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September 2, 2022

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 – Oakwood-North Baldwin Center’s
for Living**

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 and lease of the 75-bed skilled nursing facility located in Bay Minette, Baldwin County, Alabama, and known as Oakwood-North Baldwin Center’s for Living (the "Facility"). Following is a summary of the proposed transaction:

I. Facts.

1. The Facility is currently owned by North Baldwin County Health Care Authority (the “Seller”) and operated by Gulf Health Hospitals, Inc., an Alabama corporation (the “Current Operator”). Seller owns the real property on which the Facility is located at 2010 Medical Center Drive, Bay Minette, AL 36507, and leases the building to the Current Operator, who holds the license from the Alabama Department of Public Health.
2. Seller has negotiated a real estate purchase agreement with Crowne Investments, Inc., for the sale of the real and personal property comprising the Facility. Crowne Investments, Inc., will cause its newly formed wholly owned subsidiary, namely North Baldwin Real Estate, LLC (“New Owner”), to purchase the real property and

- personal property, including the Certificate of Need from Seller, upon receipt and approval from all regulatory and financing agencies.
3. Crowne Operations, Inc. (“Crowne Operations”) has entered into a Purchase and Sale Agreement with the Current Operator, whereby Crowne Operations will purchase the operating assets of the Facility, and the current lease will be amended to carve out the Facility and a new lease will be executed pursuant to which New Owner will lease the Facility to Crowne Operations, Inc., or its wholly owned subsidiary (“New Operator”), as the new operator of the Facility. Simultaneous with the closing of the real estate purchase between Seller and New Owner, New Owner will enter into a lease with New Operator.
 4. Under certain documents to be negotiated and entered into in order to effectuate the above described transaction (the “Transaction”), subject to approval by the Alabama Department of Public Health (“ADPH”) and the issuance of a license by ADPH to New Operator to operate the Facility as an 75-bed nursing facility, the Transaction will become effective as of October 1, 2022 (the “Commencement”).
 5. The resulting “change in ownership and control” requires notification to your agency pursuant to ALA. ADMIN. CODE §410-1-7-.04(1).
 6. The change in control of the Facility is 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 205-458-5209.

Sincerely,

s/Angie 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: 003-N0006
 (This can be found at www.shpda.alabama.gov, Health Care Data, ID Codes)

Name of Facility/Provider: Oakwood-North Baldwin's Center for Living
 (ADPH Licensure Name)

Physical Address: 2010 Medical Center Drive
Bay Minette, AL 36507

County of Location: Baldwin County

Number of Beds/ESRD Stations: 75 skilled nursing facility beds

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

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: North Baldwin County Health Care Authority

Mailing Address: Post Office Box 1409
Bay Minette, AL 36507

Operator (Entity Name): Gulf Health Hospitals, Inc.

Part III: Acquiring Entity Information

Name of Entity: North Baldwin Real Estate, LLC

Mailing Address: 501 Whetstone Street
Monroeville, AL 36460

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

Proposed Date of Transaction is on or after: October 1, 2022

Part IV: Terms of Purchase

Monetary Value of Purchase: \$ 5,000,000.00

Type of Beds: skilled nursing facility

Number of Beds/ESRD Stations: 75 skilled nursing facility beds

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

Projected Equipment Cost: \$ 30,000.00

Projected Construction Cost: \$ NA

Projected Yearly Operating Cost: \$ 6,200,000

Projected Total Cost: \$ 11,230,000

On an Attached Sheet Please Address the Following: See attached cover letter

- 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: North Baldwin County Health Care Authority Operator: Gulf Health Hospitals, Inc.

Owner(s): By: _____

By: [Signature]

Operator(s): Title: _____

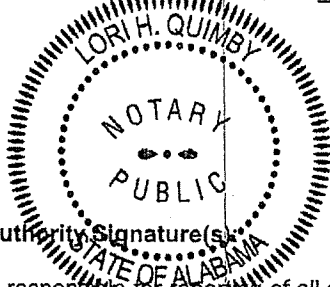
Title: President + CEO

Title/Date: Date: _____

Date: 8/31/2022

SWORN to and subscribed before me, this 31st day of August, 2022.

(Seal)



Lori H. Quimby
Notary Public

My Commission Expires: 5/9/2023

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.

Purchase: North Baldwin Real Estate, LLC Operator: Crowne Health Care of North Baldwin, LLC
By: _____ By: _____

Operator(s): Title: _____ Title: _____

Title/Date: Date: _____ Date: _____

SWORN to and subscribed before me, this _____ day of _____, 2022.

(Seal)

Notary Public

My Commission Expires: _____

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

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

Proposed Date of Transaction is on or after: October 1, 2022

Part IV: Terms of Purchase

Monetary Value of Purchase: \$ 5,000,000.00

Type of Beds: skilled nursing facility

Number of Beds/ESRD Stations: 75 skilled nursing facility beds

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

Projected Equipment Cost: \$ 30,000.00

Projected Construction Cost: \$ NA

Projected Yearly Operating Cost: \$ 6,200,000

Projected Total Cost: \$ 11,230,000

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- 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: North Baldwin County Health Care Authority Operator: Gulf Health Hospitals, Inc.

Owner(s): By: [Signature]

By: [Signature]

Operator(s): Title: Chairman of the Board

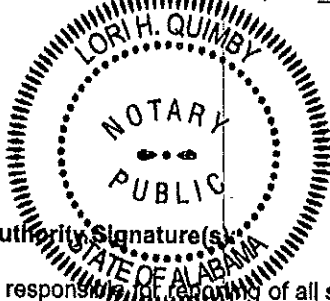
Title: President & CEO

Title/Date: Date: 8/31/2022

Date: 8/31/2022

SWORN to and subscribed before me, this 31st day of August, 2022.

(Seal)



Lori H. Quimby
Notary Public

My Commission Expires: 5/9/2023

Acquiring Authority Signature(s):

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

Purchaser(s): By: _____ Title: _____
Purchase: North Baldwin Real Estate, LLC Operator: Crowne Health Care of North Baldwin, LLC
By: _____

Operator(s): Title: _____ Title: _____

Title/Date: Date: _____ Date: _____

SWORN to and subscribed before me, this _____ day of _____, 2022.

(Seal)

Notary Public

My Commission Expires: _____

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

SWORN to and subscribed before me, this _____ day of _____, 2022.

(Seal)

Notary Public

My Commission Expires: _____

Acquiring Authority Signature(s):

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

Purchaser(s): By: *Noll Dunnan* Purchaser North Baldwin Real Estate, LLC By: *Noll Dunnan* Operator: Crowne Health Care of North Baldwin, LLC

Operator(s): Title: *CFO* of Sole Member Title: *CFO*

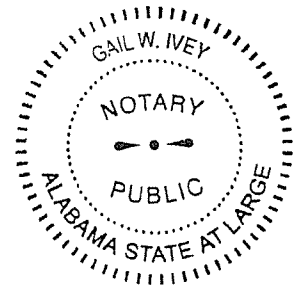
Title/Date: Date: *9/1/2022* Date: *9/1/2022*

SWORN to and subscribed before me, this *1st* day of *September*, 2022.

(Seal)

Gail W. Ivey
Notary Public

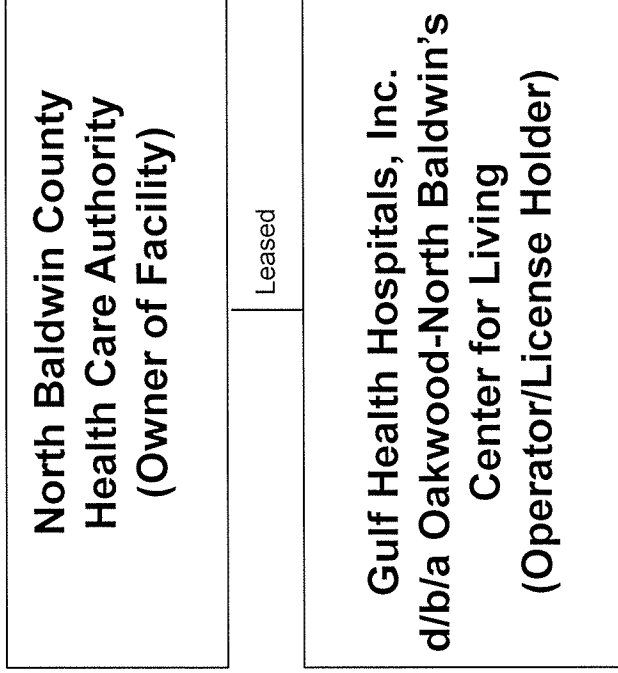
My Commission Expires: *06/12/2024*



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

OAKWOOD-NORTH BALDWIN

Current Structure



OAKWOOD-NORTH BALDWIN

Proposed Structure

