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RECEIVED

DEC 02 2014

STATE HEALTH PLANNING
AND DEVELOPMENT AGENCY

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December 1, 2014

VIA UPS NEXT DAY AIR

State Health Planning and Development Agency
RSA Union Building
100 N. Union Street - Suite 870
Montgomery, Alabama 36104

Re: Certificate of Need Change of Ownership Application for Facility ID 055-6530470

Ladies and Gentlemen:

On behalf of Prime Healthcare Services – Gadsden, LLC (“Buyer”), please find enclosed a Change of Ownership Form in connection with Buyer’s acquisition of Riverview Regional Medical Center (the “Facility”) from Riverview Regional Medical Center, LLC (“Seller”). Buyer’s acquisition of the Facility is anticipated to occur effective January 1, 2015. We also have enclosed a check for the applicable fees in connection with the application.

If you have any questions or require additional information, please do not hesitate to contact me at (713) 276-7340 or at cagonzalez@kslaw.com. We appreciate your assistance with this application.

Very truly yours,



Christina Ann Gonzalez

Enclosures

RECEIVED**CHANGE OF OWNERSHIP**

DEC 02 2014

STATE HEALTH PLANNING
AND DEVELOPMENT AGENCY**Part I: Purchasing Organization Information**

Name of Organization: Prime Healthcare Services - Gadsden, LLC

Facility Name:
(ADPH Licensure name) Riverview Regional Medical Center

SHPDA ID Number: 055-6530470

Address (PO Box #): 600 South Third Street

City, State, Zip, County: Gadsden, Alabama 35999, Etowah County

Number/Type Licensed Beds: 281

Owner(s): Prime Healthcare Services - Gadsden, LLC will own the facility.
Prime Health Services, Inc. is the sole owner of Prime Healthcare Services - Gadsden, LLC

Operator(s): Prime Healthcare Services - Gadsden, LLC

Part II: Selling Organization Information

Name of Organization: Riverview Regional Medical Center, LLC

Address (PO Box #): 600 South Third Street

City, State, Zip, County: Gadsden, Alabama 35999, Etowah County

Number/Type Licensed Beds: 281

Owner(s): Riverview Regional Medical Center, LLC

Operator(s): Riverview Regional Medical Center, LLC

Part III: Value of Consideration

Please see Exhibit A.

Monetary Value of Purchase: \$ _____ No./Type Beds: 281

Terms of Purchase: Please see Exhibit A.

Part IV: List of Certificate of Need AuthorityNumber of Beds: 281Types of Institutional Health Services: general acute care hospital providing inpatient and outpatient servicesList Service Area by County for Home Health Agencies: N/A

On an Attached Sheet Please Address the Following:

- *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.

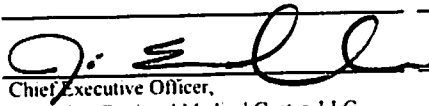
Part V: Certification of Information

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): _____

Operator(s): _____

 11/28/14
Chief Executive Officer,
Riverview Regional Medical Center, 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 \$2,800* 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: _____

General Counsel & Secretary,
Prime Healthcare Services - Gadsden, LLC

*- Please note that the fee for a Notice of Change of Ownership includes a temporary surcharge of \$300.

On an Attached Sheet Please Address the Following:

- *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): _____

Operator(s): _____

Title/Date: Chief Executive Officer,
Riverview Regional Medical Center, LLC _____

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 **\$2,800*** 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: General Counsel & Secretary,
Prime Healthcare Services - Gadsden, LLC _____

*- Please note that the fee for a Notice of Change of Ownership includes a temporary surcharge of \$300.

Exhibit A

Attachment to Certificate of Need Change of Ownership Notice

Part III

Monetary Value of Purchase: *The purchase price for substantially all of the assets of Riverview Regional Medical Center, LLC ("Seller"), including Riverview Regional Medical Center (the "Hospital"), Gadsden Endoscopy, and Riverview Physical Medicine, will be \$25,000,000 less the amount of capital leases assumed by Prime Healthcare Services – Gadsden, LLC ("Purchaser"). This purchase price is an aggregate amount to be paid for all of the assets Purchaser is acquiring from Seller, including the Hospital.*

Terms of Purchase: *Subject to the terms of an Asset Purchase Agreement dated November 6, 2014 (the "Purchase Agreement") by and between Seller and Purchaser, it is anticipated that effective January 1, 2015, Purchaser will acquire substantially all of the assets of Seller, including Seller's assets related to or used in the operation of the Hospital, the Hospital's equipment, and fee simple or leasehold title to all real property related to the Hospital.*

Part IV

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

Response: *Subject to the terms of the Purchase Agreement, it is anticipated that effective January 1, 2015, Purchaser will acquire substantially all of Seller's assets related to or used in the operation of the Hospital, including the Hospital's ancillary businesses, the Hospital's equipment, and fee simple or leasehold title to all real property related to the Hospital (collectively, the "Purchased Assets"). The purchase price for the Purchased Assets will be \$25,000,000 less the amount of capital leases assumed by Purchaser at Closing. This purchase price is an aggregate amount for all of the assets Purchaser is acquiring from Seller. In connection with this change of ownership ("CHOW"), there will be no new equipment purchased or new construction projects at the Hospital at the time of the CHOW; however, pursuant to the terms of the Purchase Agreement, Purchaser has committed to making capital expenditures at the Hospital in the amount of \$15 million over the next three years. Purchaser understands that at the appropriate time such future projects may require application, notice and/or approval by the SHPDA. Any future equipment, construction, or other projects contemplated by Purchaser at the Hospital will be the subject of a future application to the SHPDA as appropriate.*

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).**

Response: *In connection with the CHOW, the Purchaser does not plan to offer any additional services at the Hospital. However, please see response number 1 regarding Purchaser's commitment to making capital expenditures at the Hospital in the amount of \$15 million over the next three years. Purchaser understands that at the appropriate time such future projects may require application, notice and/or approval by the SHPDA. Any future equipment, construction, or other projects contemplated by Purchaser at the Hospital will be the subject of a future application to the SHPDA as appropriate.*

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

Response: *No, in connection with the CHOW, the Purchaser does not plan to add any additional beds at the Hospital. However, please see response number 1 regarding Purchaser's commitment to making capital expenditures at the Hospital in the amount of \$15 million over the next three years. Purchaser understands that at the appropriate time such future projects may require application, notice and/or approval by the SHPDA. Any future equipment, construction, or other projects contemplated by Purchaser at the Hospital will be the subject of a future application to the SHPDA as appropriate.*

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

Response: *No, in connection with the CHOW, the Purchaser does not plan to convert any beds at the Hospital. However, please see response number 1 regarding Purchaser's commitment to making capital expenditures at the Hospital in the amount of \$15 million over the next three years. Purchaser understands that at the appropriate time such future projects may require application, notice and/or approval by the SHPDA. Any future equipment, construction, or other projects contemplated by Purchaser at the Hospital will be the subject of a future application to the SHPDA as appropriate.*

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

Response. *Subject to the terms of the Purchase Agreement, Purchaser will acquire substantially all of the assets of Seller that are related to or used in the operation of the Hospital, including the Hospital's equipment, and fee simple or leasehold title to all real property related to the Hospital.*