



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

Pat McCrory  
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Aldona Z. Wos, M.D.  
Ambassador (Ret.)  
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Drexdal Pratt  
Division Director

July 9, 2015

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

**Exempt from Review – Acquisition of Facility**

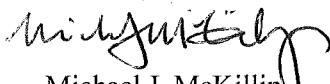
Facility Name: See Attachment A  
Type of Facility: Nursing Facility  
FID #: See Attachment A  
Acquisition by: See Attachment A  
County: See Attachment A

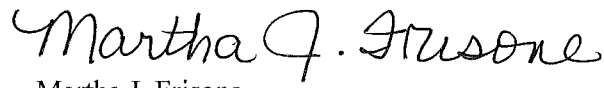
Dear M. Hendrickson:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) determined that based on your letter of June 23, 2015, the above referenced proposal is exempt from certificate of need review in accordance with G.S 131E-184(a)(8). Therefore, the entities identified in Attachment A may proceed to acquire the above referenced health service facilities 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,

  
Michael J. McKillip  
Project Analyst

  
Martha J. Frisone,  
Assistant Chief, Certificate of Need

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



Healthcare Planning and Certificate of Need Section  
www.ncdhhs.gov  
Telephone: 919-855-3873 • Fax: 919-715-4413  
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



### Attachment A

<b>Name of Facility</b>	<b>FID#</b>	<b>County</b>	<b>Real Property Acquired By:</b>
Pettigrew Rehabilitation Center	923266	Durham	CCP Pettigrew 0116 LP
Sunnybrook Rehabilitation Center	923270	Wake	CCP Sunnybrook 0137 LP
Raleigh Rehabilitation Center	923262	Wake	CCP Raleigh 0143 LP
Cypress Pointe Rehabilitation Center	923267	New Hanover	CCP Cypress Pointe 0188 LP
Silas Creek Rehabilitation Center	923453	Forsyth	CCP Silas Creek 0191 LP
Lincoln Rehabilitation Center	923312	Lincoln	CCP Lincoln 0307 LP
Signature HealthCARE of Roanoke Rapids	923216	Halifax	CCP Guardian Roanoke 0704 LP
Monroe Rehabilitation Center	953214	Union	CCP Monroe 0707 LP
Signature HealthCARE of Kinston	923213	Lenoir	CCP Kinston 0711 LP
Zebulon Rehabilitation Center	923220	Wake	CCP Guardian Zebulon 0713 LP
Rocky Mount Rehabilitation Center	953217	Nash	CCP Guardian Rocky Mount 0723 LP
Gastonia Care and Rehabilitation Center	923263	Gaston	CCP Gastonia 0724 LP
Signature HealthCARE of Chapel Hill	923268	Orange	CCP Chapel Hill 0806 LP

<b>Owner of Facility in MFF (Business)</b>	<b>Bus.#</b>	<b>ID#</b>	<b>Facility Name in MFF:</b>
Pettigrew Rehabilitation Center LLC	2219	1638	
Sunnybrook Rehabilitation Center LLC	2220	1639	
Raleigh Rehabilitation Center LLC	2221	1640	
Cypress Pointe Rehabilitation Center LLC	2222	1641	
Silas Creek Rehabilitation Center LLC	2223	1642	
Lincoln Rehabilitation Center LLC	2224	1643	
LP Roanoke Rapids LLC	2225	1644	Signature HealthCARE of Roanoke Rapids
Monroe Rehabilitation Center LLC	2226	1645	
LP Kinston LLC	2227	1646	Signature HealthCARE of Kinston
Zebulon Rehabilitation Center LLC	2228	1647	
Rocky Mount Rehabilitation Center LLC	2229	1648	
LP Gastonia LLC	2230	1649	
LP Chapel Hill LLC	2231	1650	Signature HealthCARE of Chapel Hill



June 19, 2015

SUSAN M. HENDRICKSON

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**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 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.

Ventas, Inc., one of the nation's leading healthcare real estate investment trusts ("Ventas") currently owns, through its subsidiaries, the real property used to operate the skilled nursing facilities set forth on **Attachment A** (the "Facilities"). The Board of Directors of Ventas has approved a plan to spin off most of its post-acute/skilled nursing facility portfolio into an independent, publicly traded REIT, Care Capital Properties, Inc. ("CCP"). As a result of this transaction, CCP will become the indirect owner, through its subsidiaries, of the real property used to operate the Facilities.

At most of the Facilities, the transaction will result in a new direct owner of the real property of the Facility. At one Facility, the direct owner of the real property will remain the same. The current owners of the real property and the new owners of the real property for each Facility are set forth on **Attachment A**. 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 be no change in bed capacity or the type of services provided. The existing lease agreements between the current property owners and the licensed operators will either remain in place, or will be assigned to the new property owners, as applicable. The transaction is currently anticipated to close on August 1, 2015.

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 215-994-2359 or by email at [susan.hendrickson@dechert.com](mailto: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,



Susan M. Hendrickson

SMH

Enclosure

**Attachment A**

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