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Aug 29 2022

STATE HEALTH PLANNING AND
DEVELOPMENT AGENCY

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August 29, 2022

VIA EMAIL

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 – Phenix City Health Care, LLC f/k/a
Phenix City Health Care, Inc.**

Dear Ms. Marsal:

Please allow this letter to provide clarification and additional information related to the above-referenced change of ownership. As disclosed on August 8, 2022, the Change of Ownership involves the sale of the 86-bed skilled nursing facility located in Phenix City, Russell County, Alabama, and licensed as Phenix City Health Care (the "Facility"). The current holder of the certificate of need and the operator is Phenix City Health Care, LLC ("Current Operator"). In 2016, Phenix City Health Care, Inc., converted from a single shareholder corporation to a single member limited liability. The sole shareholder of the corporation remained the sole member of the limited liability company; therefore, there was no change in ownership or control. We have also updated the change of ownership form and transaction terms below to reflect the correct entities involved.

I. Facts.

1. Current Operator operates the Facility located at 3900 Lakewood Drive, Phenix City, Russell County, Alabama.
2. Pursuant to a purchase agreement, Current Operator intends to transfer the real estate and substantially all the assets of the Facility, including the certificate of need, to new owner, Arabella Health and Wellness PropCo of Phenix City, LLC, a limited liability

company ("Purchaser"). The transaction is expected to close on or after October 1, 2022.

3. Purchaser will simultaneously enter into a lease with a new operator, Arabella Health and Wellness of Phenix City, LLC, who will hold the license to operate the facility, subject to approval by the Alabama Department of Public Health ("ADPH") and the issuance of a license by ADPH to Arabella Health and Wellness of Phenix City, LLC, to operate the Facility as an 86-bed nursing facility.
4. The resulting "change in ownership and control" requires notification to your agency pursuant to ALA. ADMIN. CODE §410-1-7-.04(1).
5. This change is documented by the enclosed executed change of ownership form.

II. Financial Scope of Project.

New Purchaser has entered into a purchase agreement to purchase the Facility for fair market value. 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.

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.

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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.

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

Sincerely,

Angie C. 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: 113-N0004
(This can be found at www.shpda.alabama.gov, Health Care Data, ID Codes)

Name of Facility/Provider: Phenix City Health Care, Inc.
(ADPH Licensure Name)

Physical Address: 3900 Lakewood Drive
Phenix City, AL 36867

County of Location: RUSSELL

Number of Beds/ESRD Stations: 86

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: Phenix City Health Care, LLC*

Mailing Address: P. O. Box 98 - 110 Second Avenue East
Oneonta, AL 35121

Operator (Entity Name): Phenix City Health Care, LLC*

Part III: Acquiring Entity Information

Name of Entity: Arabella Health and Wellness PropCo of Phenix City, LLC

Mailing Address: 3440 Hollywood Blvd, Suite 415
Hollywood, FL 33021

* Phenix City Health Care, Inc. converted to a limited liability company.

Operator (Entity Name): Arabella Health and Wellness of Phenix City, LLC

Proposed Date of Transaction is on or after: 9/1/2022

Part IV: Terms of Purchase

Monetary Value of Purchase: \$ 11,000,000*

Type of Beds: SNF

Number of Beds/ESRD Stations: 86

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

Projected Equipment Cost: \$ 0

Projected Construction Cost: \$ 0

Projected Yearly Operating Cost: \$ 8,128,000

Projected Total Cost: \$ 119,128,000

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): [Signature]

Operator(s): Phenix City Health Care LLC [Signature]

Title/Date: Managing Member 4 Aug 2022

* The purchase price reflects the sale of two facilities.



SWORN to and subscribed before me, this 4th day of August, 2022

[Signature]
Notary Public

My Commission Expires: 01-16-23

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): _____

Operator(s): _____

Title/Date: _____

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

(Seal)

Notary Public

My Commission Expires: _____

SAVE

PRINT

SUBMIT

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.

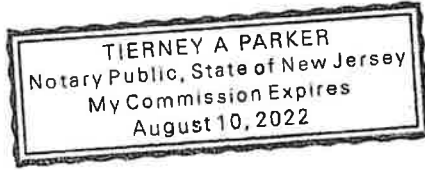
Purchaser(s): [Signature] Adam Sasouness

Operator(s): _____

Title/Date: Authorized Signatory 8/3/22

SWORN to and subscribed before me, this 3 day of August, 2022.

(Seal)



[Signature]
Notary Public

My Commission Expires: 08/10/2022

SAVE

PRINT

SUBMIT

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): _____

Operator(s): [Signature] Chaim HERTZEL

Title/Date: Manager 08-03-2022 _____

SWORN to and subscribed before me, this 3 day of August, 2022.

Only for Chaim Hertzal

BRIANNA CURRINGTON
Notary Public, State of Alabama
Alabama State At Large
My Commission Expires:
August 24, 2022

(Seal)

[Signature]
Notary Public
My Commission Expires: 8-24-2022

SAVE

PRINT

SUBMIT

