



Pinnacle Group of Hudson Valley, Ltd

March 31, 2015

Mr. Larry Carbonneau, CPA
Senior Health Care Financial Analyst
Department of Health and Human Services
#11 State House Station
41 Anthony Avenue
Augusta, ME 04333-0011

**RE: Change in Ownership – Letter of Intent
Victorian Villa Rehabilitation and Living Center, Canton, Maine**

Dear Larry:

This correspondence constitutes a Letter of Intent in accordance with Section 71.05(A) of the BEAS Policy Manual, Certificate of Need Regulations for Nursing Facility Level of Care Projects.

Pinnacle Group of Hudson Valley seeks to initiate the Certificate of Need (“CON”) review process to the extent it applies, to seek your advice and guidance on the best way to proceed, and to obtain an approval of a change in ownership of Victorian Villa Rehabilitation and Living Center in Canton, Maine.

We understand that this filing triggers the need for a Technical Assistance Meeting as the appropriate next step. We welcome the opportunity to meet with you and your staff to discuss the CON review process as it relates to this change in ownership.

Victorian Villa is licensed with 47 nursing care beds, 67 residential care beds, and operates an adult day care program to serve 12 clients per day. The facility has a long standing excellent reputation and serves a large rural area in Western Maine. It is the only licensed nursing home within a 15 mile radius. The current ownership, Reddings Home Inc., and Reddings Realty Inc., is comprised of several family members who desire selling the facility and operating business.

Pinnacle Group of Hudson Valley LLC, headquartered in Monsey, New York, intends to acquire from Redding Homes, Inc. substantially all of Redding Homes’ property and assets. Pinnacle Group has set up an entity, Pleasant St. Realty LLC, that will acquire from Redding Realty, LLC the Real Property. The agreed total purchase price is \$1,800,000.



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Pinnacle Group has served in several capacities in the operations of skilled nursing care facilities for the last decade.

Please note that there will be no change in the type or number of licensed beds in the facility and services provided will not be adversely affected by this change in ownership.

We welcome the opportunity to work with you and look forward to meeting with you soon to receive further information on the Certificate of Need process as it relates to the transaction.

Please note that I can be reached at 845-596-6633 and my email address is Israel@pinnaclehv.com. Please also note that Daniel Maguire of Sandy River Company has been retained as a consultant to assist in coordinating and writing the Certificate of Need Application and his email is dmaguire@sandyriver2.com. Please include both of us on any correspondence.

Sincerely,

Israel Nachfolger, CEO