



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

ROY COOPER • Governor
KODY H. KINSLEY • Secretary
MARK PAYNE • Director, Division of Health Service Regulation

VIA EMAIL ONLY

June 26, 2024

Francisco T. Morales
notices@stonevilleacceptance.com

Exempt from Review – Acquisition of Facility

Record #: See Attachment A
Date of Request: June 18, 2024
Facility Name: See Attachment A
Type of Facility: Adult Care Home
FID #: See Attachment A
Acquisition by: See Attachment A
Business #: See Attachment A
County: See Attachment A

Dear Mr. Morales:

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. 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 Adult Care Licensure 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,

Gregory F. Yakoboski, Project Analyst

Micheala Mitchell, Chief

cc: Adult Care Licensure 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

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

ATTACHMENT A

Record #	Facility	FID#	County	Acquisition By:	Business #
4470	The Berkeley	150436	Burke	FP Real Estate Investments, LLC	3833
4471	The Drake	170321	Cabarrus	FP Real Estate Investments, LLC	3833
4472	The Landings of Cabarrus	140292	Cabarrus	FP Real Estate Investments, LLC	3833
4473	The Landings of Mills River	140293	Henderson	FP Real Estate Investments, LLC	3833

June 17, 2024

Micheala Mitchell, Chief
Healthcare Planning and Certificate of Need Section
Division of Health Service Regulation
North Carolina Department of Health and Human Services
2704 Mail Service Center
Raleigh, NC 27699-2704

Re: **Exemption from Review / Non-Withdrawal of Certificate of Need**
Sale of Four (4) North Carolina Adult Care Homes
See Exhibit A for the facilities' addresses and license numbers

Dear Ms. Mitchell:

I trust this correspondence finds you well.

I am writing on behalf of the four (4) Adult Care Homes listed in the attached Exhibit A (collectively, the "Facilities"). Each of the Facilities is currently owned by a different North Carolina Limited Liability Company (collectively, the "Current Owners"), and operated by a different North Carolina Limited Liability Company (collectively, the "Current Operators"), as outlined on Exhibit A.

The Current Owners are engaged in a proposed transaction (the "Transaction") to sell the Facilities to FP Real Estate Investments, LLC, a Delaware limited liability company ("New Owner"), an affiliate of LTC Properties, Inc., a Maryland Corporation. The Facilities will continue to be operated by the Current Operators and there will not be a change of operators or licensees. The Transaction is projected to close on or before June 28, 2024.

The Facilities are licensed as Adult Care Homes and are subject to North Carolina Certificate of Need ("CON") law. The Facilities are listed in the "Inventory of Adult Care Home Beds" in the 2024 North Carolina State Medical Facilities Plan with the number of adult care home beds included in Exhibit A.

The North Carolina General Assembly saw fit to exempt certain types of services or proposals from CON review, pursuant to N.C. Gen. Stat. § 131E-184. One such exempt service or proposal includes the acquisition of an existing health service facility, "including equipment owned by the health service facility at the time of acquisition." N.C. Gen. Stat. § 131E-184(a)(8).

The Transaction involves the acquisition of four (4) operating Adult Care Homes by the New Owner, each of which is an existing health service facility. The Current Operators will continue to operate the Facilities as Adult Care Homes after the Transaction closes. Furthermore, the New Owner's acquisition of the Facilities does not entail the purchase of any major medical equipment or any *per se* reviewable equipment as defined in N.C. Gen. Stat. §§ 131E-176(14)(o) and (16)(f1). Likewise, the acquisition does not include the offering of any *per se* reviewable services. N.C. Gen. Stat. § 131E-176(16)(f). Therefore, given that the Transaction involves only

the acquisition of existing health services facilities, we believe the Transaction is exempt from CON review.

Based on the foregoing, and in accordance with the provisions of N.C. Gen. Stat. § 131E-184(a)(8) and N.C. Gen. Stat. § 131E-189(c), please allow this letter to serve as prior written notice to the Agency of the intent by New Owner to acquire the Facilities from Current Owners as outlined herein, and a formal request that the Agency conclude that the proposed transaction is exempt from CON review.

Should you need additional information in order to make a decision on this matter, please do not hesitate to contact me directly.

Sincerely,



Francisco T. Morales
notices@stonevilleacceptance.com
919-353-2059

*Counsel for the Current Owners
and Current Operators*

Exhibit A:
Current and Proposed New Ownership of the Facilities

EXHIBIT A

Current and Proposed New Ownership of the Facilities

	Facility Name	Facility Address:	County	Licensed Beds	License No.	Current Operator	Current Owner	New Owner
1	<i>Berkeley, The</i>	330 Juniper St Morganton, NC 28655	Burke	63 (24 SCU)	HAL-012-043	Morganton Opco Holdings, LLC	Burkeview, LLC	FP Real Estate Investments, LLC
2	<i>Drake, The</i>	1195 Drake Mill Ln SW Concord, NC 28025-8561	Cabarrus	66 (32 SCU)	HAL-013-049	Cabarrus Opco, LLC	Cabarrus Propco, LLC	
3	<i>Landings of Cabarrus, The</i>	4968 Milestone Ave Kannapolis, NC 28081	Cabarrus	67 (32 SCU)	HAL-013-046	Cabarrus AL Holdings, LLC	Cabarrusco, LLC	
4	<i>Landings of Mills River, The</i>	4143 Haywood Rd Mills River, NC 28759-9740	Henderson	65 (30 SCU)	HAL-045-127	Hendersonville AL Holdings, LLC	Hendersonco, LLC	

From: [Stoneville Acceptance Notices](#)
To: [Stancil, Tiffany C](#)
Cc: [Yakaboski, Greg](#); [Lightbourne, Ena](#); [Nikki Johnson](#)
Subject: [External] Exemption from Review - Sale of Four (4) Assisted Living Facilities
Date: Monday, June 17, 2024 5:10:51 PM
Attachments: [CON Letter 6.17.24 - Exemption from Review.pdf](#)

CAUTION: External email. Do not click links or open attachments unless verified. Report suspicious emails with the Report Message button located on your Outlook menu bar on the Home tab.

Good afternoon:

I hope this email finds you well!

Attached please find an Exemption from Review Request related to the sale of four (4) assisted living properties, as follows:

1. *The Drake*, HAL-013-049 (Cabarrus County)
2. *The Landings of Cabarrus*, HAL-013,046 (Cabarrus County)
3. *The Berkeley*, HAL-012-043 (Burke County)
4. *The Landings of Mills River*, HAL-045-127 (Henderson County)

The current owners, as indicated in [Exhibit A](#), are selling the properties to a new owner, FP Real Estate Investments, LLC, a wholly owned subsidiary of LTC Properties, Inc.

Please let me know if you need any additional information as you review this request.

Thanks so much as always for your helpful assistance!

Best,

Francisco

Francisco T. Morales
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