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STATE HEALTH PLANNING AND
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April 9, 2020

VIA EMAIL ONLY

Ms. Emily Marsal
Executive Director
State Health Planning and Development Agency
100 North Union Street
Suite 870
Montgomery, AL 36104

Re: Skilled Nursing Facility Change of Ownership - The Thomasville Health Care and Rehabilitation Center

Dear Ms. Marsal:

Pursuant to Chapter 410-1-7-.04, Rules and Regulations of the Alabama Certificate of Need Program (the "Rules"), we respectfully submit the attached Notice of Change of Ownership. The Change of Ownership involves the purchase of the 80-bed skilled nursing facility located in Thomasville, Clarke County, Alabama, and known as The Thomasville Health Care and Rehabilitation Center (the "Facility"). The Facility is currently owned by The City of Thomasville, Alabama, a municipal corporation (the "Seller") and operated by The Thomasville Health Care and Rehabilitation Center, an Alabama public corporation (the "Current Operator"). Following is a summary of the proposed transaction:

I. Facts.

1. Seller owns the real property on which the Facility is located and operates the Facility located at 1425 Mosley Drive, Thomasville, AL 36784 through the Current Operator.
2. Seller, Operator and Crowne Investments, Inc., an Alabama corporation ("Purchaser") have negotiated and entered into an asset purchase agreement dated March 18, 2020 (the "APA") for the sale of substantially all of the assets used in the operation of the Facility (the "Transaction").

3. Prior to the Commencement, as defined below, and pursuant to the terms of the APA, the Purchaser intends to assign its right to purchase the Facility to Thomasville Real Estate, LLC, a newly organized single purpose Alabama limited liability company (the "Assignee") which is wholly-owned by Purchaser. Assignee shall lease the Facility under a lease agreement (the "Lease Agreement") to Crowne Health Care of Thomasville, LLC, a newly organized single-purpose Alabama limited liability company (the "Tenant") which is wholly-owned by Crowne Operations, Inc., an Alabama corporation which is under common control with Purchaser. Tenant will be responsible for the operations of the Facility under the Lease Agreement.
4. Under certain documents to be negotiated and entered into in order to effectuate the Transaction, subject to approval by the Alabama Department of Public Health ("ADPH") and the issuance of a license by ADPH to Tenant to operate the Facility as an 80-bed nursing facility, the Transaction will become effective as of May 1, 2020 (the "Commencement").
5. The resulting "change in control" requires notification to your agency pursuant to ALA. ADMIN. CODE §410-1-7-.04(1).
6. The change in control of the Facility will be documented by the enclosed executed change of ownership form.

II. Financial Scope of Project.

As outlined in the attached change of ownership form, this transaction does not involve the purchase of new equipment, new operating costs, or other capital expenditures in excess of the spending thresholds set forth in Section 22-21-263(a)(2) of the Code of Alabama. The specific costs related to the project are itemized.

III. Services to be Offered.

1. No New Services: The transaction does not involve the offering of any new services by the Facility.

IV. Beds.

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

2. Conversion of Beds: The proposed transaction does not involve the conversion of beds.

V. Stock and Assets.

Other than described above, the transaction does not involve the acquisition of stock or assets relating to the operation of the Facility.

Based on the above showing that there has been no (i) change in health service, (ii) spending in excess of the spending thresholds, (iii) conversion of beds or (iv) increase in bed capacity we respectfully ask that you exercise your authority under Chapter 410-1-7-.04(2) of the Rules and determine that a CON or other action by SHPDA is not required for the consummation of the above-described proposed transaction. In accordance with the Rules, the filing fee of \$2,500.00 will be paid via the electronic payment portal. I enclose the executed change of ownership form.

Should you have any questions or need further information, please contact me at 205-381-1364.

Sincerely,

Angie C. Smith

Angie C. Smith

ACS/jlr

Enclosures

NOTICE OF CHANGE OF OWNERSHIP/CONTROL

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

Change in Direct Ownership or Control (of a vested Facility; ALA. CODE §§ 22-20-271(d), (e))

Change in Certificate of Need Holder (ALA. CODE § 22-20-271(f))

Change in Facility Management (Facility Operator)

Any transaction other than those above-described requires an application for a Certificate of Need.

Part I: Facility Information

SHPDA ID Number: 025-N7000
(This can be found at www.shpda.alabama.gov, Health Care Data, ID Codes)

Name of Facility/Provider:
(ADPH Licensure Name) Thomasville Health Care and Rehabilitation Center

Physical Address: 1425 Mosley Drive
Thomasville, AL 36784

County of Location: Clarke County

Number of Beds/ESRD Stations: 80 skilled nursing facility beds

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

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 City of Thomasville, Alabama

Mailing Address: P.O. Box 127
Thomasville, AL 36784

Operator (Entity Name): The Thomasville Health Care and Rehabilitation Center

Part III: Acquiring Entity Information

Name of Entity: Thomasville Real Estate, LLC

Mailing Address: 501 Whetstone Street
Monroeville, AL 36460

Operator (Entity Name): Crowne Health Care of Thomasville, LLC

Proposed Date of Transaction is on or after: 5/1/2020

Part IV: Terms of Purchase

Monetary Value of Purchase: \$ see attached correspondence

Type of Beds: skilled nursing facility

Number of Beds/ESRD Stations: 80 beds

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

Projected Equipment Cost: \$ None

Projected Construction Cost: \$ 220,000

Projected Yearly Operating Cost: \$ 698,700

Projected Total Cost: \$ 918,700

On an Attached Sheet Please Address the Following:

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

Part V: Certification of Information

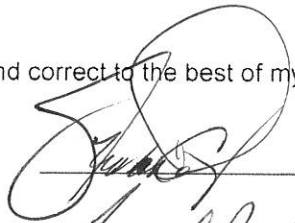
Current Authority Signature(s):

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

Owner(s): The City of Thomasville, Alabama

Operator(s): The Thomasville Health Care and Rehabilitation Center

Title/Date: _____



Vice-Chairman BOD

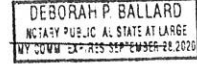
SWORN to and subscribed before me, this 8 day of April, 2020.

(Seal)

A-84

Deborah P. Ballard
Notary Public

My Commission Expires:



Acquiring Authority Signature(s):

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

Lessor(s): Thomasville Real Estate, LLC

Richard B. Jones

Operator(s): Crowne Health Care of Thomasville of Thomasville, LLC

Richard B. Jones

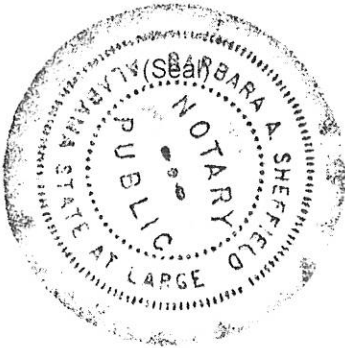
Title/Date: CEO

04/07/2020

SWORN to and subscribed before me, this 7th day of April, 2020.

Barbara Sheffield
Notary Public

My Commission Expires: 07/20/2022



Author: Alva M. Lambert

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

History: New Rule

