

RECEIVED

NOV 25 2015

STATE HEALTH PLANNING
AND DEVELOPMENT AGENCY

November 25, 2015

420 North 20th Street
SUITE 3400
Birmingham, AL 35203

RECEIVED

NOV 25 2015

STATE HEALTH PLANNING
AND DEVELOPMENT AGENCY

Office (205) 251-3000
Fax (205) 458-5100

VIA HAND DELIVERY

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

BURR.COM

Re: Notice of Change of Ownership

Dear Mr. Lambert:

We respectfully submit the attached Notice of Change of Ownership pursuant to Chapter 410-1-7-.04, Rules and Regulations of the Alabama Certificate of Need Program (the "Rules"). The Change of Ownership involves the sale of Terrace Manor Nursing & Rehab Center, Inc., a 63-bed nursing facility located in Russellville, Franklin County, Alabama (the "Facility"). The following is a summary of the proposed transaction:

I. Facts.

The Facility is owned by Terrace Manor Nursing Home, Inc. (the "Current Landlord") and is currently leased to Terrace Manor Nursing & Rehab Center, Inc. (the "Existing Operator") under an operating lease. It is contemplated that the Current Landlord will sell the underlying Facility to Russellville 390, LLC ("New Owner"), and New Owner will enter into an operating lease by and between, the New Owner and Franklin LTC, LLC, d/b/a Terrace Manor Nursing & Rehab Center (the "New Operator"). It is contemplated that New Operator will become the licensee and operator of the Facility. Under a separate agreement, the Current Operator will terminate its lease of the Facility contemporaneous with the Alabama Department of Public Health's ("ADPH") issuance of a license to the New Operator.

II. Financial Scope of Project.

A. For a fair market price, Current Landlord will sell the land, building fixtures, and equipment comprising the Facility to New Owner.

B. For fair market rental, New Operator will lease the Facility from the New Owner under an operating lease. Other than entering into the Lease and the licensing of the Facility, this transaction does not involve any activities described

in Alabama Code § § 22-21-263(a) (1), (2), (3), or (4) as requiring a certificate of need.

III. Services to be Offered.

1. No New Services: The transaction does not involve the offering of any new services at the Facility not approved in the CON.

IV. Beds.

1. New Beds: The proposed transaction does not involve any addition or reduction of beds not approved in the CON.
2. Conversion of Beds: The proposed transaction does not involve the conversion of beds.

V. Stock and Assets.

The transaction consists of the (i) sale of the assets comprising the Facility by Current Owner to New Owner, and (ii) the lease of the assets of the Facility by New Operator from the New Owner under an operating lease, and the purchase by New Operator from the Current Operator of certain operating assets of the Facility. Other than the foregoing, the transaction will not involve the acquisition of stock or assets.

Based on the above showing that there has been no (i) change in health service, (ii) conversion of beds or (iii) increase in authorized bed capacity we respectfully ask 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. In accordance with the Rules, I am enclosing a check in the amount of \$2,500.00, and the executed change of ownership forms.

I would appreciate your stamping as received and returning the enclosed copy of this filing in the enclosed stamped addressed envelope. Should you have any questions or need further information, please contact me at (205) 458-5175.

Sincerely,



Chris Thompson

Enclosures

CHANGE OF OWNERSHIP

Part I: Purchasing/Lessee Organization Information

Name of Organization: Franklin LTC, LLC,

Facility Name:
(ADPH Licensure name) Terrace Manor Nursing & Rehab Center

SHPDA ID Number: []

Address (PO Box #): 390 Underwood Road

City, State, Zip, County: Russellville, AL 35653, Franklin County

Number/Type Licensed Beds: License for 63 nursing facility beds

Owner(s): Russellville 390, LLC, Landlord

Operator(s): Franklin LTC, LLC, d/b/a Terrace Manor Nursing & Rehab Center, Tenant/ Licensee

Part II: Selling/Leasing Organization Information

Name of Organization: Terrace Manor Nursing & Rehab Center

Address (PO Box #): 390 Underwood Road

City, State, Zip, County: Russellville, Alabama, Franklin County

Number/Type Licensed Beds: License for 63 nursing facility beds

Owner(s): Terrace Manor Nursing Home, Inc.

Operator(s): Terrace Manor Nursing & Rehab Center, Inc.

Part III: Value of Consideration

Monetary Value of Purchase/Lease: \$ See Letter No./Type Beds: 63 nursing facility beds

Terms of Purchase/Lease: Please see attached letter
(add more pages as necessary to describe the sale)

Part IV: List of Certificate of Need Authority

Number of Beds: 63-nursing facility beds

Types of Institutional Health Services: Nursing facility beds

List Service Area by County for Home Health Agencies: _____

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/Lessor(s) Signature(s):

Owner(s): ~~Terrace Manor Nursing Home, Inc.~~

By: [Signature]

Title/Date: President 11-13-15

Operator(s): ~~Terrace Manor Nursing & Rehab Center, Inc.~~

BY: [Signature]

Title/Date: Manager 11-13-15

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 Lessee and Lessor have agreed to these lease terms.

Buyer/Lessee Signature: Franklin LTC, LLC, d/b/a Terrace Manor Nursing & Rehab Center

By: _____

Title/Date: _____

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: _____

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: A. T. Hill

Title/Date: MANAGER OF FRANKLIN LLC 11/23/15