



DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF HEALTH SERVICE REGULATION

ROY COOPER
GOVERNOR

MANDY COHEN, MD, MPH
SECRETARY

MARK PAYNE
DIRECTOR

October 5, 2017

Maureen Demarest Murray
300 N. Greene Street, Suite 1400
Greensboro, NC 27401

Exempt from Review – Acquisition of Facility

Record #: 2410
Facility Name: Carolina Oaks Enhanced Care Center
Type of Facility: Adult Care Home Facility
FID #: 920552
Acquisition by: Spartan Holdings, LLC
Business #: 2717
County: Caldwell

Dear Ms. Murray:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) determined that based on your letter of September 28, 2017, the above referenced proposal is exempt from certificate of need review in accordance with N.C. Gen. Stat. §131E-184(a)(8). Therefore, Spartan Holdings, 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 Adult Care Home Licensure Section to obtain instructions for changing ownership of the existing facility. Note that pursuant to N.C. Gen. Stat. §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.

HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION

WWW.NCDHHS.GOV

TELEPHONE 919-855-3873

LOCATION: EDGERTON BUILDING • 809 RUGGLES DRIVE • RALEIGH, NC 27603

MAILING ADDRESS: 2704 MAIL SERVICE CENTER • RALEIGH, NC 27699-2704

AN EQUAL OPPORTUNITY/ AFFIRMATIVE ACTION EMPLOYER



Maureen Demarest Murray
October 5, 2017
Page 2

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

Sincerely,



Julie Halatek
Project Analyst



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

cc: Adult Care Licensure Section, DHSR
Sharetta Blackwell, Program Assistant Healthcare Planning, DHSR

Halatek, Julie F

From: Maureen Demarest Murray <Maureen.Murray@smithmoorelaw.com>
Sent: Thursday, September 28, 2017 4:55 PM
To: Frisone, Martha; Halatek, Julie F
Subject: Hilltop Rest Home formerly known as Carolina Oaks Enhanced Care
Attachments: Spartan_Holdings_-_Notice_to_CON_Section_of_Exempt_Acquisition_and_Lease....pdf; Spartan_Holdings_Grace_Village_Notice_of_Lease_to_CON_Section.pdf; GREENSBORO-#1303746-v1-Spartan_Holdings_Notice_to_CON_Section_of_Lease_o....pdf; GREENSBORO-#1302333-v1-Spartan_Holdings_-_Letter_to_Martha_Frisone_re_Ac....pdf; 2017-07-03 - Exempt_from_Review_Letter_from_CON.PDF; GREENSBORO-#1305651-v1-Carolina_Oaks_-_Ltr_from_CON_Section_re_No_Review....pdf

Dear Martha and Julie,

This e-mail is a follow-up to my voice mail this afternoon to Julie. We have previously spoken and corresponded about this assisted living facility in Caldwell County. Our clients have now decided to separate operations from ownership of the facility, property and intangible rights associated with the facility. Our clients plan to file a CON application in October to relocate and replace the facility to a new site in Caldwell County. More details are provided in the attached correspondence. Copies of your and our earlier letters to us concerning the facility are also attached for easy reference.

Please let us know if you have any questions. We appreciate your consideration. Maureen

Maureen Demarest Murray
Partner
Smith Moore Leatherwood LLP
300 North Greene Street, Suite 1400
Greensboro, NC 27401
Direct: 336.378.5258 | vCard
Direct Fax: 336.433.7468
www.smithmoorelaw.com

**SMITHMOORE
LEATHERWOOD**
ATTORNEYS AT LAW

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Smith Moore Leatherwood LLP is committed to encouraging sustainable business practices. Please consider the environment before printing this email.



September 28, 2017

Ms. Martha J. Frisone, Chief
Healthcare Planning and Certificate of Need Section
Division of Health Service Regulation
North Carolina Department of Health & Human Services
2704 Mail Service Center
Raleigh, NC 27699-2704

Via E-mail and U.S. Mail

Re: Notice of Exemption-Acquisition of Existing Assisted Living or Adult Care Home Facility currently owned by Hilltop Rest Home, Inc. and previously known as Carolina Oaks Enhanced Care Center

Dear Ms. Frisone:

As you know, we have represented Brett L. Waters and Hamilton Ward (“Waters and Ward”) and their designees in in connection with their intended acquisition of Hilltop Rest Home, Inc., formerly known as Carolina Oaks Enhanced Care Center (“Carolina Oaks” or “Facility”). This letter is a follow-up to our June 30, 2017 letter to the CON Section and the CON Section’s July 3, 2017 response concerning acquisition of the Facility by Waters and Ward.

Waters and Ward have now been able to form a legal entity to own the Facility, Spartan Holdings LLC, which we also represent. This letter provides prior written notice pursuant to N.C.G.S. § 131E-184(a)(8) of an expected exempt acquisition by Spartan Holdings of the existing assisted living or adult care home facility from Waters and Ward, who have the right to acquire assets associated with the Facility from Hilltop. The Facility is licensed for 60 adult care home beds and is located at 229 Wilson Street Northwest, Lenoir, North Carolina. Spartan Holdings is owned by Brett L. Waters, Hamilton Ward, Jim Martin and Rodney Worley. Each has a minority interest in Spartan Holdings.

Spartan Holdings requests written acknowledgement from the Healthcare Planning and Certificate of Need Section (“CON Section” or “Agency”) that its intended acquisition of the Facility is exempt pursuant to N.C.G.S. § 131E-184(a)(8). The acquisition of the existing Facility by Spartan Holdings is exempt from certificate of need review under N.C. Gen. Stat. § 131E-184(8) because it constitutes the acquisition of an existing health service facility. An existing assisted living or adult care home facility is considered a health service facility under N.C. Gen. Stat. § 131E-176(9b).

Martha J. Frisone
September 28, 2017
Page 2



We would appreciate your prompt acknowledgment that the anticipated acquisition of the existing assisted living home facility by Spartan Holdings is exempt and not subject to review under the Certificate of Need Act. The transaction is expected to be effective in the near future. Please let us know if you have any questions.

With kind regards,

Sincerely,

SMITH MOORE LEATHERWOOD LLP

A handwritten signature in black ink, reading "Maureen Demarest Murray", is written over the typed name.

Maureen Demarest Murray



DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF HEALTH SERVICE REGULATION

ROY COOPER
GOVERNOR

MANDY COHEN, MD, MPH
SECRETARY

MARK PAYNE
DIRECTOR

July 3, 2017

Maureen Demarest Murray
300 N. Greene Street, Suite 1400
Greensboro, NC 27401

Exempt from Review – Acquisition of Facility

Record #: 2316
Facility Name: Carolina Oaks Enhanced Care Center
Type of Facility: Adult Care Home
FID #: 920552
Acquisition by: Brett L. Waters and Hamilton Ward
Business #: 2672
County: Caldwell

Dear Ms. Murray:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) determined that based on your letter of June 30, 2017, the above referenced proposal is exempt from certificate of need review in accordance with N.C. Gen. Stat. §131E-184(a)(8). Therefore, Brett L. Waters and Hamilton Ward 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 Adult Care Licensure Section to obtain instructions for changing ownership of the existing facility. Note that pursuant to N.C. Gen. Stat. §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.*"

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AN EQUAL OPPORTUNITY/ AFFIRMATIVE ACTION EMPLOYER



Maureen Demarest Murray

July 3, 2017

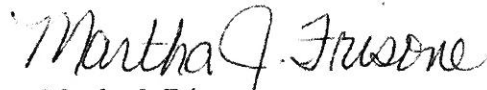
Page 2

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

Sincerely,



Julie Halatek
Project Analyst



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

cc: Adult Care Licensure Section, DHSR
Paige Bennett, Assistant Chief, Healthcare Planning, DHSR

SMITH MOORE
LEATHERWOOD



300 N. Greene Street
Suite 1400
Greensboro, NC 27401

June 30, 2017

Martha J. Frisone, Chief
Healthcare Planning and Certificate of Need Section
Division of Health Service Regulation
North Carolina Department of Health & Human Services
809 Ruggles Drive
Raleigh, NC 27603

Via E-mail and U.S. Mail

Re: Notice of Exemption Acquisition of Hilltop Rest Home, Inc. d/b/a Carolina Oaks
Enhanced Care Center

Dear Ms. Frisone:

We represent Brett L. Waters and Hamilton Ward and their designees in connection with acquisition of Hilltop Rest Home, Inc. Pursuant to N.C. Gen. Stat. § 131E-184(8), Brett L. Waters and Hamilton Ward and their designees hereby give prior written notice of their intent to acquire Hilltop Rest Home, Inc. d/b/a Carolina Oaks Enhanced Care Center located at 229 Northwest Wilson Street, Lenoir, North Carolina ("Carolina Oaks"). Carolina Oaks is an existing assisted living or adult care home facility that is licensed for 60 adult care home beds. Mr. Waters and Mr. Ward have entered into an asset purchase agreement and right of first refusal with Hilltop Rest Home, Inc. to acquire the facility premised upon fulfillment of certain conditions including obtaining appropriate government approvals. The acquisition of Carolina Oaks, an existing health service facility, is exempt from certificate of need review under N.C. Gen. Stat. § 131E-184(8).

We would appreciate your prompt acknowledgment that the acquisition of Carolina Oaks is exempt under the Certificate of Need Act. Please let us know if you have any questions.

With kind regards,

Sincerely,

SMITH MOORE LEATHERWOOD LLP

A handwritten signature in cursive script that reads "Maureen Demarest Murray".

Maureen Demarest Murray

Direct: 336.378.5258 | Fax: 336.433.7468 | maureen.murray@smithmoorelaw.com | www.smithmoorelaw.com

ATLANTA | CHARLESTON | CHARLOTTE | GREENSBORO | GREENVILLE | RALEIGH | WILMINGTON

June 30, 2017

Martha J. Frisone, Chief
Healthcare Planning and Certificate of Need Section
Division of Health Service Regulation
North Carolina Department of Health & Human Services
809 Ruggles Drive
Raleigh, NC 27603

Via E-mail and U.S. Mail

Re: Notice of Exemption Acquisition of Hilltop Rest Home, Inc. d/b/a Carolina Oaks
Enhanced Care Center

Dear Ms. Frisone:

We represent Brett L. Waters and Hamilton Ward and their designees in connection with acquisition of Hilltop Rest Home, Inc. Pursuant to N.C. Gen. Stat. § 131E-184(8), Brett L. Waters and Hamilton Ward and their designees hereby give prior written notice of their intent to acquire Hilltop Rest Home, Inc. d/b/a Carolina Oaks Enhanced Care Center located at 229 Northwest Wilson Street, Lenoir, North Carolina ("Carolina Oaks"). Carolina Oaks is an existing assisted living or adult care home facility that is licensed for 60 adult care home beds. Mr. Waters and Mr. Ward have entered into an asset purchase agreement and right of first refusal with Hilltop Rest Home, Inc. to acquire the facility premised upon fulfillment of certain conditions including obtaining appropriate government approvals. The acquisition of Carolina Oaks, an existing health service facility, is exempt from certificate of need review under N.C. Gen. Stat. § 131E-184(8).

We would appreciate your prompt acknowledgment that the acquisition of Carolina Oaks is exempt under the Certificate of Need Act. Please let us know if you have any questions.

With kind regards,

Sincerely,

SMITH MOORE LEATHERWOOD LLP



Maureen Demarest Murray