

NOTICE OF CHANGE OF OWNERSHIP/CONTROL

The following notification of intent is provided pursuant to all applicable provisions of ALA. CODE § 22-21-270 (1975 as amended) and ALA. ADMIN. CODE r. 410-1-7-.04. This notice must be filed at least twenty (20) days prior to the transaction.

- Change in Direct Ownership or Control (of a vested Facility; ALA. CODE §§ 22-20-271(d), (e))
 - Change in Certificate of Need Holder (ALA. CODE § 22-20-271(f))
 - Change in Facility Management (Facility Operator)
- Any transaction other than those above-described requires an application for a Certificate of Need.

Part I: Facility Information

RECEIVED

SHPDA ID Number:

005-6530400

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

Nov 01 2017

STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

Name of Facility/Provider:
(ADPH Licensure Name)

Medical Center Barbour

Physical Address:

820 W. Washington Street

Eufaula, Alabama 36027

County of Location:

Barbour County

Number of Beds/ESRD Stations:

74 Beds

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

Part II: Current Authority (Note: If this transaction will result in a change in direct ownership or control, as defined under ALA. CODE § 22-20-271(e), please attach organizational charts outlining current and proposed structures.)

Owner (Entity Name) of Facility named in Part I:

The Health Care Authority of the City of Eufaula

Mailing Address:

P.O. Box 219

Eufaula, Alabama 36072-0219

Operator (Entity Name):

The Southeast Alabama Regional Health Care Authority

Part III: Acquiring Entity Information

Name of Entity:

The Health Care Authority of the City of Eufaula

Mailing Address:

P.O. Box 219

Eufaula, Alabama 36072-0219

Operator (Entity Name):

The Health Care Authority of the City of Eufaula

Proposed Date of Transaction is on or after:

November 30, 2017

Part IV: Terms of Purchase

Monetary Value of Purchase:

See attached Letter and organizational charts.

Type of Beds:

Acute care beds

Number of Beds/ESRD Stations:

74 beds

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

See attached Letter and organizational charts.

Projected Equipment Cost: \$ _____

Projected Construction Cost: \$ _____

Projected Yearly Operating Cost: \$ _____

Projected Total Cost: \$ _____

On an Attached Sheet Please Address the Following:

- 1.) The services to be offered by the proposal (the applicant will state whether he has previously offered the service, whether the service is an extension of a presently offered service, or whether the service is a new service).
- 2.) Whether the proposal will include the addition of any new beds.
- 3.) Whether the proposal will involve the conversion of beds.
- 4.) Whether the assets and stock (if any) will be acquired.

Part V: Certification of Information

Current Authority Signature(s):

The information contained in this notification is true and correct to the best of my knowledge and belief.

Current Operator: *Richard O. Sutton*
Richard O. Sutton

Title: Chief Executive Officer, The Southeastern Alabama Regional Health Care Authority

Date: 10/25/17

SWORN to and subscribed before me, this 25th day of October, 2017.
Wileen S. Henderson
Notary Public

My Commission Expires: 6/24/2019

Acquiring Authority Signature(s):

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

Owner and Operator: *Eugene Harris*
Eugene Harris

Title/Date: Chairman, The Health Care Authority of the City of Eufaula Date: 10/26/17

SWORN to and subscribed before me, this 26th day of October, 2017.
Fatima Almand
Notary Public
My Commission Expires: 10.12.21

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

Holly S. Hosford
hhosford@bradley.com
205.521.8376

Bradley

November 1, 2017

Via Electronic Filing

Mr. Alva M. Lambert
Executive Director
State Health Planning & Development Agency
100 North Union Street
Suite 870
Montgomery, Alabama 36104

**Re: Notice of Proposed Change of Facility Management of Medical Center
Barbour (SHPDA ID 005-6530400)**

Dear Mr. Lambert:

On behalf of the Health Care Authority of the City of Eufaula, we respectfully submit to the State Health Planning and Development Agency (“SHPDA”) this letter and organizational charts attached hereto as Exhibit A as attachments to the Notice of Change of Control form that we are filing for the above-referenced hospital. The purpose of this letter is to notify SHPDA of a proposed transaction related to the management and control of Medical Center Barbour, a 74-bed general acute care hospital located in Barbour County, Alabama (the “Facility”). The following summarizes the transaction proposed to take place on or about November 30, 2017 (the “Proposed Transaction”), and addresses SHPDA requirements for a change of ownership or control.

Description of Proposed Transaction

The Health Care Authority of the City of Eufaula (the “Owner”) owns the real property and buildings operated as the Facility. The Southeast Alabama Regional Health Care Authority (“SARHCA”) currently leases the Facility from Owner and holds the hospital license issued by the Alabama Department of Public Health to operate the Facility. In addition to leasing the property, SARHCA currently owns substantially all of the equipment and furniture for purposes of operating the Facility (the “Operating Assets”).

The Proposed Transaction will result in the Owner’s acquisition of substantially all of the Operating Assets and the termination of the current lease of the Facility to SARHCA. Following the closing of the Proposed Transaction, Owner will be the owner and operator of the Facility and will also own the Operating Assets.

SHPDA Requirements for Changes of Ownership/Control

In answer to the specific questions posed in the Change of Control form, please note the following:

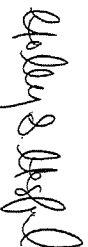
1. The Financial Scope of the Project. The financial scope of the project will encompass the fair market value payment that Owner will make to SARHCA as consideration for the transfer of the Operating Assets. The fair market value payment involved in the Proposed Transaction does not reflect new costs exceeding the following expenditure thresholds: (i) \$2,981,520 for major medical equipment; (ii) \$1,192,607 for new annual operating costs; and (iii) \$5,963,039 for capital expenditures.
2. Services to be Offered. The Proposed Transaction will not result in any new or additional services to those already authorized to be provided by the Facility.
3. Whether the Proposal Will Include the Addition of Any New Beds. The Proposed Transaction will not result in the addition of new beds. The Facility has an authorized capacity for 74 beds, including five swing beds (CON 1654-H), and an 18-bed geropsychiatric unit (CON 2205-PSY).
4. Whether the Proposal Will Involve the Conversion of Beds. The Proposed Transaction will not result in the conversion of beds.
5. Whether the Assets and Stock (if any) Will be Acquired. As described more particularly above, Buyer will acquire the Facility operating assets from Seller.

Requested Action

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

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

Sincerely,



Holly Hosford

Exhibit A

Organizational Charts

Current Ownership and Operation Structure

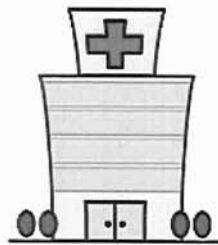
The City of Eufaula,
Alabama
(a political subdivision
of the State of Alabama)

The Health Care Authority of the City
of Eufaula
(a public corporation organized under Section 22-
21-310 et. seq. of the Alabama Code)

The Southeast
Alabama
Regional Health
Care Authority
(SEAR)

The Health Care Authority of the City
of Eufaula leases the real property and
buildings of the Hospital to SEAR (the
"Lease")

The Health Care Authority of the City
of Eufaula owns the Hospital



SEAR operates the Hospital as the
Lessee under the Lease.

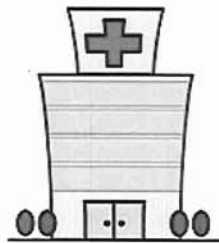
Medical Center Barbour (the "Hospital")
(SHPDA ID Number 0056530400)

Future Ownership and Operation Structure

The City of Eufaula,
Alabama
(a political subdivision of
the State of Alabama)



The Health Care Authority of the City
of Eufaula
(a public corporation organized under Section 22-
21-310 et. seq. of the Alabama Code)



The Health Care Authority of the City
of Eufaula owns and operates the Hospital

Medical Center Barbour (the "Hospital")
(SHPDA ID Number 0056530400)