

June 27, 2016

VIA EMAIL (monica.hutt@vermont.gov and donna.jerry@vermont.gov)

VIA UNITED STATES POSTAL SERVICE (original and two copies to Donna Jerry)

Monica Caserta Hutt, Commissioner
Vermont Department of Disabilities, Aging and Independent Living
Commissioner's Office
HC 2 South
280 State Drive
Waterbury, VT 05671-2020

Donna Jerry
Senior Health Policy Analyst
Green Mountain Care Board
Third Floor, City Center
89 Main Street
Montpelier, VT 05620

**RE: Docket No. GMCB-020-15con,
Proposed Purchase of Rowan Court Health and Rehabilitation Center in Barre VT.**

Dear Commissioner Hutt and Ms. Jerry:

This firm represents Barre Gardens Holdings, LLC and its affiliate, Barre Gardens Nursing and Rehab, LLC as the prospective purchasers (the "Applicants") of Rowan Court Health and Rehabilitation Center ("Rowan Court"). As you are aware, the Applicants have entered into an agreement (the "Transaction Agreement") with Vermont Subacute, LLC, which owns Rowan Court ("Owner") and Rowan Court Health & Rehabilitation Center LLC, a Vermont limited liability company, which is the licensed operator of Rowan Court ("Operator") to purchase Rowan Court, which transaction (the "Transaction") remains subject to and is pending the Green Mountain Care Board's final review and approval (or denial). The seller, Revera, has asked the Applicants to enter into a Facility Management Agreement (the "Agreement"), effective July 1, 2016, to operate and manage Rowan Court pending the completion of your regulatory review. This letter is being provided as courtesy notice to you of the Agreement.

Specifically, the Agreement will be between Barre Gardens Nursing and Rehab LLC, a Vermont limited liability company ("Manager"), and Operator and will continue in effect until the Transaction is consummated or the Transaction Agreement is terminated. Please note that Manager will in turn enter into a similar agreement with Priority Healthcare Group ("Priority"),

such that references herein to Manager refer equally to Priority. Priority is the company of Messrs. Akiva Glatzer and David Gamzeh, discussed at length in the CON application.

During the term of the Agreement, Manager will operate Rowan Court in an efficient and caring manner with the goal of providing services dedicated to the highest quality of care for the home's residents. Manager will have full authority and responsibility to conduct, supervise and manage the day-to-day operations of Rowan Court, subject to the ultimate control of Revera. Among other tasks, Manager will be responsible for the billing and collection of accounts receivable with respect to Rowan Court and will affect the billing under the appropriate billing numbers assigned to Rowan Court for Medicare/Medicaid and also commercial insurers for managed care contracts.

Under the terms of the Agreement, Manager will hire, train, promote, discharge, and supervise the work of the employees performing services for Rowan Court, provided that the Manager will not hire or terminate any administrator or department head employee for Rowan Court without the prior written consent of the Operator. As of the effective date of the Agreement, Rowan Court's employees will become employees of the Manager (Barre Gardens) and will be hired directly by Manager. The employees will be on the Manager's (Barre Gardens') payroll and Manager (Barre Gardens) will be responsible for the provision of all employee benefits (including, but not limited to, health, dental, life and 401K benefits). Manager will obtain (a) worker's compensation insurance covering all liability of Manager under Worker's Compensation laws of the State of Vermont and (b) medical malpractice insurance. The Manager will maintain adequate professional and general liability insurance, with limits of no less than \$1,000,000 per claim and \$3,000,000 in the aggregate.

Nevertheless and importantly, during the term of the Agreement, the Operator will continue to remain the licensed entity and will maintain its existing licenses, provider numbers and accreditations, and the Facility will continue to furnish the services it is currently furnishing. The facility's tax identification number will not change as a result of entering into the Agreement. Further, the facility will remain as currently licensed with no change in name or location, and the parties do not plan to effect any material changes in the services or bed capacity. However, one significant benefit to the Green Mountain Care Board and Vermont Department of Disabilities, Aging and Independent Living from this Agreement is the opportunity for the Applicants to provide you with the opportunity for firsthand observation of their practices in Vermont during the operating period.

If you or any of your staff have any questions regarding the Agreement, please do not hesitate to contact me.

Sincerely,



Shireen T. Hart

cc: Kim Kowalik, Vice President, Legal Services & Assistant Secretary, Revera Inc.