



North Carolina Department of Health and Human Services
Division of Health Service Regulation

Pat McCrory
Governor

Aldona Z. Wos, M.D.
Ambassador (Ret.)
Secretary DHHS

Drexdal Pratt
Division Director

January 29, 2015

Kenneth L. Burgess
P.O. Box 1801
Raleigh, NC 27602-1801

Exempt from Review – Acquisition of Facility

Facility: Beystone Health and Rehabilitation
Type of Facility: Nursing Facility
Acquisition by: Henderson-Beystone Healthcare Properties, LLC (acquiring the partial interest now held by Fletcher Academy, Inc.)
County: Henderson
FID #: 110870

Dear Mr. Burgess:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) determined that based on your letters of November 24, 2014, and December 18, 2014, the above referenced proposal is exempt from certificate of need review in accordance with G.S 131E-184(a)(8). Therefore, Henderson-Beystone Healthcare Properties, LLC may proceed to acquire the above referenced health service facility without first obtaining a certificate of need. However, you need to contact the Agency's Nursing Home Licensure and Certification Section to obtain instructions for changing ownership of the existing facility. 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.*"

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. If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,

Julie Halatek
Project Analyst

Martha J. Frisone
Assistant Chief, Certificate of Need

cc: Nursing Home Licensure and Certification Section, DHR
Assistant Chief, Healthcare Planning



Healthcare Planning and Certificate of Need Section

www.ncdhhs.gov

Telephone: 919-855-3873 • Fax: 919-733-8139

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





Poyner Spruill^{LLP}

November 24, 2014

Kenneth L. Burgess
Partner
D: 919-783-2917
F: 919-783-1075
kburgess@poynerspruill.com

VIA HAND-DELIVERY

Martha Frisone, Chief
Certificate of Need Section
N.C. Department of Health and Human Services
Division of Health Service Regulation
809 Ruggles Drive
Raleigh, North Carolina 27603

RE: *Notice of Exempt Acquisition of North Carolina Skilled Nursing Facility Pursuant to N.C. Gen. Stat. §§ 131E-184(a)(1) and (8)*

Dear Martha:

I am writing on behalf of this firm's client, Beystone Health and Rehabilitation Company ("Beystone") which was a co-applicant for a Certificate of Need ("CON") with Fletcher Academy, Inc. in 2011 to relocate and replace Beystone Health and Rehabilitation, a fifty (50) bed skilled nursing facility ("SNF") to a new site in Henderson County. That application was approved in April 2012. See Attachment 1 (Transmittal of CON). I am also writing on behalf of our client, Henderson-Beystone Healthcare Properties, LLC ("HBHP"), which is a related entity to Beystone, both companies being owned by the same parent corporation and, ultimately, by the same two owners.

At the time the CON application was filed by Beystone and Fletcher in October 2011, Beystone leased an existing facility from Fletcher with an option to purchase. The existing facility was located at 80 Brownsberger Circle, Fletcher, N.C. 28732. The parties jointly decided to apply for a CON to relocate and replace the facility to a new site in Henderson County identified as Henderson County PIN # 9631859030 (no street address had been assigned to the property when the CON application was filed). Subsequent to the approval of the CON application, the parties filed a Petition for Declaratory Ruling seeking a change in the site to a new location five to seven miles away. A Declaratory Ruling approving the site relocation was issued by the CON Section on July 26, 2012. See Attachment 2 (Declaratory Ruling).

Beystone and Fletcher were co-applicants on the CON application because Fletcher was essentially contributing the licensed beds to the new project and Beystone was arranging for and contributing the financing for the project and the development and management operations expertise. Pursuant to an agreement between Beystone and Fletcher, upon completion of the new project, Fletcher was to relinquish its ownership interest in the new facility in favor of Beystone, which would then become the sole owner and operator of the new facility. Pursuant to the purchase agreement between Beystone and Fletcher, that transfer could occur only when permitted by the CON Statute. Specifically, this transfer was scheduled to occur after licensure of the replacement facility since, at that time, the transfer would constitute the "transfer of an existing health service facility" which is exempt from CON review upon written notice of the transfer to the CON Section. See N.C. Gen. Stat. § 131E-184(a)(8).

The Beystone entity which was identified in the application and on the CON, as noted above, was Beystone Health and Rehabilitation Company. That entity is an operating company which typically does

Martha Frisone, Chief
November 24, 2014
Page 2

not hold real property. Beystone is owned entirely by Ardent Health and Rehabilitation Company ("Ardent"). Ardent is owned exclusively by the Christopher J. Springer Revocable Trust and the Michael Douglas DeLoach Revocable Trust.

Subsequent to issuance of the CON, Beystone, its parent Ardent and the owners of Ardent determined that they wished to place the real property and the facility itself ("the realty") in a real estate holding company, Henderson-Beystone Healthcare Properties, LLC, which is also wholly owned by Ardent. In furtherance thereof, our firm, on behalf of Beystone, HBHP, Ardent and Christopher Springer and Michael DeLoach, and with the permission of co-applicant Fletcher, wrote to Craig Smith, the then-Director of the CON Section, seeking confirmation that the transfer of the real property and the facility to HBHP was either a transfer for good cause within the meaning of the CON Statute or was otherwise not subject to review. See Attachment 3 (Transfer For Good Cause Determination Request). The CON Section responded, confirming that the proposed transfer of the real estate and facility to HBHP before development of the new facility was not subject to review under the CON Statute. See Exhibit 4 (CON Section No Review Determination).

Thereafter, Beystone, Fletcher and HBHP proceeded to develop the facility. The replacement facility is now completed and has been licensed by the Division of Health Service Regulation. Therefore, the new facility is now an existing health service facility pursuant to N.C. Gen. Stat. § 131E-176(9b). Pursuant to the parties' earlier purchase agreement, Fletcher will soon relinquish its partial interest in the replacement facility to Beystone and HBHP, resulting in the facility being owned in its entirety by Beystone and HBHP.

I am writing on behalf of our clients, Beystone and HBHP, pursuant to N.C. Gen. Stat. §§ 131E-184(a)(1) and (8), to provide notice to the N.C. Department of Health and Human Services, Division of Health Service Regulation, Certificate of Need Section ("the Agency") of our clients' intent to acquire, in its entirety, the skilled nursing facility which will be known as Beystone Health and Rehabilitation, located at 5593 Old Haywood Road, Mills River, North Carolina 28759. This acquisition will be consistent with the original purchase agreement between Beystone and Fletcher, described above.

N.C. Gen. Stat. § 131E-176(16)(l) provides that the purchase, lease, or acquisition of any health service facility, or portion thereof, which was developed pursuant to a certificate of need qualifies as a "new institutional health service." N.C. Gen. Stat. § 131E-178(b) provides that "[n]o person shall make an acquisition by donation, lease, transfer or comparable arrangement without first obtaining a certificate of need from the Department, if the acquisition would have been a new institutional health service if it had been made by purchase." N.C. Gen. Stat. §§ 131E-184(a)(1) and (8) provide that the acquisition of an existing health service facility, including equipment owned by the health service facility at the time of acquisition, is exempt from CON review upon prior written notice to the Agency of the proposed acquisition.

The acquisition of the Facility I have described herein will not involve the development of any new health service facility or otherwise qualify as a "new institutional health service" which would be subject to Agency review under applicable Certificate of Need statutes or regulations. Rather, the transaction I have described herein qualifies as an "exempt transaction" within the meaning of N.C. Gen. Stat. § 131E-184(a)(8). This correspondence is intended to serve as the prior written notice to the Agency required by N.C. Gen. Stat. §§ 131E-184(a)(1) and (8).

Martha Frisone, Chief
November 24, 2014
Page 3

Please provide me with written confirmation that this transaction is exempt from CON review pursuant to N.C. Gen. Stat. §§ 131E-184(a)(1) and (8). We would be very appreciative if this reply could be expedited since the parties would like to finalize this transaction.

I appreciate your attention to this matter. Please let me know if there are any questions regarding this notice or if the Agency needs further information.

Sincerely,



Kenneth L. Burgess
Partner

cc: Chris Sprenger
Michael DeLoach



North Carolina Department of Health and Human Services
Division of Health Service Regulation
Certificate of Need Section

2704 Mail Service Center • Raleigh, North Carolina 27699-2704
<http://www.ncdhhs.gov/dhsr/>

Drexdal Pratt, Director

Beverly Eaves Perdue, Governor
Albert A. Delia, Acting Secretary

Craig R. Smith, Section Chief
Phone: (919) 855-3873
Fax: (919) 733-8139

April 5, 2012

Don Poole, Principal
Dixon Hughes Goodman, LLP
2501 Blue Ridge Road, Suite 500
Raleigh, NC 27607

RE: Transmittal of CON/ Project I.D. #B-8759-11/ Beystone Health and Rehabilitation Co. AND
Fletcher Academy, Inc./ Relocate and replace existing 50 bed nursing facility/ Henderson
County
FID #110870

Dear Mr. Poole:

We are happy to transmit your certificate of need for the above referenced project. At this time, you should contact the Construction Section and the Licensure and Certification Section, regarding their procedures and requirements for the development of this project. The Certificate of Need Section will notify the other Sections that the certificate of need has been issued. However, please note that it is the responsibility of the holder of the certificate of need to contact these Sections concerning the next steps to follow in the development of the approved project.

Please be aware that pursuant to General Statute 131E-181(b), you are required to materially comply with the representations made in your application for a certificate of need, or with any conditions the department placed on the certificate of need. If you operate a service which materially differs from the representations made in your application for a certificate of need, or with any conditions the department placed on the certificate of need, including any increase in per diem reimbursement rates/charges, the department may bring remedial action against the holder of the certificate of need pursuant to General Statutes 131E-189 and 131E-190.

The holder of a certificate of need is obligated to submit progress reports to this Agency as required by 10A NCAC 14C .0209. The applicant shall notify the Agency of any variations from the schedule or the projected capital cost of the project. During the development of the project, the Agency may request any additional information pertinent to the project, including additional progress reports, to determine: 1) if the timetable specified on the certificate is being met; 2) if the amount of the capital expenditure obligated under the certificate has exceeded or can be expected to exceed the maximum amount under the certificate; 3) if the terms and conditions of the approval are being met; and 4) if the project is progressing as proposed in the application.



Don Poole
April 5, 2012
Page 2

The first progress report on this project is due August 1, 2012. Forms for the submittal of these reports are enclosed. Failure to submit any scheduled or requested progress report in a timely manner may result in the agency withdrawing the certificate pursuant to G.S.131E-189 (a). If after reviewing the status of the project, the Certificate of Need Section determines that the holder of the certificate is not meeting the timetable and is not making a good faith effort to meet it, the Agency may withdraw the certificate in accordance with G.S. 131E-189.

Moreover, please be advised that this Agency may assess a civil penalty not to exceed \$20,000 against any person who violates the terms of a certificate of need which has been issued each time the service provided is in violation of this provision (G.S. 131E-190(f)). If for some reason, the holder of a certificate of need determines it necessary to request an increase in a per diem charge or reimbursement rate over that which was stated in the application for the certificate of need, then the holder must first contact the Certificate of Need Section to obtain proper instructions for initiating such a request. The request for the increase will be considered by the department pursuant to G.S. 131E-181(b).

Please keep us informed of the progress in the development of this project. Please refer to the Project I.D.# and Facility I.D.# (FID) in all correspondence.

Sincerely,



Bernetta Thorne-Williams, Project Analyst
Certificate of Need Section



Craig R. Smith, Chief
Certificate of Need Section

BTW:CRS:vlw

Enclosures

cc: Construction Section, DHSR
Medical Facilities Planning Section, DHSR
Nursing Home Licensure and Certification Section, DHSR

STATE OF NORTH CAROLINA

Department of Health and Human Services
Division of Health Service Regulation

CERTIFICATE OF NEED

for

Project Identification Number #B-8759-11

FID #110870

ISSUED TO: **Beystone Health and Rehabilitation Co. and Fletcher Academy, Inc.**
229 Airport Road, Suite 7-104 Arden, NC 28704-6402
185 Fletcher Academy Drive Fletcher, NC 28732

Pursuant to N.C. Gen. Stat. § 131E-175, et. seq., the North Carolina Department of Health and Human Services hereby authorizes the person or persons named above (the "certificate holder") to develop the certificate of need project identified above. The certificate holder shall develop the project in a manner consistent with the representations in the project application and with the conditions contained herein and shall make good faith efforts to meet the timetable contained herein. The certificate holder shall not exceed the maximum capital expenditure amount specified herein during the development of this project, except as provided by N.C. Gen. Stat. § 131E-176(16)e. The certificate holder shall not transfer or assign this certificate to any other person except as provided in N.C. Gen. Stat. § 131E-189(c). This certificate is valid only for the scope, physical location, and person(s) described herein. The Department may withdraw this certificate pursuant to N.C. Gen. Stat. § 131E-189 for any of the reasons provided in that law.

SCOPE: Beystone Health and Rehabilitation Co. AND Fletcher Academy, Inc. shall construct a replacement 50-bed nursing facility and relocate the facility from Fletcher to Mills River/ Henderson County.

CONDITIONS: See Reverse Side

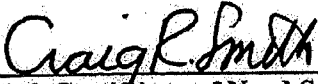
PHYSICAL LOCATION: Beystone Health and Rehabilitation
Haywood Road (Parcel I.D. #9631859030)
Mills River, NC 28759

MAXIMUM CAPITAL EXPENDITURE: \$6,817,388

TIMETABLE: See Reverse Side

FIRST PROGRESS REPORT DUE: August 1, 2012

This certificate is effective as of the 2nd day of April, 2012.



Chief, Certificate of Need Section
Division of Health Service Regulation

CONDITIONS:

1. Beystone Health and Rehabilitation Co and Fletcher Academy, Inc shall materially comply with all representations made in its certificate of need application.
2. Beystone Health and Rehabilitation Co and Fletcher Academy, Inc shall construct a replacement nursing facility with a total licensed bed complement of no more than 50 beds upon completion of the project.
3. Beystone Health and Rehabilitation Co and Fletcher Academy, Inc shall provide documentation that the 50 beds at the existing Beystone Health and Rehabilitation Co are delicensed following completion of the proposed replacement nursing facility.
4. Beystone Health and Rehabilitation Co and Fletcher Academy, Inc shall submit all patient charges and actual per diem reimbursement for each source of patient payment to the Certificate of Need at year end for each of the first two operating years following licensure of the beds in the new facility.
5. For the first two full federal fiscal years of operation following completion of the project, actual private pay charges shall not be increased more than 5% of the projected private pay charges provided in Section X of the application without first obtaining a determination from the Certificate of Need Section that the proposed increase is in material compliance with the representations made in the certificate of need application.
6. Beystone Health and Rehabilitation Co and Fletcher Academy, Inc shall receive Medicaid per diem rates allowed by the Division of Medical Assistance, under the NC State Plan Section .0102.
7. Beystone Health and Rehabilitation Co and Fletcher Academy, Inc shall acknowledge acceptance of and agree to comply with all conditions stated herein to the Certificate of Need Section, in writing prior to issuance of the certificate of need.

A letter acknowledging acceptance of and agreeing to comply with all conditions stated in the conditional approval letter was received by the Certificate of Need Section on March 23, 2012.

TIMETABLE:

Approval of Final Drawings	
by Construction, DHR	October 1, 2012
25% Completion of Construction	March 1, 2013
75% Completion of Construction	July 15, 2013
Completion of Construction	September 1, 2013
Licensure of Facility	October 1, 2013
Medicare/ Medicaid Certification of Facility	October 1, 2013

**CERTIFICATE OF NEED
PROGRESS REPORT FORM**

County: _____
 Facility: _____
 Project I.D. #: _____
 Project Description: _____

Date of Progress Report: _____
 Facility I.D. #: _____
 Effective Date of Certificate: _____

A. Status of the Project

- (a) Describe in detail the current status of the project. If the project is not going to be developed exactly as proposed in the certificate of need application, describe all differences between the project as proposed in the application and the project as currently proposed. Such changes include, but are not limited to, changes in the: 1) design of the facility; 2) number or type of beds to be developed; 3) medical equipment to be acquired; 4) proposed charges; and 5) capital cost of the project. (See the Capital Cost Section of this form for additional questions regarding changes in the total capital cost of the project).
- (b) Pursuant to G.S. 131E-181(d), the CON Section cannot determine that a project is complete until "the health service or the health service facility for which the certificate of need was issued is licensed and certified and in material compliance with the representations made in the certificate of need application." To document that new or replacement facilities, new or additional beds, new or replacement equipment or new services have been licensed and certified, provide copies of correspondence from the appropriate section within the Division of Health Service Regulation and the Centers for Medicare and Medicaid Services (CMS).

B. Timetable

1. Complete the following table. The first column must include the timetable dates found on the certificate of need. If the CON Section has authorized an extension of the timetable in writing, you may substitute the dates from that letter.

PROJECT MILESTONES	Projected Completion Date from certificate	Actual completion date	Proposed completion date
	Month/day/year	Month/day/year	Month/day/year
Obtained Funds for the Project			
Final Drawings and Specifications Sent to DHSR			
Acquisition of land/facility			
Construction Contract Executed			
25% completion of construction			
50% completion of construction			
75% completion of construction			
Completion of construction			
Ordering of medical equipment			
Operation of medical equipment			
Occupancy/offering of services			
Licensure			
Certification			

2. If the project is experiencing significant delays in development:
- a. explain the reasons for the delay; and
 - b. provide a revised timetable for the CON Section to consider.

- C. Medical Equipment Projects** – If the project involves the acquisition of any of the following equipment: 1) major medical equipment as defined in NCGS §131E-176(14f); 2) the specific equipment listed in NCGS §131-176(16); 3) equipment that creates an oncology treatment center as defined in NCGS §131-176(18a); or 4) equipment that creates a diagnostic center as defined in NCGS §131E-176(7a), provide the following information for each piece or unit of equipment: 1) manufacturer; 2) model; 3) serial number; and 4) date acquired.

D. Capital Expenditure

1. Complete the following table.

- a. Include all capital costs that have been paid to date as well as those that the applicant(s) are legally obligated to pay.
- b. If you have not already done so, provide copies of the executed construction contracts, including the one for architect and engineering services, and all final purchase orders for medical equipment costing more than \$10,000/unit.
- c. If the project involves renovation or construction, provide copies of the Contractors Application for Payment [AIA G702] with Schedule of Values [AIA G703].

	Capital Expense Since Last Report	Total Cumulative Capital Expenditure
Site Costs		
Purchase price of land	_____	_____
Closing costs	_____	_____
Legal Fees	_____	_____
Site preparation costs	_____	_____
Landscaping	_____	_____
Other site costs (identify)	_____	_____
Subtotal Site Costs	_____	_____
Construction Costs		
Construction Contract	_____	_____
Miscellaneous Costs		
Moveable Equipment	_____	_____
Fixed Equipment	_____	_____
Furniture	_____	_____
Consultant Fees	_____	_____
Financing Costs	_____	_____
Interest during Construction	_____	_____
Other Misc. Costs (identify)	_____	_____
Subtotal Misc. Costs	_____	_____
Total Capital Cost of the Project	_____	_____

2. What do you project to be the remaining capital expenditure required to complete the project? _____

3. Will the total actual capital cost of the project exceed 115% of the approved capital expenditure on the certificate of need? If yes, explain the reasons for the difference.

E. CERTIFICATION – The undersigned hereby certifies that the responses to the questions in this progress report and the attached documents are correct to the best of his or her knowledge and belief.

Signature of Officer: _____
 Name and Title of Responsible Officer _____
 Telephone Number of Responsible Officer _____



North Carolina Department of Health and Human Services
Division of Health Service Regulation
Office of the Director

2701 Mail Service Center • Raleigh, North Carolina 27699-2701
<http://www.ncdhhs.gov/dhsr>

Beverly Eaves Perdue, Governor
Albert A. Delia, Acting Secretary

Drexdal Pratt, Director
Phone: 919-855-3750
Fax: 919-733-2757

July 26, 2012

CERTIFIED MAIL

Kenneth L. Burgess, Esq.
POYNER SPRUILL LLP
301 Fayetteville Street, Suite 1900
Raleigh, NC 27601

RE: Declaratory Ruling for Beystone Health and Rehabilitation Company and
Fletcher Academy, Inc.

Dear Mr. Burgess:

I have reviewed your written request for a declaratory ruling received in my office on July 13, 2012. Pursuant to N.C. General Statute 150B-4 (a1), I hereby grant the request and will issue a written ruling on the merits within 45 days of this letter.

Sincerely,

A handwritten signature in cursive script, appearing to read "Drexdal Pratt".

Drexdal Pratt

DP:PC:peb

cc: Dr. Patsy Christian, Assistant Director, Healthcare Quality and Safety, DHSR
Craig Smith, Chief, Certificate of Need Section
Azzie Conley, Chief, Acute & Home Care Licensure and Certification Section
Nadine Pfeiffer, Branch Manager, Medical Facilities Planning Section
Steven Lewis, Chief, Construction Section
Marc Lodge, Special Deputy Attorney General, DOJ



CERTIFICATE OF SERVICE

I certify that a copy of the foregoing decision has been served upon the non-agency party by certified mail, return receipt requested, by depositing the copy in an official depository of the United States Postal Service in a first-class, postage pre-paid envelope addressed as follows:

CERTIFIED MAIL

Kenneth L. Burgess
POYNER SPRUILL LLP
301 Fayetteville Street, Suite 1900
Raleigh, NC 27601

This the 26th day of July, 2012.

Patricia Bryant

Dr. Patsy Christian, Assistant Director
Healthcare Quality and Safety

ATTACHMENT 3

Poyner Spruill^{LLP}

April 11, 2013

Kenneth L. Burgess
Partner
D: 919.783.2917
F: 919.783.1075
kburgess@poynerspruill.com

VIA HAND DELIVERY

Craig R. Smith
Chief
Certificate of Need Section
N.C. Division of Health Service Regulation
N.C. Department of Health and Human Services
809 Ruggles Drive
Raleigh, N.C. 27603

RE: Request for Transfer of CON for Good Cause Determination: Beystone Health and Rehabilitation Company and Fletcher Academy, Inc.

Dear Craig:

We are writing on behalf of our client, Beystone Health and Rehabilitation Company ("Beystone") and also on behalf of Fletcher Academy, Inc. ("Fletcher") which was a co-applicant for a Certificate of Need ("CON") with Beystone in 2011 to relocate and replace fifty (50) skilled nursing facility ("SNF") beds to a new site in Henderson County. That application was approved in April 2012. See Attachment 1 (Transmittal of CON). The purpose of this correspondence is to request a "transfer for good cause" determination regarding that CON within the meaning of N.C. Gen. Stat. § 131E-189 and 10A NCAC 14C .0502(a) and (b) or a determination that the proposal described herein does not constitute transfer of a CON within the meaning of N.C. Gen. Stat. § 131E-189. Fletcher has consented to the filing of this request by counsel for Beystone and a copy is being provided to counsel for Fletcher.

At the time the CON application was filed by Beystone and Fletcher in October 2011, Beystone leased an existing facility from Fletcher with an option to purchase, which was located at 80 Brownsberger Circle, Fletcher, N.C. 28732. The parties jointly decided to apply for a CON to relocate and replace the facility to a site in Henderson County identified as Henderson County PIN # 9631859030 (no street address had been assigned to the property when the CON application was filed). Subsequent to the approval of the CON application, the parties filed a Petition for Declaratory Ruling seeking a change in the site to a new location five to seven miles away. A Declaratory Ruling approving the site relocation was issued by the CON Section on July 26, 2012. See Attachment 1 (Declaratory Ruling).

Beystone and Fletcher were co-applicants on the CON application because Fletcher was essentially contributing the licensed beds to the new project and Beystone was arranging for and contributing the financing for the project and the development and management operations expertise. Pursuant to an agreement between Beystone and Fletcher, upon completion of the new project, Fletcher will relinquish its ownership interest in the new facility in favor of Beystone, which will then be sole owner and operator of the new facility. That transfer will occur only when permitted by the CON Statute and will constitute the "transfer of an existing health service facility" which is exempt from CON review upon written notice of the transfer to the CON Section, which will be provided at that time. See N.C. Gen. Stat. § 131E-184(a)(8).

The Beystone entity which was identified in the application and on the CON, as noted above, was Beystone Health and Rehabilitation Company. That entity is an operating company which typically does

Craig R. Smith
April 11, 2013
Page 2

not hold real property.¹ Beystone is owned entirely by Ardent Health and Rehabilitation Company ("Ardent"). Ardent is owned exclusively by the Christopher J. Springer Revocable Trust and the Michael Douglas DeLoach Revocable Trust.


Beystone, its parent Ardent and the owners of Ardent would like to place the real property and the facility itself ("the realty") in a real estate holding company, Henderson-Beystone Healthcare Properties, LLC, which will also be wholly owned by Ardent. Christopher Springer and Michael DeLoach will each maintain their current ownership interests in Ardent, which will wholly own Henderson-Beystone Healthcare Properties, LLC. No other changes in the corporate structure are being proposed as part of this rearrangement and this request. Fletcher will also maintain the role which was described for it in the CON application and for which it was approved. The revised structure being proposed in this request is consistent with standard practice in the industry of housing facility operations in one entity and real estate holdings in a related entity. The proposal described herein will have no impact on the scope of services, cost, timing or any other aspect of the project as approved by the CON Section and is entirely a corporate structural modification.

N.C. Gen. Stat. § 131E-189 and 10A NCAC 14C .0502, taken together, generally prohibit the transfer of a CON prior to completion of the project at issue, unless the CON Section determines that the transfer is for "good cause." Those authorities also provide certain examples of "good cause transfers." Additionally, 10A NCAC 14C .0502 (b)(1) specifically provides that "ownership of a certificate of need is not transferred when . . . the holder of the certificate is a corporation and the identity of the holder changes because of a corporate reorganization." The proposal described herein is essentially a corporate reorganization in the sense that certain assets described as belonging to Beystone in the CON application will be relocated to a related real estate holding company created to hold the realty, which is also owned by the same parent entity, Ardent, as Beystone.

We are writing to request a determination by the CON Section that placing the realty which is part of this project in the Henderson-Beystone Healthcare Properties, LLC entity either constitutes a transfer for good cause within the meaning of N.C. Gen. Stat. § 131E-189, or is not a "transfer" of the CON pursuant to 10A NCAC 14C .0502 (b)(1). Further, we are requesting a determination that the CON Section would not, as a result of the arrangement described herein, initiate proceedings to withdraw the CON which was issued to Beystone and Fletcher.

Please let me know if you need additional information concerning this request. We appreciate your attention to this matter.

Very truly yours,


Kenneth L. Burgess
Partner

¹ The existing facility in Fletcher, N.C. is operated by Beystone Health and Rehabilitation Company and the land and facility are owned by Fletcher. Thus, Beystone owns no realty in connection with its operation of the current facility.

Poyner Spruill^{LLP}

Craig R. Smith
April 11, 2013
Page 3

cc: Michael Ovsievsky, Esq.



North Carolina Department of Health and Human Services
Division of Health Service Regulation

Pat McCrory
Governor

Aldona Z. Wos, M.D.
Ambassador (Ret.)
Secretary DHHS

Drexdal Pratt
Division Director

April 30, 2013

Kenneth L. Burgess
301 Fayetteville St, Ste 1900
Raleigh, NC 27601

No Review

Facility/Business: Beystone Health and Rehabilitation Company & Fletcher Academy, Inc.
Project Description: Place the real property and facility under development into a new real estate holding company
County: Henderson
FID #: 110870

Dear Mr. Burgess:

The Certificate of Need Section (CON Section) received your letter of April 10, 2013 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 or a transfer for good cause of the existing 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.

It should be noted that this determination is binding only for the facts represented by you. 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 or whether a transfer for good cause is required would need to be made by the Certificate of Need Section.

Please contact the CON Section if you have any questions. Also, in all future correspondence you should reference the Facility I.D. # (FID) if the facility is licensed.

Sincerely,

Julie Halatek
Project Analyst

Craig R. Smith, Chief
Certificate of Need Section

Certificate of Need Section

www.ncdhhs.gov

Telephone: 919-855-3873 • Fax: 919-733-8139

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





North Carolina Department of Health and Human Services
Division of Health Service Regulation

Pat McCrory
Governor

Aldona Z. Wos, M.D.
Ambassador (Ret.)
Secretary DHHS

Drexdal Pratt
Division Director

December 12, 2014

Kenneth L. Burgess
PO Box 1801
Raleigh, NC 27602-1801

RE: Information Required for Exempt from Review Determination / Beystone Health and Rehabilitation / Henderson County
FID #: 110870

Dear Mr. Burgess:

The Certificate of Need (CON) Section has received your request for a determination as to whether the above mentioned project is exempted from requiring a certificate of need. In order for the CON Section to make such a determination, please submit the following information to this office:

1. Clarification on the company or companies that will be acquiring the facility. The letter is unclear as to which company or companies are acquiring Fletcher Academy, Inc.'s share of the facility.
2. Attachment Two is incomplete – it contains the letter from DHSR granting the declaratory ruling request but not the actual declaratory ruling. Please provide the actual declaratory ruling.

Your prompt response will assist the CON Section in making a timely review of your request. If you have any questions regarding this matter, please feel free to contact this office.

Sincerely,

A handwritten signature in black ink that reads "Julie Halatek".

Julie Halatek, Project Analyst
Certificate of Need Section



Certificate of Need Section

www.ncdhhs.gov

Telephone: 919-855-3873 • Fax: 919-733-8139

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



Received by
the CON Section
DEC 19 2014

Poyner Spruill^{LLP}

December 18, 2014

Kenneth L. Burgess
Partner
D: 919.783.2917
F: 919.783.1075
kburgess@poynerspruill.com

VIA U.S. MAIL

Julie Halatek
Project Analyst
Certificate of Need Section
2704 Mail Service Center
Raleigh, N.C. 27699-2704

RE: Information Required for Exempt From Review Determination/Beystone Health and
Rehabilitation/Henderson County


Dear Julie:

I am writing in response to your December 12, 2014 correspondence related to the above-referenced matter, and am enclosing a copy of your letter for your convenience. Regarding the two specific items for which you requested clarification or additional documentation, here are the responses:

1. The entity which will be acquiring the physical plant (bricks and mortar) which constitute the skilled nursing facility, including the interest formerly owned by Fletcher Academy, is Henderson-Beystone Healthcare Properties, LLC. The other related entity which I referenced in my original November 24, 2014 letter, Beystone Health and Rehabilitation Company, will be the operator. I apologize if, in trying to provide you with the entire history of this project, I inadvertently caused confusion.
2. I am enclosing a copy of the July 13, 2014 Petition for Declaratory Ruling which you requested.

Hopefully, this information will be sufficient for you to provide us the requested confirmation. However, if you need anything further, please just let me know.

Very truly yours,


Kenneth L. Burgess
Partner

Enclosures



North Carolina Department of Health and Human Services
Division of Health Service Regulation

Pat McCrory
Governor

Aldona Z. Wos, M.D.
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Julie Halatek, Project Analyst
Certificate of Need Section



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**BEFORE THE NORTH CAROLINA DEPARTMENT
OF HEALTH AND HUMAN SERVICES**

DIVISION OF HEALTH SERVICE REGULATION

**IN RE REQUEST FOR DECLARATORY)
RULING BY BEYSTONE HEALTH AND)
REHABILITATION COMPANY AND)
FLETCHER ACADEMY, INC.)
CONCERNING THE DEVELOPMENT)
AND OPERATION OF A 50-BED)
REPLACEMENT SKILLED NURSING)
FACILITY IN MILLS RIVER, N.C.)**

**PETITION
FOR DECLARATORY RULING**

RECEIVED
DHSR

JUL 13 2012

NC MEDICAL
CARE COMMISSION

INTRODUCTION

Beystone Health and Rehabilitation Company, (“Beystone”) and Fletcher Academy, Inc. (“Fletcher”) (collectively “Petitioners”), through the undersigned counsel¹, submit this Petition for a Declaratory Ruling to the Director of the Division of Health Service Regulation, who serves as the designee of the Secretary of the Department of Health and Human Services for the purpose of reviewing declaratory ruling petitions relating to the Certificate of Need Law. This Petition is submitted pursuant to N.C. Gen. Stat. § 150B-4, and 10A N.C. Admin Code 14A .0103. Petitioners are requesting a Declaratory Ruling which confirms that a change in the site of a 50-bed replacement skilled nursing facility in Henderson County for which Petitioners have received a certificate of need, attached hereto as Exhibit A, will not violate the Certificate of Need Law or the Certificate of Need Section’s Administrative Rules, codified in 10A N.C. Admin. Code 14C.

Petitioners applied for and received a certificate of need to relocate fifty (50) skilled nursing facility beds from their current location at 80 Brownsberger Circle in Fletcher, North

¹ Counsel for Petitioner Beystone has prepared and submitted this Petition for Declaratory Ruling on behalf of both Petitioner Beystone and Petitioner Fletcher with the consent of counsel for Petitioner Fletcher.

Carolina, Henderson County to a new facility consisting of fifty (50) beds to be constructed and operated at Haywood Road (Parcel I.D. No. 963159030)², Mills River, N.C. (“the New Facility”) (Project I.D. No. B-8759-11). As described in more detail in this Petition, a new site that is superior to the site approved in the application has been identified. Therefore, Petitioners propose to develop and operate the New Facility at the new site.

The facts and analysis presented below show that changing the site for the development and operation of the New Facility is not subject to certificate of need review as a “new institutional health service” under any segment of the definition of that term in N.C. Gen. Stat. § 131E-176(16); and also will not entail a material change in the implementation of the project, such that the certificate of need for this Project should be withdrawn. Accordingly, Petitioners request that the Director issue a ruling which confirms that Petitioners may develop and operate the New Facility at the new site which is located at Old Haywood Road and Highway 191 North (Parcel I.D. No. 9632580936) in Mills River, North Carolina 28759 (Henderson County) (“the Proposed New Site”). See Exhibits B and C, Maps Showing New Site Location. Furthermore, because Petitioners would like to implement their certificate of need as soon as possible, Petitioners would appreciate an expedited consideration of this declaratory ruling petition. A proposed form of Declaratory Ruling will accompany this Petition.

GENERAL INFORMATION

To comply with 10A N.C. Admin Code 14A .0103, Petitioners provide the following general information:

1. Petitioners are Beystone Health and Rehabilitation Company, located at 229 Airport Road, Suite 7-104, Arden, N.C. 28704-6402; and Fletcher Academy, Inc. located at 185

² Please note that the CON was issued with a Parcel I.D. No. of 9631859030 which is incorrect. The correct Parcel I.D. No. for the requested site is actually 9632580936.

Fletcher Academy Drive, Fletcher, N.C. 28732. Petitioner Fletcher owns the physical plant in which Beystone Health and Rehabilitation, a skilled nursing facility, has been operated for the past seven years. Petitioner Beystone has operated the Beystone Health and Rehabilitation facility for the past seven years at the premises owned by Petitioner Fletcher.

2. The pertinent statutory provisions are: N.C. Gen. Stat. § 131E-176(16), N.C. Gen. Stat. § 131E-181(a), as well as N.C. Gen. Stat. § 131E-189(b).

3. Petitioners would be aggrieved by the application of any of the cited statutory provisions to preclude its plans to change the site for the New Facility because that might delay its development and operation.

4. Failure to issue a Declaratory Ruling as requested by Petitioners will result in delays in the operation of the New Facility and interfere with Petitioners' ability to offer the replacement facility which they were approved to develop to better serve the residents of Henderson County.

FACTUAL BACKGROUND

In its application, Petitioners identified a site for the new facility which was located on Haywood Road, Parcel I.D. No. 9631859030³ in Henderson County. After receiving the certificate of need to build the New Facility, Petitioners determined that the Proposed New Site (five to seven miles from the original site) was available and was a preferred site. The Proposed New Site is less expensive than the original site. In the CON Application, Petitioners budgeted a total of \$1,032,000 for the original site, consisting of only eight (8) acres. The total cost of the Proposed New Site is only \$600,000 for a plot of ten (10) acres, a substantial savings. See

³ Please note that the CON was issued with a Parcel I.D. No. of 9631859030 which is incorrect. The correct Parcel I.D. No. for the requested site is actually 9632580936.

Exhibit C reflecting the listed sales price of the property. Petitioners have negotiated a final sales price of \$600,000 for a ten-acre parcel. Petitioners' engineer has estimated that minimal site preparation is required for the Proposed New Site, costing only \$50,000 or less. Site preparation costs for the approved site were estimated at \$480,000.

The Proposed New Site is also closer to the northwest portion of Henderson County, an area of the county with less access to existing skilled nursing facility services. The originally-approved site was located closer to an existing skilled nursing facility in the county, Universal of Fletcher. The new site is a few miles from the existing site and a few miles further from the Fletcher location of the Universal facility.

The proposed new site is in an area which is properly zoned for a free-standing skilled nursing facility. *See* Exhibit D, a letter from the Mills River Zoning Enforcement Officer, confirming that the property is located in the Mills River Mixed Used District and that a free-standing skilled nursing facility is permitted therein. Petitioners will need to follow standard permitting requirements and have already requested that their permit application be heard at the next meeting of the Mills River zoning authorities. As such, use of the Proposed New Site, as opposed to the site approved in Petitioners' CON Application, will not delay development or operation of the New Facility.

Petitioners have determined that the Proposed New Site is available and suitable in all respects for the development of the New Facility as originally configured and designed. No redesign of the facility as proposed will be required because of the Proposed New Site and there will be no changes to the programmatic aspects of the facility or to facility costs and charges. Exhibit C contains information showing that power and municipal water services are available at the new site. Sewer services are not currently on site but Petitioners can tie in to an existing

private sewer which is nearby. Petitioners have contacted the engineer who designed that private sewer system who has confirmed that it has ample capacity for the new facility. See Exhibit E, letter from A & D Water Service, Inc. confirming availability of water services from private sewer service. Estimated costs for this tie-in are \$100,000 and the property seller reduced the original asking price for the property, in part, to take into account that cost. Even with this additional cost, development and operation of the facility at this new site will not increase capital costs beyond those projected in Petitioners' CON application or included in the approved CON, but instead will result in reduced capital costs, and will not present any additional operational problems or difficulties in completing the project.

The new site also is located approximately the same distance to most support services in the community as were the sites identified in the application:

	<u>Original Site</u>	<u>Proposed New Site</u>
• Hospital	6.5 miles	4 miles
• Ambulance/Rescue	1.2 miles	5 miles
• Fire Department	6.5 miles	5 miles
• Physicians' Offices	2.8 miles	5 miles
• Pharmacy	2 miles	5 miles
• Public Transportation	N/A ⁴	5 miles

Petitioners will offer the same services at the new site as were proposed in the application, and will operate the same number of skilled nursing facility beds proposed in the application. Therefore, the facility can be developed and operated at the new site in substantial material compliance with all facets of Petitioners' certificate of need application and approval.

⁴ As reflected in the CON Application, public transportation services were not readily-available to the original site.

The only change in the project will be its location, and the Proposed New Site does not constitute a material change from the site which was proposed in the application. The facility will be located in the same municipal area, close to the site originally proposed in the application and in close proximity to the residents whom Petitioners proposed to serve.

DISCUSSION OF PERTINENT AUTHORITY

Based on the foregoing facts, Petitioners respectfully submit that the development and operation of the New Facility at the New Site within Henderson County will not constitute a material change in the project as approved. Petitioners will operate the same sized facility as proposed in their application with the same number of beds, and will offer exactly the same services as those which were described in the application. Thus, development of the New Facility at the Proposed New Site will not entail any material change in the development or operation of the facility from what was originally proposed in the application, in violation of N.C. Gen. Stat. § 131E-181 (a); and does not implicate any issues that would lead to the withdrawal of the certificate of need under the provisions of N.C. Gen. Stat. § 131E-189(b).

In addition, since Petitioners' costs for the development of the facility will actually be less than proposed in the CON Application because of the lower costs of the Proposed New Site and Site Preparation Costs, this change in location will not constitute a change in a project triggering additional certificate of need review under the provisions of N.C. Gen. Stat. § 131E-176(16)(e). Since the project will not differ in any material respect from the project authorized with the issuance of the certificate of need, no other facet of the definition of new institutional health services in N.C. Gen. Stat. § 131E-176(16) would require review of this proposed site change. Therefore, the development and operation of Petitioners' New Facility at the Proposed

New Site will not result in the development or offering of a new institutional health service beyond what already was approved in Project B-8759-11.

GROUND FOR EXPEDITED REVIEW

As previously noted, Petitioners respectfully request that the Director issue a Declaratory Ruling on an expedited basis. Expediting the ruling will assist Petitioners in implementing the approved certificate of need as soon as possible, thereby allowing Petitioners to provide access to skilled nursing facility services to residents of Henderson County in an improved replacement facility as quickly as possible. In addition, Petitioners respectfully submit that their request for expedited review should be granted for each of the following reasons:

- This is not a novel request since it essentially requests a determination that a site change for a project for which a certificate of need has already been issued, with no accompanying change in the scope of the services offered, can proceed without certificate of need review.
- The ruling requested is consistent with prior rulings which have approved relocating a project to a new site in close proximity to the previously approved site or sites.
- The Petition does not entail a proposal to offer a new or additional service that was not identified in Petitioners' CON Application, requiring additional analysis and interpretation of other pertinent components of the CON Law.
- The Petition involves no increase in costs beyond those approved by the Department for Petitioners' project.

For these reasons, an expedited review is appropriate. Petitioners do not request oral argument on this request, unless a third party seeks to comment on it; and in that case, Petitioners request that the Director schedule a meeting with all concerned parties as soon as possible.

CONCLUSION

Based on the facts submitted, Petitioners' development and operation of the New Facility at the Proposed New Site in Henderson County, North Carolina should be permitted to proceed as proposed in this Declaratory Ruling Petition, and Petitioners respectfully request that the

Director issue a Declaratory Ruling substantially in the form submitted, confirming that Petitioners may develop and operate the New Facility at the Proposed New Site.

Respectfully submitted this 13th day of July, 2012.

POYNER SPRUILL LLP

By: Kenneth L. Burgess

Kenneth L. Burgess

N.C. Bar No. 12340

301 Fayetteville Street, Suite 1900

Raleigh, North Carolina 27601

Telephone: (919) 783-6400

Facsimile: (919) 783-1075

Counsel for Petitioner

Beystone Health and Rehabilitation Company

A

STATE OF NORTH CAROLINA

Department of Health and Human Services
Division of Health Service Regulation

CERTIFICATE OF NEED

for

Project Identification Number #B-8759-11

FID #110870

ISSUED TO: **Beystone Health and Rehabilitation Co. and Fletcher Academy, Inc.**
229 Airport Road, Suite 7-104 Arden, NC 28704-6402
185 Fletcher Academy Drive
Fletcher, NC 28732

Pursuant to N.C. Gen. Stat. § 131E-175, et. seq., the North Carolina Department of Health and Human Services hereby authorizes the person or persons named above (the "certificate holder") to develop the certificate of need project identified above. The certificate holder shall develop the project in a manner consistent with the representations in the project application and with the conditions contained herein and shall make good faith efforts to meet the timetable contained herein. The certificate holder shall not exceed the maximum capital expenditure amount specified herein during the development of this project, except as provided by N.C. Gen. Stat. § 131E-176(16)e. The certificate holder shall not transfer or assign this certificate to any other person except as provided in N.C. Gen. Stat. § 131E-189(c). This certificate is valid only for the scope, physical location, and person(s) described herein. The Department may withdraw this certificate pursuant to N.C. Gen. Stat. § 131E-189 for any of the reasons provided in that law.

SCOPE: Beystone Health and Rehabilitation Co. AND Fletcher Academy, Inc. shall construct a replacement 50-bed nursing facility and relocate the facility from Fletcher to Mills River/ Henderson County.

CONDITIONS: See Reverse Side

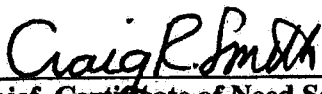
PHYSICAL LOCATION: Beystone Health and Rehabilitation
Haywood Road (Parcel ID: #9631859030)
Mills River, NC 28759

MAXIMUM CAPITAL EXPENDITURE: \$6,817,388

TIMETABLE: See Reverse Side

FIRST PROGRESS REPORT DUE: August 1, 2012

This certificate is effective as of the 2nd day of April, 2012.



Chief, Certificate of Need Section
Division of Health Service Regulation

CONDITIONS:

1. **Beystone Health and Rehabilitation Co and Fletcher Academy, Inc shall materially comply with all representations made in its certificate of need application.**
2. **Beystone Health and Rehabilitation Co and Fletcher Academy, Inc shall construct a replacement nursing facility with a total licensed bed complement of no more than 50 beds upon completion of the project.**
3. **Beystone Health and Rehabilitation Co and Fletcher Academy, Inc shall provide documentation that the 50 beds at the existing Beystone Health and Rehabilitation Co are delicensed following completion of the proposed replacement nursing facility.**
4. **Beystone Health and Rehabilitation Co and Fletcher Academy, Inc shall submit all patient charges and actual per diem reimbursement for each source of patient payment to the Certificate of Need at year end for each of the first two operating years following licensure of the beds in the new facility.**
5. **For the first two full federal fiscal years of operation following completion of the project, actual private pay charges shall not be increased more than 5% of the projected private pay charges provided in Section X of the application without first obtaining a determination from the Certificate of Need Section that the proposed increase is in material compliance with the representations made in the certificate of need application.**
6. **Beystone Health and Rehabilitation Co and Fletcher Academy, Inc shall receive Medicaid per diem rates allowed by the Division of Medical Assistance, under the NC State Plan Section .0102.**
7. **Beystone Health and Rehabilitation Co and Fletcher Academy, Inc shall acknowledge acceptance of and agree to comply with all conditions stated herein to the Certificate of Need Section, in writing prior to issuance of the certificate of need.**

A letter acknowledging acceptance of and agreeing to comply with all conditions stated in the conditional approval letter was received by the Certificate of Need Section on March 23, 2012.

TIMETABLE:


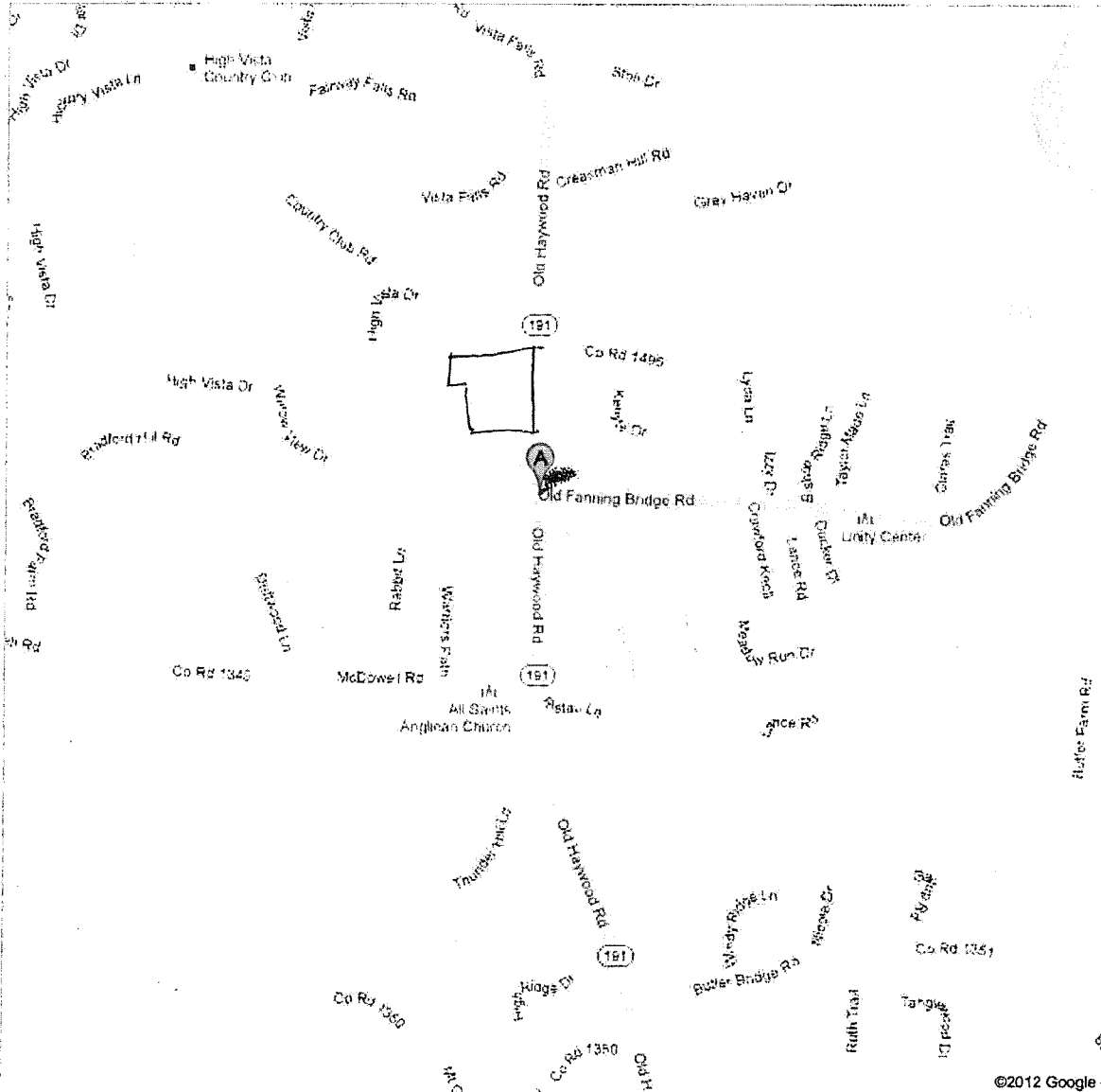
Approval of Final Drawings	
by Construction, DHSR _____	October 1, 2012
25% Completion of Construction _____	March 1, 2013
75% Completion of Construction _____	July 15, 2013
Completion of Construction _____	September 1, 2013
Licensure of Facility _____	October 1, 2013
Medicare/ Medicaid Certification of Facility _____	October 1, 2013



Address **Old Haywood Rd & Old Fanning Bridge Rd**
Mills River, NC 28759

Get Google Maps on your phone

Text the word "GMAPS" to 466453





WARNING: THIS IS NOT A SURVEY

Parcel Information

Parcel Number:	1008850	Pin:	9632580936
Listed to:	MCCALLISTER, KEVIN SCOTT	Neighborhood:	TOWN OF MILLS RIVER
Mailing Address:	6118 CHALET DR	Township:	Mills River
Mailing City, State, Zip:	OAK RIDGE, NC 27310	Municipality:	MILLS RIVER
Physical Address:	0 NO ADDRESS ASSIGNED	Fire District:	
Deed:	1336/627	Plat:	SLD 6940
Date Recorded:	10/05/2007	Elementary School District:	MARLOW
Revenue Stamps:	500	Middle School District:	RUGBY MIDDLE
Property Description:	Lot # OLD HAYWOOD RD	High School District:	WEST HIGH
Map Sheet:	9632.00	Soil:	Bradson gravelly loam, 2 to 7 percent slopes
Assessed Acreage:	9.4100	Voting Precinct:	Mills River North
Building Value:	\$0.00	Commissioner District	3
Land Value:	\$101,500.00	Agricultural District	None Found
Value To Be Billed:	\$101,500.00		



Henderson County
Geographic Information
Systems (GIS)
200 North Grove Street
Hendersonville, NC 28792
P: (828) 698-5124
F: (828) 698-5122

WARNING: THIS IS NOT A SURVEY.

All information or data provided (whether subscribed, purchased or otherwise distributed) is provided as is, without any warranties, including the warranties of merchantability or of fitness for a particular purpose. Henderson County and its employees make no warranties or guarantees, either express or implied. Use of the information or data subscribed, purchased or otherwise distributed, whether in hard copy or digital media, shall be at the user's own risk.

This email was sent on behalf of:



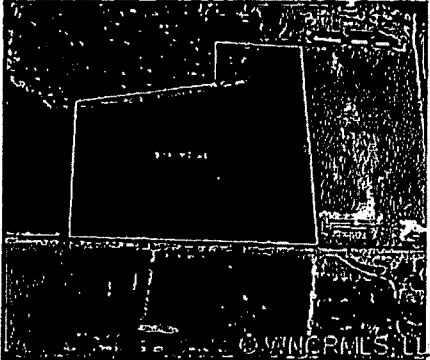


Betty McCallister
 Bet-Mac Realty
 34 Poplar Drive
 Mills River, NC 28759
 Mobile: (828) 606-3890
 Phone: (828) 891-9516
 Fax: (828) 891-3665

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Please add innovia@wncrmls.com to your address book to ensure our emails reach your inbox.
 The contents of this email regard real estate properties in which you may be interested, and is based on an established marketing relationship.

Customer Display w/ Gallery

 Map		 Gallery (4)		
U H459608A Add. Status: None		0 Hwy.191- Old Haywood Rd. Mills River, NC 28759		
		List: \$799,000	Firm: 160 Agt: 300	
Unimproved Type:	Unimpr. Commercial for Sale	Location:		
Area / County:	NW - Henderson	City / Comm:		Mills River
Subdivision:	Not In Subdivision	Inside City:		Yes
Apx Acres:	10	Clear Acres:		
Wood Acres:		Price/Acre:		
Deed Book:	1336	Deed Page:		627
Taxes:	230	Tax Year:		2009
Lot Dim:	725X515X402X158X261X733	Cabinet/Slide:		6940
PIN:	9632580936	Photos:		4
Zoning:	MR-MU			
Assoc Fee:	Yes	Assoc Fee Per:	No	
State Road:		Rd Maint Agrmt:		
Deed Restrictions:	No	Owner:	K.S.MCCALLISTER	
Road Frontage:	725			
Suitable Use:	Commercial , Residential			
Size/Tract Misc:	10-20 Acres			
Topo/Nat Feat:	2000-2500 ft. Elev. , Views			
Bldgs On Prop:				
Docs On File:	Survey			
Water:	City	Sewer:	Available , Other-See Remarks	
Utilities:	Available , Electricity , Gas , Telephone	Access:	State Road	
Financing:	Cash , Conventional	Possession:	At Close	
Showing Inst:	MLS-Showing Service			
Seller Rep:				
Remarks:	GORGEOUS/PRISTINE 10 ACRE TRACT. 725 FT.RD.FRNTG.OLD HAYWOOD RD/HWY.191N.STELLAR LOCATION/HIGH TRAFFIC/EXCELLENT VISIBILITY. UNWOODED W/EXCEPT. OF SMALL WOODED AREA @ REAR OF PROPERTY.MULTI-USE ZONING.APRX.MID-WAY BETWEEN ASHEVILLE/HENDERSONVILLE&BREVARD. NEAR HIGH VISTA COUNTRY CLUB & COMMUNITY & APRX. 5 MI. TO ASHEVILLE REGIONAL AIRPORT. LA RELATED TO OWNER.			
Directions:	-FRM.HENDERSONVILLE L ON HWY.191 TO R HWY. 280 TO LEFT OLD HAYWOOD RD./HWY.191N. PROPERTY ON LEFT, JUST PAST OLD AIRPORT RD.			
	Prepared For You By:			
	Betty McCallister			
	34 Poplar Drive			
	Mills River, NC, 28759			
	Email: bet_mac@bellsouth.net			
	Phone: (828) 891-9516	Office Ph: (828) 891-9516		
		Cell Ph: (828) 606-3890		
		Web Site:		
	Listing Provided By: Bet-Mac Realty			

D



Council Members
Roger Snyder, Mayor
Lois Pryor, Mayor Pro Tem
Wayne Carland
Shanon Gonce
Larry Freeman

THE TOWN OF MILLS RIVER
124 Town Center Dr
Mills River, North Carolina 28759
Voice (828) 890-2901 • Fax (828) 890-2903

January 13, 2012

Sanstone Health and Rehabilitation
30 Town Square Blvd
Arden, NC 28704
Attn: Michael DeLoach

RE: File Z-1140, Zoning Verification for a Skilled Nursing Facility in MR-MU PIN # 9632580936

To Whom It May Concern:

The purpose of this letter is to verify that the property above is located in the Mills River Mixed Use District (MR-MU) and to confirm that a standalone skilled nursing facility is a permitted use in the MR-MU district. The permitting requirements would follow the commercial permitting process which regulates the size and height of the building, setback requirements, design guideline requirements and addresses parking, landscaping and buffering as well.

The Town of Mill River Code of Ordinances definition of a nursing home, healthcare facility (skilled nursing facility) does not include a residential component beyond what is medically necessary. If plans include adding or building a residential component (such as an assisted living facility), that would necessitate applying for a special use permit which has more procedural steps and components.

Should you have any questions please feel free to contact me at 828-890-2901 or pat.christie@millsriver.org.

Sincerely,

Patricia A. Christie, CZO
Zoning Enforcement Officer
Town of Mills River

E

A & D Water Service, Inc.

P. O. Box 1407 Pisgah Forest, NC 28768

Phone (828) 884-9772

Fax (828) 884-8632

January 30, 2012

Michael DeLoach
SanStone Health & Rehabilitation
80 Brownsberger Circle
Fletcher, NC 28732

RE: Sewer Service

Dear Mr. DeLoach:

Our High Vista Wastewater Treatment Plant has capacity available to meet your needs

Our understanding is that you require 6,000 gallons per day (gpd) capacity allocation to service your project. At 120 gpd per bed, a 6,000 gpd requirement equates to a residential equivalent units (REU). Our tap fee is \$1,500.00 per standard residential unit or equivalent. $16.66 \text{ REU} \times \$1,500.00 = \$25,000.$

The tap fee is established by the North Carolina Utilities Commission. We are not permitted to vary from the established set fee scale. This fee recovers the cost of providing the treatment capacity.

In addition, you will be required to extend a main line to a point of connection with our system. Bill Lapsley can call me if he needs information on the point of connection.

If you have any questions, you may call me a 828-884-9772 (office) or 828-507-9853 (cell). You may also email me at admaint@comporium.net.

Thank You,



Aubrey Deaver, President

cc: Project File