



NC DEPARTMENT OF HEALTH AND HUMAN SERVICES

ROY COOPER • Governor
MANDY COHEN, MD, MPH • Secretary
MARK PAYNE • Director, Division of Health Service Regulation

VIA EMAIL ONLY

November 17, 2021

Kathryn L. Steffen
Kathryn.steffen@arentfox.com

Exempt from Review – Acquisition of Facility

Record #: 3733
Date of Request: November 3, 2021
Facility Name: The Fountains at the Albemarle
Type of Facility: NH
FID #: 953485
Acquisition by: EPC Trevi LLC
Business #: 3488
County: Edgecombe

Dear Ms. Steffen:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) determined that the project described above is exempt from certificate of need (CON) review in accordance with G.S. 131E-184(a)(8). Therefore, the above referenced business may proceed to acquire the health service facility identified above without first obtaining a CON and change the operator/licensee to WELL Trevi Albemarle SNF LLC. The Agency's determination is limited to the question of whether the above referenced business would have to obtain a CON if the current owners of the health service facility do in fact sell it to the business listed above. Note that pursuant to G.S. 131E-181(b): "A recipient of a certificate of need, or any person who may subsequently acquire, in any manner whatsoever permitted by law, the service for which that certificate of need was issued, is required to materially comply with the representations made in its application for that certificate of need."

If the business listed above does acquire the facility, you should contact the Agency's Nursing Home Licensure and Certification DHSR Section to obtain instructions for changing ownership of the existing facility.

It should be noted that this Agency's position is based solely on the facts represented by you and that any change in facts as represented would require further consideration by this Agency and a separate determination regarding whether a certificate of need would be required. If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,

[Handwritten signature of Gregory F. Yakaboski]

Gregory F. Yakaboski
Project Analyst

[Handwritten signature of Micheala Mitchell]

Micheala Mitchell
Chief

cc: Nursing Home Licensure and Certification Section, DHSR

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH SERVICE REGULATION
HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION

LOCATION: 809 Ruggles Drive, Edgerton Building, Raleigh, NC 27603
MAILING ADDRESS: 809 Ruggles Drive, 2704 Mail Service Center, Raleigh, NC 27699-2704
https://info.ncdhhs.gov/dhsr/ • TEL: 919-855-3873

**From:** [Steffen, Kathryn L.](#)  
**To:** [Yakaboski, Greg](#)  
**Cc:** [Marchica, Jo-Ann](#); [Blake, Stephen](#)  
**Subject:** [External] RE: The Fountains at Albemarle (License No. NH0352) - Notice of Change of Real Property Owner / CON Exemption Request  
**Date:** Tuesday, November 16, 2021 1:20:38 PM  
**Attachments:** [image001.gif](#)  
[image002.gif](#)

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Hi Greg,

It was nice to speak with you earlier today. Below please find the information we discussed for The Fountains at the Albemarle (FID 953485):

1. There will be no change to the facility name.
2. New Real Property Owner:
  - a. Name: EPC Trevi LLC
  - b. Address: 4500 Dorr Street, Toledo, OH 43615
  - c. Phone Number: 419-247-2800
  - d. Email Address: [licensure@welltower.com](mailto:licensure@welltower.com)
3. Current Operator/Licensee: Watermark Albemarle, LLC.
4. New Operator/Licensee:
  - a. Name: WELL Trevi Albemarle SNF LLC
  - b. Address: 4500 Dorr Street, Toledo, OH 43615
  - c. Phone Number: 419-247-2800
  - d. Email Address: [licensure@welltower.com](mailto:licensure@welltower.com)
5. Summary of Transaction:
  - a. On or about 12/1/2021:
    - i. New Real Property Owner will purchase the real property comprising the facility.
    - ii. New Real Property Owner will lease the facility to New Operator/Licensee.
    - iii. New Operator/Licensee will sublease the facility back to Current Operator/Licensee.
      - b. Current Operator/Licensee will continue to operate the facility under its current license until New Operator/Licensee receives its own license from DHHS.
      - c. When Current Operator/Licensee receives its license, the sublease with Current Operator/Licensee will terminate.

Please let me know if I can do anything else to facilitate your review. As discussed, it would be great to receive the exemption letter by Friday, 11/19.

Thank you!

Kate

**Kathryn L. Steffen**

**Associate**

*(She/Her/Hers)*

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**From:** Steffen, Kathryn L.

**Sent:** Wednesday, November 10, 2021 6:26 PM

**To:** greg.yakaboski@dhhs.nc.gov

**Cc:** Marchica, Jo-Ann <Jo-Ann.Marchica@arentfox.com>; Blake, Stephen <Stephen.Blake@arentfox.com>

**Subject:** FW: The Fountains at Albemarle (License No. NH0352) - Notice of Change of Real Property Owner / CON Exemption Request

Good afternoon, Greg,

I hope that you have been well! Last week, we sent the attached letter requesting an exemption from certificate of need review in connection with an upcoming transaction involving the nursing facility known as The Fountains at Albemarle (License No. NH0352). We understand that the facility is located in your jurisdiction, so we wanted to make sure you received a copy as well.

Would it be possible to send us a letter confirming that the transaction is exempt in the next few days?

Please let us know if you have any questions or if we can do anything to facilitate this request.

Thank you very much for your time and consideration,

Kate

**Kathryn L. Steffen**

**Associate**

*(She/Her/Hers)*

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**From:** Blake, Stephen <[Stephen.Blake@arentfox.com](mailto:Stephen.Blake@arentfox.com)>

**Sent:** Monday, November 8, 2021 2:47 PM

**To:** [michaela.mitchell@dhhs.nc.gov](mailto:michaela.mitchell@dhhs.nc.gov); Wertz, Becky <[becky.wertz@dhhs.nc.gov](mailto:becky.wertz@dhhs.nc.gov)>

**Cc:** Steffen, Kathryn L. <[Kathryn.Steffen@arentfox.com](mailto:Kathryn.Steffen@arentfox.com)>; Marchica, Jo-Ann <[Jo-Ann.Marchica@arentfox.com](mailto:Jo-Ann.Marchica@arentfox.com)>

**Subject:** RE: The Fountains at Albemarle (License No. NH0352) - Notice of Change of Real Property Owner / CON Exemption Request

Good afternoon Michaela and Becky,

I just wanted to reach out to confirm whether the attached notice was received. I would really appreciate it if you could please confirm receipt by replying to this email. And please let me know if you have any questions in connection with the attached notice. Thank you!

Best,

Stephen

**Stephen Blake**

**Associate**

*(He/Him/His)*

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1301 Avenue of the Americas, Floor 42  
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[stephen.blake@arentfox.com](mailto:stephen.blake@arentfox.com) | [www.arentfox.com](http://www.arentfox.com)

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**From:** Blake, Stephen

**Sent:** Monday, November 1, 2021 7:46 PM

**To:** [michaela.mitchell@dhhs.nc.gov](mailto:michaela.mitchell@dhhs.nc.gov); Wertz, Becky <[becky.wertz@dhhs.nc.gov](mailto:becky.wertz@dhhs.nc.gov)>

**Cc:** Steffen, Kathryn L. <[Kathryn.Steffen@arentfox.com](mailto:Kathryn.Steffen@arentfox.com)>; Marchica, Jo-Ann <[Jo-Ann.Marchica@arentfox.com](mailto:Jo-Ann.Marchica@arentfox.com)>

**Subject:** The Fountains at Albemarle (License No. NH0352) - Notice of Change of Real Property Owner / CON Exemption Request

Good evening Ms. Mitchell and Ms. Wertz,

Attached please find a letter notifying DHHS of an upcoming transaction involving the above-referenced nursing facility. A hard copy has been sent to your office via Federal Express.

If you have any questions, please let me know.

Thank you,

Stephen

**Stephen Blake**

**Associate**

*(He/Him/His)*

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November 1, 2021

**VIA FEDERAL EXPRESS**  
**VIA EMAIL** (MICHEALA.MITCHELL@DHHS.NC.GOV)

Micheala Mitchell  
Chief, Certificate of Need  
Division of Health Service Regulation  
Healthcare Planning and Certificate of Need Section  
Department of Health and Human Services  
809 Ruggles Drive  
Raleigh, NC 27603

**Kathryn L. Steffen**

Associate  
202.715.8480 DIRECT  
202.857.6395 FAX  
kathryn.steffen@arentfox.com

**Reference Number**  
**034745.00059**

**Re: REQUEST FOR CERTIFICATE OF NEED EXEMPTION – NURSING FACILITY SALE OF REAL PROPERTY AND CHANGE OF OWNERSHIP**

Current Licensee: Watermark Albemarle, LLC

Proposed Licensee: WELL Trevi Albemarle SNF LLC

License No.: NH0352

Dear Ms. Mitchell:

We are writing to request an exemption from Certificate of Need review pursuant to N.C.G.S.A. § 131E-184 in connection with an upcoming transaction related to the Nursing Facility known as The Fountains at the Albemarle, located at 200 Trade Street, Tarboro, NC 27886 (the “Facility”). At present, the licensed operator and tenant of the Facility is Watermark Albemarle, LLC (the “Current Licensee”), and the owner of the real property comprising the Facility is Watermark Albemarle Owner, LLC (the “Current Real Property Owner”). The Current Licensee contracts with Watermark Retirement Communities, LLC (“Watermark”), to manage the Facility.

It is contemplated that, on or about December 1, 2021, the Current Real Property Owner will sell the real property comprising the Facility to EPC Trevi LLC (the “New Real Property Owner”). The New Real Property Owner will then lease the Facility to WELL Trevi Albemarle SNF LLC (the “Proposed Licensee”), which will sublease the Facility back to the Current Licensee. The Proposed Licensee will submit a licensure application to the Department of Health and Human Services in the near future. The Current Licensee will continue to operate the Facility pursuant to the interim sublease with the Proposed Licensee until a Nursing Facility license is issued to the Proposed Licensee (the “CHOW Approval”), at which time the interim sublease between the Proposed Licensee and the Current Licensee will terminate.

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Watermark will continue to manage the Facility, and the parties do not anticipate any changes to day-to-day operations in connection with this transaction. From the closing date of the transaction until the CHOW Approval, Watermark will be engaged by the Current Licensee pursuant to an interim management agreement. When the interim sublease terminates upon receipt of the CHOW Approval, the interim management agreement will also terminate, and Watermark will manage the Facility pursuant to a management agreement with the Proposed Licensee.

If you have any questions or would like to discuss this transaction in greater detail, please do not hesitate to contact me.

We look forward to working with you throughout this process.

Sincerely,



Kathryn L. Steffen

cc: Becky Wertz  
Section Chief  
North Carolina Department of Health and Human Services  
Division of Health Service Regulation  
Nursing Home Licensure and Certification Section  
1205 Umstead Drive  
Raleigh, NC 27603  
becky.wertz@dhhs.nc.gov