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July 31, 2014

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BURR.COM

Alva Lambert
Executive Director
Alabama State Health Planning and
Development Agency
RSA Tower
100 North Union Street
Suite 870
Montgomery, Alabama 36104

Re: Notice of Change of Ownership - Glenwood Healthcare, Inc.

Dear Alva:

We respectfully submit the two enclosed Notices of Change of Ownership pursuant to Chapter 410-1-7-.04, Rules and Regulations of the Alabama Certificate of Need ("CON") Program (the "Rules"). The Changes of Ownership involve the sale and lease of Glenwood Healthcare, Inc., a 125-bed skilled nursing facility located at 211 Ana Drive, Florence, Alabama (the "Facility"). The following is a summary of the proposed transaction.

I. **Facts**

- A. The Facility is currently owned by Glenwood, LLC, who leases the building and its assets to the current operator/licensee, Glenwood Healthcare, Inc.
- B. Glenwood, LLC and Glenwood Healthcare, Inc., propose to enter into an Asset Purchase Agreement ("APA") to sell the real estate, fixtures and certain equipment of the Facility to Glenwood Realty, LLC. The closing of the transaction is expected to occur on or about September 1, 2014. A copy of the APA is attached.
- C. Simultaneously with the sale of the Facility, Glenwood Realty, LLC (the "Landlord"), will enter into a lease with 211-213 Ana Drive Operations LLC ("Tenant"), whereby Tenant will be the licensee/operator of the Facility effective on or about September 1, 2014. A copy of the lease is attached.

- D. The first Change of Ownership application reflects the sale of the property from Glenwood Healthcare, Inc. to Glenwood Realty, LLC. The second application reflects the lease transaction between Glenwood Realty, LLC and 211-213 Ana Drive Operations LLC.

II. **Financial Scope of the Project**

For fair market consideration, the Landlord will acquire the assets relating to the ownership of the Facility. See the attached APA, which covers the sale of the skilled nursing facility as well as two 16-bed assisted living facilities. The Landlord will then lease the assets to the Tenant through an operating lease with standard terms and conditions for this type of transaction. See the attached lease for the rent schedule. 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**

No New Services: Landlord and Tenant propose to continue offering the skilled nursing services currently available at the Facility. The transaction does not involve the offering of any new services at the Facility.

IV. **Beds**

- A. **New Beds:** The proposed transaction does not involve any addition or reduction of beds.
- B. **Conversion of Beds.** The proposed transaction does not involve the conversion of beds.

V. **Stock and Assets**

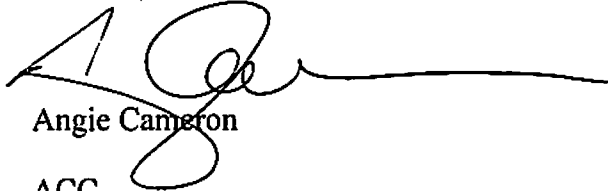
The transaction consists of: (a) the acquisition of the assets relating to the ownership of the Facility by the Landlord, and (b) the lease of the Facility by the Landlord to Tenant under an operating lease. Other than the foregoing, the transaction does not involve the acquisition of stock or assets.

Based on the above showing that there has been no change in health service, no conversion of beds, and no increase in bed capacity, we respectfully request that you exercise your authority under Chapter 410-1-7-.04(2) of the Rules and determine that a certificate of need is not required for the consummation of the above-described proposed transaction. I am enclosing a check in the amount of \$5,800.00 for the Change of Ownership fee (\$2,600 per application), and the executed Change of Ownership applications.

Alva Lambert
July 31, 2014
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If you have any questions, please contact me at the number above.

Sincerely,

A handwritten signature in black ink, appearing to read "Angie Cameron", with a long horizontal flourish extending to the right.

Angie Cameron

ACC
Enclosures

CHANGE OF OWNERSHIP**Part I: Purchasing Organization Information**

Name of Organization: Glenwood Realty, LLC

Facility Name:
(ADPH Licensure name) Glenwood Healthcare, Inc.

SHPDA ID Number: _____

Address (PO Box #): c/o Next Healthcare, LLC, 587 5th Avenue, 10th Floor

City, State, Zip, County: New York, NY 10017

Number/Type Licensed Beds: 125 skilled nursing beds

Owner(s): Glenwood Realty, LLC

Operator(s): 211-213 Ana Drive Operations LLC

Part II: Selling Organization Information

Name of Organization: Glenwood Healthcare, Inc.

Address (PO Box #): 211 Ana Drive

City, State, Zip, County: Florence, AL 35630 Lauderdale County

Number/Type Licensed Beds: 125 Skilled Nursing Beds

Owner(s): Glenwood, LLC

Operator(s): Glenwood Healthcare, Inc.

Part III: Value of Consideration

Monetary Value of Purchase: \$ see attached asset purchase agreement No./Type Beds: 125

Terms of Purchase: see attached asset purchase agreement
(add more pages as necessary to describe the sale)

Part IV: List of Certificate of Need Authority

Number of Beds: 125 beds

Types of Institutional Health Services: Skilled Nursing Services

List 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):	<u>Dwight M. Spearman, II</u>	Dwight M. Spearman, II
Owner(s):	<u>MEMBER</u>	Member, Glenwood, L.L.C.
Operator(s):	<u>PRESIDENT</u>	Dwight M. Spearman, II
		President, Glenwood Healthcare, Inc.
Title/Date:	<u>7/28/14</u>	

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: _____

*- 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).
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Seller(s) Signature(s):

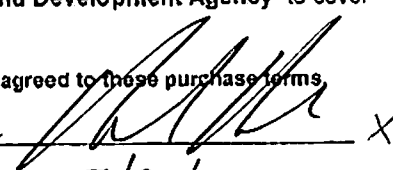
Owner(s): _____

Operator(s): _____

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: Glenwood Realty LLC  X

Title/Date: Manager 7/28/14

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

CHANGE OF OWNERSHIP

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Part I: Purchasing Organization Information

Name of Organization: 211-213 Ana Drive Operations LLC (lessee)

Facility Name:
(ADPH Licensure name) The Glenwood Center (formerly Glenwood Healthcare, Inc.)

SHPDA ID Number: _____

Address (PO Box #): 211 Ana Drive

City, State, Zip, County: Florence, Alabama 35630 Lauderdale County

Number/Type Licensed Beds: 125 skilled nursing beds

Owner(s): Glenwood Realty, LLC (lessor)

Operator(s): 211-213 Ana Drive Operations, LLC (lessee)

Part II: Selling Organization Information

Name of Organization: Glenwood Realty, LLC (lessor)

Address (PO Box #): c/o Next Healthcare, LLC, 587 5th Ave., 10th Floor

City, State, Zip, County: New York, NY 10017

Number/Type Licensed Beds: 125 skilled nursing beds

Owner(s): N/A

Operator(s): N/A

Part III: Value of Consideration

Monetary Value of Purchase: \$ see attached lease No./Type Beds: 125 skilled nursing

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

Part IV: List of Certificate of Need Authority

Number of Beds: 125

Types of Institutional Health Services: Skilled nursing services

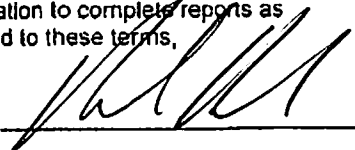
List Service Area by County for Home Health Agencies: N/A

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.
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- *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): Glenwood Realty LLC  X
Owner(s): _____

Operator(s): _____

Title/Date: Manager 7/28/14

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: _____

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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): Glenwood Realty, LLC (lessor)

Operator(s): 211-213 Ana Drive Operations LLC (lessee)

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: _____

M. Sherrill

Title/Date: _____

211-213 Ana Drive Operations LLC

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