

RANDOLPH MANAGEMENT COMPANY, INC.
1602 Morris Ave.
Opelika, AL. 36801

RECEIVED

APR 09 2015

STATE HEALTH PLANNING
AND DEVELOPMENT AGENCY

April 3, 2015

VIA OVERNIGHT DELIVERY

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

Re: Change of Ownership Traylor Retirement Community, 123 bed Skilled Nursing Facility and 16 bed Specialty Care Assisted Living Facility in Roanoke, Randolph County, Alabama

Dear Mr. Lambert:

Pursuant to Chapter 410-7-.04, Rules and Regulations of the Alabama Certificate of Need program (the "Rules"), please be advised that Cardiff Properties, LLC, an Alabama limited liability company ("Cardiff Properties"), intends to purchase real estate and certain other assets used in connection with the operation of a 123 bed skilled nursing facility and 16 bed specialty care assisted living facility known as Traylor Retirement Community (the "Facilities") from Traylor Nursing Home, Inc. and Phoenix Healthcare, LLC. The Facility will then be leased to Randolph Management Company, Inc. an Alabama business corporation ("Randolph Management").

1. **FINANCIAL SCOPE OF THE PROJECT.** The purchase price for the entire facility (including real estate and all equipment) is \$8,135,000. There are no proposed construction costs or capital expenditures associated with the proposed transaction. The projected annual operating costs for the Facility after the proposed transaction are \$800,000.

2. **SERVICES TO BE OFFERED.** It is not anticipated that any new services will be offered at either Facilities as a result of the proposed transaction. After the proposed transaction, the Facilities will continue to offer the skilled nursing services and specialty care assisted living services that it currently provides.

3. **NEW BEDS.** There will not be any addition or reduction of beds as a result of the proposed transaction.

4. **CONVERSION OF BEDS.** There will not be any conversion of beds as a result of the proposed transaction.

5. **NATURE OF THE TRANSACTION.** The proposed transaction involves a sale of the real estate and certain other assets related to the Facilities to Cardiff Properties. Simultaneously with the closing of the sale, Cardiff Properties will lease the Facilities to Randolph Management under an operating lease. The rent for the operating lease will be set at a market rate. Randolph Management will obtain the right to operate the Facilities through its operating lease and will be the licensed operator for the Facilities.

Mr. Alva Lambert
Page 2 of 2

Based on the above showing that there will be no change in service, conversion of beds, or increase in bed capacity, we 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 as a result of the proposed transaction. In accordance with the Rules, a check in the amount of \$5,000 is enclosed for the Agency's fee.

Should you have any questions or need further information, please contact me at the address or telephone number above. Thank you for your assistance in this matter.

Sincerely,

A handwritten signature in dark ink, appearing to be 'Mark Traylor', with a long horizontal stroke extending to the right.

Mark Traylor

cc: Susan Doughton, Esq.
Don Maples, CPA

CHANGE OF OWNERSHIP**RECEIVED**

APR 09 2015

STATE HEALTH PLANNING
AND DEVELOPMENT AGENCY**Part I: Purchasing Organization Information**

Name of Organization: Cardiff Properties, LLC
Facility Name:
(ADPH Licensure name) Traylor Retirement Community

SHPDA ID Number: 111-N0003

Address (PO Box #): 1602 Morris Avenue

City, State, Zip, County: Opelika, AL 36801 – Lee County

Number/Type Licensed Beds: 123 nursing home beds

Owner(s): Cardiff Properties, LLC

Operator(s): Randolph Management Company, Inc.

Part II: Selling Organization Information

Name of Organization: Traylor Nursing Home, Inc. and Phoenix Healthcare, LLC

Address (PO Box #): 1235 Yancey Street

City, State, Zip, County: Roanoke, AL 36274

Number/Type Licensed Beds: 123 nursing home beds

Owner(s): Traylor Nursing Home, Inc.

Operator(s): Phoenix Healthcare, LLC

Part III: Value of Consideration

Monetary Value of Purchase: \$8,135,000 No./Type Beds: 123 nursing home beds

Terms of Purchase: Purchase of substantially all assets used in connection with
Operation of the Facility

Part IV: List of Certificate of Need Authority

Number of Beds: 123

Types of Institutional Health Services: skilled nursing beds

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):

Owner(s):

Operator(s):

Title/Date:

Taylor Nursing Home, Inc.
Ronald Taylor
Phoebe Taylor, LLC
Ronald Taylor
Pres. Phoebe Taylor

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:

Title/Date:

[Signature]
Pres *4/7/15*

Alabama
State Board of Health

Certificate # 13371

This is to certify that a license is hereby granted by the State Board of Health to

PHOENIX HEALTHCARE, LLC

to operate

TRAYLOR RETIREMENT COMMUNITY

as a

NURSING HOME

This license is valid for the following location

1235 YANCEY STREET • ROANOKE, AL 36274

Licensed Beds: 123



N5603

Facility Identification

2015

This License shall expire December 31, 2015.

State Health Officer

CHANGE OF OWNERSHIP**RECEIVED**

APR 09 2015

STATE HEALTH PLANNING
AND DEVELOPMENT AGENCY**Part I: Purchasing Organization Information**

Name of Organization: Cardiff Properties, LLC

Facility Name:
(ADPH Licensure name) Williamsburg Manor I

SHPDA ID Number: 111S5601

Address (PO Box #): 1602 Morris Avenue

City, State, Zip, County: Opelika, AL. 36801- Lee County

Number/Type Licensed Beds: 16 Specialty Care Assisted Living beds

Owner(s): Cardiff Properties, LLC

Operator(s): Randolph Management Company, Inc.

Part II: Selling Organization Information

Name of Organization: Traylor Nursing Home, Inc. & Phoenix Healthcare, LLC

Address (PO Box #): 331 Franklin Road

City, State, Zip, County: Roanoke, AL. 36274 Randolph County

Number/Type Licensed Beds: 16 Specialty Care Assisted Living beds

Owner(s): Traylor Nursing Home, Inc.

Operator(s): Phoenix Healthcare, Inc.

Part III: Value of Consideration

Monetary Value of Purchase: \$8,135,000. No./Type Beds: 16 SCALF beds

Terms of Purchase: Purchase of substantially all assets in connection with the
operation of Traylor Retirement Community.
(add more pages as necessary to describe the sale)**Part IV: List of Certificate of Need Authority**

Number of Beds: 16

Types of Institutional Health Services: Specialty Care Assisted Living beds

List Service Area by County for Home Health Agencies: _____NA_____

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,

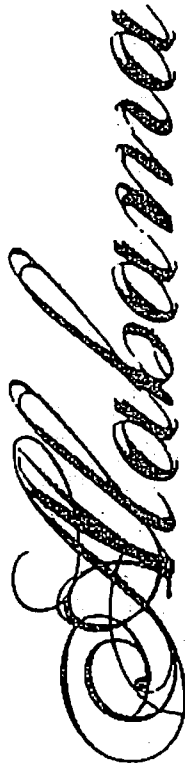
Seller(s) Signature(s): Taylor Nursing Home, Inc.
Owner(s): Ronald Taylor Ronald Taylor
Operator(s): Phoenix Healthcare, LLC Ronald Taylor
Title/Date: Pres - Managing Member

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: 

Title/Date: Pres. 4/7/15



Certificate # 13369

State Board of Health

This is to certify that a license is hereby granted by the State Board of Health to

PHOENIX HEALTHCARE, LLC

to operate

WILLIAMSBURG MANOR I

as an

ASSISTED LIVING FACILITY (SPECIALTY CARE)

This license is valid for the following location

331 FRANKLIN ROAD • ROANOKE, AL 36274



Licensed Beds: 16

P5601

Facility Identification

2015

State Health Officer

This License shall expire December 31, 2015.