



DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF HEALTH SERVICE REGULATION

ROY COOPER
GOVERNOR

MANDY COHEN, MD, MPH
SECRETARY

MARK PAYNE
DIRECTOR

July 25, 2017

Susan Hendrickson
Dechert, LLP
902 Carnegie Center, Suite 500
Princeton NJ 08540-6531

No Review

Record #: See Attachment A
Facility Name: See Attachment A
FID #: See Attachment A
Project Description: Change in the ownership composition of the parent company for the real estate holding companies
County: See Attachment A

Dear Ms. Hendrickson:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) received your letter of July 10, 2017 regarding the above referenced proposal. Based on the CON law **in effect on the date of this response to your request**, the proposal described in your correspondence is not governed by, and therefore, does not currently require a certificate of need. However, please note that if the CON law is subsequently amended such that the above referenced proposal would require a certificate of need, this determination does not authorize you to proceed to develop the above referenced proposal when the new law becomes effective.

However, you need to contact the Agency's Nursing Home Licensure and Certification Section to determine if they have any requirements for development of the proposed project.

It should be noted that this determination is binding only for the facts represented in your correspondence. Consequently, if changes are made in the project or in the facts provided in your correspondence referenced above, a new determination as to whether a certificate of need is required would need to be made by this office. Changes in a project include, but are not limited to: (1) increases in the capital cost; (2) acquisition of medical equipment not included in the original cost estimate; (3) modifications in the design of the project; (4) change in location; and (5) any increase in the number of square feet to be constructed.

HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION
WWW.NCDHHS.GOV
TELEPHONE 919-855-3873
LOCATION: EDGERTON BUILDING • 809 RUGGLES DRIVE • RALEIGH, NC 27603
MAILING ADDRESS: 2704 MAIL SERVICE CENTER • RALEIGH, NC 27699-2704
AN EQUAL OPPORTUNITY/ AFFIRMATIVE ACTION EMPLOYER



Please contact this office if you have any questions. Also, in all future correspondence you should reference the Facility ID # (FID) if the facility is licensed.

Sincerely,



Michael J. McKillip
Project Analyst



Martha J. Frisone
Chief, Healthcare Planning and Certificate of Need

cc: Nursing Home Licensure and Certification Section, DHSR
Paige Bennett, Assistant Chief, Healthcare Planning, DHSR

Attachment A

Name of Facility	FID	County	Record #
Blue Ridge Health and Rehabilitation Center	923299	Henderson	2323
Pettigrew Rehabilitation Center	923266	Durham	2324
Sunnybrook Rehabilitation Center	923270	Wake	2325
Raleigh Rehabilitation Center	923262	Wake	2326
Cypress Pointe Rehabilitation Center	923267	New Hanover	2327
Silas Creek Rehabilitation Center	923453	Forsyth	2328
Lincolnton Rehabilitation Center	923312	Lincoln	2329
Signature Healthcare of Roanoke Rapids	923216	Halifax	2330
Monroe Rehabilitation Center	953214	Union	2331
Signature Healthcare of Kinston	923213	Lenoir	2332
Zebulon Rehabilitation Center	923220	Wake	2333
Rocky Mount Rehabilitation Center	953217	Nash	2334
Gaston Care and Rehabilitation Center	923263	Gaston	2335
Signature Healthcare of Chapel Hill	923268	Orange	2336

SUSAN M. HENDRICKSON

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July 10, 2017

VIA FEDEX

North Carolina Dept. of Health and Human Services
Division of Health Service Regulation
Certificate of Need Section
2704 Mail Service Center
Raleigh, NC 27699-2704
Attn: Martha Frisone, Assistant Section Chief



Re: Request for Exemption from Certificate of Need (“CON”) Review of Skilled Nursing Facilities

Dear Ms. Frisone:

I am writing this letter to provide you with written notice of a proposed transaction that will result in a change in the indirect owner of the real property of certain skilled nursing facilities in North Carolina. We have simultaneously notified the Division of Health Service Regulation, Adult Care Licensure Section of the proposed transaction.

Care Capital Properties, Inc., a healthcare real estate investment trust (“CCP”), currently owns, through its indirectly and wholly-owned subsidiaries (such subsidiaries, the “Propcos”), the real property used to operate the skilled nursing facilities set forth on **Attachment A** (the “Facilities”). CCP has entered into a definitive agreement pursuant to which it will combine with Sabra Health Care REIT, Inc., another real estate investment trust (“Sabra”), in an all-stock merger. As a result of this merger, Sabra will become the indirect owner, through the Propcos, of the real property used to operate the Facilities.


The direct owner of the real property of each of the Facilities (i.e., the Propcos) will remain the same. There will be no change to the licensed operators of the Facilities, and no impact on the day-to-day operations of the Facilities. There will also be no impact on the existing lease arrangements between the owners of the real property and the licensed operators. The transaction will result solely in a change in the indirect ownership of the real property used to operate the Facilities.

The transaction is currently anticipated to close on or about August 15, 2017. In connection with this transaction, we request a letter of exemption from the CON requirements. Pursuant to Chapter 131E, Article 9, Section G.S. 131E-176(16)(b) of the North Carolina General Statutes, a

change in the real property owner is not the type of action that would constitute "new institutional health services," which would be subject to CON review.

Should you have questions or need clarification, please do not hesitate to contact me by telephone at 215-994-2336 or by email at susan.hendrickson@dechert.com. We will attempt to promptly provide you with any additional information you request. Thank you for your time and attention to this matter.

Sincerely,

 (on behalf of Susan M. Hendrickson)

Susan M. Hendrickson

SMH

Enclosure

Attachment A

Name of Facility	Address of Facility	Propco
Golden Living Center - Hendersonville	1510 Hebron Street Hendersonville, NC 28739	MLD Properties, LLC
Pettigrew Rehabilitation Center	1515 W Pettigrew Street Durham, NC 27705	CCP Pettigrew 0116 LP
Sunnybrook Rehabilitation Center	25 Sunnybrook Road Raleigh, NC 27610	CCP Sunnybrook 0137 LP
Raleigh Rehabilitation Center	616 Wade Avenue Raleigh, NC 27605	CCP Raleigh 0143 LP
Cypress Pointe Rehab & HC Center	2006 S 16th Street Wilmington, NC 28401	CCP Cypress Pointe 0188 LP
Silas Creek Rehabilitation Center	3350 Silas Creek Parkway Winston-Salem, NC 27103	CCP Silas Creek 0191 LP
Lincolnton Rehabilitation Center	1410 E Gaston Street Lincolnton, NC 28092	CCP Lincoln 0307 LP
Signature Healthcare of Roanoke Rapids	305 14th Street Roanoke Rapids, NC 27870	CCP Guardian Roanoke 0704 LP
Rehabilitation and Nursing Center of Monroe	1212 Sunset Drive East Monroe, NC 28112	CCP Monroe 0707 LP
Signature Healthcare of Kinston	907 Cunningham Road Kinston, NC 28501	CCP Kinston 0711 LP
Guardian Care of Zebulon	509 W Gannon Avenue Zebulon, NC 27597	CCP Guardian Zebulon 0713 LP
Guardian Care of Rocky Mount	160 S Winstead Avenue Rocky Mount, NC 27804	CCP Guardian Rocky Mount 0723 LP
Gastonia Care and Rehabilitation	416 N Highland Avenue Gastonia, NC 28052	CCP Gastonia 0724 LP
Signature Healthcare of Chapel Hill	1602 E Franklin Street Chapel Hill, NC 27514	CCP Chapel Hill 0806 LP

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