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Mar 12 2021

STATE HEALTH PLANNING AND
DEVELOPMENT AGENCY

March 12, 2021

Via Electronic Filing
(shpda.online@shpda.alabama.gov)

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

RE: Change of Ownership; Brookdale Shoals SCALF (SHPDA ID 033-S1701)

Dear Ms. Marsal:

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 change of ownership involves the transfer of Brookdale Shoals SCALF, a 13-bed specialty care assisted living facility (“SCALF”), and related assets located in Muscle Shoals, Colbert County, Alabama (the “Facility”) from BLC Wellington-Shoals, LLC (“Seller”) to The Pearl of the Shoals, LLC (“Buyer”).

I. Overview of The Transaction.

The Facility is located at 2904 South Wilson Dam Road, Muscle Shoals, Alabama 35661. Buyer is authorized to operate 13 SCALF beds in Colbert County.

The following summarizes the transaction and responds to inquiries posed in the SHPDA Change of Ownership Application. The transaction involves the acquisition by Buyer of the Facility and its assets from Seller in exchange for a fair market value payment to Seller. Upon approval by the Alabama Department of Public Health, the Facility will be known as The Pearl of the Shoals.

II. SHPDA Requirements for Change of Ownership

Concerning the questions posed in the Change of Ownership Application, please note the following:

1. The Financial Scope of the Project. The transaction involves the transfer by Seller to Buyer of the assets of the Facility in exchange for a fair market value payment. The transaction does not involve new costs associated with the Facility exceeding the following

expenditure thresholds: (i) \$3,079,347 for major medical equipment; (ii) \$1,231,738 for new annual operating costs; and (iii) \$6,158,695 for capital expenditures.

2. Services to be Offered. The transaction will not result in any new or additional services to those already authorized to be provided by the Facility.

3. Whether the Proposal will Include the Addition of Any New Beds. The transaction will not result in the addition of new beds.

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

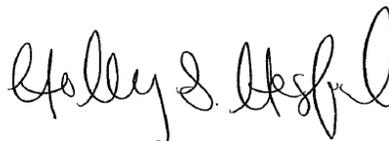
5. Whether the Assets and Stock (if any) will be acquired. As described more particularly above, the transaction involves acquisition by Seller of the Facility assets.

III. Requested Action

Based upon the above description of the transaction and a showing that there will be no change in health services, conversion of beds, or increase or decrease in bed capacity, 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 transaction. In accordance with the Rules, the relevant fee will be paid via the electronic payment portal.

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

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: **033-S1701**
(This can be found at www.shpda.alabama.gov, Health Care Data, ID Codes)

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

Physical Address: **2904 South Wilson Dam Road**
Muscle Shoals, Alabama 35661

County of Location: **Colbert County**

Number of Beds/ESRD Stations: **13 SCALF Beds**

CON Authorized Service Area (Home Health and Hospice Providers Only). Attach additional pages if necessary. **Not Applicable.**

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: **BLC Wellington-Shoals, LLC**

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

Operator (Entity Name): **BLC Wellington-Shoals, LLC**

Part III: Acquiring Entity Information

Name of Entity: **The Pearl of the Shoals, LLC**

Mailing Address: **6409 Redwood Trail**
Thompson Station, TN 37179

Operator (Entity Name): **The Pearl of the Shoals, LLC**

Proposed Date of Transaction is on or after: **Upon Alabama Department of Public Health Approval of Change in Ownership License Application**

Part IV: Terms of Purchase

Monetary Value of Purchase: **See attached letter**

Type of Beds: **Specialty Care Assisted Living Facility Beds**

Number of Beds/ESRD Stations: **13 SCALF 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:

- 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): [Signature] BLC Wellington-Shoals, LLC

Name: George Hicks Title: Executive Vice President

Date: 3-12-21

Operator(s): [Signature] BLC Wellington-Shoals, LLC

Name: George Hicks Title: Executive Vice President

Date: 3-12-21

SWORN to and subscribed before me, this 12th day of March, 2021

(Seal)

LINDA B. DEVAULT
State
Of
Tennessee
Notary
Public
SUMNER COUNTY

A-84

[Signature]
Notary Public

My Commission Expires: 10-23-23

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): [Signature] The Pearl of the Shoals, LLC

Name: John Tyler Keelon Title: Manager

Date: 3/12/2021

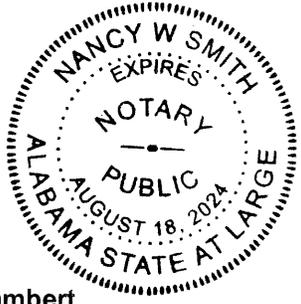
Operator(s): [Signature] The Pearl of the Shoals, LLC.

Name: John Tyler Keelon Title: Manager

Date: 3/12/2021

SWORN to and subscribed before me, this 12th day of March, 2021

(Seal)



Nancy Smith
Notary Public

My Commission Expires: 8/18/2024

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