Facility. No person using or occupying any part of the Facility has been promised any special

concessions or care except as fully set forth in contracts set forth in Exhibit 3.30, whether contractual or based upon the city or county of such person's residence. All contracts set forth in Exhibit 3.30 are compliant with all applicable rules and regulations regarding such contracts, except as specifically disclosed on Exhibit 3.30.

### 3.31. Compliance Program.

Seller has provided to Buyer a copy of its current compliance program materials. Except as set forth on Exhibit 3.31, neither Seller nor the Facility (a) is a party to a Corporate Integrity Agreement with the Office of the Inspector General ("OIG"), (b) has any reporting obligations pursuant to any settlement agreement entered into with any Governmental Authority, (c) has been the subject of any government payor program investigation conducted by any federal or state enforcement agency, (d) has been a defendant in any qui tam/False Claims Act or similar litigation, (e) has been served with or received any search warrant, subpoena, civil investigative demand, contact letter, or telephone or personal contact by or from any federal or state enforcement agency (except in connection with medical services provided to third-parties who may be defendants or the subject of investigation into conduct unrelated to the operation of the business or any other health care businesses conducted by Seller), and/or (f) has received any written complaints or complaints through their telephonic hotlines from employees, independent contractors, vendors, physicians, or any other person that would indicate that Seller has in the past violated, or is currently in violation of, any law or regulation. Seller has performed all required OIG and/or LIE verifications of all employees, independent contractors and/or vendors and no current employees, vendors and/or independent contractors appear on the OIG and/or LIE lists. Buyer has been provided with a description of each audit and investigation conducted by Seller pursuant to its compliance program with respect to the business during the last three years. For purposes of this Agreement, the term "Compliance Program" refers to provider programs of the type described in the Compliance Program Guidance published by the OIG. The Facility has not received notice of inclusion or intended inclusion as a Federal Special Focus Facility or any State equivalent.

To its knowledge, the Seller's operations are fully in compliance with and do not otherwise violate the Federal Medicare and Medicaid statutes regarding physician self-referrals, 42 U.S.C. §§ 1395nn and 1396b(s), the regulations promulgated pursuant to such statutes, or any related state or local Laws. Neither Seller, nor, to the Seller's knowledge, any officers, directors, trustees, employees or agents of Seller and/or the Facility, have engaged in any activities that would be reasonably likely to violate such Laws.

To its knowledge, the Seller has not engaged in any activities that are prohibited under the Federal Controlled Substances Act, 21 U.S.C. § 801 et seq., or the applicable regulations promulgated pursuant to such statute or any related Law concerning the dispensing and sale of controlled substances.

3.32. Knowledge; Miscellaneous.

As used in this Agreement, the term “to the knowledge of Seller” or any other reference to the knowledge of Seller shall mean and apply to the actual knowledge of Jonathan Smith, and the administrator of each Facility (the “Seller’s Knowledge Individuals”).

Notwithstanding anything contained in this Agreement to the contrary, all of the representations and warranties which are made by Seller and set forth herein or in any of the documents or instruments required to be delivered by Seller hereunder, shall be subject to the following conditions and limitations: (a) there shall be no liability on the part of Seller for any breach of a representation or warranty arising from any matter or circumstance of which Buyer had actual knowledge at Closing; and (b) if prior to the time of Closing, during the course of Buyer’s inspections, studies, tests and investigations, or through other sources, Buyer gains actual knowledge of a fact or circumstance which, by its nature, indicates that a representation or warranty was or has become untrue or inaccurate, Buyer’s sole and exclusive right and remedy shall be to terminate this Agreement, in which event Seller shall permit the Escrow Agent to refund to Buyer the Deposit, whereupon this Agreement shall be deemed cancelled and the parties hereto shall be released of all obligations and liabilities under this Agreement, except those that are expressly stated to survive the cancellation or termination of this Agreement; and Buyer shall have no rights of action against Seller, in law or in equity, for damages or specific performance.

3.33. Solvency.

Seller is not now insolvent and will not be rendered insolvent by any of the Contemplated Transactions. As used in this section, “insolvent” means that the sum of the debts and other probable Liabilities of Seller exceeds the present fair saleable value of Seller’s assets.

3.34. Disclosure.

No representation or warranty or other statement made by Seller in this Agreement, the Exhibits, the certificates delivered pursuant to § 8.1 or otherwise in connection with the Contemplated Transactions contains any statement which is not true in all material respects, or omits to state a material fact necessary to make any of them, in light of the circumstances in which it was made, not misleading. A disclosure contained in one Schedule or Exhibit to this Agreement shall be deemed adequate disclosure in other Sections, Exhibits and Schedules to this Agreement where there is no reasonable risk that Buyer will be confused or misled.

**ARTICLE 4  
REPRESENTATIONS AND WARRANTIES OF BUYER**

Buyer hereby represents and warrants as follows:

4.1. Organization and Standing of Buyer.

Each Buyer is a limited liability company duly organized, validly existing and in good standing under the laws of Tennessee; has full power and authority to conduct its business as now

being conducted; and is duly qualified to do business in each jurisdiction in which the nature of the property owned or leased or the nature of its business requires such qualification.

4.2. Authority; Binding Effect.

Buyer has the power to execute and deliver this Agreement and consummate the transactions contemplated hereby and has taken (or by the Closing Date will have taken) all action required by law, its Articles of Incorporation, Bylaws or otherwise to authorize such execution and delivery and the consummation of the transactions contemplated hereby. The execution, delivery, and performance of this Agreement constitutes the valid and binding agreement of Buyer enforceable in accordance with its terms (except as the same may be restricted, limited or delayed by applicable bankruptcy or other laws affecting creditors' rights generally and except as to the remedy of specific performance that may not be available under the laws of various jurisdictions) assuming that this Agreement has been duly authorized, delivered and executed by Seller and constitutes the valid and binding obligation, enforceable against Seller in accordance with its terms (except as enforceability against Seller may be restricted, limited or delayed to the same extent as referred to in the parenthetical phrase immediately above).

Neither the execution, delivery or performance of this Agreement by Buyer, nor compliance with the terms and provisions hereof, will result in any breach of the terms, conditions or provisions of, or conflict with or constitute a default under, or result in the creation of any lien, charge or encumbrance upon any Assets or assets of Buyer, or any material agreement by which Buyer is bound. Except as may be necessary with regard to licenses and permits, Buyer is not required to give any notice to, make any filing with, or obtain any authorization, consent or approval of any government or governmental authority or other third party in order to consummate the transactions contemplated herein.

4.3. No Finders or Brokers.

Neither Buyer nor any officer or director thereof has engaged any finder or broker in connection with the transactions contemplated hereunder, and if any person claims any finder's fee or commission in connection herewith on behalf of Buyer, any such finder's fee, commission or other compensation shall be the sole responsibility of Buyer, and Buyer shall indemnify Seller with regard thereto.

4.4. Pending Litigation.

There are no proceedings pending or, to the knowledge of Buyer, threatened, against or affecting Buyer in any court or before any governmental authority or arbitration board or tribunal that involve the possibility of materially and adversely affecting the properties, business, prospects, profits or condition (financial or otherwise) of Buyer considered as a whole. Buyer will promptly notify Seller of any lawsuits, claims, proceedings or investigations that are commenced against either it or any Affiliate thereof, between the date of this Agreement and the Closing Date, that may relate to, or affect, the Assets, the Liabilities or the Real Property.

4.5. Court Orders, Decrees and Laws.

There is not outstanding or, to Buyer's knowledge, threatened any order, writ, injunction or decree of any court, governmental agency or arbitration tribunal against or affecting Buyer or any of its assets that would significantly interfere with its ability to conduct its business. To Buyer's knowledge, Buyer is in compliance with all applicable federal, state and local laws, regulations and administrative orders that are material to the business of Buyer. No governmental authorities are presently conducting any investigation or proceeding against Buyer and, to Buyer's knowledge, no such investigation or proceeding is pending or being threatened.

4.6. Consents and Approvals of Governmental Authorities.

No characteristic of Buyer or of the nature of Seller's Business requires any consent, approval or authorization of, or declaration, filing or registration with any governmental or regulatory authority in connection with the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, other than with respect to the licenses and permits required to operate or own the Facility.

**ARTICLE 5  
COVENANTS OF BUYER**

Buyer hereby covenants and agrees as follows:

5.1. Best Efforts to Secure Consents.

Buyer shall take the necessary corporate action and shall use Best Efforts to secure before the Closing all necessary consents and approvals needed to satisfy all the conditions precedent to the obligations of Seller hereunder. Provided, however, that in the event Buyer has been unable to obtain reasonable assurances by at least ten (10) days before the Closing Date that the licenses necessary to operate the Facility will be issued as of the Closing Date, after having used all reasonable good faith efforts in connection therewith, the Closing Date will be postponed in accordance with the provisions of § 2.8 above.

5.2. Information.

Buyer shall promptly provide to Seller upon reasonable request any information or documents reasonably necessary for Seller or its members to make an informed judgment as to the advisability of consummating the transactions contemplated hereby or to verify the representations and warranties herein. Until the Closing Date, Buyer shall notify Seller of any matter that may be materially adverse to Buyer and its subsidiaries considered as a whole and shall keep Seller fully informed of such events.

5.3. Corporate Action.

Buyer will take all necessary action and use its Best Efforts to obtain all consents, approvals and amendments of agreements required of it to carry out the transactions contemplated by this Agreement and to satisfy the conditions specified herein.

5.4. Handling of Documents.

With respect to information provided by Seller pursuant to this Agreement prior to the Closing, Buyer shall keep all such information confidential that is not in the public domain, except to the extent that such information becomes generally available to the public other than as a result of a disclosure directly or indirectly by Buyer, was known by Buyer on a non-confidential basis prior to disclosure to Buyer by Seller pursuant to this Agreement or becomes available to Buyer on a non-confidential basis from a source (other than Seller) that is entitled to disclose the same, and to exercise the same care in handling such information as it would exercise with similar information of its own.

5.5. Non-Disclosure.

Buyer will keep confidential and not disclose to any third party any information relating to the Seller's Business, whether acquired by Buyer before or after the Closing Date, that Seller has not made generally available to the public. This provision shall survive Closing.

5.6. Records of Seller.

Buyer shall assure Seller that after Closing, Seller or Seller's representatives will have reasonable access upon reasonable prior notice during normal business hours to such portions of such records related to the prior operation of the Facility as may be necessary for the Seller to defend or otherwise adequately respond to any litigation, audits, or claims related to operations of the Facility by Seller, including the maintenance of historical records in an orderly fashion by New Operator, in accordance with the terms set forth in Section 3.04(b) of the OTA, which is incorporated herein by reference. Furthermore, Buyer shall assure Seller that such obligations noted above will become an obligation of any owner, lessor, lessee, or other operator of the Facility in the event the Buyer and/or New Operator transfer their respective interests in the Facility while such Section 3.04(b) of the OTA remains in effect.

**ARTICLE 6  
COVENANTS OF SELLER**

Seller hereby covenants and agrees as follows:

6.1. Access and Information.

Between the date of this Agreement and the Closing Date, Seller will provide to Buyer and its officers, attorneys, accountants and other representatives, during normal business hours, or upon Buyer's reasonable request:

- (a) reasonable access to the Facility upon at least two (2) business day's prior notice, in order to conduct engineering, environmental and related third party inspections of the Facility;
- (b) reasonable access to all of the agreements, commitments, books, records, accounts, tax returns, and documents of Seller, and permit Buyer to make

copies thereof (all subject to any restrictions as to privacy rights of Facility residents under Federal or state law);

- (c) furnish Buyer and its representatives with all information concerning Seller as Buyer reasonably requests; and
- (d) cause the independent public accountants of Seller to make available to Buyer and its representatives all financial information relating to the Seller's Business reasonably requested, including all working papers pertaining to audits and reviews made heretofore by such auditors.

Buyer shall use its Best Efforts to avoid disrupting the normal operations of the Facility and to preserve the confidential nature of the transaction contemplated herein.

6.2. Conduct of Business.

Between the date hereof and the Closing Date, except as otherwise expressly approved in writing by Buyer, Seller shall conduct Seller's Business only in the ordinary course thereof consistent with past practice and in such a manner that the representations and warranties contained in Article 3 of this Agreement shall be true and correct in all material respects at and as of the Closing Date (except for changes contemplated, permitted or required by this Agreement) and so that the conditions to be satisfied by Seller at the Closing shall have been satisfied.

6.3. Compliance with Agreement.

Seller shall not undertake any course of action inconsistent with satisfaction of the conditions applicable to it set forth in this Agreement, and shall do all such acts and take all such measures as may be reasonably necessary to comply with the representations, agreements, conditions and other provisions of this Agreement. Seller shall give Buyer prompt written notice of any change in any information contained in the representations and warranties made in Article 3 hereof and on the Exhibits referred to therein (provided, however, that such notice shall not limit Buyer's rights under § 9.1(c) hereof) and of any condition or event that constitutes a default of any covenant or agreement made in Article 6 or in any other section hereof.

6.4. Best Efforts to Secure Consents.

Seller shall take the necessary corporate and other action and shall use its Best Efforts to secure before the Closing Date all necessary consents, and approvals required to carry out the transactions contemplated by the Agreement and to satisfy all other conditions precedent to the obligations of Buyer and Seller.

6.5. Unusual Events.

Until the Closing Date, Seller shall supplement or amend all relevant Exhibits in the Exhibit Volume with respect to any matter thereafter arising or discovered that, if existing or known at the date of this Agreement, would have been required to be set forth or described in such Exhibits. The submitted supplemental Exhibits shall be deemed accepted and thereby become an Exhibit to this Agreement unless: (i) such proposed Exhibit would, individually or in aggregate with the



effect of items disclosed in other supplemental Exhibits which were first submitted after signing of this Agreement, could reasonably be determined to constitute a material adverse effect, and (ii) within five (5) business days after receipt of such proposed supplemental Exhibit, Buyer provides written notice to Seller reasonably detailing the objection thereof and changes in such proposed Exhibit which would make the same acceptable. Should the parties not be able to resolve written objections within ten (10) business days thereafter, then either party may withdraw from this Agreement and terminate it without any obligation or liability of any sort and this Agreement shall be treated as never having been executed or delivered and the Deposit shall be returned to Buyer.

6.6. Real Property Assessments.

If, on the Closing Date, the property or assets of Seller is or will be subject to any real property assessment or assessments that are or may become payable in annual installments, of which the first installment is then a charge or lien, or has been paid, then for the purposes of this Agreement all the unpaid installments of any such assessment, including those that are to become due and payable, shall be paid and prorated on the same basis as property taxes hereunder, as provided between Seller and Buyer as of the Closing Date.

6.7. Maintain Insurance Coverage.

From the date hereof until the Closing, Seller shall maintain in full force and effect the existing insurance on the Assets and the operations of the Facility and shall provide, upon request by Buyer, evidence satisfactory to Buyer that such insurance continues to be in effect and that all premiums due have been paid.

6.8. Non-Disclosure.

Buyer will keep confidential and not disclose to any third party any information relating to the Seller's Business or the Facility, whether acquired by Buyer before or after the Closing Date, that Seller has not made generally available to the public, except for regulatory filings in connection with the transactions described herein and in the OTA, and except that Buyer shall be entitled to disclose such information and the terms of this Agreement to its attorneys, accountants, financing sources, third party agents, investors, and other advisors; provided, such persons agree to keep such information and the terms of this Agreement confidential. Notwithstanding the foregoing, Buyer may, at its sole cost and expense, file a Certificate of Need application with the HFC before the Closing Date seeking to add up to 14 additional skilled nursing beds at TCC after the Closing Date. Seller shall provide such information and data as may be required by the HFC in regard to such application, and allow disclosures thereof in such application regardless of this non-disclosure provision.

**ARTICLE 7  
CONDITIONS PRECEDENT TO THE OBLIGATIONS OF SELLER**

All obligations of Seller that are to be discharged under this Agreement at the Closing are subject to the performance, at or prior to the Closing, of all covenants and agreements contained herein that are to be performed by Buyer at or prior to the Closing and to the fulfillment at, or prior to, the Closing, of each of the following conditions (unless expressly waived in writing by Seller at any time at or prior to the Closing):

7.1. Representations and Warranties True.

All of the representations and warranties made by Buyer contained in Article 4 of this Agreement shall be true as of the date of this Agreement, shall be deemed to have been made again at and as of the date of Closing, and shall be true at and as of the date of Closing in all material respects; Buyer shall have performed and complied in all material respects with all covenants and conditions required by this Agreement to be performed or complied with by them prior to or at the Closing; and Seller shall have been furnished with a certificate of the President or any Vice President of Buyer, dated the Closing Date, in such officer's capacity, certifying to the truth of such representations and warranties as of the Closing and to the fulfillment of such covenants and conditions.

7.2. Authority.

All action required to be taken by or on the part of Buyer to authorize the execution, delivery and performance of this Agreement by Buyer and the consummation of the transactions contemplated hereby shall have been duly and validly taken by the Board of Directors of Buyer.

7.3. No Obstructive Proceeding.

No action or proceedings shall have been instituted against, and no order, decree or judgment of any court, agency, commission or governmental authority shall be subsisting against Seller, or the officers or directors of Seller, that seeks to, or would, render it unlawful as of the Closing to effect the transactions contemplated hereby in accordance with the terms hereof, and no such action shall seek damages in a material amount by reason of the transactions contemplated hereby. Also, no substantive legal objection to the transactions contemplated by this Agreement shall have been received from or threatened by any governmental department or agency.

7.4. Proceedings and Documents Satisfactory.

All proceedings in connection with the transactions contemplated hereby and all certificates and documents delivered to Seller pursuant to this Agreement shall be satisfactory in form and substance to Seller and its counsel acting reasonably and in good faith.

7.5. Third Party Consents.

Seller shall have received prior to Closing, in a form satisfactory to Buyer, such third party consents as may be necessary to complete the transactions contemplated by this Agreement including but not limited to a consent or waiver from BCBC, such consent or waiver as may be required from the Tennessee Attorney General, and such consent or waiver as may be required from any creditor of Seller.

7.6. Scholarship Approval

No later than five (5) days before Closing, Buyer shall provide to Seller an executed resolution of the Board of Directors of Ocoee Foundation, Inc. ("OFI"), confirming that OFI has amended its current Scholarship Agreement with the Community Foundation of Cleveland and Bradley County (to be effective upon Closing) to require OFI to provide, pursuant to the Ocoee Foundation

Scholarship Fund, two (2) college scholarships per year for high school students graduating from any high school located in Blount County for as long as an affiliate of OFI owns and operates TCC, such scholarship program to exist for not less than ten (10) years and make scholarships to qualifying candidates who desire to pursue a degree in a healthcare-related field, in the amount of at least \$25,000 per student (\$6,250 per year towards the cost of a four-year degree) for each of those ten (10) years.

7.7. No Agency Proceedings.

There shall not be pending or, to the knowledge of Buyer, threatened, any claim, suit, action or other proceeding brought by a governmental agency before any court or governmental agency, seeking to prohibit or restrain the transactions contemplated by this Agreement or material damages in connection therewith.

7.8. Casualty Prior to Closing.

If, at any time prior to the Closing Date, any of the Assets are missing or damaged in material amounts (materiality for such purposes meaning any loss in book value on the books of Seller in excess of Fifty Thousand and No/100 Dollars (\$50,000.00)) (per any single Facility) and the Seller's Business is materially interrupted or likely will be materially interrupted for a period in excess of sixty (60) days, except for damage or loss through use and wear in the Ordinary Course of Business, Buyer shall have the right, at its option, to complete the purchase of the Assets pursuant to this Agreement and receive the insurance proceeds (if any) payable to Seller or Buyer as a result of such damage or loss or, in the alternative, to terminate this Agreement, in which event it shall have no further claim against Seller or to any insurance proceeds and neither Seller nor Buyer shall have any claim against the other, and Buyer shall receive back the Deposit in full.

7.9. Failure of Condition Precedent.

If there is a failure of any of the conditions precedent to either party's obligation to close which is not due to a material breach of representation or other material default by the party in whose favor such condition runs, then the party in whose favor such condition runs shall have the right to terminate this Agreement by giving written notice thereof to the other party at or prior to the Closing Date, in which event neither party shall have any further obligations or liabilities to the other party hereunder except for the Surviving Obligations; provided, however, if the failure of any of the conditions precedent to either party's obligation to close is due to a material breach of a representation or other material default by the other party, then § 9.4 shall control.

**ARTICLE 8**  
**CONDITIONS PRECEDENT TO THE OBLIGATIONS OF BUYER**

All obligations of Buyer that are to be discharged under this Agreement at the Closing are subject to the performance, at or prior to the Closing, of all covenants and agreements contained herein that are to be performed by Seller at or prior to the Closing and to the fulfillment at or prior to the Closing of each of the following conditions (unless expressly waived in writing by Buyer at any time at or prior to the Closing):

8.1. Representations and Warranties True.

All of the representations and warranties of Seller contained in Article 3 of this Agreement shall be true as of the date of this Agreement, shall be deemed to have been made again at and as of the Closing, and shall be true at and as of the date of Closing in all material respects; Seller shall have performed or complied in all material respects with all covenants and conditions required by this Agreement to be performed or complied with by it prior to or at the Closing; and Buyer shall be furnished with a certificate of the President of Seller, dated the Closing Date, in such person's corporate capacity certifying to the truth of such representations and warranties as of the time of the Closing and to the fulfillment of such covenants and conditions.

8.2. No Obstructive Proceeding.

No action or proceedings shall have been instituted against, and no order, decree or judgment of any court, agency, commission or governmental authority shall be subsisting against Buyer or the officers or directors of Buyer that seeks to, or would, render it unlawful as of the Closing to effect the transactions contemplated hereby in accordance with the terms hereof, and no such action shall seek damages in a material amount by reason of the transaction contemplated hereby. Also, no substantive legal objection to the transactions contemplated by this Agreement shall have been received from or threatened by any governmental department or agency.

8.3. Documents of Transfer.

Seller shall have been furnished with all Closing documents required by this Agreement, including, but not limited to, the following documents from BMH and/or BCBC:

- (a). Deeds. A fully executed Special Warranty Deed from BCBC and a fully executed Quit Claim Deed from BMH, both conveying good and marketable fee simple title to the Real Property, free and clear of all liens, encumbrances, easements, and restrictions of every nature and description except as permitted by this Agreement.
- (b). Bills of Sale. A fully executed Bill of Sale from BMH conveying good and marketable fee simple title to all the personal property portion of the Assets, which Bill of Sale shall include a joinder by BCBC relinquishing any interest BCBC may have, or previously had, in any of the personal property portion of the Assets, all in "as is, where is" condition, free and clear of all liens, encumbrances, easements, and restrictions of every nature and description except as specially permitted by this Agreement.
- (c). Assignments and Assumptions. Fully executed assignments and assumptions from Seller with all representations contemplated by this Agreement, assigning to the fullest extent legally assignable, the intangible property portion of the Assets, free and clear of all liens, encumbrances, easements, and restrictions of every nature and description except as specially permitted by this Agreement.

- (d). Operations Transfer Agreements. Fully executed Operations Transfer Agreements from Seller, each in the form attached hereto as Exhibit OTA.
- (e). Closing Statement. A fully executed closing statement.
- (f). Closing Certificate. A fully executed closing certificate confirming that Seller has taken all necessary corporate and other action for the transaction which is the subject of this Agreement, including securing all necessary consents and approvals required to carry out the transactions contemplated by this Agreement and satisfying all other conditions precedent to the obligations of Seller pursuant to the terms of this Agreement, or otherwise.
- (g). Opinions of Counsel. BMH shall provide to Buyer and the Title Company a legal opinion of counsel for BMH confirming, among other items reasonably requested by Buyer, that the required approvals of the Board of Directors of BMH as to the transactions that are contemplated by this Agreement have been duly adopted, and the litigation presently pending between BMH and BCBC does not prevent BMH from consummating the transactions contemplated by this Agreement, and BCBC shall provide to Buyer and the Title Company a legal opinion of counsel for BCBC confirming, among other items reasonably requested by Buyer, that (i) the required approvals of BCBC as to the delivery of documents by BCBC contemplated by this Agreement have been duly adopted, (ii) and the litigation presently pending between BMH and BCBC does not prevent BMH from consummating the transactions contemplated by this Agreement, and (iii) the Blount County Hospital Private Act, as in effect on the Closing Date, allows such actions and approvals by BCBC, without any further action by the Tennessee Legislature.
- (h). Other Documents. Such other documents and instruments as Buyer, any lender to Buyer or the Title Insurance Company may reasonably request to accomplish the transaction which is the subject of this Agreement or to evidence compliance with the covenants and agreements of Seller and/or BCBC contained in this Agreement.

Seller shall have been furnished with all Closing documents required by this Agreement, including, but not limited to (A) counterparts of the documents noted above requiring a counter-signature of the Buyer (Assignments and Assumptions, Operations Transfer Agreements, and Closing Statement) and (B) closing certificate confirming that Buyer has taken all necessary corporate and other action for the transaction which is the subject of this Agreement, including securing all necessary consents and approvals required to carry out the transactions contemplated by this Agreement and satisfying all other conditions precedent to the obligations of Buyer pursuant to the terms of this Agreement, or otherwise, and such other documents and instruments as Seller or the Title Insurance Company may reasonably request to accomplish the transaction which is the subject of this Agreement or to evidence compliance with the covenants and agreements of Buyer contained in this Agreement.

8.4. Loan Agreements.

Seller shall have caused to be delivered to Buyer prior to the Closing payoff letters and lien releases from each lender, mortgagee or creditor of Seller who is a party to any loan agreements, notes, mortgages, deeds of trust, security agreements and other evidences of secured indebtedness of Seller to be paid off at Closing, in form satisfactory to Buyer and its lender. If required due to financings of Seller, Buyer and Seller shall use their best efforts to assist in the negotiation of any intercreditor or similar agreement between any lender to Seller and any lender to Buyer, including collections of accounts receivable during the transition period after Closing.

8.5. Non-Assignable Property Interests.

To the extent that any lease, contract, permit or other property interest that would otherwise constitute a part of the Assets is not capable of being assigned, transferred or subleased or if such assignment, transfer or sublease or attempted assignment, transfer or sublease would constitute a breach thereof or a violation of any law, decree, order, regulation or other governmental edict, neither this Agreement nor the Closing shall constitute an assignment, transfer or sublease thereof, or an attempted assignment, transfer or sublease thereof.

8.6. Consents and Approvals.

Each of the parties to any agreement or instrument under which the transactions contemplated hereby would constitute or result in a default or acceleration of obligations shall have given such consent as may be necessary to permit the consummation of the transactions contemplated hereby without constituting or resulting in a default or acceleration under such agreement or instrument, and any consents required from any public or regulatory agency or organization having jurisdiction shall have been given. Also, Buyer shall have received releases, waivers of default and consents to assignment in form satisfactory to it from all parties to contracts and agreements to be assumed by Buyer hereunder.

8.7. No Adverse Change.

From the date of this Agreement until the Closing, the Seller's Business shall have been conducted in the Ordinary Course of Business consistent with past practice; no event shall have occurred or have been threatened that has or would have a material and adverse effect upon the financial condition, assets, liabilities, operations, prospects or business of Seller; and Seller shall have not sustained any loss or damage to the Assets, whether or not insured.

8.8. Federal and State Approvals; Licensing.

Within ten (10) days of the execution of this Agreement, Buyer, or its affiliates, shall provide a notice or "change of ownership" application to the applicable state authorities for licensure of the Facility, and on or before the Closing Date, Buyer shall have received such reissuance of the licenses, certificates and other regulatory approvals and provider numbers listed in Exhibit 3.15 in the Exhibit Volume as are otherwise necessary to operate the Facility, or evidence reasonably satisfactory to Buyer that such licenses, certificates and other regulatory approvals will be timely issued upon providing documentation to such applicable state authorities that the Closing has occurred. Upon request, Seller shall provide acknowledgement of the

Contemplated Transactions and/or similar documentation to the applicable state authorities for licensure of the Facility.

In addition, after the Effective Date Buyer, at its sole cost and expense, may file a Certificate of Need application with the Tennessee Health Facilities Commission (“HFC”) seeking to add up to eighteen (18) additional skilled nursing beds at TCC after the Closing Date. In the event Buyer files such application Seller shall promptly provide any information and data deemed reasonably necessary for a timely submission and review of such application, including a letter of support to the HFC, and shall cause the administrator of TCC to attend the HFC hearing for such application, to answer questions from members of the HFC and otherwise speak in support of such application.

8.9. Title Insurance.

Buyer shall have received a commitment for title insurance issued by the Title Insurance Company, pursuant to which the Title Insurance Company commits to issue an ALTA Owner’s Policy regarding all of the Real Property, including each Facility, with extended coverage, insuring Buyer’s title in and to all Real Property included in the Assets, in the amount of the Cash Purchase Price allocated to such Real Property, subject only to such title exceptions as are expressly permitted hereunder in accordance with § 11.1.

8.10. Delivery of Certain Documents.

At the Closing, Seller shall have delivered to Buyer copies of resolutions of the directors of Seller, certified (not more than thirty (30) days prior to the Closing Date) by the secretary of Seller, approving and authorizing the execution and delivery of this Agreement and the consummation of the Contemplated Transactions, and any similar documentation from BCBC as may be reasonably requested by Buyer and/or the Title Insurance Company.

**ARTICLE 9  
TERMINATION; PRE-CLOSING BREACH**

9.1. Optional Termination.

This Agreement may be terminated and the transactions contemplated hereby abandoned at any time prior to the Closing Date, as follows:

- (a). By the mutual consent of Buyer and Seller; or
- (b). By Seller, if any of the conditions set forth in Article 7 shall not have met at least five (5) days before the Closing Date; provided, that Seller shall not be entitled to terminate this Agreement pursuant to this § 9.1(b) if Seller’s breach of this Agreement has prevented the consummation of the transactions contemplated hereby;
- (c). By Buyer, if evidence reasonable satisfactory to Buyer of a joint consent of BMH and BCBC as to the Closing of the Transaction, is not timely delivered

and refund of deposit and reimbursement of Buyer diligence and other expenses not paid by Seller in accordance with Section 2.11 hereof; or

- (d). By Buyer, if any of the conditions provided in Article 8 hereof have not been met at least five (5) days before the Closing Date; provided, that Buyer shall not be entitled to terminate this Agreement pursuant to this § 9.1(d) if Buyer's breach of this Agreement has prevented the consummation of the transactions contemplated hereby.

Notwithstanding anything to the contrary set forth herein, the parties acknowledge and agree that all the Exhibits and Schedules referred to herein were not prepared or delivered to Buyer prior to or contemporaneously with the execution of this Agreement. Within ten (10) days after the end of the Due Diligence Period Seller shall deliver to Buyer all the Exhibits and Schedules referred to herein which have not been previously delivered, to be prepared in accordance with the relevant provisions of this Agreement. Either party may terminate this Agreement by notice to the other party if any information contained in any of such Exhibits or Schedules, or any information obtained by Buyer pursuant to § 6.7 of this Agreement, shall establish that any representation or warranty of Seller contained in Article 3 of this Agreement or any information previously furnished to Buyer by Seller concerning Seller shall not be true and accurate in all material respects as of the date of the termination notice or in the opinion of Buyer, any of such Exhibits or Schedules shall disclose facts that shall be materially adverse concerning the financial condition of Seller's Business.

9.2. Notice of Abandonment.

In the event of such termination by either Buyer or Seller pursuant to § 9.1 above, written notice shall forthwith be given to the other party hereto.

9.3. Termination.

In the event this Agreement is terminated as provided above, Buyer shall deliver to Seller all documents (and copies thereof in its possession) concerning Seller and its subsidiaries previously delivered by Seller to Buyer; and none of the parties nor any of their respective partners, members, directors, or officers shall have any liability to the other party for costs, expenses, loss of anticipated profits, consequential damages, or otherwise, except for any deliberate breach of any of the provisions of this Agreement.

9.4. Default.

- (a). Default by Seller. If Seller defaults on any obligation hereunder to Close, and such default continues for more than ten (10) days after written notice from Buyer, then Buyer, as the sole and exclusive remedy for Buyer may elect to either (a) terminate this Agreement and receive a refund of the Deposit and receive from Seller reimbursement for Buyer's actual, documented out-of-pocket expenses incurred in connection with this Agreement up to Fifty Thousand and No/100 Dollars (\$50,000.00) (whereupon this Agreement shall terminate and be of no further force and effect and neither party shall have any other obligation or liability to the other hereunder, except for those provisions



which survive this Agreement and any transactions contemplated thereby, “Surviving Obligations”), or (b) pursue a suit for specific performance. Nothing contained in this § 9.4(a) shall operate to limit Buyer’s rights or remedies under this Agreement with respect to any breach of representation or warranty, covenant or obligation which is first discovered (or which first occurs) after the Closing Date, all of which shall instead be governed by the provisions of Article 10 hereof, which shall constitute the exclusive rights and remedies available to Buyer after the Closing Date.

- (b). Default by Buyer. If Buyer defaults on any obligation hereunder to Close, and such default continues for more than ten (10) days after written notice from Seller, then Seller, as its sole and exclusive remedy against Buyer for such failure to close, may terminate this Agreement and retain the Deposit, as liquidated damages, whereupon this Agreement shall terminate and be of no further force and effect and neither party shall have any other obligation or liability to the other hereunder, except for Surviving Obligations. Nothing contained in this § 9.4(b) shall operate to limit Seller’s rights or remedies under this Agreement with respect to any breach of representation, warranty, covenant or obligation which is first discovered (or which first occurs) after the Closing Date, all of which shall instead be governed by the provisions of Article 10 hereof, which shall constitute the exclusive rights and remedies available to Seller after the Closing Date.
- (c). Surviving Obligations. Nothing in this § 9.4 shall limit, modify or abridge any Surviving Obligations.

## **ARTICLE 10 INDEMNIFICATION**

### 10.1. Indemnification of Buyer and Seller.

Seller and Buyer agree and acknowledge that all indemnification obligations pursuant to this Agreement, as well as the separately executed Operations Transfer Agreement, shall be governed by Article VII of the OTA, including but not limited to all provisions concerning the scope of, and limitations to, the Parties’ indemnity obligations.

## **ARTICLE 11 MISCELLANEOUS**

### 11.1. Survey, Title, Environmental Report and Termite Inspection.

- (a). Survey. Promptly after execution of this Agreement, Buyer shall cause an as-built survey of the Real Property and surveyor’s certificate, in form sufficient to remove the survey exception from the title insurance binder as more specifically provided in § 11.1(b) hereof, to be prepared by a licensed surveyor acceptable to Buyer, to be completed no later than five (5) days prior to the end of the Due Diligence Period. The survey shall be made in accordance with the Minimum Standard Detail Requirements for ALTA/ACSM Land Title Surveys

for a Class A survey. Such survey shall incorporate an exact description of the Real Property Assets, shall show the total area of the Real Property Assets in square feet, easements, if any, dimensions and locations of improvements, striped parking spaces and unlined parking areas, driveways, location of adjoining streets and rights of way, building setback lines, and such other details as may be required by Buyer. Once prepared and approved by Buyer, the survey description will replace Appendix 1A and will become a part of this Agreement identified as Appendix 1A provided however, at closing, Seller shall convey by Special Warranty Deed the description of the Real Property as conveyed to Seller when acquired and convey by quitclaim deed any discrepancy between the legal description in the Special Warranty Deed and the legal description set forth on the survey.

- (b). Title Commitments. Immediately after execution of this Agreement, Buyer shall apply to the Title Insurance Company for a title insurance binder in the amount of Twenty-Two Million Eight Hundred Twenty-Five Thousand and No/100 Dollars (\$22,825,000.00) that shall constitute the commitment of the Title Insurance Company to insure the title to the Real Property. The title commitment shall bind the Title Insurance Company to issue to Buyer an Owner's Policy of Title Insurance (the "Title Policy") issued on the standard ALTA form used in the State where the Real Property is located, insuring good and indefeasible title to the Real Property in Buyer, subject only to the Permitted Encumbrances (as defined herein) and the standard printed exceptions appearing in the standard ALTA form of Owner's Policy of Title Insurance used in the state where the Real Property is located; provided, however, that: (a) the exception relating to restrictions against the Real Property shall be endorsed as evidenced by the Title Insurance Company to specify only such restrictions as may be included in the Permitted Exceptions; (b) at Buyer's election and expense, the exception relating to discrepancies, conflicts or shortages in area or boundary lines, or any encroachment or any overlapping of improvements that a survey might show shall be modified to delete such exception, except as to shortages in area; (c) the exception relating to ad valorem taxes shall except only to standby fees and taxes owing for the current and subsequent years; (d) there shall be no general exception for visible and apparent easements or roads and highways or similar items (with any specific exception to be specifically referenced to and shown on the Survey and identified by any applicable recording data); and (e) there shall be no exception for parties in possession.
- (c). Review of Title. Buyer shall have five (5) business days from the date it has received all of the following: the title insurance binder; copies of all documents referenced in title exceptions disclosed therein; the survey; and the UCC Search; but in any event no later than five (5) days prior to the end of the Due Diligence Period, within which to review same. If any title defects or other matters objectionable to Buyer, other than Permitted Encumbrances, are disclosed by any of the items listed in the previous sentence, Buyer shall give Seller written notice of same prior to the expiration of such five (5) day period.

Seller shall be allowed a reasonable time, not in excess of ten (10) days, within which to cure such defects; provided, however, that in no event shall Seller's cure period extend beyond the Closing Date without the express written consent of Buyer. If the defects are not timely cured, or cannot be cured, to Buyer's satisfaction, Buyer may waive such defects and proceed to close, or Buyer may terminate this Contract by written notice to Seller.

- (d). Title at Closing. At Closing, such title insurance binder, as approved by Buyer, shall be modified as provided in § 11.1(b) above and any other matters to which Buyer has objected, to show title to the Real Property Assets vested in Buyer, and to update the effective date of such title insurance binder to the Closing Date.
- (e). Environmental Report. Promptly after execution of this Agreement, Buyer shall obtain a "Phase I environmental review" (the "Environmental") of the Real Property from an Environmental Engineering Firm acceptable to Buyer.
- (f). Termite and Insect Inspection. Promptly after execution of this Agreement, Seller shall cause an updated termite and insect inspection of the Real Property and improvements to be prepared by a licensed pest control contractor, a copy of which is attached hereto as Exhibit 11.1(f) (the "TI Inspection").
- (g). Copies. Copies of all reports and documents to be obtained by a party pursuant to this Article 11 shall be delivered to the other party promptly upon receipt.

#### 11.2. Condemnation.

If, prior to Closing, any governmental or similar authority shall institute eminent domain or similar proceedings or take any steps preliminary thereto (including the giving of any direct or indirect notice of intent to institute any such proceeding) with respect to the Facility which materially and adversely affect the Facility, Buyer may terminate this Agreement upon written notice to Seller prior to Closing, receive the refund of the Deposit, and the parties shall have no further obligations hereunder. If Buyer elects to proceed to Closing, Buyer shall either receive a credit at Closing equal to the condemnation proceeds received by Seller or receive an assignment of the condemnation proceeds from Seller.

#### 11.3. Risk of Loss.

- (a). Material Damage. "Material Damage" is defined as damage to the Facility of a nature such that the cost of restoring the improvements located on such Real Property to its condition prior to the fire or other casualty, as determined by Seller or as otherwise determined in accordance with this Agreement, will exceed an amount equal to Fifty Thousand and No/100 Dollars (\$50,000.00) at any single Facility, whether or not such damage is covered by insurance.
- (b). Procedure. If, prior to Closing, the Facility shall be destroyed or sustain Material Damage as mutually determined by Seller and Buyer as a result of

fire or other casualty, then, at Buyer's option exercised in the manner provided hereunder, the following shall occur with respect to such Facility:

- (i) This Agreement shall terminate, Buyer shall receive the refund of the Deposit, and the parties shall have no further obligations hereunder; provided, that Buyer gives notice of such election at or prior to Closing, but in any event within ten (10) days following receipt by Buyer of notice of the occurrence of any such event; or
  - (ii) If Buyer does not timely make the election to terminate provided in subparagraph (i) immediately above and all other conditions precedent to Buyer's obligation to close have been satisfied, the purchase and sale transaction contemplated by this Agreement shall close with a reduction in the cash portion of the Cash Purchase Price equal to the amount of the applicable insurance deductible (or the full amount of the cost to restore the Facility if such loss is an uninsured loss), and concurrently with the Closing, Seller and any other named insured shall assign to Buyer, in form satisfactory to Buyer, all claims arising under any policy of insurance covering such casualty, and Seller shall have no further liability to Buyer with respect to such damage.
- (c). Damage Other Than Material Damage. In the event of any damage to the Facility in an amount less than Material Damage, the purchase and sale transaction contemplated by this Agreement shall close in accordance with and subject to the conditions of subparagraph (ii) above.

#### 11.4. Expenses.

All expenses of the preparation of this Agreement and of the transactions contemplated hereby, including, without limitation, counsel fees, accounting fees, investment adviser's fees, broker's fees, and related expenses and disbursements, shall be borne by the respective parties incurring such expense, whether or not the Contemplated Transactions are consummated. Seller shall bear the cost to record any instrument to clear Seller's title to the extent Seller is required to do so pursuant to this Agreement and the cost of a termite inspection report. Buyer shall bear the expense of such title examination as Buyer deems necessary. Buyer and Seller shall share equally the cost of any owner's title insurance policy (including endorsements) which Buyer may desire to obtain, any applicable state Real Estate Transfer Tax, and the cost to record Seller's Special Warranty Deed. Buyer shall bear the cost of any sales tax on the sale of the Assets, the costs of the real estate survey, the cost of any environmental study, the cost of any mortgage tax and the cost of any lender's title insurance policy premiums concerning any loans obtained by Buyer, the cost of any appraisal, and the cost of any other due diligence performed by or on behalf of Buyer.

#### 11.5. Non-Solicitation.

For a period of two (2) years from and after the Closing Date, Seller nor any Affiliate of Seller ("Seller Restricted Person") shall directly or indirectly induce or solicit, or directly or indirectly aid or assist any other person or entity to induce or solicit, current employees, salesmen,

agents, consultants, distributors, representatives, advisors, customers, patients (or their family members), residents (or their family members) or suppliers of the Facility to terminate their employment or business relations with the Facility, nor for a period of two (2) years from and after the Closing Date, shall any Seller Restricted Person employ any employees or agents of Seller. Nothing contained in this paragraph shall prevent any Seller Restricted Person from hiring any individual who responds, without personal inducement or solicitation, to a general advertisement of employment opportunities. In the event of a breach or threatened breach of this section, Buyer shall be entitled to an injunction restraining such breach; but nothing herein shall be construed as prohibiting Buyer from pursuing any other remedy available to Buyer as a result of such breach or threatened breach. Buyer and Seller acknowledge and agree that since a remedy at law for any breach or attempted breach of the provisions of this § 11.5 shall be inadequate, Buyer shall be entitled to specific performance and injunctive or other equitable relief in case of any such breach or attempted breach, in addition to whatever other remedies may exist at law. All parties hereto also waive any requirement for the securing or posting of any bond in connection with the obtaining of any such injunctive or other equitable relief. The provisions of this § 11.5 shall be deemed to be valid to the extent of any lesser area and for any lesser duration permitted by law if the area and duration set forth herein is deemed to be too broad by a court of competent jurisdiction. The invalidity or non-enforceability of this § 11.5 in any respect shall not affect the validity or enforceability of this section in any other respect or of any other provisions of this Agreement.

11.6. Prohibition on Use of Name; Consent.

Neither Buyer, nor any member, parent, subsidiary, or affiliate of same, nor any person controlling, controlled by, or under common control with same, shall on any date after the Closing use the words "Blount" or "Blount County" as a part of any entity names in the conduct of a trade or business in the State of Tennessee.

11.7. Cooperation by Buyer.

In the event Seller is required to defend against any claim, action, suit or proceeding arising out of a claim pertaining to the operations of Seller's Business, or the operations of the Facility (including, but not limited to, the preparation of cost reports and other financial and/or regulatory documents), Buyer shall provide such assistance and cooperation, including, without limitation, witnesses and documentary or other evidence as may reasonably be requested by Seller in connection with any such defense and/or the preparation or defense of any such cost reports and/or other financial and/or regulatory documents. Seller shall reimburse Buyer for its reasonable out-of-pocket expenses incurred in providing such assistance and cooperation.

11.8. Cooperation by Seller.

In the event Buyer is required to defend against any claim, action, suit or proceeding arising out of a claim pertaining to a liability assumed by Buyer pursuant to this Agreement relating to the operations of Seller's Business, Seller shall provide such assistance and cooperation, including, without limitation, witnesses and documentary or other evidence, as may reasonably be requested by Buyer in connection with its defense. Buyer shall reimburse Seller for its reasonable out-of-pocket expenses incurred in providing such assistance.

11.9. Notices.

All notices, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered in person or mailed by certified mail or registered mail (postage prepaid), sent by reputable overnight courier service (charges prepaid) or sent via facsimile:

To Seller: Jonathan C. Smith  
Interim Chief Executive Officer  
Blount Memorial Hospital, Incorporated  
907 East Lamar Alexander Parkway  
Maryville, Tennessee 37804-5016  
Jonathan.smith@bmnet.com

With copies to each of: Hunter, Smith & Davis, LLP  
1212 North Eastman Road  
P.O. Box 3740  
Kingsport, Tennessee 37664  
Attn: Marcy E. Walker  
William C. Argabrite  
mwalker@hdsdlaw.com  
argabrite@hdsdlaw.com

To Buyer: John Sheehan, President  
Ocoee Foundation, Inc.  
3555 Keith Street, NW  
Suite 101  
Cleveland, TN 37312  
Email: john@ocoeefoundation.org

With a copy to: Bradley Arant Boult Cummings, LLP  
1221 Broadway, Suite 2400  
Nashville, TN 37203  
Attn: Michael Brent  
Email: mbrent@bradley.com

To Title Insurance Company  
and Escrow Agent: Professional Title Services, Inc.  
3210 N. Ocoee Street  
Cleveland, TN 37312  
Attn: Kelley Beard  
Email: info@professionaltitleservices.us

or to such other address as either Seller or Buyer or Escrow Agent may designate by notice to the others.

11.10. Entire Agreement.

This Agreement and the Appendices, Exhibits, schedules and documents delivered pursuant hereto constitute the entire contract between the parties hereto pertaining to the subject matter hereof (except for Buyer's obligations under any confidentiality agreements executed by Buyer, which shall continue to apply) and supersede all prior and contemporaneous agreements, understandings, negotiations and discussions, whether written or oral, of the parties, and there are no representations, warranties or other agreements between the parties in connection with the subject matter hereof, except as specifically set forth herein. No supplement, modification or waiver of this Agreement shall be binding unless executed in writing by the parties to be bound thereby.

11.11. Governing Law.

The validity and construction of this Agreement shall be governed by the laws of the State of Tennessee.

11.12. Waiver of Trial by Jury.

To the extent permitted by applicable law, each party hereby unconditionally and irrevocably waives all right of jury in any action, proceeding or counterclaim arising out of or in connection with this Agreement, or to any matter arising hereunder.

11.13. Legal Fees and Costs.

In the event either party elects to incur legal expenses to enforce or interpret any provision of this Agreement, the prevailing party will be entitled to recover from the other party such legal expenses, including, without limitation, reasonable attorneys' fees, costs and necessary disbursements, in addition to any other relief to which such party shall be entitled.

11.14. Time.

Time is of the essence for purposes of each and every provision of this Agreement, except that if Buyer has provided the appropriate agency with all filings required for the License Transfer, and said transfer has not occurred due to no fault of Buyer, the Parties agree to a reasonable adjournment of the Closing to effectuate the transfer of such licenses, certificates and other regulatory approvals as may be required.

11.15. Section Headings.

The headings contained in this Agreement are for reference only and shall not limit or control the meaning of any provision of this Agreement.

11.16. Waiver.

Any waiver of any term or condition of this Agreement, or of the breach of any covenant, representation or warranty contained herein, in any one instance, shall not operate as or be deemed to be or construed as a further or continuing waiver of any other breach of such term, condition,

covenant, representation or warranty, nor shall any delay or omission on the part of any party hereto in exercising any right hereunder shall operate as a waiver of such right or any other right under this Agreement.

11.17. Nature and Survival of Representations.

All statements contained in any certificate delivered by or on behalf of any of the parties to this Agreement pursuant hereto in connection with the transactions contemplated hereby shall be deemed to be representations and warranties made by the respective parties hereunder. The covenants, representations and warranties made by the parties each to the other in this Agreement or pursuant hereto and all provisions of this Article 11 shall survive the transactions contemplated hereby for a period of two (2) years.

11.18. Exhibits.

All Exhibits, Appendices, schedules and documents referred to in or attached to this Agreement are integral parts of this Agreement as if fully set forth herein and all statements appearing therein shall be deemed to be representations. If any exhibits or schedules are not completed or attached hereto as of the date of this Agreement, the parties hereto agree to attach such exhibits and schedules as soon as reasonably practicable, but in any event, this Agreement is subject to Buyer approving all exhibits and schedules or subsequent updates thereto within seven (7) days of submission thereof to Buyer. The parties hereto agree that the party charged with providing an exhibit or schedule to this Agreement shall, to the extent necessary after delivery thereof, amend or supplement all exhibits and schedules in order for the same to be current, true and correct as of the Closing Date. All items disclosed hereunder shall be deemed disclosed only in connection with the specific representation to that they are explicitly referenced.

11.19. Assignment.

Seller shall not assign this Agreement without first obtaining the written consent of Buyer. Buyer shall not assign this Agreement without first obtaining the written consent of Seller, except that Buyer shall have the unilateral right to assign this Agreement only to one or more entities created by (or with the consent of) Buyer, and Buyer or such assignee, shall have the right to collaterally assign the rights of Buyer respecting remedies in the event of breaches of Seller's representations, warranties and covenants and rights of indemnification hereunder to any lender. The parties acknowledge that the rights to acquire the Real Property and/or FF&E may be assigned to a separate entity than the entity acquiring the Facility operations pursuant to the Operations Transfer Agreement, and any other documents which may be required by the Operations Transfer Agreement, the operating assets and intangible assets associated with the Facility. Furthermore, Buyer shall have the right to collaterally assign the rights of Buyer respecting remedies in the event of breaches of Seller's representations, warranties and covenants and rights of indemnification hereunder to Buyer's lender. However, in any such event the original party named as Buyer in this Agreement shall remain jointly and severally liable with such assignee for any breaches of this Agreement by Buyer and/or any such assignee, and for all indemnification obligations of Buyer and/or any such assignee.



11.20. Binding on Successors and Assigns.

Subject to § 11.22, this Agreement shall inure to the benefit of and bind the respective heirs, administrators, successors and assigns of the parties hereto. Nothing expressed or referred to in this Agreement is intended or shall be construed to give any person other than the parties to this Agreement or their respective successors or permitted assigns any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein, it being the intention of the parties to this Agreement that this Agreement shall be for the sole and exclusive benefit of such parties or such successors and assigns and not for the benefit of any other person.

11.21. Parties in Interest.

Nothing in this Agreement is intended to confer any right on any person other than the parties to it and their respective successors and assigns, nor is anything in this Agreement intended to modify or discharge the obligation or liability of any third person to any party to this Agreement, nor shall any provision give any third person any right of subrogation or action over against any party to this Agreement.

11.22. Amendments.

This Agreement may be amended, but only in writing, signed by the parties hereto, at any time prior to the Closing, before or after approval hereof by the members of Seller, with respect to any of the terms contained herein, but after such member approval, no amendment shall be made that reduces the consideration per share paid each such member without the further approval of such members.

11.23. Drafting Party.

The provisions of this Agreement, and the documents and instruments referred to herein, have been examined, negotiated, drafted and revised by counsel for each party hereto and no implication shall be drawn nor made against any party hereto by virtue of the drafting of this Agreement.

11.24. Counterparts.

This Agreement may be executed in two or more counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same instrument. The words "execution," "signed," "signature," and words of like import in this Agreement or in any other certificate, agreement or document related to this Agreement, shall include images of manually executed signatures transmitted by facsimile or other electronic format (including, without limitation, "pdf," "tif" or "jpg") and other electronic signatures (including, without limitation, DocuSign and AdobeSign). The use of electronic signatures and electronic records (including, without limitation, any contract or other record created, generated, sent, communicated, received, or stored by electronic means) shall be of the same legal effect, validity and enforceability as a manually executed signature or use of a paper-based record-keeping system to the fullest extent permitted by applicable law, including any state law (including Tennessee) based on the Uniform Electronic Transactions Act.

11.25. Reproduction of Documents.

This Agreement and all documents relating thereto, including, without limitation, consents, waivers and modifications that may hereafter be executed, the Exhibits and documents delivered at the Closing, and financial statements, certificates and other information previously or hereafter furnished to Buyer may be reproduced by Buyer by any photographic, photostatic, microfilm, microcard, miniature photographic or other similar process and Buyer may destroy any original documents so reproduced. Seller agrees and stipulates that any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made by Buyer in the Ordinary Course of Business) and that any enlargement, facsimile or further reproduction of such reproduction shall likewise be admissible in evidence.

11.26. Press Releases.

Buyer and Seller shall cooperate with each other in releasing information concerning this Agreement and the transactions contemplated hereby. Each of the parties to this Agreement shall furnish to the others drafts of all releases prior to publication. Nothing contained in this Agreement shall prevent any party to this Agreement at any time from furnishing any information to any governmental body or agency.

11.27. Waiver of Special, Exemplary, Punitive and Consequential Damages.

Each party hereby irrevocably waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any claim, action or proceeding referred to in this Agreement any special, exemplary, punitive or consequential damages. The foregoing sentence shall survive the Closing or the termination of this Agreement for any reason. Each party acknowledges that it knowingly and voluntarily makes these waivers. 11.28 "As Is."

Except as otherwise expressly provided in this Agreement, Seller has not made (and Buyer has not relied upon), any promise, representation or warranty, express or implied, regarding the Assets, the Facility, the Seller, the Excluded Assets, or any other matter, whether made by Seller, on Seller's behalf or otherwise. Buyer acknowledges and agrees that Buyer (a) has entered into this Agreement with the intention of making and relying solely upon its own investigation or that of third parties with respect to the physical, environmental, economic and legal condition of the Assets and (b) is not relying upon any statements, representations or warranties of any kind by Seller or anyone acting or claiming to act on Seller's behalf. Without limiting the foregoing, Seller makes no warranty of merchantability or fitness for any purpose with respect to the Assets, and the Assets are sold "AS IS, WHERE IS", with all faults. All of the provisions of this § 11.28 shall survive the Closing or the earlier termination of this Agreement for a period of two (2) years.

11.28. Reservation of Tort Liability Protection.

Notwithstanding any other provision of this Agreement, nothing contained herein shall be construed to waive, diminish or modify Seller's right to liability protection under the Tennessee Governmental Tort Liability Act, T.C.A. 29-29-101, et seq., to the extent such statute may be applicable.

11.29. Tennessee Open Meetings Act.

Buyer acknowledges that Seller is subject to the Tennessee Open Meetings Act, T.C.A. 8-44-101 *et seq.*, and will be required to present this Agreement for approval by its Board of Directors in meeting which is open to the general public.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

**Buyer:**


**Ocoee TCC-MVV PropCo, LLC**

By:   
John J. Sheehan, Jr., President

**Ocoee Transitional Care Center, LLC**

By:   
John J. Sheehan, Jr., President

**Ocoee MorningView Village, LLC**

By:   
John J. Sheehan, Jr., President

**Seller:**

**Blount Memorial Hospital, Incorporated**

By: \_\_\_\_\_  
Jonathan C. Smith, President

**AGREED AND ACKNOWLEDGED:** The **Blount County Board of Commissioners** executes this Agreement to acknowledge its obligation to execute and delivery the deed, bill of sale and other documents required by Section 7.3 (Documents of Transfer)

By: \_\_\_\_\_  
\_\_\_\_\_, [title]

Date: \_\_\_\_\_, 2024

See Addendum to Asset Purchase Agreement for Ginty's signature. (Attached)

**IN WITNESS WHEREOF**, the parties hereto have duly executed this Agreement as of the day and year first above written.

**Buyer:**  
**Ocoee TCC-MVV PropCo, LLC**

By: \_\_\_\_\_  
John J. Sheehan, Jr., President

**Ocoee Transitional Care Center, LLC**

By: \_\_\_\_\_  
John J. Sheehan, Jr., President

**Ocoee MorningView Village, LLC**

By: \_\_\_\_\_  
John J. Sheehan, Jr., President

**Seller:**  
**Blount Memorial Hospital, Incorporated**

By:   
Jonathan C. Smith, Interim CEO

**AGREED AND ACKNOWLEDGED:** The **Blount County Board of Commissioners** executes this Agreement to acknowledge its obligation to execute and delivery the deed, bill of sale and other documents required by Section 7.3 (Documents of Transfer)

By: \_\_\_\_\_  
\_\_\_\_\_, [title]

Date: \_\_\_\_\_, 2024

## **Appendixes**

Appendix 1A      Real Property  
Appendix 1B      FF&E

## **Schedules**

Schedule 2.3(f)      Excluded Assets  
Schedule 2.8      Due Diligence Checklist

## **Exhibits**

Exhibit A      Facility Locations  
Exhibit OTA      Form of Operations Transfer Agreement  
Exhibit 2.6      Asset Allocations  
Exhibit 3.1      Bylaws  
Exhibit 3.3      Financial Statements  
Exhibit 3.6      Recent Changes  
Exhibit 3.7(a)      Title Exceptions  
Exhibit 3.7(b)      Other Representations Respecting Real Property  
Exhibit 3.7(c)      Security Interests  
Exhibit 3.8      Leases and Contracts  
Exhibit 3.11      Defaults  
Exhibit 3.15      Permits and Licenses  
Exhibit 3.16      Litigation  
Exhibit 3.17      Court Orders, Decrees and Laws  
Exhibit 3.20      Environmental Matters  
Exhibit 3.22      Insurance  
Exhibit 3.23      Labor Matters  
Exhibit 11.1(f)      TI Inspection

Appendix 1A  
Real Property

*[insert full addresses, map and parcel numbers, and legal descriptions for all real property utilized by Blount Memorial Transitional Care Center and MorningView Village Senior Community, and Lot 1 and Lot 2 (all as described in the Letter of Intent), plus any necessary easements/cross-easements regarding other real property of Seller which has shared use for the Facilities and Lot 1 and Lot 2]*

Exhibit 2.6

Asset Allocations

Breakdown per facility:

Morning View Village Senior Community -	\$ 13,000,000
Blount Memorial Transitional Care Center -	\$ 9,600,000
Lot 1 (APN 058E A 002.00) -	\$ 150,000
Lot 2 (APN 058E A 004.02) -	\$ 75,000



## ADDENDUM TO ASSET PURCHASE AGREEMENT

THIS ADDENDUM TO ASSET PURCHASE AGREEMENT (this "Addendum") is made and entered into as of April 9, 2024, by and among BLOUNT MEMORIAL HOSPITAL, INCORPORATED, a Tennessee nonprofit corporation d/b/a BLOUNT MEMORIAL TRANSITIONAL CARE CENTER (a/k/a TRANSITIONAL CARE CENTER AT MORNINGVIEW VILLAGE) ("TCC") and BLOUNT MEMORIAL HOSPITAL, INCORPORATED, a Tennessee nonprofit corporation d/b/a MORNINGVIEW VILLAGE (a/k/a MORNINGVIEW VILLAGE SENIOR COMMUNITY) ("MVV," and together with TCC, "Seller"), OCOEE TCC-MVV PROPCO, LLC, OCOEE TRANSITIONAL CARE CENTER, LLC, and OCOEE MORNINGVIEW VILLAGE, LLC, all Tennessee limited liability companies and referred to herein collectively or singularly as "Buyer," and BLOUNT COUNTY, TENNESSEE, a political subdivision of the State of Tennessee (the "County").

### WITNESSETH:

WHEREAS, Seller and Buyer have entered into that certain Asset Purchase Agreement dated as of February 7, 2024 (the "Purchase Agreement"), pursuant to which Buyer will acquire substantially all of the Assets of Seller related to the Facilities, which are directly or indirectly related to, necessary for, or used in connection with, the operation of the Facilities and certain other related assets, all as more particularly described in the Purchase Agreement; and

WHEREAS, the parties hereto have agreed to enter into this Addendum in order to clarify and limit certain obligations relating to the County in the Purchase Agreement.

NOW, THEREFORE, for and in consideration of the premises, and the agreements, covenants, representations, and warranties hereinafter set forth, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

1. **Definitions.** Capitalized terms used but not otherwise defined in this Addendum shall have the meanings ascribed to such terms in the Purchase Agreement.

2. **No Waiver by County.** Seller and Buyer acknowledge that the County is entering into this Addendum solely to acknowledge its obligation to execute and deliver the deed, bill of sale and other documents required by Section 8.3 of the Purchase Agreement subject to the limitations of this Addendum. Seller acknowledges and agrees that the County, by executing this Addendum, is not waiving any rights of the County with respect to the assets of the Hospital, as defined below, nor is the County waiving any legal position, assertion, claim or rights asserted by the County in any litigation or dispute between Seller and the County.

3. **Limited Liability of the County.** Seller and Buyer acknowledge and agree that the County shall have no monetary liability, beyond its interest in the assets and revenues of the Hospital, for any claims or judgments relating to (i) Seller's breach or default under the Purchase Agreement or the Operations Transfer Agreement, (ii) any representation of Seller contained in any such agreement, (iii) any matter relating to the transactions described in any such agreement or (iv) any warranty in any document delivered by the County pursuant to the Purchase Agreement, including any deed or bill of sale, and all documents executed by the County shall include such limitation of liability. For purposes of this Addendum, "Hospital" shall mean the hospital facility located at 907 East Lamar Alexander Parkway, Maryville, Tennessee 37804 and all ancillary and related facilities and buildings, appurtenances, and improvements thereto, and all equipment used or useful in connection with providing healthcare services to the citizens of the County, whether purchased and/or held by or in the name of Seller or the County (other than the Assets of Seller related to or used in connection with the operation of the Facilities).


4. **Effect on Purchase Agreement; General Provisions.** Except as set forth in this Addendum, this Addendum does not in any way change, modify, or delete the terms and provisions of the Purchase Agreement, and all such terms and provisions shall remain in full force and effect. This Addendum shall be governed by the provisions of the Purchase Agreement; *provided, however*, to the extent that the terms of this Addendum and the Purchase Agreement conflict, the terms of this Addendum shall control. This Addendum shall become effective upon its execution, which may occur in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Captions and paragraph headings are used herein for convenience only, are not a part of this Addendum or the Purchase Agreement as amended by this Addendum and shall not be used in construing either document. On and after the date hereof, each reference in the Purchase Agreement to "this Agreement," "hereunder," "hereof," "herein," or words of like import, and each reference in the other documents and agreements relating to the Purchase Agreement, shall mean and be a reference to the Purchase Agreement as modified hereby.

[SIGNATURE PAGE FOLLOWS]


IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum by their duly authorized representatives effective as of the date and year first above written.

**BUYER:**


**Ocoee TCC-MVV PropCo, LLC**

By:   
John J. Sheehan, Jr., President

**Ocoee Transitional Care Center, LLC**

By:   
John J. Sheehan, Jr., President

**Ocoee MorningView Village, LLC**

By:   
John J. Sheehan, Jr., President


**SELLER:**

**Blount Memorial Hospital, Incorporated**

By:   
Jonathan C. Smith, Interim CEO

**COUNTY:**

**Blount County, Tennessee**

By:   
Ed Mitchell, Mayor

37371151.3

**ATTACHMENT 2N- Supplemental #1:**

**Patient Origin Data**

<b>County of Origin</b>	<b>Total Patients in Blount County NFs</b>	<b>Percentage</b>
Anderson	15	0.55
Bledsoe	1	0.04
Blount	1559	57.53
Bradley	2	0.07
Campbell	5	0.18
Claiborne	9	0.33
Cocke	1	0.04
Cumberland	6	0.22
Davidson	3	0.11
Franklin	1	0.04
Grainger	3	0.11
Greene	1	0.04
Hamblen	25	0.92
Hamilton	1	0.04
Hawkins	1	0.04
Jefferson	24	0.89
Johnson	6	0.22
Knox	612	22.58
Loudon	167	6.16
McMinn	9	0.33
Meigs	1	0.04
Monroe	106	3.91
Morgan	4	0.15
Roane	15	0.55
Scott	4	0.15
Sevier	126	4.65
Union	2	0.07
Washington	1	0.04
<b>Total</b>	<b>2710</b>	<b>100</b>

**ATTACHMENT 5N- Supplemental #1:**

**Revised Utilization Data for Blount County Nursing Homes**

*See attached.*

**Item 5N - Service Area Historical Utilization**

Historical Utilization Service Area Nursing Homes (Most Recent Year)						Skilled Care, Level II & Level I Totals						
Year	Facility ID	License Number	State ID	Facility Name	County	Licensed Beds	Admissions	Discharges (including deaths)	Deaths	Discharge Resident Days (including deaths)	Average Length of Stay	Licensed Occupancy Rate
2022	531	365	050922	Blount Memorial Transitional Care Center	Blount	76	1042	1002	16	22056	22.01	85.10
2022	528	10	050422	Asbury Place at Maryville	Blount	181	105	127	45	5997	47.22	48.80
2022	529	13	050522	Foothills Transitional Care and Rehabilitation	Blount	185	474	476	71	44061	92.57	56.60
2022	530	12	050822	Fairpark Health and Rehabilitation	Blount	75	140	108	23	68701	636.12	93.20
2022	532	383	051022	Shannondale of Maryville Health Care Center	Blount	44	13	84	23	8343	99.32	56.90
2022	533	408	051122	Life Care Center of Blount County	Blount	120	1554	1641	45	33831	20.62	78.90
<b>TOTAL</b>						<b>681</b>						
2021	531	365	050922	Blount Memorial Transitional Care Center	Blount	76	1122	1108	36	29100	26.26	76.90
2021	528	10	050422	Asbury Place at Maryville	Blount	181	298	324	56	27846	85.94	67.60
2021	529	13	050522	Foothills Transitional Care and Rehabilitation	Blount	185	476	516	42	37364	72.41	44.50
2021	530	12	050822	Fairpark Health and Rehabilitation	Blount	75	155	147	27	17545	119.35	88.60
2021	532	383	051022	Shannondale of Maryville Health Care Center	Blount	44	18	113	44	26452	234.09	60.30
2021	533	408	051122	Life Care Center of Blount County	Blount	120	945	934	43	22120	23.68	67.00
<b>TOTAL</b>						<b>681</b>						
2020	531	365	050922	Blount Memorial Transitional Care Center	Blount	76	932	927	36	18176	19.61	67.40
2020	528	10	050422	Asbury Place at Maryville	Blount	181	353	367	91	20400	55.59	72.30
2020	529	13	050522	Foothills Transitional Care and Rehabilitation	Blount	185	248	261	45	98135	376	59.50
2020	530	12	050822	Fairpark Health and Rehabilitation	Blount	75	122	171	45	19253	112.59	87.80
2020	532	383	051022	Shannondale of Maryville Health Care Center	Blount	44	62	71	5	15951	224.66	88.90
2020	533	408	051122	Life Care Center of Blount County	Blount	120	786	911	32	24981	27.42	62.60
<b>TOTAL</b>						<b>681</b>						

Source: Joint Annual Report for Nursing Homes - Schedule FP-1

**ATTACHMENT 6N- Supplemental #1:**

**Applicant Projected Utilization**

*To be provided separately via email.*

**ATTACHMENT 3Q- Supplemental #1:**

**The Joint Commission Accreditation**

*See attached.*





June 20, 2022

Harold George Naramore, JD, MBA  
Medical Director  
Blount Memorial Hospital, Inc.  
907 East Lamar Alexander Parkway  
Maryville, TN 37804-5016

Re: # 7865  
CCN: # 440011  
Deemed Program: Hospital  
Accreditation Expiration Date: April 9, 2025

Dear Dr. Naramore:

This letter confirms that your April 5, 2022 - April 8, 2022 unannounced full resurvey was conducted for the purposes of assessing compliance with the Medicare conditions for hospitals through The Joint Commission's deemed status survey process.

Based upon the submission of your evidence of standards compliance on June 7, 2022. The Joint Commission is granting your organization an accreditation decision of ~~Accredited with an effective date of April 9, 2022.~~

The Joint Commission is also recommending your organization for continued Medicare certification effective April 9, 2022. Please note that the Centers for Medicare and Medicaid Services (CMS) Medicare Administrative Contractor (MAC) makes the final determination regarding your Medicare participation and the effective date of participation in accordance with the regulations at 42 CFR 489.13. Your organization is encouraged to share a copy of this Medicare recommendation letter with your State Survey Agency.

This recommendation applies to the following location(s):

Blount Memorial Hospital, Inc.  
d/b/a Blount Memorial Hospital  
907 East Lamar Alexander Parkway, Maryville, TN, 37804-5016

Blount Memorial Hospital Home Services and Hospice  
1095 East Lamar Alexander Parkway, Maryville, TN, 37804

Blount Memorial Sleep Health Center  
710 Morganton Square, Maryville, TN, 37801

Blount Memorial Total Rehabilitation at Springbrook  
220 Associates Blvd, Alcoa, TN, 37701

Blount Memorial Total Rehabilitation at Cherokee  
1410 Sevierville Road, Maryville, TN, 37804

[www.jointcommission.org](http://www.jointcommission.org)

**Headquarters**  
One Renaissance Boulevard  
Oakbrook Terrace, IL 60161  
630 792 5000 Voice



Blount Memorial Total Rehabilitation at Tellico West  
110 Deer Crossing, Vonore, TN, 37885

Blount Memorial Total Rehabilitation at Maryville  
d/b/a Blount Memorial Total Rehabilitation at Maryville  
829 East Lamar Alexander Parkway, Maryville, TN, 37804

East Tennessee Medical Group  
266 Joule Street, Alcoa, TN, 37701

Blount Memorial Hospital Total Rehabilitation at Alcoa  
264 Joule Street, Alcoa, TN, 37701

Blount Memorial Hospital, Inc.  
d/b/a Blount Memorial Hospital Outpatient Surgery  
763 East Lamar Alexander Parkway, Maryville, TN, 37804-5000

Blount Memorial Hospital Total Rehabilitation at Cornerstone  
4726 Airport Hwy, Louisville, TN, 37777

Blount Memorial Total Rehabilitation at Fairview  
d/b/a Blount Memorial Total Rehabilitation at Fairview  
2602 U.S. Highway 411 S. Suite 101, Maryville, TN, 37801

Please be assured that The Joint Commission will keep the report confidential, except as required by law or court order. To ensure that The Joint Commission's information about your organization is always accurate and current, our policy requires that you inform us of any changes in the name or ownership of your organization or the health care services you provide.

Sincerely,

Mark G. Pelletier, RN, MS  
Chief Operating Officer and Chief Nurse Executive  
Division of Accreditation and Certification Operations

cc: CMS/Baltimore Office/Survey & Certification Group/Division of Acute Care Services  
CMS/SOG Location 4 /Survey and Certification Staff

[www.jointcommission.org](http://www.jointcommission.org)

**Headquarters**  
One Renaissance Boulevard  
Oakbrook Terrace, IL 60181  
630 792 5000 Voice

**AFFIDAVIT**

STATE OF TENNESSEE

COUNTY OF DAVIDSON

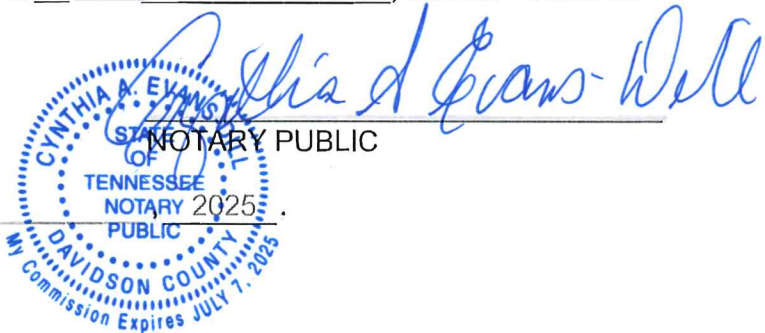
NAME OF FACILITY: CN2403-008 Transitional Care Center

I, Michael D. Brent, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.



Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 12th day of April, 2024, witness my hand at office in the County of Davidson, State of Tennessee.



My commission expires July 7.

HF-0043

Revised 7/02



**State of Tennessee  
Health Facilities Commission**

**Andrew Jackson Building, 9<sup>th</sup> Floor**

**www.tn.gov/hsda** Phone: 615-741-2364/Fax: 615-741-9884

**RESPONSE WITH ADDITIONAL SUPPLEMENTAL INFORMATION ON APRIL 12**

April 12, 2024

Michael Brent, Attorney  
Bradley Arant Boult Cummings  
1221 Broadway, Suite 2400  
Nashville, TN 37203

RE: Certificate of Need Application CN2403-008  
Transitional Care Center

Dear Mr. Brent:

This will acknowledge our April 12, 2024 receipt of your application for a Certificate of Need for the addition of fourteen (14) skilled care beds dually certified by Medicare and Medicaid to the existing Transitional Care Center of seventy-six (76) Medicare certified skilled care beds for a total of ninety (90) nursing home beds.

Several items were found which need clarification or additional discussion. Please review the list of questions below and address them as indicated. The questions have been keyed to the application form for your convenience. I should emphasize that an application cannot be deemed complete and the review cycle begun until all questions have been answered and furnished to this office.

Please submit responses electronically by 4:30 p.m., Friday April 12th. If the supplemental information requested in this letter is not submitted by or before this time, then consideration of this application may be delayed into a later review cycle.

---

**1. Item 7A., Type of Ownership of Control**

Please attach the referenced ownership structure organizational charts for the facility pre- and post- transaction, showing members with 5% or more direct or indirect ownership interest.

**RESPONSE:**

**Pre-transaction, there is not a traditional organizational chart as Blount**

**Memorial Hospital, Inc. is a nonprofit corporation with no ownership interests. The Blount Memorial Hospital, Inc. board of directors is currently comprised of nine members. Four directors are appointed by the Blount County Commission, two by the City of Maryville, two by the city of Alcoa and one by the board of trustees of Maryville College. Those individuals are:**

**Dr. Stephen Kiefer  
Chris Flynn  
Matt Haralson  
Susanne Davis  
Amber Krupacs  
Keri Prigmore, Ed. D.  
Dr. Bob Ramsey  
Christi Sayles  
Dr. Bryan Thompson**

**In addition there are two non-voting Advisory Physicians (Dr. Shane Asbury and Dr. David Franklin)**

**Post-transaction, there is not a traditional organizational chart as Ocoee Foundation, Inc. is a nonprofit corporation with no ownership interests (and the two subsidiary entities of Ocoee Foundation which are acquiring the Facility assets (Ocoee Transitional Care Center, LLC and Ocoee TCC-MVV PropCo, LLC) are single-member nonprofit limited liability companies with Ocoee Foundation, Inc. as the sole member of each). The Ocoee Foundation, Inc. board of directors is self-perpetuating, and is currently comprised of eight members. Those individuals are:**

**John J. Sheehan, Jr.  
Margaret P. Sheehan  
John J. (Jack) Sheehan, III  
Kathleen S. Kupchynsky  
Dorothy C. Phillips  
Stan Burton  
Alan Smith  
Don Bradley**

## **2. Item 9A., Legal Interest in the Site**

Please attach a copy of the deed for Parcel 058E A 003-00. Please see attached map for reference.

**RESPONSE:**

Upon request made to the Blount County Register of Deeds the applicant was informed that the two attached deeds (Book 2327, page 1867 from 2012 and Instrument Number 0011990601 from 1997) were the only deeds related to Parcel 058E A 003-00, and such deeds are attached collectively as Attachment 9A- Supplemental #2.

### 3. Item 13A., Notification Requirements

Please attach the notifications required under TCA §68-11-1607(c)(9)(B). Provide signed USPS green-certified mail receipt card for each official notified.

#### **RESPONSE:**

The only notification required under TCA §68-11-1607(c)(9)(B) was the sent by certified mail to the Mayor of Blount County. The signed USPS “green-card” to be signed by a representative of the recipient upon delivery has not been returned yet, but a copy will be provided upon receipt. However, is has been confirmed electronically by the US Post Office (using the tracking number system) that certified mail item 70111570000303966740 is currently “in transit” and as of mid-day on April 12, 2024 had left the Knoxville Distribution Center and was “out for delivery.” The notification letter and a printout from the US Post Office as to current status are attached collectively as Attachment 13A- Supplemental #2.

### 4. Item 2E., Rationale for Approval

Please attach the referenced Revised Quality Standards.

#### **RESPONSE:**

Quality Standards

The facility is licensed by the Tennessee Board for Licensing Health Care Facilities, and as such will be subject to periodic inspections and surveys to assure ongoing maintenance of quality care. The data maintained at <https://internet.health.tn.gov/FacilityListings> shows “No Disciplinary Actions.” Additionally, the recent survey history of the facility is notable, as while there were some deficiencies noted s the August, 2023 findings concluded with “An annual Licensure survey and investigation of complaints TN00058813, TN00061242, TN00062743, TN00063556, TN00063887, TN00064111, TN00064433, TN00064466 and TN00064509 was conducted on 8/14/2023-

8/17/2023 at Blount Memorial Transitional Care Center. No health deficiencies were cited under 0720-18, Standards for Nursing Homes.” In addition, the most recent US News information about the facility notes that “Blount Memorial Trans Care Center in Maryville, TN has an overall rating of 5 out of 5 and has a short-term rehabilitation rating of High Performing.”

5. Item 2N., Service Area

Please revise the Historical and Projected Utilization Charts to include county of patient origin data. Please note that these charts should represent only historical and proposed patient utilization, by county of patient origin, of the applicant’s facility and should not include all facilities in the service area. Please also revise the Attachment for 2N which was submitted with the first supplemental responses.

**RESPONSE:** Supplemental materials to follow under separate cover.

6. Item 6N., Applicant’s Historical and Projected Utilization

Please include projected utilization data for the first two years of the project in response to Item 6N.

Please complete the following table for projected Year One and Year Two of the proposed project.

**Transitional Care Center--Projected Utilization Year 1 and 2**

Year	Licensed Beds	Medicare-certified beds	SNF Medicare ADC	Level 2 Medicaid ADC	SNF Other Payors ADC	Non-Skilled ADC	Total ADC	Licensed Occupancy
<b>Proposed 14 bed Addition</b>								
2025	14							
2026	14							
<b>90 Bed Facility (76 existing beds + proposed 14 bed addition)</b>								
2025	90							
2026	90							

**RESPONSE:** Supplemental materials to follow under separate cover.

7. Item 10C., Payor Mix

Please revise the Payor Mix Chart as it does not total correctly. <https://www.tn.gov/content/dam/tn/hfc/documents/HFC-Financial Worksheets Tool.xlsx>

**RESPONSE:** Please see below revised Payor Mix Chart below:

**Applicant's Projected Payor Mix  
 Project Only Chart**

Payor Source	Year-		Year-	
	Gross Operating Revenue	% of Total	Gross Operating Revenue	% of Total
Medicare/Medicare Managed Care	\$3,718,522	69.25%	\$4,131,691	69.25%
TennCare/Medicaid	\$820,262	16.25%	\$911,402	16.25%
Commercial/Other Managed Care	\$546,842	11.25%	\$607,602	11.25%
Self-Pay	\$109,368	3.25%	\$121,520	3.25%
Other(Specify) N/A	\$0	0%	\$0	0%
<b>Total</b>	\$5,194,994.00	100%	\$5,772,215.00	100%
Charity Care	\$273,421		\$303,801	

*\*Needs to match Gross Operating Revenue Year One and Year Two on Projected Data Chart*

**8. Item 8Q., Staffing Chart**

Please list the position types within the Project Staffing Chart.

**RESPONSE:** Supplemental materials to follow under separate cover.

*Please respond to the following service specific criteria questions as an attachment labeled Attachment 1N-Supplemental #1.*

**9. Item 1N., Project Specific Criteria, General**

Please respond to the Criteria and Standards for Nursing Home Services as Attachment 1N. The standards are located at the following link:  
[https://www.tn.gov/content/dam/tn/hfc/documents/Nursing\\_Home\\_Services\\_8.18.2015.docx](https://www.tn.gov/content/dam/tn/hfc/documents/Nursing_Home_Services_8.18.2015.docx)

**RESPONSE:** Please see Revised Responses to the Criteria and Standards for Nursing Home Services, which is included herein as Attachment 1N-Supplemental #2.

**10. Item 1N., Project Specific Criteria, Nursing Home Services, Item #1, Determination of Need**



Please respond to Criterion #1 with the most recent need formula from the Tennessee Department of Health. It is included as an attachment to these supplemental questions. The population data listed should also be based on the TDH need projection file.

**RESPONSE:** Please see Revised Responses to the Criteria and Standards for Nursing Home Services, which is included herein as Attachment 1N-Supplemental #2.

**11. Item 1N., Project Specific Criteria, Nursing Home Services, Item #3, Establishment of Service Area**

The projected number of patients listed in response to Criterion #3 should reflect the number of historical patient admissions to the applicant's SNF by county of patient origin along with the estimated driving distance from counties which are not located in Blount County.

**RESPONSE:** Please see Revised Responses to the Criteria and Standards for Nursing Home Services, which is included herein as Attachment 1N-Supplemental #2.

In accordance with Tennessee Code Annotated, §68-11-1607(c) (5), "...If an application is not deemed complete within sixty (60) days after initial written notification is given to the applicant by the Commission staff that the application is deemed incomplete, the application shall be deemed void." **For this application the sixtieth (60<sup>th</sup>) day after written notification is June 4, 2024. If this application is not deemed complete by this date, the application will be deemed void.** Commission Rule 0720-10-.03(4) (d) (2) indicates that "Failure of the applicant to meet this deadline will result in the application being considered withdrawn and returned to the contact person. Re-submittal of the application must be accomplished in accordance with Rule 0720-10-.03 and requires an additional filing fee." Please note that supplemental information must be submitted timely for the application to be deemed complete prior to the beginning date of the review cycle which the applicant intends to enter, even if that time is less than the sixty (60) days allowed by the statute. The supplemental information must be submitted with the enclosed affidavit, which shall be executed and notarized; please attach the notarized affidavit to the supplemental information.

If all supplemental information is not received and the application officially deemed complete prior to the beginning of the next review cycle, then consideration of the application could be delayed into a later review cycle. The review cycle for each application shall begin on the fifteenth day of the month after the application has been deemed complete by the staff of the Health Facilities Commission. Any communication regarding projects under consideration by the Health Facilities Commission shall be in accordance with T.C.A. ' 68-11-1607(d):

No communications are permitted with the members of the Commission once the Letter of Intent initiating the application process is filed with the Commission.

Mr. Michael Brent  
April 12, 2024  
Page 7

Communications between Commission members and Commission staff shall not be prohibited. Any communication received by a Commission member from a person unrelated to the applicant or party opposing the application shall be reported to the Executive Director and a written summary of such communication shall be made part of the certificate of need file.

Should you have any questions or require additional information, please do not hesitate to contact this office.

Sincerely,

Thomas Pitt  
HFC Health Planner

Enclosure

### LIST OF SUPPLEMENTAL ATTACHMENTS

Warranty Deeds	Attachment 9A- Supplemental #2
Notification to County Chief Executive Officer	Attachment 13A- Supplemental #2
Revised Responses to the Criteria and Standards for Nursing Home Services	Attachment 1N- Supplemental #2

**ATTACHMENT 9A- Supplemental #2:**

**Warranty Deeds**

*See attached.*

RECEIVED

OCT - 1 1997

7:45AM

THIS INSTRUMENT WAS PREPARED BY ARTHUR B. GODDARD  
FIRST TENNESSEE BANK BLDG  
MARYVILLE, TENNESSEE

RECEIVED  
SEP 30 1997  
R

# Warranty Deed

THIS INDENTURE, made and entered into on this the 25th day of September, 1997, by and between CYNTHIA CHERYL BLAIR, Single, LINDA MARIE BLAIR, a/k/a Linda M. Blair, Single and SHIRLEY K. BLAIR, Single, of Blount County, Tennessee hereinafter designated as Grantor, and BLOUNT MEMORIAL HOSPITAL, INCORPORATED, a Tennessee corporation with its principal office and place of business in Maryville, Blount County, Tennessee, hereinafter designated Grantee.

WITNESSETH: THAT the said Grantor, for and in consideration of the sum of One Dollar (\$1.00) paid by the Grantee, the receipt of which is hereby acknowledged by the Grantor, Grantor has granted, bargained, sold and conveyed and does hereby grant, bargain, sell and convey unto the Grantee the following described premises, to-wit:

SITUATED, LYING AND BEING in the 9th Civil District of Blount County, Tennessee, and within the corporate limits of the City of Maryville, an being more particularly described as follows: 64

BEGINNING on a 1/2 inch iron rod on the south right of way line of U. S. Highway 321, E. Lamar Alexander Parkway corner to Harian Properties; thence with Harian Properties S. 03-46-04 E. 210.98 feet to a 1/4th inch iron rod corner to Law; thence with Law S. 31-59-48 W. 272.02 feet to an existing set stone corner to Pack; thence with Pack N. 35-10-54 W. 77.83 feet to a man hole in the center of a sewer line easement; thence with the center of said sewer line easement and Pack S. 40-20-01 W. 297.75 feet to a man hole top in the center of said sewer easement; thence continuing with the center of the sewer easement S. 44-09-10 W. 21.30 feet to a one inch iron pipe in the center of a 30 foot easement for ingress and egress to Hatcher Lane and in the center of said sewer easement and corner to Reagan; thence with Reagan and the center of the sewer easement S. 44-09-10 W. 238.46 feet to a man hole to in the center of said easement corner to Reagan; thence continuing with Reagan and the center of the sewer easement S. 54-21-40 W. 226.06 feet to the man hole cover on the north right of way line of Old Tuckaleechee Pike; thence with Old Tuckaleechee Pike along an arc of a curve to the left with a radius of 775 feet, an arc distance of 357.95 feet with a chord bearing and distance of N. 75-28-56 W. 354.77 feet to a 1/2 inch iron rod on the north right of way of Old Tuckaleechee Pike; thence continuing with Old Tuckaleechee Pike N. 88-42-50 W. 223.47 feet to a 1/2 inch iron rod corner to Yearout; thence with Yearout N. 26-21-05 E. 139.76 feet to an 1/2 inch iron rod, corner to Yearout; thence with Yearout N. 35-19-05 E. 613.49 feet to a one inch iron pin corner to Yearout; thence with Yearout N. 35-19-05 E. 8.74 feet to an 1/2 inch iron rod on the southeast right of way line of Merritt Road; thence along an arc of a curve to the left with a radius of 318.31 feet, arc distance of 213.73 feet with a chord bearing and distance of N. 45-13-01 E. 209.74 feet to an 1/2 inch iron rod on the south right of way of U. S. Highway 321; thence with U. S. Highway 321 N. 86-13-46 E. 125 feet to a 1/2 inch iron rod corner to Province; thence with Province S. 02-01-04 W. 172.65 feet to a 5/8th inch iron rod corner to Province; thence with Province N. 78-49-07 E. 103.03 feet to a 5/8th inch iron rod corner to Province; thence with Province N. 03-31-19 W. 158.49 feet to a 1/2 inch iron rod on the south right of way line of U. S. Highway 321; thence with U. S. Highway 321, N. 86-13-46 E. 519.87 feet to the point of beginning, containing 15.192 acres, more or less, all as shown by survey of Christopher M. Rosser, Tennessee Registration No. 1929 dated 9/19/97.

INST: 0011990601  
RECEIVED: 10/01/1997 7:45 AM  
BEVERLEY D. WOODRUFF  
REGISTER OF DEEDS BLOUNT CO. TN

THERE IS also conveyed herewith a right of way being 30 feet in width from the above described property to Hatcher Lane.

THIS CONVEYANCE is made subject to sewer easement to the City of Maryville of record in the Register's Office for Blount County, Tennessee in Misc. Vol. 42, page 254.

FOR SOURCE of title see deeds of record in the Register's Office for Blount County, Tennessee in Deed Vol. 404, page 540, Deed Vol. 393, page 234 and Deed Vol. 425, page 763.

The Grantors herein make oath by the execution of this deed that Debra Louise Blair Williams, David Lee Blair, Cynthia Cheryl Blair and Linda Marie Blair acquired a 1/4th undivided interest each in the above described property as all the children and heirs at law of William F. Blair, who died intestate a citizen and resident of Blount County, Tennessee; that Debra Louise Blair Williams conveyed her interest in the property to David Lee Blair, Cynthia Cheryl Blair and Linda Marie Blair by deed of record in Deed Vol. 524, page 763; and that Shirley K. Blair acquired the 1/3rd undivided interest of David Lee Blair as the sole surviving mother and heir at law of David Lee Blair who died intestate a citizen and resident of Blount County, Tennessee.

Parcel No. 58EHL, 58EA003, 58EA00300001  
Together with all the hereditaments and appurtenances thereto appertaining, hereby releasing all claims to homestead, dower, marital share and all other exemptions;

TO HAVE AND TO HOLD the said premises to Grantee, his heirs and assigns, forever; and Grantor, for himself, his heirs, executors and administrators, does hereby covenant with Grantee, his heirs and assigns, that Grantor is lawfully seized in fee-simple of the premises above conveyed, and has full power, authority, and right to convey the same; that said premises are free from all encumbrances, except taxes for the year 1997, which the said Grantor agrees to pay, and that Grantor will forever warrant and defend the said premises and the title thereto against the lawful claims of all persons whomsoever.

WHEREVER used, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

IN WITNESS WHEREOF, the said Grantor has hereunto set his hand and seal on the day and date first above written.

Cynthia Cheryl Blair  
Cynthia Cheryl Blair

Linda Marie Blair  
Linda Marie Blair

Shirley K. Blair  
Shirley K. Blair

65

STATE OF TENNESSEE X  
COUNTY OF BLOUNT X

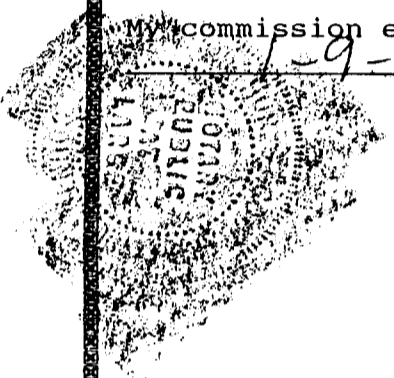
66

Personally appeared before me, the undersigned authority, a Notary Public in and of said State and County, the within named bargainors, CYNTHIA CHERYL BLAIR, Single, LINDA MARIE BLAIR, a/k/a Linda M. Blair, Single and SHIRLEY K. BLAIR, Single, with whom I am personally acquainted, and who acknowledged that they executed the within instrument for the purposes therein contained.

Witness my hand and official seal this 30 day of September, 1997.

My commission expires: 1-9-99

*[Signature]*  
NOTARY PUBLIC



I, or we hereby swear or affirm the actual consideration for this transfer or value of the property transferred. Whichever is greater is \$ \_\_\_\_\_ which amount is equal to or greater than the amount which property transferred would command at a fair voluntary sale.

*Exempt*

X *[Signature]*  
Affiant

Amount Tax Paid \$ \_\_\_\_\_  
Subscribed and sworn to before me this 30 day of Sept 1997

*Beverly D. Woodruff*

Phyllis Lee Crisp, Register  
Blount County Tennessee  
Rec #: 427064  
Rec'd: 10.00 Instrument #: 671085  
State: 0.00  
Clerk: 0.00 Recorded  
Other: 2.00 7/18/2012 at 8:29 AM  
Total: 12.00 in  
Record Book 2327 Pgs 1867-1868

(Space above this line for Recording Data)

**This instrument was prepared by  
Robert N. Goddard  
101 W. Broadway # 208  
Maryville, Tennessee 37801**

## WARRANTY DEED

SEND TAX NOTICE TO:  
Blount Memorial Hospital, Incorporated  
907 E. Lamar Alexander Parkway  
Maryville, TN 37804

THIS INDENTURE, made and entered into on this the 17<sup>th</sup> day of July, 2012, by and between JUDY CAROL PACK, of Blount County, Tennessee, hereinafter designated as Grantor, and BLOUNT MEMORIAL HOSPITAL, INCORPORATED, of Blount County, Tennessee, hereinafter designated Grantee.

WITNESSETH: THAT the said Grantor, for and in consideration of the sum of One Dollar (\$1.00) paid by the Grantee, the receipt of which is hereby acknowledged by the Grantor, Grantor has granted, bargained, sold and conveyed and does hereby grant, bargain, sell and convey unto the Grantee the following described premises, to-wit:

SITUATED in District No. Nine (9) of Blount County, Tennessee, and being a tract containing 0.266 acre, as shown by survey of Sterling Engineering of record in Map File 2992B in the Register's Office for Blount County, Tennessee, to which map specific reference is hereby made for a more particular description.

THIS CONVEYANCE is made subject to restrictions, conditions, limitations and easements as contained in the Register's Office for Blount County, Tennessee, in Map File 2992B.

THIS CONVEYANCE is further made subject to a Sewer Line Easement to the City of Maryville as shown of record in the Register's Office for Blount County, Tennessee, in Misc. Vol. 42, page 254.

FOR SOURCE OF TITLE, see Will of Vada Pack as shown of record in the County Clerk's Office for Blount County, Tennessee, in Will Book 85, page 689. See also deed of record in the Register's Office for Blount County, Tennessee, in Deed Book 427, page 278. The Grantor makes oath by the execution of this deed that Clarence Pack predeceased Vada Pack, and that they were husband and wife at the time of his death and had not been divorced.

The said Grantor makes oath by the execution of this deed that she and her husband have never occupied the captioned property as a marital residence.

Part of Parcel No. 058E-A-003.01





**ATTACHMENT 13A- Supplemental #2:**

**Notification to County Chief Executive Officer**

*See attached.*

**Michael D. Brent**  
Partner  
mbrent@bradley.com  
615.252.2361 direct  
615.252.6361 fax



April 10, 2024

**VIA CERTIFIED MAIL (70111570000303966740)**

**RETURN RECEIPT REQUESTED**

Mayor Ed Mitchell  
Blount County Mayor  
Blount County Courthouse, Third Floor  
341 Court Street  
Maryville, Tennessee 37804

**Re: Blount Memorial Transitional Care Center - CON Notice**

Dear Mayor Mitchell:

This notice is provided pursuant to Tennessee Code Annotated 68-11-1607(c)(9)(B), which provides: "If an application involves a healthcare facility in which a county or municipality is the lessor of the facility or real property on which it sits, then, within ten (10) days of filing the application, the applicant shall notify the chief executive officer of the county or municipality of the filing, by certified mail, return receipt requested."

Because of the involvement of the Blount County Board of Commissioners, and you as County Mayor, in the transaction noted below, I believe you are aware that I filed an application with the Tennessee Health Facilities Commission on April 1, 2024, regarding Blount Memorial Transitional Care Center (the "Center"), a 74-bed skilled nursing facility in Blount County, Tennessee, located at 2320 East Lamar Alexander Parkway, Maryville, Tennessee 37804. The Center is currently operated by the not-for-profit corporation Blount Memorial Hospital, Inc. ("Blount Memorial"), which has contracted to sell substantially all the assets and operations of the Center to my client, Ocoee Transitional Care Center, LLC ("Ocoee"), a not-for-profit limited liability company, which is a subsidiary of Ocoee Foundation, Inc., with a closing anticipated on or before June 30, 2024 (the "Transaction"). The application, which was filed in anticipation of the Transaction, requests the addition of 14 beds to the Center's existing 76 licensed beds, as contemplated in the Asset Purchase Agreement between Blount Memorial and Ocoee.

Should you have any questions, please contact me at (615) 252-2361 or by email at [mbrent@bradley.com](mailto:mbrent@bradley.com).

Very truly yours,

BRADLEY ARANT BOULT CUMMINGS LLP

A handwritten signature in blue ink, appearing to read "Michael D. Brent".

Michael D. Brent

cc: Tennessee Health Facilities Commission  
(by inclusion with Supplemental Information for Certificate of Need Application  
CN2403-008)

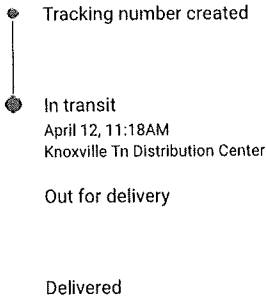
4872-5480-9270.1

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https://www.usps.com › manage

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**Customer service:** 1 (800) 275-8777

**Founder:** United States Congress

**Founded:** July 1, 1971, Washington, D.C.

**Headquarters:** Washington, D.C.

**Employees:** 635,350 (516,750 career personnel, 118,600 non-career personnel) as of 2022

**Formed:** July 1, 1971; 52 years ago; Washington, D.C., U.S

**Independent executives:** Louis DeJoy, Postmaster General; Douglas Tulino, Deputy Postmaster General

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**State of Tennessee  
Health Facilities Commission**

**Andrew Jackson Building, 9<sup>th</sup> Floor**

**www.tn.gov/hsda** Phone: 615-741-2364/Fax: 615-741-9884

**SECOND RESPONSE WITH ADDITIONAL SUPPLEMENTAL INFORMATION  
(SUBMITTED ON APRIL 14)**

April 12, 2024

Michael Brent, Attorney  
Bradley Arant Boult Cummings  
1221 Broadway, Suite 2400  
Nashville, TN 37203

RE: Certificate of Need Application CN2403-008  
Transitional Care Center

Dear Mr. Brent:

This will acknowledge our April 12, 2024 receipt of your application for a Certificate of Need for the addition of fourteen (14) skilled care beds dually certified by Medicare and Medicaid to the existing Transitional Care Center of seventy-six (76) Medicare certified skilled care beds for a total of ninety (90) nursing home beds.

Several items were found which need clarification or additional discussion. Please review the list of questions below and address them as indicated. The questions have been keyed to the application form for your convenience. I should emphasize that an application cannot be deemed complete and the review cycle begun until all questions have been answered and furnished to this office.

Please submit responses electronically by 4:30 p.m., Friday April 12th. If the supplemental information requested in this letter is not submitted by or before this time, then consideration of this application may be delayed into a later review cycle.

---

**1. Item 7A., Type of Ownership of Control**

Please attach the referenced ownership structure organizational charts for the facility pre- and post- transaction, showing members with 5% or more direct or indirect ownership interest.

**RESPONSE:**

**Please see the first response submitted on the afternoon of April 12; however, please also see the revised Executive Summary attached as Replacement Attachment 1E- Supplemental #2, which provides additional information as to answers and supplemental documents submitted since the original application was filed with Original Attachment 1E.**

**2. Item 9A., Legal Interest in the Site**

Please attach a copy of the deed for Parcel 058E A 003-00. Please see attached map for reference.

**RESPONSE:**

**Please see the first response submitted on the afternoon of April 12.**

**3. Item 13A., Notification Requirements**

Please attach the notifications required under TCA §68-11-1607(c)(9)(B). Provide signed USPS green-certified mail receipt card for each official notified.

**RESPONSE:**

**Please see the first response submitted on the afternoon of April 12.**

**4. Item 2E., Rationale for Approval**

Please attach the referenced Revised Quality Standards.

**RESPONSE:**

Quality Standards

**Please see the first response submitted on the afternoon of April 12.**

**5. Item 2N., Service Area**

Please revise the Historical and Projected Utilization Charts to include county of patient origin data. Please note that these charts should represent only historical and proposed patient utilization, by county of patient origin, of the applicant's facility and should not include all facilities in the service area. Please also revise the Attachment for 2N which was submitted with the first supplemental

responses.

**RESPONSE:**

**Revised Historical and Projected Utilization Charts showing county of patient origin data for the applicant’s facility is below. Also see attached Replacement Attachment 2N- Supplemental #2**

Unit Type:  Procedures  Cases  Patients  Other (Specify): \_\_\_\_\_

Service Area Counties	Facility Utilization Year (2022)	Historical Most Recent	% of Total
Anderson	1		<1%
Blount	648		79%
Campbell	2		<1%
Davidson	1		<1%
Knox	34		4%
Loudon	27		3%
Monroe	43		6%
Sevier	55		7%
TOTAL	815		100%

Unit Type:  Procedures  Cases  Patients  Other (Specify): \_\_\_\_\_

Service Area Counties	Facility Utilization Year 1 (2025)	Projected	% of Total
Blount	772		80%
Knox	38		4%
Loudon	29		3%
Monroe	58		6%
Sevier	68		7%
TOTAL	965		100%

**6. Item 6N., Applicant’s Historical and Projected Utilization**

Please include projected utilization data for the first two years of the project in response to Item 6N.

Please complete the following table for projected Year One and Year Two of the proposed project.

**Transitional Care Center--Projected Utilization Year 1 and 2**

Year	Licensed Beds	Medicare-certified beds	SNF Medicare ADC	Level 2 Medicaid ADC	SNF Other Payors ADC	Non-Skilled ADC	Total ADC	Licensed Occupancy
<b>Proposed 14 bed Addition</b>								
2025	14							
2026	14							
<b>90 Bed Facility (76 existing beds + proposed 14 bed addition)</b>								
2025	90							
2026	90							

**RESPONSE:**

See the completed chart below:

**Transitional Care Center--Projected Utilization Year 1 and 2**

Year	Licensed Beds	Medicare-certified beds	SNF Medicare ADC	Level 2 Medicaid ADC	SNF Other Payors ADC	Non-Skilled ADC	Total ADC	Licensed Occupancy
<b>Proposed 14 bed Addition</b>								
2025	14	14	60	10	10	3	83	14
2026	14	14	60	10	10	3	83	14
<b>90 Bed Facility (76 existing beds + proposed 14 bed addition)</b>								
2025	90	90	60	10	10	3	83	90
2026	90	90	60	10	10	3	83	90

**7. Item 10C., Payor Mix**

Please revise the Payor Mix Chart as it does not total correctly.  
<https://www.tn.gov/content/dam/tn/hfc/documents/HFC-Financial Worksheets Tool.xlsx>

**RESPONSE:** Please see the first response submitted on the afternoon of April 12.

**8. Item 8Q., Staffing Chart**

Please list the position types within the Project Staffing Chart.



**RESPONSE:**

The facility staffing for the current 76 bed configuration currently includes approximately 26 direct patient care positions, including 4 RNs, 10 LPNs and 12 CNAs, and approximately 10 non-patient care positions, including 1 DON, 1 ADON, 1 Admitting Nurse, 1 IP Nurse, 2 MDS Nurses and 4 Housekeeping Workers. After the addition of 14 additional beds, the staffing is anticipated to increase to approximately 30 direct patient care positions due to the addition of 1 LPN and 3 CNAs, and 11 non-patient care positions due to the addition of 1 Housekeeping Worker.

*Please respond to the following service specific criteria questions as an attachment labeled Attachment 1N-Supplemental #1.*

**9. Item 1N., Project Specific Criteria, General**

Please respond to the Criteria and Standards for Nursing Home Services as Attachment 1N. The standards are located at the following link: [https://www.tn.gov/content/dam/tn/hfc/documents/Nursing\\_Home\\_Services\\_8.18.2015.docx](https://www.tn.gov/content/dam/tn/hfc/documents/Nursing_Home_Services_8.18.2015.docx)

**RESPONSE:** Please see the first response submitted on the afternoon of April 12.

**10. Item 1N., Project Specific Criteria, Nursing Home Services, Item #1, Determination of Need**

Please respond to Criterion #1 with the most recent need formula from the Tennessee Department of Health. It is included as an attachment to these supplemental questions. The population data listed should also be based on the TDH need projection file.

**RESPONSE:** Please see the first response submitted on the afternoon of April 12.

**11. Item 1N., Project Specific Criteria, Nursing Home Services, Item #3, Establishment of Service Area**

The projected number of patients listed in response to Criterion #3 should reflect the number of historical patient admissions to the applicant's SNF by county of patient origin along with the estimated driving distance from counties which are not located in Blount County.

**RESPONSE:** Please see the first response submitted on the afternoon of April 12.

In accordance with Tennessee Code Annotated, §68-11-1607(c) (5), "...If an application is not deemed complete within sixty (60) days after initial written notification is given to the applicant by the Commission staff that the application is deemed incomplete, the application shall be deemed void." **For this application the sixtieth (60<sup>th</sup>) day after written notification is June 4, 2024. If this application is not deemed complete by this date, the application will be deemed void.** Commission Rule 0720-10-.03(4) (d) (2) indicates that "Failure of the applicant to meet this deadline will result in the application being considered withdrawn and returned to the contact person. Re-submittal of the application must be accomplished in accordance with Rule 0720-10-.03 and requires an additional filing fee." Please note that supplemental information must be submitted timely for the application to be deemed complete prior to the beginning date of the review cycle which the applicant intends to enter, even if that time is less than the sixty (60) days allowed by the statute. The supplemental information must be submitted with the enclosed affidavit, which shall be executed and notarized; please attach the notarized affidavit to the supplemental information.

If all supplemental information is not received and the application officially deemed complete prior to the beginning of the next review cycle, then consideration of the application could be delayed into a later review cycle. The review cycle for each application shall begin on the fifteenth day of the month after the application has been deemed complete by the staff of the Health Facilities Commission. Any communication regarding projects under consideration by the Health Facilities Commission shall be in accordance with T.C.A. ' 68-11-1607(d):

No communications are permitted with the members of the Commission once the Letter of Intent initiating the application process is filed with the Commission.

Communications between Commission members and Commission staff shall not be prohibited. Any communication received by a Commission member from a person unrelated to the applicant or party opposing the application shall be reported to the Executive Director and a written summary of such communication shall be made part of the certificate of need file.

Should you have any questions or require additional information, please do not hesitate to contact this office.

Sincerely,

Thomas Pitt  
HFC Health Planner

Enclosure

**Replacement Attachment 1E-Supplemental #2**

**Revised Executive Summary**

Blount Memorial Hospital, Incorporated (a Tennessee not-for-profit corporation) (“BMH”) was created pursuant to the Tennessee Private Acts of 1945, Chapter 187, as amended, originally for the management and operation of Blount Memorial Hospital, and subsequently also for the management and operation of two separate long term care facilities, Blount Memorial Transitional Care Center, a skilled nursing facility licensed for 76 beds (“TCC”) and Morningview Village (A/K/A Morningview Village Senior Community), Maryville, Tennessee, an assisted care living facility licensed for 85 beds, plus an unlicensed independent senior living facility (“MVV”), all located on East Lamar Alexander Parkway, Maryville, Tennessee.

In 2023 BMH began seeking offers for the transfer of TCC and MVV. Ocoee Foundation, Inc., a Tennessee not-for-profit corporation, submitted a letter of intent to BMH, and was selected by BMH to negotiate for the acquisition of TCC and MVV. Subsequently Ocoee Foundation, Inc., and two of its affiliates (collectively “Ocoee”) and BMH executed the attached Asset Purchase Agreement (“APA”) for the acquisition of TCC and MVV, and the terms of the APA call for BHM, with assistance from Ocoee, to file a certificate of need application seeking to add the 14 additional skilled nursing beds at TCC which are the subject of this application (the “Ocoee Transaction”). During the negotiations leading to the execution of the APA Ocoee and BMH also considered the benefits of adding more beds to TCC, and determined a certificate of need application should be filed for some additional beds. The applicant and Ocoee reviewed various data as to the discharge history of the facility, including patients dually certified for Medicare and Medicaid, and also reviewed the physical layout of the facility, including the number of rooms in the facility currently used as private rooms but which are sufficient in size and layout to be semi-private rooms and determined that 14 additional rooms would be a reasonable expansion to seek by this application, rather than adding 7 beds initially (pursuant to the “10 bed/10 percent” provision of the applicable statutes and regulations, without obtaining a certificate of need) and adding an additional 7 beds in 3 more years pursuant to such statutes and regulations.

Ocoee is a longtime long term care provider in Tennessee, currently operating 9 nursing homes and one assisted living facility in Tennessee, with all of its nursing homes being dually certified for both Medicare and Medicaid. Two of those facilities are located in Sevierville and Sweetwater, Tennessee, about 30 and 50 miles, respectively, from Maryville. Given the desires Ocoee has to benefit consumers in the service area, BMH and Ocoee determined that it would be beneficial for BMH to seek the 14 additional beds at this time, so that when the Ocoee Transaction is concluded (currently anticipated to occur on approximately June 30, 2024), the CON for the 14 additional beds will have been approved for BMH, and Ocoee can then promptly make the limited physical improvements needed, and seek TennCare/Medicaid certification for all 90 beds.

**Replacement Attachment 2N- Supplemental #2**

**Facility Patient Origin Data (2022)**

<b>Service Area Counties</b>	<b>Total Patients in Facility</b>	<b>% of Total</b>
Anderson	1	<1%
Blount	648	79%
Campbell	2	<1%
Davidson	1	<1%
Knox	34	4%
Loudon	27	3%
Monroe	43	6%
Sevier	55	7%
All other counties	0	0%
<b>TOTAL</b>	<b>815</b>	<b>100%</b>

**AFFIDAVIT**

STATE OF TENNESSEE

COUNTY OF DAVIDSON

NAME OF FACILITY: CN2403-008 Transitional Care Center

I, Michael D. Brent, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.



\_\_\_\_\_  
Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 11th day of April, 2024, witness my hand at office in the County of Davidson, State of Tennessee.



\_\_\_\_\_  
NOTARY PUBLIC  
CYNTHIA A. EVANS  
STATE OF TENNESSEE  
NOTARY PUBLIC  
DAVIDSON COUNTY  
My Commission Expires JULY 7, 2025

My commission expires July 7

HF-0043

Revised 7/02



**State of Tennessee**  
**Health Facilities Commission**  
Andrew Jackson Building, 9<sup>th</sup> Floor  
www.tn.gov/hsda Phone: 615-741-2364/Fax: 615-741-9884

**April 26, 2024 Supplemental Response**

April 18, 2024

Michael Brent, Attorney  
Bradley Arant Boult Cummings  
1221 Broadway, Suite 2400  
Nashville, TN 37203

RE: Certificate of Need Application CN2403-008  
Transitional Care Center

Dear Mr. Brent:

This will acknowledge our April 14, 2024 receipt of your application for a Certificate of Need for the addition of fourteen (14) skilled care beds dually certified by Medicare and Medicaid to the existing Transitional Care Center of seventy-six (76) Medicare certified skilled care beds for a total of ninety (90) nursing home beds.

Several items were found which need clarification or additional discussion. Please review the list of questions below and address them as indicated. The questions have been keyed to the application form for your convenience. I should emphasize that an application cannot be deemed complete and the review cycle begun until all questions have been answered and furnished to this office.

**Please submit responses electronically by 4:30 p.m., Friday April 26th.** If the supplemental information requested in this letter is not submitted by or before this time, then consideration of this application may be delayed into a later review cycle.

---

**1. Item 2N., Service Area**

The revised tables provided in response to Item 2N are noted. However the historical utilization doesn't appear to total correctly (811) vs (815) total listed. Please revise and resubmit the table for Item 2N. labeled as Attachment 2NR2.

**RESPONSE:**

Please see the tables at Attachment 2NR2, correcting the error as to the total.

**2. Item 6N., Applicant’s Historical and Projected Utilization**

Please complete the following table for projected Year One and Year Two of the proposed project.

**Transitional Care Center--Projected Utilization Year 1 and 2**

Year	Licensed Beds	Medicare-certified beds	SNF Medicare ADC	Level 2 Medicaid ADC	SNF Other Payors ADC	Non-Skilled ADC	Total ADC	Licensed Occupancy
<i>Proposed 14 bed Addition</i>								
2025	14							
2026	14							
<i>90 Bed Facility (76 existing beds + proposed 14 bed addition)</i>								
2025	90							
2026	90							

Please estimate the average daily census for each bed type listed in the table above with the first three rows representing only the 14 bed addition and the last three rows representing the 90 total beds at the facility.

- **Average Daily Census (ADC)** = Inpatient Days / 365
- **Bed Days Open** = Number of Beds in a Facility x Number of Days Each Bed was Open for Admission
- **Licensed Occupancy** = Inpatient Days / Bed Days Open x 100 = Licensed Occupancy % for each bed category

**RESPONSE:**

6N. has been revised and is copied below.

**Transitional Care Center--Projected Utilization Year 1 and 2**

Year	Licensed Beds	Medicare-certified beds	SNF Medicare ADC	Level 2 Medicaid ADC	SNF Other Payors ADC	Non-Skilled ADC	Total ADC	Licensed Occupancy
<i>Proposed 14 bed Addition</i>								
2025	14	14	9	2	2	<1	13	92%
2026	14	14	9	2	2	<1	13	92%
<i>90 Bed Facility (76 existing beds + proposed 14 bed addition)</i>								
2025	90	90	60	10	10	3	83	92%
2026	90	90	60	10	10	3	83	92%



### 3. Item 10C., Payor Mix

Please revise either the Payor Mix Chart, Item 10C., or the Projected Data Chart, Item 6C. as the total Gross Operating Revenue does not appear to match in both items.

**RESPONSE:** 10C. has been revised and is copied below.

**Applicant's Projected Payor Mix  
 Project Only Chart**

Payor Source	Year- 2025		Year- 2026	
	Gross Operating Revenue	% of Total	Gross Operating Revenue	% of Total
Medicare/Medicare Managed Care	\$3,786,877	69.25%	\$4,207,641	69.25%
TennCare/Medicaid	\$888,617	16.25%	\$987,353	16.25%
Commercial/Other Managed Care	\$615,197	11.25%	\$683,552	11.25%
Self-Pay	\$177,724	3.25%	\$197,470	3.25%
Other(Specify) N/A	\$0	0%	\$0	0%
<b>Total</b>	\$5,468,415	100%	\$6,076,016	100%
Charity Care	\$273,421		\$303,801	

*\*Needs to match Gross Operating Revenue Year One and Year Two on Projected Data Chart*

*Please respond to the following service specific criteria questions as an attachment labeled Attachment 1N-Supplemental #1.*

### 4. Item 1N., Project Specific Criteria, General

Please respond to the Criteria and Standards for Nursing Home Services as Attachment 1N. The standards are located at the following link: [https://www.tn.gov/content/dam/tn/hfc/documents/Nursing\\_Home\\_Services\\_8.18.2015.docx](https://www.tn.gov/content/dam/tn/hfc/documents/Nursing_Home_Services_8.18.2015.docx)

**RESPONSE:** Please see attachment labeled Attachment 1N-Supplemental #3.

In accordance with Tennessee Code Annotated, §68-11-1607(c) (5), "...If an application is not deemed complete within sixty (60) days after initial written notification is given to the applicant by the Commission staff that the application is deemed incomplete, the application shall be deemed void." **For this application the sixtieth (60<sup>th</sup>) day after written notification is June 4, 2024. If this application is not deemed complete by this**

Mr. Michael Brent  
April 18, 2024  
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**date, the application will be deemed void.** Commission Rule 0720-10-.03(4) (d) (2) indicates that "Failure of the applicant to meet this deadline will result in the application being considered withdrawn and returned to the contact person. Re-submittal of the application must be accomplished in accordance with Rule 0720-10-.03 and requires an additional filing fee." Please note that supplemental information must be submitted timely for the application to be deemed complete prior to the beginning date of the review cycle which the applicant intends to enter, even if that time is less than the sixty (60) days allowed by the statute. The supplemental information must be submitted with the enclosed affidavit, which shall be executed and notarized; please attach the notarized affidavit to the supplemental information.

If all supplemental information is not received and the application officially deemed complete prior to the beginning of the next review cycle, then consideration of the application could be delayed into a later review cycle. The review cycle for each application shall begin on the fifteenth day of the month after the application has been deemed complete by the staff of the Health Facilities Commission. Any communication regarding projects under consideration by the Health Facilities Commission shall be in accordance with T.C.A. ' 68-11-1607(d):

No communications are permitted with the members of the Commission once the Letter of Intent initiating the application process is filed with the Commission.

Communications between Commission members and Commission staff shall not be prohibited. Any communication received by a Commission member from a person unrelated to the applicant or party opposing the application shall be reported to the Executive Director and a written summary of such communication shall be made part of the certificate of need file.

Should you have any questions or require additional information, please do not hesitate to contact this office.

Sincerely,

Thomas Pitt  
HFC Health Planner

Enclosure

**Attachment 2NR2**

**Revised Historical and Projected Utilization Charts showing county of patient origin data for the applicant's facility is below. Also see attached Replacement Attachment 2N- Supplemental #2**

Unit Type:  Procedures  Cases  **Patients**  Other (Specify): \_\_\_\_\_

<b>Service Area Counties</b>	<b>Facility Utilization Year (2022)</b>	<b>Historical Most Recent</b>	<b>% of Total</b>
Anderson	1		<1%
Blount	648		80%
Campbell	2		<1%
Davidson	1		<1%
Knox	34		4%
Loudon	27		3%
Monroe	43		6%
Sevier	55		7%
<b>TOTAL</b>	<b>811</b>		<b>100%</b>

Unit Type:  Procedures  Cases  **Patients**  Other (Specify): \_\_\_\_\_

<b>Service Area Counties</b>	<b>Facility Utilization Year 1 (2025)</b>	<b>Projected</b>	<b>% of Total</b>
Blount	772		80%
Knox	38		4%
Loudon	29		3%
Monroe	58		6%
Sevier	68		7%
<b>TOTAL</b>	<b>965</b>		<b>100%</b>

**AFFIDAVIT**

STATE OF TENNESSEE

COUNTY OF DAVIDSON

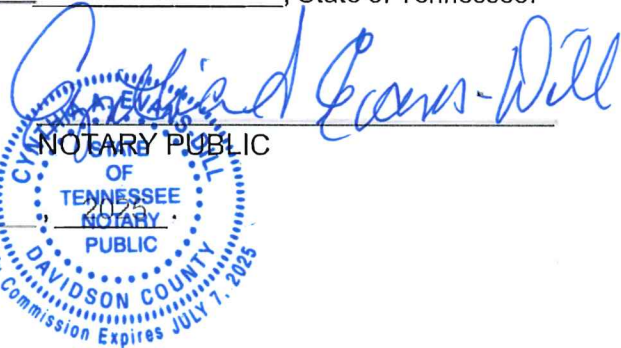
NAME OF FACILITY: CN2403-008 Transitional Care Center

I, Michael D. Brent, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.



\_\_\_\_\_  
Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 14th day of April, 2024, witness my hand at office in the County of Davidson, State of Tennessee.



My commission expires July 7

HF-0043

Revised 7/02

**AFFIDAVIT**

STATE OF TENNESSEE

COUNTY OF DAVIDSON

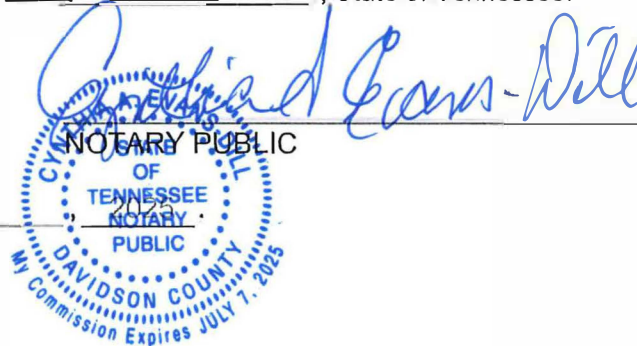
NAME OF FACILITY: CN2403-008 Transitional Care Center

I, Michael D. Brent, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.



Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 26th day of April, 2024, witness my hand at office in the County of Davidson, State of Tennessee.



My commission expires July 7

HF-0043

Revised 7/02