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CO2025-061
RECEIVED

Sep 25 2025

STATE HEALTH PLANNING AND
DEVELOPMENT AGENCY

420 North 20th Street
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Birmingham, AL 35203

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September ²⁵~~22~~, 2025

VIA EMAIL

Emily T. Marsal
Executive Director
Alabama State Health Planning & Development
Agency
RSA Union Building
100 N. Union Street, Suite 870
Montgomery, AL 36104

Re: Generations of Red Bay – Change of Ownership

Dear Ms. Marsal:

We submit the attached Change of Ownership application pursuant to Ala. Admin. Code 410-1-7-.04. The Change of Ownership involves the termination of the current lease to Generations of Red Bay, LLC, the current operator of that certain free-standing, 90-bed skilled nursing facility known as Generations of Red Bay, located at 10th Avenue 106 NW, Red Bay, Franklin County, Alabama (the “Facility”). The following is a summary of the transaction that will take place on November 1, 2025:

I. Facts

1. The Facility is currently owned by Red Bay Nursing Home, Inc. (“Current Owner”) and leased to Generations of Red Bay, LLC (the “Operator”). Pursuant to the current lease, the Current Owner licenses to the Operator the right to operate under the Certificate of Need (“CON”) held by the Current Owner.
2. The transaction contemplates the termination of the current lease between Current Owner and Current Operator. Current Owner will enter into a new lease with a new operator, SouthCare Health and Rehab of Red Bay, LLC, who will become the licensee and operator of the facility.

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.

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 Ala. Admin. Code 410-1-7-.04(2) 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.

If you have any questions, please let us know.

Sincerely,

s/ *Angie C. Smith* 

Angie C. Smith

Attachments



Angie C. Smith
acsmith@burr.com
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CO2025-061

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Oct. 06, 2025

STATE HEALTH PLANNING AND
DEVELOPMENT AGENCY

Burr & Forman LLP
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October 6, 2025

VIA EMAIL

Emily T. Marsal
Executive Director
Alabama State Health Planning & Development
Agency
RSA Union Building
100 N. Union Street, Suite 870
Montgomery, AL 36104

Re: Generations of Red Bay - CO2025-061 Response to Request for Additional Information

Dear Ms. Marsal:

In reference to your letter dated October 2, 2025, related to the above referenced file, please use the following to update your records.

1. The nursing facility in Franklin County, known as Generations of Red Bay, LLC (the "Facility") is currently subleased by Generations of Red Bay, LLC, from Red Bay Nursing Home, Inc. Through the lease, Red Bay Nursing Home, Inc., vested the authority of the CON to Generations of Red Bay, LLC, as the current license holder and operator. The lease provides that if the lease is terminated, the CON rights revert back to the property owner, Red Bay Nursing Home, Inc.
2. This facility predates certificate of need and was owned by Mr. James W Spearman, and in the 1980s, leased by him to Red Bay Nursing Home, Inc. (which Mr. Spearman owned the stock of), and Red Bay Nursing Home in turn subleased the Facility to a licensed operator (Care Centers of Red Bay). Upon Mr. Spearman's death the Facility's title went into a Testamentary Trust established under Mr. Spearman's will (the "Trust"), and the Trust became the Facility's landlord with Red Bay Nursing Home, Inc. as tenant. All of which was subject to the sublease to the then licensed operator.
3. Under a bankruptcy sale in 2010, Generations of Red Bay, LLC, succeeded Care Centers of Red Bay as subtenant, and entered into a new lease with Red Bay Nursing Home, Inc., as landlord, and Generations of Red Bay, LLC became the licensed operator of the Facility.

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Emily T. Marsal
October 6, 2025
Page 2

4. The Generations lease is terminating as of November 1, 2025, and Red Bay Nursing Home, Inc., will enter into a new lease with SouthCare Health and Rehab of Red Bay, LLC, which will become the new tenant and licensee of the Facility.

We trust this answers your question, and this chain of title will be reflected in the Facility's file.

Sincerely,

s/Angie C. Smith

Angie C. Smith

ACS/jlr

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: 059-N0003
(This can be found at www.shpda.alabama.gov, Health Care Data, ID Codes)

Name of Facility/Provider: Generations of Red Bay
(ADPH Licensure Name)

Physical Address: 106 10th Ave NW
Red Bay, AL 35582

County of Location: Franklin

Number of Beds/ESRD Stations: 90

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: Generations of Red Bay, LLC (tenant)

Mailing Address: 106 10th Ave NW

Red Bay, AL 35582

Operator (Entity Name): Generations of Red Bay, LLC

Part III: Acquiring Entity Information

Name of Entity: Red Bay Nursing Home, Inc.

Mailing Address: 106 10th Ave NW

Red Bay, AL 35582

Operator (Entity Name): SouthCare Health and Rehab of Red Bay, LLC

Proposed Date of Transaction is on or after: 11/1/2025

Part IV: Terms of Purchase

Monetary Value of Purchase: \$ Fair Market Value

Type of Beds: SNF

Number of Beds/ESRD Stations: 90

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: \$ NA

Projected Yearly Operating Cost: \$ 7,000,000

Projected Total Cost: \$ 7,000,000

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): Generations of Red Bay, LLC (tenant)

Operator(s): Generations of Red Bay, LLC

Title/Date: Member CEO ed 11/6/2025

SWORN to and subscribed before me, this 16th day of September, 2025.

(Seal)

Bo R. W.
Notary PublicMy Commission Expires: MY COMMISSION EXPIRES APRIL 17, 2029**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): Red Bay Nursing Home, Inc.Operator(s): SouthCare Health and Rehab of Red Bay, LLC

Title/Date:

President9/24/25SWORN to and subscribed before me, this 24 day of September, 2025.

(Seal)

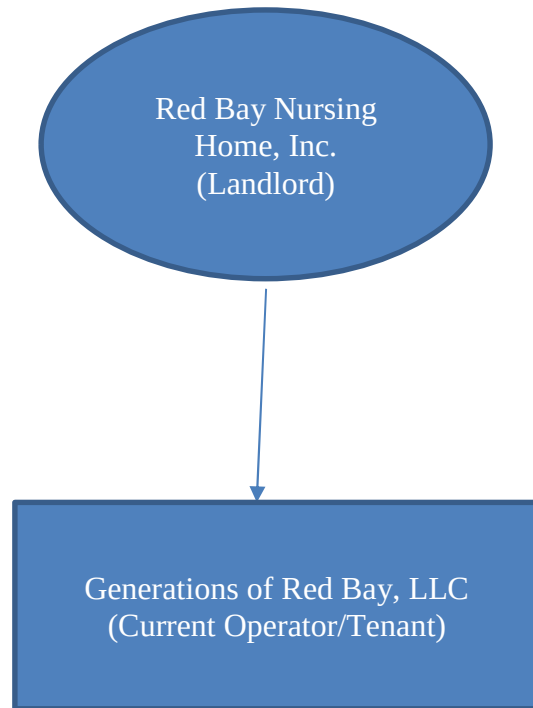
John E. M.
Notary PublicMy Commission Expires: 11/23/2024

Author: Alva M. Lambert

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

History: New Rule

Current Organizational Structure



Proposed Organizational Structure

