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**STATE HEALTH PLANNING
AND DEVELOPMENT AGENCY**

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September 26, 2016

Via Electronic Filing

Mr. Alva M. Lambert

State Health Planning and Development Agency

P.O. Box 303025

Montgomery, Alabama 36130-3025

Re: Change of Ownership: Brentwood Retirement Community II

Dear Mr. Lambert:

This letter and the attached Change of Ownership Form is to notify the State Health Planning and Development Agency of a proposed change of ownership of the specialty care assisted living facility currently licensed as Brentwood Retirement Community II ("Brentwood II"), which is located at 2505 Alabama Avenue, Muscle Shoals, Alabama 35661.¹ Brentwood II's SHPDA identification number is 033-S176 and its license number from the Alabama Department of Public Health is P1703. Brentwood II is licensed to operate 16 specialty care assisted living beds.

Brentwood Real Estate, LLC will purchase the real property and improvements of Brentwood One for \$6,980,000. Brentwood Operations, LLC will purchase the operations and remaining assets of Brentwood One for \$20,000. Brentwood Operations, LLC will hold the facility's CON and licenses and will be responsible for facility operations.

1) The financial scope of the project:

- | | | |
|----|----------------------------------|-------------|
| A) | Projected equipment cost: | \$5,000 |
| B) | Projected construction cost: | \$45,000 |
| C) | Projected yearly operating cost: | \$7,030,000 |

2) The services to be offered will be the same SCALF services currently offered. There will be no change to the 16 SCALF beds currently in service.

3) The project will not include the addition of any new beds.

¹ Brentwood II is co-located with Brentwood Retirement Community I ("Brentwood I") which is also licensed to operate 16 Specialty Care Assisted Living beds. Brentwood I is the subject of a separate change of ownership application that is being submitted contemporaneously herewith.

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- 4) The project will not involve the conversion of any beds.
- 5) The terms of this transaction are an asset purchase.

We intend for this transaction to close promptly upon receipt of all regulatory approvals.

In compliance with the SHPDA's regulations, I enclose a check in the amount of \$2,500.00 made payable to the agency for processing of this request.

Based upon the above, we respectfully request that SHPDA approve this change of ownership. Thank you for your consideration in this matter.

Sincerely,



James F. Henry

JFH/js

cc: Mr. Michael Vickers

CHANGE OF OWNERSHIP

Part I: Purchasing Organization Information

Name of Organization: Brentwood Real Estate, LLC

Facility Name:
(ADPH Licensure name) Brentwood Retirement Community, II

SHPDA ID Number: 033-S1786

Address (PO Box #): 2505 Alabama Avenue

City, State, Zip, County: Muscle Shoals, Alabama 35661, Colbert County

Number/Type Licensed Beds: 16

Owner(s): Brentwood Real Estate, LLC

Operator(s): Brentwood Operations, LLC

Part II: Selling Organization Information

Name of Organization: Three R's, Inc.

Address (PO Box #): 118 Hickory Drive

City, State, Zip, County: Muscle Shoals, Alabama 35661, Colbert County

Number/Type Licensed Beds: 16 SCALF beds

Owner(s): Three R's, Inc.

Operator(s): Three R's, Inc.

Part III: Value of Consideration

Monetary Value of Purchase: \$7,000,000 No./Type Beds: 16 SCALF beds

Terms of Purchase: Asset Purchase
(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

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(s) Signature(s):

Owner(s): 3 R's, Inc.

Operator(s): 3 R's, Inc.

Title/Date:

Owner/Administrator9/22/16

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.

X YES ☐ NO ☐**The above Purchaser and Seller have agreed to these purchase terms.**

Purchaser Signature: _____

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): 3 R's, Inc. _____

Operator(s): 3 R's, Inc. _____

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.

X YES ☐ NO

The above Purchaser and Seller have agreed to these purchase terms.

Purchaser Signature: _____

Title/Date: _____

C.E.O.

9-22-16