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**BURR.COM**

October 5, 2021

**VIA EMAIL**

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

CO2021-075  
**RECEIVED**  
**Oct 05 2021**  
STATE HEALTH PLANNING AND  
DEVELOPMENT AGENCY

**Re: Clarification of Skilled Nursing Facility Change of Ownership – Ahava Healthcare of Alabaster**

Dear Ms. Marsal:

In response to your Agency's request of September 30, 2021, we provide the following additional information:

The parties have entered into an asset purchase agreement whereby the current operator of the facility (Alabaster Operating Group, LLC d/b/a Ahava Healthcare of Alabaster referred to hereafter as "Current Operator") will transfer substantially all the assets comprising the skilled nursing facility, known as Ahava Healthcare of Alabaster, to the new owner 850 9th Street Propco, LLC, ("Purchaser"). Simultaneously with the sale of the property and operating assets, the Purchaser will enter into a lease with the new operator, Alabaster Opco, LLC d/b/a The Healthcare Center at Buck Creek. Alabaster Opco, LLC d/b/a The Healthcare Center at Buck Creek will become the licensed operator of the facility.

As indicated above, substantially all the assets of the skilled nursing facility will be transferred to the Purchaser, including the certificate of need.

A corrected SHPDA Change of Ownership Application is enclosed indicating that the transfer involves a vested certificate of need. Exhibit A. I am also enclosing a organizational chart reflecting the pre- and post-structure of the proposal. Exhibit B.

Ms. Emily Marsal  
October 5, 2021  
Page 2

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

Sincerely,

*Angie Smith*

Angie C. Smith

ACS/jlr

Enclosures

# EXHIBIT A

# 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: \_\_\_\_\_  
(This can be found at [www.shpda.alabama.gov](http://www.shpda.alabama.gov), Health Care Data, ID Codes)

Name of Facility/Provider: \_\_\_\_\_  
(ADPH Licensure Name)

Physical Address: \_\_\_\_\_  
\_\_\_\_\_

County of Location: \_\_\_\_\_

Number of Beds/ESRD Stations: \_\_\_\_\_

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: \_\_\_\_\_

Mailing Address: \_\_\_\_\_  
\_\_\_\_\_

Operator (Entity Name): \_\_\_\_\_

## Part III: Acquiring Entity Information

Name of Entity: \_\_\_\_\_

Mailing Address: \_\_\_\_\_  
\_\_\_\_\_

Operator (Entity Name): \_\_\_\_\_

Proposed Date of Transaction is on or after: \_\_\_\_\_

**Part IV: Terms of Purchase**

Monetary Value of Purchase: \$ \_\_\_\_\_

Type of Beds: \_\_\_\_\_

Number of Beds/ESRD Stations: \_\_\_\_\_

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

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):**

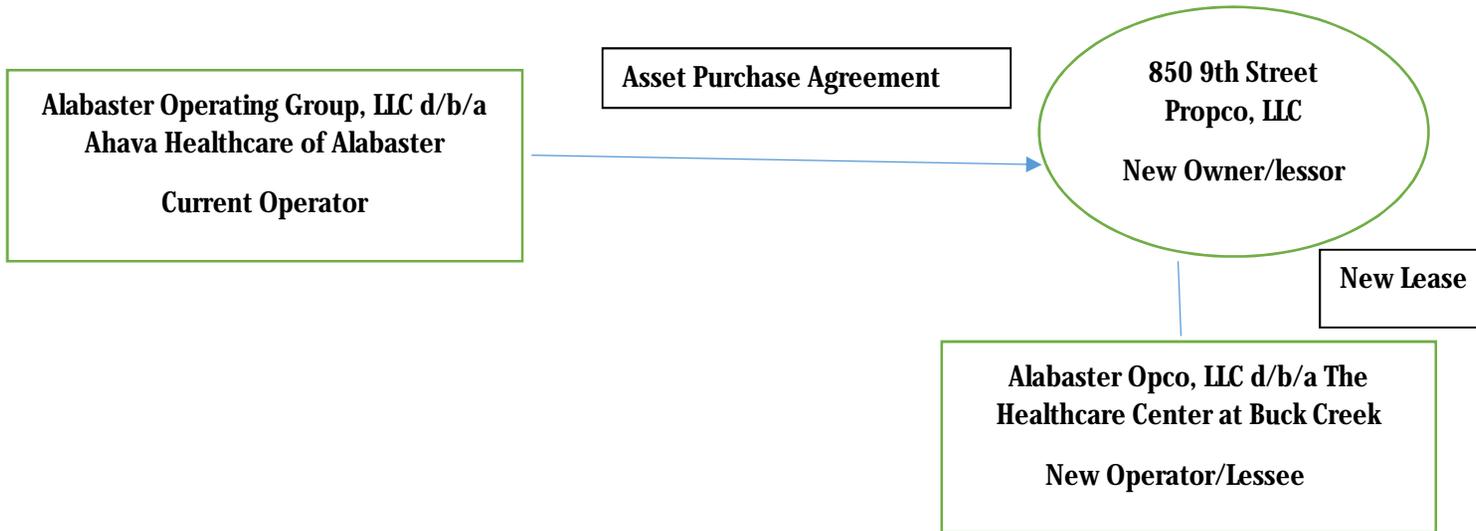
The information contained in this notification is true and correct to the best of my knowledge and belief.

Owner(s): \_\_\_\_\_

Operator(s): \_\_\_\_\_

Title/Date: \_\_\_\_\_

# EXHIBIT B





Angie C. Smith  
acsmith@burr.com  
Direct Dial: (205) 458-5209  
Direct Fax: (205) 458-5100

CO2021-075  
**RECEIVED**

**Sep 27 2021**

STATE HEALTH PLANNING AND  
DEVELOPMENT AGENCY

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September 24, 2021

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

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 – Ahava Healthcare of Alabaster**

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 sale of the 198-bed skilled nursing facility located in Alabaster, Shelby County, Alabama, and licensed as Ahava Healthcare of Alabaster (the "Facility"). The Facility is currently owned by Alabaster Realty Group, LLC ("Current Owner") and operated by Alabaster Operating Group, LLC d/b/a Ahava Healthcare of Alabaster (Current Operator"). Following is a summary of the proposed transaction:

I. Facts.

1. Current Owner owns the real property on which the Facility is located, and Current Operator leases from Current Owner and operates the Facility located at 850 9th Street NW, Alabaster, AL.
2. Current Owner intends to sale to new property owner, 850 9th Street Propco, LLC, a limited liability company ("Purchaser"), the land upon which the facility is located.
3. Purchaser will enter into a lease with a new operator, Alabaster Opco, LLC d/b/a The Healthcare Center at Buck Creek, subject to approval by the Alabama Department of Public Health ("ADPH") of the license application to be filed by Alabaster Opco,

LLC, and the issuance of a license by ADPH to Alabaster Opco, LLC to operate the Facility as a 198-bed nursing facility.

4. The resulting “change in control” requires notification to your agency pursuant to ALA. ADMIN. CODE §410-1-7-.04(1).
5. 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 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 remaining costs associated with the project are included in the Change of Ownership application.

III. Services to be Offered.

1. No New Services: The transaction does not involve the offering of any new services by the Facility. The facility will continue to operate as a skilled nursing 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, a fee in the amount of \$2,500 has been or will be paid within 24 hours of submission of this application.

Ms. Emily Marsal  
September 24, 2021  
Page 3

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

Sincerely,

*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: 117-N0004  
(This can be found at [www.shpda.alabama.gov](http://www.shpda.alabama.gov), Health Care Data, ID Codes)

Name of Facility/Provider: Ahava Healthcare of Alabaster  
(ADPH Licensure Name)

Physical Address: 850 9th Street NW  
Alabaster, AL 35007  
Shelby County

County of Location: \_\_\_\_\_

Number of Beds/ESRD Stations: 198 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: Alabaster Realty Group LLC

Mailing Address: 850 9th Street NW  
Alabaster, AL 35007

Operator (Entity Name): Alabaster Operating Group, LLC d/b/a Ahava Healthcare of Alabaster

### Part III: Acquiring Entity Information

Name of Entity: 850 9th Street Propco, LLC

Mailing Address: 600 Third Avenue, 21st Floor  
New York, NY 10016

Operator (Entity Name): Alabaster OPCO, LLC d/b/a The Healthcare Center at Buck Creek

Proposed Date of Transaction is on or after: 10/15/2021

**Part IV: Terms of Purchase**

Monetary Value of Purchase: \$ 13,000,000

Type of Beds: skilled nursing facility

Number of Beds/ESRD Stations: 198 skilled nursing facility beds

Number of Beds/ESRD Stations: \_\_\_\_\_

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

Projected Equipment Cost: \$ NA

Projected Construction Cost: \$ renovation costs ~ \$350,000

Projected Yearly Operating Cost: \$ \$11,750,000

Projected Total Cost: \$ \$12,100,000

**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): Alabaster Realty Group LLC Anshel Niederman

Operator(s): Alabaster Operating Group, LLC d/b/a Ahava Healthcare of Alabaster \_\_\_\_\_

Title/Date: Manager \_\_\_\_\_

Operator (Entity Name): Alabaster OPCO, LLC d/b/a The Healthcare Center  
 at Buck Creek

Proposed Date of Transaction is on or after: 10/15/2021

**Part IV: Terms of Purchase**

Monetary Value of Purchase: \$ see attached

Type of Beds: skilled nursing facility  
198 skilled nursing facility beds

Number of Beds/ESRD Stations: \_\_\_\_\_

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

Projected Equipment Cost: \$ see attached

Projected Construction Cost: \$ see attached

Projected Yearly Operating Cost: \$ see attached

Projected Total Cost: \$ see attached

**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.

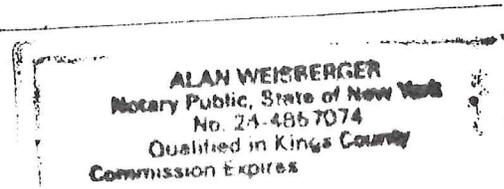
Owner(s): Alabaster Realty Group LLC Anshel Niederman

Operator(s): Alabaster Operating Group, LLC d/b/a Alabaster Healthcare of Alabaster [Signature]

Title/Date: Manager Manager 9/14/21

SWORN to and subscribed before me, this 14 day of September, 2021.

(Seal)



Alan Weisberger  
Notary Public

My Commission Expires: June 30 2022

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): 850 9th Street Propco, LLC Joshua Sturm

Operator(s): Alabaster OPCO, LLC d/b/a The Healthcare  
Center at Buck Creek

Title/Date: Member

SWORN to and subscribed before me, this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

(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 \_\_\_\_\_, \_\_\_\_\_.

(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): 850 9th Street Propco, LLC Joshua Sturm

Operator(s): Alabaster OPCO, LLC [Signature]

Title/Date: d/b/a The Healthcare Center at Buck Creek  
Member Manager/9-14-2021

SWORN to and subscribed before me, this 14<sup>th</sup> day of September, 2021.

(Seal)

Notary Public

My Commission Expires: 10/13/22

**WARREN E. SHIMOFF**  
Notary Public, State of New York  
No. 02SH6080018  
Qualified in Rockland County  
Commission Expires Oct. 13, 2010

2022

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