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Oct 03 2018

STATE HEALTH PLANNING AND
DEVELOPMENT AGENCY

Bradley

October 2, 2018

Via Federal Express

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

Re: Notice of Proposed Change in Ownership of The Northridge Specialty Care Assisted Living Facility (SHPDA ID 081-S4104) Beds

Dear Mr. Lambert:

On behalf of Braemar Partners, LLC, we respectfully submit to the State Health Planning and Development Agency (“SHPDA”) this letter as an attachment to the Notice of Change of Ownership form that we are filing pursuant to Chapter 410-1-7-.04, Rules and Regulations of the Alabama Certificate of Need Program (the “Rules”). The proposed change of ownership involves the purchase by Braemar Partners, LLC (the “Buyer”) of sixteen (16) specialty care assisted living facility beds (the “Beds”) owned by The Northridge SCALF, LLC (the “Seller”) in Lee County, Alabama.

The Beds have been in operation at the Northridge Specialty Care Assisted Living Facility, a specialty care assisted living facility in Lee County. In this transaction proposed to take place on or about the fifth day following SHPDA’s approval, Buyer will purchase the Beds from Seller for an amount the parties have determined to be fair market value. After the close of this proposed transaction, a certificate of need (CON) application will be filed for authority to relocate the beds to a new location in Lee County and put them into operation as a new specialty care assisted living facility.

The following further summarizes the proposed transaction and addresses SHPDA requirements for a change of ownership.

SHPDA Requirements for Changes of Ownership

In answer to the specific questions posed in the Notice of Change of Ownership form, please note the following:

1. The Financial Scope of the Project. The financial scope will encompass the fair market value payment that Buyer will make to Seller as consideration for the Beds. The fair market value payment involved in the proposed transaction does not reflect new costs exceeding the

following expenditure thresholds: (i) \$2,997,918 for major medical equipment; (ii) \$1,199,166 for new annual operating costs; and (iii) \$5,995,836 for capital expenditures. Before the Beds will become operational, a CON will be filed for the relocation of the Beds. The CON application will seek permission from the agency for any additional costs related to the Bed relocation project.

2. Services to be Offered. By filing this Notice of Change of Ownership, Buyer seeks authority only to purchase the Beds. After the close of the proposed transaction, a CON application will be filed for the authority to relocate the beds within Lee County and to operate a specialty care assisted living facility.

3. Whether the Proposal Will Include the Addition of Any New Beds. This Notice of Change of Ownership seeks approval only to change the ownership of the Beds. After the close of the proposed transaction, a CON application will be filed for the authority to relocate the beds within Lee County and to operate a specialty care assisted living facility.

4. Whether the Proposal Will Involve the Conversion of Beds. The proposed transaction will not result in the conversion of beds.

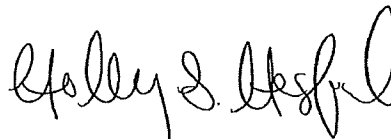
5. Whether the Assets and Stock (if any) Will be Acquired. The proposed transaction involves only the purchase of beds. No other assets and no stock will be acquired as part of the proposed transaction.

Requested Action

Based upon the above description of the proposed transaction, 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 this proposed transaction. After the close of the proposed transaction, a CON application will be filed for the authority to relocate the beds and to operate a specialty care assisted living facility in Lee County. In accordance with the Rules, a check in the amount of \$2,500.00 made payable to the Alabama State Health Planning and Development Agency has been sent to the Agency via Federal Express.

Should you have any questions or need further information, please feel free to contact me at the number or address listed above. Thank you in advance for your assistance with this matter.

Best regards,



Holly S. Hosford

Enclosure

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: 081-S4104
(This can be found at www.shpda.alabama.gov, Health Care Data, ID Codes)

Name of Facility/Provider: The Northridge Specialty Care Assisted Living Facility
(ADPH Licensure Name)

Physical Address: 801 Morris Ave.
Opelika, Alabama 35133

County of Location: Lee County

Number of Beds/ESRD Stations: Sixteen (16) Specialty Care Assisted Living Facility Beds

CON Authorized Service Area (Home Health and Hospice Providers Only). Attach additional pages if necessary. _____

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: Northridge SCALF, LLC

Mailing Address: 411 South 8th Street
Opelika, Alabama 36801

Operator (Entity Name): Northridge SCALF, LLC

Part III: Acquiring Entity Information

Name of Entity: Braemar Partners, LLC

Mailing Address: 1642 Powers Ferry Road SE, Suite 250
Marietta, Georgia 30067

Operator (Entity Name): Braemar Partners, LLC

Proposed Date of Transaction is on or after: The fifth day following State Health Planning and Development Agency's approval of the Change

Part IV: Terms of Purchase

Monetary Value of Purchase: See attached letter.

Type of Beds: Specialty Care Assisted Living Facility (SCALF)

Number of Beds/ESRD Stations: 16 beds

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

See attached letter.

Projected Equipment Cost: \$ _____

Projected Construction Cost: \$ _____

Projected Yearly Operating Cost: \$ _____

Projected Total Cost: \$ _____

On an Attached Sheet Please Address the Following: See attached letter.

- 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): Northridge SCALF, LLC Shashi Sharma

Title/Date: Shashi Sharma, M.D., Sole Owner Date: 10.1.18

SWORN to and subscribed before me, this 1st day of October, 2018.

(Seal)



A-84

Wendy Knight
Notary Public

My Commission Expires: _____

Commission Expires: February 5, 2022

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): Braemar Partners, LLC _____

Title/Date: James L. Rhoden, III, Principal Date: _____

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

(Seal)

Notary Public

My Commission Expires: _____

Author: Alva M. Lambert

Statutory Authority: § 22-21-271(c), Code of Alabama, 1975

History: New Rule

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): Northridge SCALF, LLC

Title/Date: Shashi Sharma, M.D., Sole Owner Date: _____

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

(Seal)

A-84

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): Braemar Partners, LLC

James L. Rhoden, III

Title/Date: James L. Rhoden, III, Principal

Date: 10/1/2018

SWORN to and subscribed before me, this 1 day of October, 2018.

(Seal)



Bruce A. [Signature]
Notary Public

My Commission Expires: 1-5-2019

Author: Alva M. Lambert
Statutory Authority: § 22-21-271(c), Code of Alabama, 1975
History: New Rule