

January 17, 2020

VIA EMAIL, ORIGINAL TO FOLLOW BY FEDEX

Ms. Emily T. Marsal, Esq.
Executive Director
State Health Planning and Development Agency
100 North Union Street
Suite 870
Montgomery, AL 36104

Re: Change of Ownership – Brookdale Northport SCALF (AL), a Specialty Care Assisted Living Facility

Dear Ms. Marsal:

Pursuant to Chapter 410-1-7-.04, Rules and Regulations of the Alabama Certificate of Need Program (the “Rules”), we respectfully submit the attached Notice of Change of Ownership. The Change of Ownership involves a 16-bed specialty care assisted living facility (“SCALF”) located in Northport, Alabama, and known as *Brookdale Northport SCALF (AL)* (the “Facility”). Following is a summary of the proposed transaction:

I. Facts.

1. The current owner of the Facility is BKD Northport Propco, LLC, a Delaware limited liability company (“Current Owner”). The current operator/licensee of the Facility is BKD Northport Operator, LLC, a Delaware limited liability company (“Current Operator”). The current manager of the Facility is Brookdale Senior Living Inc., a Delaware Corporation (“Current Manager”).
2. Pursuant to a proposed purchase and sale transaction to be consummated upon the approval by the Alabama Department of Public Health (“ADPH”) of a Change of Ownership for the Facility and the issuance of a new license by ADPH, Current Owner will sell and convey the Facility to Northport Propco, LLC, an Alabama limited liability Company (“New Owner”). Northport Opco, LLC, an Alabama limited liability company, will assume operations of the Facility at closing (“New Operator”). The Facility will be managed by Affinity Living Group, LLC, a North Carolina limited liability company (“New Manager”). The current lease in place for the Facility between Current Owner and Current Operator will be terminated, and a new lease between New Owner and New Operator will become effective (the “Commencement”).
3. The parties are seeking to consummate the above described transaction by February 28, 2020.

4. The resulting “change in control” requires notification to your agency pursuant to ALA. ADMIN. CODE §410-1-7-.04(1).
5. The change in control of the Facility will be documented by the enclosed executed change of ownership form.

II. Financial Scope of Project.

A. For a fair market price, Current Owner 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 with a term exceeding two (2) years. Other than entering into the New 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 by the Facility.

IV. Beds.

1. New Beds: The proposed transaction does not involve any addition or reduction of beds.

2. Conversion of Beds: The proposed transaction does not involve the conversion of beds.

V. Stock and Assets.

Other than described above, the transaction does not involve the acquisition of stock or assets relating to the operation of the Facility.

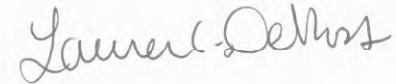
Based on the above showing that there has been no (i) change in health service, (ii) spending in excess of the spending thresholds (which, for 2020, are \$3,024,899 for major medical equipment; \$1,209,958 for new annual operating costs; and \$6,049,799 for any other capital expenditure), (iii) conversion of beds or (iv) increase in bed capacity we respectfully ask that you

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exercise your authority under Chapter 410-1-7-.04(2) of the Rules and determine that a CON or other action by SHPDA is not required for the consummation of the above-described proposed transaction. In accordance with the Rules, I attach an executed change of ownership form, and the required fee in the amount of \$2,500.00 will be sent via overnight mail. The transaction is anticipated to close February 28, 2020.

Should you have any questions or need further information, please contact me at 205-254-1195.

Sincerely,



Lauren C. DeMoss

Enclosures

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: 125-S6302
(This can be found at www.shpda.alabama.gov, Health Care Data, ID Codes)

Name of Facility/Provider: Brookdale Northport SCALF
(ADPH Licensure Name)

Physical Address: 951 Rose Dr.
Northport, AL 35476

County of Location: Tuscaloosa

Number of Beds/ESRD Stations: 16

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

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: BKD Northport Propco, LLC

Mailing Address: 111 Westwood Place, Suite 400
Brentwood, TN 37027

Operator (Entity Name): BKD Northport Operator, LLC

Part III: Acquiring Entity Information

Name of Entity: Northport Propco, LLC

Mailing Address: 212 W. Troy Street, Suite B
Dothan, AL 36303

Operator (Entity Name): Northport Opco, LLC

Proposed Date of Transaction is on or after: February 28, 2020

Part IV: Terms of Purchase

Monetary Value of Purchase: \$ 5,750,000.00

Type of Beds: SCALF

Number of Beds/ESRD Stations: 16

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

Projected Equipment Cost: \$ See attached letter

Projected Construction Cost: \$ See attached letter

Projected Yearly Operating Cost: \$ See attached letter

Projected Total Cost: \$ See attached letter

On an Attached Sheet Please Address the Following:

- 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): BKD Northport Propco, LLC

[Signature]

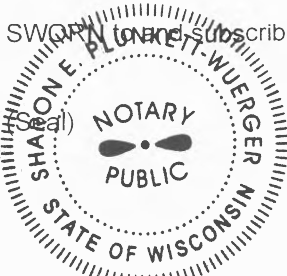
Operator(s): BKD Northport Operator, LLC

[Signature]

Title/Date: Assistant Secretary

1/15/2020

SWORN to and subscribed before me, this 15th day of JANUARY, 2020.



[Signature]
Notary Public

My Commission Expires: April 20, 2020

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): Northport Propco, LLC

Operator(s): Northport Opco, LLC

Title/Date: Manager, Northport Propco, LLC and Northport Opco, LLC

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): BKD Northport Propco, LLC _____

Operator(s): BKD Northport Operator, LLC _____

Title/Date: _____

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

(Seal)

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): Northport Propco, LLC

By: [Signature]

Operator(s): Northport Opco, LLC

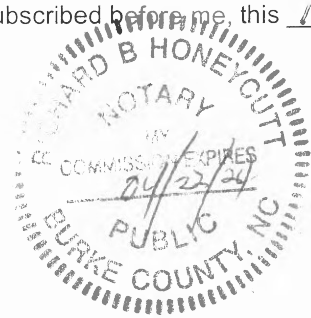
By: [Signature]

Title/Date: Manager, Northport Propco, LLC and Northport Opco, LLC

1/15/2020

SWORN to and subscribed before me, this 15th day of JANUARY, 2020.

(Seal)



[Signature]
Notary Public

My Commission Expires: 04/22/2024

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