



NOLAND HEALTH
SERVICES, INC.

Since 1913

RECEIVED

FEB 03 2016

STATE HEALTH PLANNING
AND DEVELOPMENT AGENCY

VIA FEDERAL EXPRESS AND
EMAIL shpda.online@shpda.alabama.gov

February 1, 2016

Mr. Alva Lambert
Executive Director
State Health Planning and Development Agency
100 North Union Street, Suite 870
Montgomery, AL 36106

RE: Change of Ownership –Eastern Shore Rehabilitation and Health
Center - Baldwin County

Dear Mr. Lambert:

The purpose of this letter is to inform your office that on, or about April 1, 2016, Noland Eastern Shore, LLC¹ (Noland) will, subject to the completion and receipt of applicable regulatory approvals, finalize an asset purchase agreement (“APA”) for the acquisition of Eastern Shore Rehabilitation and Health Center.

Eastern Shore Rehabilitation and Health Center is a 117 bed nursing home and is located at 101 Villa Drive, Daphne, Alabama 36526. Noland will acquire the facility pursuant to the APA. The current owner of the Facility is 101 Villa Drive, LLC and the operator of the Facility is MBRH, LLC.

Enclosed you will find:

- A Change of Ownership Application executed by both parties.
- A filing fee of \$2,500.

If you need additional information or have any questions, please contact me at (205) 783-8444. Thank you in advance for your assistance.

Sincerely,

Barbara Estep
Director, Regulatory Affairs

¹ Noland Health Services, Inc. is the sole member and manager of Noland Eastern Shore, LLC.

cc: 101 Villa Drive, LLC
2071 Flatbush Avenue, Suite 22
Brooklyn, NY 11234

Abraham Gutnicki, Esq.
4711 Golf Road, Suite 200
Skokie, IL 60076
Attention: Abraham A. Gutnicki

Gary Goff
Noland Health Services, Inc.
600 Corporate Parkway, Suite 100
Birmingham, AL 35242

Carol Knight
Noland Health Services, Inc.
600 Corporate Parkway, Suite 100
Birmingham, AL 35242

CHANGE OF OWNERSHIP

RECEIVED

FEB 03 2016

STATE HEALTH PLANNING
AND DEVELOPMENT AGENCY

Part I: Purchasing Organization Information

Name of Organization: _Noland Eastern Shore, LLC_____

Facility Name:
(ADPH Licensure name) _Eastern Shore Rehabilitation and Health Center_____

SHPDA ID Number: _003-N0004_____

Address (PO Box #): _101 Villa Drive_____

City, State, Zip, County: _Daphne, AL 36526 Baldwin_____

Number/Type Licensed Beds: _117 Nursing Home Beds_____

Owner(s): _Noland Eastern Shore, LLC (Noland Health Services, Inc. is the
sole member and manager of Noland Eastern Shore, LLC)

Operator(s): _Same as owner_____

Part II: Selling Organization Information

Name of Organization: _101 Villa Drive, LLC_____

Address (PO Box #): _2071 Flatbush Avenue, Suite 22_____

City, State, Zip, County: _Brooklyn, NY_____

Number/Type Licensed Beds: _117 Nursing Home Beds_____

Owner(s): _101 Villa Drive, LLC_____

Operator(s): _MBRH, LLC_____

Part III: Value of Consideration

Monetary Value of Purchase: \$ _see attached_____ No./Type Beds: 117 Nursing Home Beds

Terms of Purchase: _Asset Purchase_____
(add more pages as necessary to describe the sale)

Part IV: List of Certificate of Need Authority

Number of Beds: 117

Types of Institutional Health Services: Nursing Home Beds

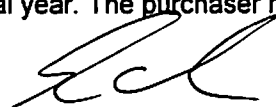
List Service Area by County for Home Health Agencies: N/A

On an Attached Sheet Please Address the Following: See Attached

- *1.) The financial scope of the project to include the preliminary estimate of costs broken down by equipment, construction, and yearly operating costs.
- *2.) The services to be offered by the proposal (the applicant will state whether he has previously offered the service and whether the service is an extension of a presently offered service, or whether the service is a new service).
- *3.) Whether the proposal will include the addition of any new beds.
- *4.) Whether the proposal will involve the conversion of beds.
- *5.) Whether the assets and stock (if any) will be acquired.

Part V: Certification of Information

I certify that I agree to provide the information necessary (financial, utilization of services and beds, etc.) so the new owner can have the necessary information to complete reports as necessary for the entire fiscal year. The purchaser has agreed to these terms,

Seller(s) Signature(s):  _____

Owner(s): _____ 101 Villa Drive, LLC

Operator(s): _____ MBRH, LLC

Title/Date: _____

I certify that I will be responsible for retaining records as necessary to complete reports required for the entire fiscal year, and agree to these terms. I have enclosed a check in the amount of \$2,500 made payable to 'Alabama State Health Planning and Development Agency' to cover the cost of the change of ownership.

YES NO The above Purchaser and Seller have agreed to these purchase terms.

Purchaser Signature: _____

Title/Date: President/CEO _____ Date

Number of Beds: 117

Types of Institutional Health Services: Nursing Home Beds

List Service Area by County for Home Health Agencies: N/A

On an Attached Sheet Please Address the Following: See Attached

*1.) The financial scope of the project to include the preliminary estimate of costs broken down by equipment, construction, and yearly operating costs.

*2.) The services to be offered by the proposal (the applicant will state whether he has previously offered the service and whether the service is an extension of a presently offered service, or whether the service is a new service).

*3.) Whether the proposal will include the addition of any new beds.

*4.) Whether the proposal will involve the conversion of beds.

*5.) Whether the assets and stock (if any) will be acquired.

Part V: Certification of Information

I certify that I agree to provide the information necessary (financial, utilization of services and beds, etc.) so the new owner can have the necessary information to complete reports as necessary for the entire fiscal year. The purchaser has agreed to these terms,

Seller(s) Signature(s):

Owner(s):  101 Villa Drive, LLC

Operator(s):  MBRH, LLC

Title/Date: _____

I certify that I will be responsible for retaining records as necessary to complete reports required for the entire fiscal year, and agree to these terms. I have enclosed a check in the amount of \$2,500 made payable to 'Alabama State Health Planning and Development Agency' to cover the cost of the change of ownership.

YES NO The above Purchaser and Seller have agreed to these purchase terms.

Purchaser Signature: _____

Title/Date: President/CEO _____ Date _____

Number of Beds: 117

Types of Institutional Health Services: Nursing Home Beds

List Service Area by County for Home Health Agencies: N/A

On an Attached Sheet Please Address the Following: See Attached

- *1.) The financial scope of the project to include the preliminary estimate of costs broken down by equipment, construction, and yearly operating costs.
- *2.) The services to be offered by the proposal (the applicant will state whether he has previously offered the service and whether the service is an extension of a presently offered service, or whether the service is a new service).
- *3.) Whether the proposal will include the addition of any new beds.
- *4.) Whether the proposal will involve the conversion of beds.
- *5.) Whether the assets and stock (if any) will be acquired.

Part V: Certification of Information

I certify that I agree to provide the information necessary (financial, utilization of services and beds, etc.) so the new owner can have the necessary information to complete reports as necessary for the entire fiscal year. The purchaser has agreed to these terms,

Seller(s) Signature(s):

Owner(s): _____ 101 Villa Drive, LLC

Operator(s): _____ MBRH, LLC

Title/Date: _____

I certify that I will be responsible for retaining records as necessary to complete reports required for the entire fiscal year, and agree to these terms. I have enclosed a check in the amount of **\$2,500** made payable to 'Alabama State Health Planning and Development Agency' to cover the cost of the change of ownership.

 X YES NO The above Purchaser and Seller have agreed to these purchase terms.

Purchaser Signature: *[Signature]*

Title/Date: President/CEO 2/2/14
Date

Noland Eastern Shore, LLC
Attachment to Change of Ownership Application
Facility to be Acquired: Eastern Shore Rehabilitation and Health Center
SHPDA ID: 003-N0004

***1.) The financial scope of the project to include the preliminary estimate of costs broken down by equipment, construction, and yearly operating costs.**

The Asset Purchase is for Eastern Shore Rehabilitation and Health Center (117 nursing home beds), and the total cost of the asset purchase is \$12,250,000. There will be no construction. Existing equipment will be acquired through the asset purchase. The annual operating costs are estimated at approximately \$11,000,000 for the Facility.

***2.) The services to be offered by the proposal (the applicant will state whether he has previously offered the service and whether the service is an extension of a presently offered service, or whether the service is a new service).**

Nursing Home (SNF) services will continue to be offered; therefore, this is not a new service. Noland Health Services, Inc., the sole member and manager of Noland Eastern Shore, LLC, is a nursing home provider and operates a number of SNF facilities throughout Alabama.

***3.) Whether the proposal will include the addition of any new beds.**

The proposed acquisition does not involve the addition of any new beds.

***4.) Whether the proposal will involve the conversion of beds.**

There will be no conversion of beds as a result of the proposed acquisition

***5.) Whether the assets and stock (if any) will be acquired.**

The proposed transaction is an asset purchase. The transaction does not involve any stock.