



Ms. Phyllis Powel
CON Unit, Licensing Regulatory Services
Department of Human Services
State House Station 11
221 State Street
Augusta, Maine 043330-0011
Subject: Letter of Intent
Re: Change of Ownership Katahdin Nursing Home, Inc. Millinocket, Maine
Date: Monday, December 01, 2008

Dear Ms. Powel, *Phyllis*

We are sending this **Letter Of Intent** (LOI) as required by Section 71.05 of the Bureau of Elder and Adult Services Policy Manual, titled, CERTIFICATE OF NEED FOR NURSING FACILITY LEVEL OF CARE PROJECTS. Pursuant to this section we are providing the following information and seek a determination whether or not this particular project is subject to CON review by your office.

Brief Description:

We propose to purchase the assets of the Katahdin Nursing Home fro Phil Cyr and his ex-wife for a price equal to the state's net book value at the time of closing. Therefore, this transaction only requires a change of ownership approval.

The assets will be purchased by a yet to be formed LLC whose members will be Ronald C. Coffin, Craig G. Coffin and Kenneth W. Bowden, all who are known to the department.

Phil Cyr has a full compliment of staff at this time and we do not anticipate making any leadership changes. His facility is in top shape in fact the best condition of any facility we have recently visited. Therefore, we do not plan any significant renovations in the first year of operation of course, reserving the right to perform necessary improvements if needed.

In summary, total project costs are estimated to be \$ 600,000 and first year operating expenses will amount to approximately \$ 2,500,000. Our full application seeking change of ownership will be filed with your office by December 16, 2008 with a closing occurring thirty days after your approvals.

Sincerely,


Kenneth Bowden, CEO
First Atlantic Healthcare

Cc: Ronald Coffin, President, Craig Coffin, COO and Wanda Pelkey, CFO
Phil Cyr