

RECEIVED

FEB 17 2016

STATE HEALTH PLANNING
AND DEVELOPMENT AGENCY

February 16, 2016

**VIA FEDERAL EXPRESS OVERNIGHT MAIL
CERTIFIED MAIL; RETURN RECEIPT REQUESTED**

State of Alabama
State Health Planning & Development Agency
P.O. Box 303025
Montgomery, Alabama 36130-3025

Re: Assisted Living Facility - Change of Ownership Application

Dear Sir or Madam:

We are submitting this letter along with the enclosed Change of Ownership Application to own and operate an Assisted Living Facility for the assisted living facility known as Morning Pointe of Tuscaloosa located at 1801 Rice Mine Road North, Tuscaloosa, Alabama 35406 (the "Facility").

The Facility is currently licensed to Tuscaloosa Medical Investors, LLC (the "Selling Organization"). The Selling Organization has agreed to sell substantially all of the Facility assets to Traditions of Tuscaloosa OpCo, LLC (the "Purchasing Organization"). The Purchasing Organization is qualified to conduct business in Alabama and will own and operate the Facility. We currently anticipate that the transaction will close on or about May 2016 (the "Closing Date"). Please find enclosed with this letter each of the following:

1. Change of Ownership Application;
2. An application fee in the amount of \$2,500 made payable to the Alabama State Health Planning and Development Agency;
3. A description of the financial scope of the project;
4. The services to be offered by the proposal;
5. Whether the proposal will include the addition of any new beds;
6. Whether the proposal will involve the conversion of beds; and
7. Whether the assets and stock (if any) will be acquired.

Please contact me if you have any questions or require any additional information. We look forward to hearing from you at your earliest convenience. Thank you.

Very truly yours,



Blanding Beatty
Traditions of Tuscaloosa OpCo, LLC

Encl.

RECEIVED

CHANGE OF OWNERSHIP

FEB 17 2016

STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

Part I: Purchasing Organization Information

Name of Organization: Traditions of Tuscaloosa OpCo, LLC

Facility Name: (ADPH Licensure name) Traditions of Tuscaloosa

SHPDA ID Number: D16303

Address (PO Box #): 1801 Rice Mine Road North

City, State, Zip, County: Tuscaloosa, AL 35406, Tuscaloosa

Number/Type Licensed Beds: 24

Owner(s): Traditions of Tuscaloosa, LLC

Operator(s): Traditions Senior Living^{opco}, LLC

Part II: Selling Organization Information

Name of Organization: Morning Pointe of Tuscaloosa

Address (PO Box #): 1801 Rice Mine Road North

City, State, Zip, County: Tuscaloosa, AL 35406, Tuscaloosa

Number/Type Licensed Beds: 24

Owner(s): Tuscaloosa Medical Investors, LLC

Operator(s): Independent Healthcare Properties and Morning Pointe

Part III: Value of Consideration

Monetary Value of Purchase: \$5.1 million No./Type Beds: 24 SCALE, 36 ALF

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

Part IV: List of Certificate of Need Authority

Number of Beds: 24

Types of Institutional Health Services: Specialty Care Assisted Living

List Service Area by County for Home Health Agencies: Tuscaloosa County

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:

[Handwritten signatures and dates]
Owner(s): *[Signature]*
Operator(s): *[Signature]*
Title/Date: Secretary 2/10/16 PRESIDENT 2/10/16

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.

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

Purchaser Signature:

Title/Date:

[Signature]
CEO 2/12/16

ATTACHMENT TO SCALF LICENSURE APPLICATION
TRADITIONS OF TUSCALOOSA

1. FINANCIAL SCOPE - SEE ATTACHED BUDGET
2. SERVICES OFFERED BY THE PROPOSAL AND WHETHER HE HAS PREVIOUSLY OFFERED THE SERVICE AND WHETHER THE SERVICE OF A PRESENTLY OFFERED SERVICE, OR WHETHER THE SERVICE IS A NEW SERVICE.

A. THE SERVICES PROVIDED:

1. ASSISTANCE WITH ACTIVITIES OF DAILY LIVING, IE: BATHING, DRESSING, GROOMING, DINING, TRANSPORTATION, SOCIAL ENGAGEMENT, PHYSICAL EXERCISE, MENTAL STIMULATION/SUPPORT, TOILETING, ALL AS NEEDED BASED UPON THE RESIDENT'S ASSESSMENT.

2. HEALTH SUPERVISION, ASSESSMENT, WEIGHT MONITORING, MEDICATION MONITORING/STORAGE, PROVIDE SAFE AND CLEAN ENVIRONMENT.

B. THESE SERVICES ARE CURRENTLY PROVIDED BY THE FACILITY, AND THE FACILITY WILL CONTINUE TO PROVIDE THESE SERVICES FOR ITS RESIDENTS.

C. MR. BARTLETT, CEO OF TRADITIONS SENIOR LIVING, WILL PROVIDE SERVICES ON BEHALF OF THE APPLICANT. HE HAS PREVIOUSLY SERVED AS PRESIDENT OF THE ALZHEIMERS ASSOCIATION OF CENTRAL PENNSYLVANIA AND OPERATED SEVERAL SUCCESSFUL MEMORY CARE FACILITIES IN PENNSYLVANIA AND VIRGINIA.

D. THIS SCALF WILL CONTINUE WITH THE SERVICES THAT THE BUILDING CURRENTLY PROVIDES.

3. WHETHER THE PROPOSAL WILL INCLUDE THE ADDITION OF ANY NEW BEDS.

A. NO NEW BEDS PROPOSED

4. WHETHER THE PROPOSAL WILL INCLUDE THE CONVERSION OF BEDS.

A. NO CONVERSION OF BEDS

5. WHETHER THE ASSETS AND STOCK (IF ANY) WILL BE ACQUIRED.

A. THE SELLING ORGANIZATION HAS AGREED TO SELL SUBSTANTIALLY ALL OF THE FACILITY ASSETS TO THE PURCHASING ORGANIZATION. THE PURCHASING ORGANIZATION WILL NOT ACQUIRE ANY CORPORATE STOCK OR LLC MEMBERSHIP INTEREST FROM THE SELLING ORGANIZATION.

Financial Scope		
REVENUE	Year 1	/ unit Monthly
Gross Potential: AL	1,378,800	3,830
Gross Potential: MC	1,296,000	4,500
Total Gross Potential	2,674,800	4,128
AL Vacancy	293,328	815
MC Vacancy	112,481	391
Free Rent/Concessions	53,496	83
Bad Debt	53,496	83
Total Rent Revenue	2,162,000	3,336
Other Income		
Guest Meals	3,749	6
Phone, Internet, Cable	13,905	21
2nd Occupant Rent	0	0
Community Initiation Fee	25,029	39
Total Other Income	42,683	66
Effective Gross Income	2,204,683	3,402
	5.7%	
EXPENSES		
Resident Care	726,034	1,120
Dietary	232,203	358
Housekeeping & Laundry	29,186	45
Activities & Transportation	53,462	83
Repairs & Maintenance	113,674	175
Marketing & Leasing	61,800	95
General & Administrative	323,572	499
Turnover	0	0
Utilities	118,817	183
Management Fees	110,234	170
Taxes	37,080	57
Insurance	55,620	86
Total Operating Expenses	1,861,681	2,873
% of Gross Revenue	84.4%	
	2.9%	
NOI	343,002	529