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JUN 28 2016

STATE HEALTH PLANNING  
AND DEVELOPMENT AGENCY

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June 28, 2016

**VIA EMAIL, ORIGINAL TO FOLLOW BY U.S. MAIL**

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

**Re: Skilled Nursing Facility Change of Ownership - Citronelle Health and  
Rehabilitation Center**

Dear Mr. Lambert:

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 lease of the 69-bed skilled nursing facility located in the Town of Citronelle, Mobile County, Alabama, and known as Citronelle Health and Rehabilitation (the "Facility"). The Facility is owned by the Health Care Authority of the Town of Citronelle (the "Lessor"). Immediately after the completion of the below described transaction, the Facility will be renamed Crowne Health Care of Citronelle. Following is a summary of the proposed transaction:

I. Facts.

1. Lessor owns the real property on which the Facility is located.
2. Lessor currently leases the Facility to Skyler Mississippi, Inc. ("Skyler") pursuant to a lease (the "Master Lease"); Skyler subleases the Facility to Delta Health Group, Inc., ("Delta") pursuant to a sublease (the "Sublease"); Delta in turn subleases the Facility to AL Citronelle, LLC, a Delaware limited liability company and the current licensed provider of the Facility ("Prior Operator") pursuant to a sublease (the "Prior Operator Lease" and collectively with the Master Lease and Sublease, the "Current Leases").
3. Lessor and Crowne Health Care of Citronelle, LLC, an Alabama limited liability company ("Crowne") have negotiated and intend to enter into an operating lease

agreement (the "Crowne Lease") whereby the Facility shall be leased by Lessor to Crowne. The term of the Crowne Lease exceeds two (2) years.

4. Under certain transaction documents by and among Crowne and Skylar, Delta and Prior Operator, subject to approval by the Alabama Department of Public Health ("ADPH") of the license application to be filed by Crowne and the issuance of a license by ADPH to Crowne to operate the Facility as a 63-bed nursing facility, each of the Current Leases will be terminated, and the Crowne Lease will become effective (the "Commencement")
5. On April 22, 2016, Prior Operator and Crowne entered into an Operations Transfer Agreement providing for the transfer of operations of the Facility to Crowne.
6. Upon the commencement of the Crowne Lease the Current Leases shall terminate.
7. The resulting "change in control" requires notification to your agency pursuant to ALA. ADMIN. CODE §410-1-7-.04(1).
8. The change in control of the Facility will be documented by the enclosed executed change of ownership form.

II. Financial Scope of Project.

This transaction does not involve the purchase of any 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.

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.

Mr. Alva M. Lambert  
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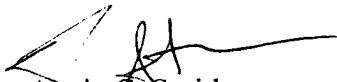
V. Stock and Assets.

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, I am enclosing a check in the amount of \$2,500.00, and an executed change of ownership form.

Should you have any questions or need further information, please contact me at 205-458-5209.

Sincerely,

  
Angie C. Smith  
ACS  
Enclosures

**CHANGE OF OWNERSHIP**

JUN 28 2016

**Part I: Purchasing Organization Information**

Name of Organization: Crowne Health Care of Citronelle, LLC

Facility Name:  
(ADPH Licensure name) Crowne Health Care of Citronelle

SHPDA ID Number: 097-N7005

Address (PO Box #): 501 Whetstone Street

City, State, Zip, County: Monroeville, AL 36460

Number/Type Licensed Beds: 69

Owner(s): Health Care Authority of the Town of Citronelle (Lessor)

Operator(s): Crowne Health Care of Citronelle, LLC (Lessee)

**Part II: Selling Organization Information**

Name of Organization: AL Citronelle, LLC d/b/a Citronelle Health & Rehabilitation

Address (PO Box #): 40 South Palafox Place, Suite 400

City, State, Zip, County: Pensacola, FL 32502

Number/Type Licensed Beds: 69

Owner(s): Health Care Authority of the Town of Citronelle (Lessor)

Operator(s): AL Citronelle, LLC (Lessee)

**Part III: Value of Consideration**

Monetary Value of Purchase: \$ see attached lease No./Type Beds: 69

Terms of Purchase: see attached draft lease  
(add more pages as necessary to describe the sale)

**Part IV: List of Certificate of Need Authority**

Number of Beds: 69

Types of Institutional Health Services: skilled nursing facility

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

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**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): Health Care Authority of CitronelleOperator(s): AL Citronelle, LLCTitle/Date: President / CEO

Robert J. H. Chairman  
James J. H.  
6/20/2016

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: Crowne Health Care of Citronelle, LLC

Title/Date:

CEO

Richard Byrnes, Jr.  
6/20/2016