



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

December 16, 2022

Francisco T. Morales
notices@stonevilleacceptance.com

Exempt from Review – Acquisition of Facility

Record #: See Attachment A
Date of Request: November 29, 2022
Facility Name: See Attachment A
Type of Facility: Adult Care Home
FID #: See Attachment A
Acquisition by: Docena Real Estate Investments, LLC
Business #: 3647
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 facilities identified above without first obtaining CONs. 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 facilities do in fact sell them 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 facilities, you should contact the Agency’s Adult Care Licensure Section, to obtain instructions for changing ownership of the existing facilities.

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,

[Signature of Ena Lightbourne]

Ena Lightbourne
Project Analyst

[Signature of Micheala Mitchell]

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

Attachment A				
Record	Facility	County	FID#	Address
4081	Currituck House	Currituck	080097	141 Moyock Landing Drive Moyock, NC 27958
4082	Mitchell House	Mitchell	080504	13681 Hwy 226 South Spruce Pine, NC 28777
4083	The Stratford	Orange	960565	405 Smith Level Road Chapel Hill, NC 27516
4084	Guilford House	Guilford	100777	5918 Netfield Road Greensboro, NC 27455
4085	Alamance House	Alamance	100775	2766 Grand Oaks Blvd Burlington, NC 27215
4086	New Hanover	New Hanover	051355	3915 Stedwick Court Wilmington, NC 28412
4087	The Gardens of Pamlico	Pamlico	970010	22 Magnolia Way Grantsboro, NC 28529
4088	Rose Glen Manor	Wilkes	060853	240 Independence Avenue North Wilkesboro, NC 28659
4089	East Towne	Mecklenburg	920341	4815 North Sharon Amity Road Charlotte, NC 28205
4090	Four Oaks Senior Living	Johnston	921218	565 Boyette Road Four Oaks, NC 27524
4091	Mocksville Senior Living	Davie	920863	337 Hospital Street Mocksville, NC 27028

November 29, 2022

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 Eleven (11) 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 eleven (11) 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 Docena 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 January 15, 2023.

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 2022 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 eleven (11) 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,

A handwritten signature in blue ink, appearing to read 'F. Morales', with a long horizontal flourish extending to the right.

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>Currituck House</i>	141 Moyock Landing Drive Moyock, NC 27958	Currituck	90 (48 SCU)	HAL-027-003	CHI Holdings, LLC	Moyock Propco Holdings, LLC	Docena Real Estate Investments, LLC
2	<i>Mitchell House</i>	13681 Hwy 226 South Spruce Pine, NC 28777	Mitchell	80 (48 SCU)	HAL-061-011	Mitchell House One, LLC	Spruce Pine Propco Holdings, LLC	
3	<i>Stratford, The</i>	405 Smith Level Road Chapel Hill, NC 27516-9108	Orange	77 (33 SCU)	HAL-068-025	SHI-Orange, LLC	Chapel Hill Propco Holdings, LLC	
4	<i>Guilford House</i>	5918 Netfield Road Greensboro, NC 27455	Guilford	60 (32 SCU)	HAL-041-077	Greensboro AL Holdings, LLC	Guilford Propco Holdings	
5	<i>Alamance House</i>	2766 Grand Oaks Boulevard Burlington, NC 27215	Alamance	94 (48 SCU)	HAL-001-148	Burlington AL Holdings, LLC	Burlington Propco Holdings, LLC	
6	<i>New Hanover House</i>	3915 Stedwick Court Wilmington, NC 28412	New Hanover	61 (32 SCU)	HAL-065-036	New Hanover House, LLC	Wilmington Propco Holdings, LLC	
7	<i>Gardens of Pamlico, The</i>	22 Magnolia Way Grantsboro, NC 28529	Pamlico	70 (12 SCU)	HAL-069-002	Grantsboro Opco Holdings, LLC	Grantsboro Propco Holdings, LLC	
8	<i>Rose Glen Manor</i>	240 Independence Avenue North Wilkesboro, NC 28659	Wilkes	60 (16 SCU)	HAL-097-015	RGM AL Holdings, LLC	Rose Glen Manor Assisted Living, LLC	
9	<i>East Towne</i>	4815 North Sharon Amity Road Charlotte, NC 28205	Mecklenburg	120 (0 SCU)	HAL-060-159	Charlotte Opco Holdings, LLC	Charlotte Propco Holdings, LLC	
10	<i>Four Oaks Senior Living</i>	565 Boyette Road Four Oaks, NC 27524	Johnston	96 (40 SCU)	HAL-051-060	Four Oaks Opco Holdings, LLC	Four Oaks Propco Holdings, LLC	
11	<i>Mocksville Senior Living</i>	337 Hospital Street Mocksville, NC 27028	Davie	68 (19 SCU)	HAL-030-009	Mocksville Opco, LLC	Mocksville Propco II, LLC	

From: [Stoneville Acceptance Notices](#)
To: [Stancil, Tiffany C](#)
Subject: RE: [External] No Review Request - Sale of 11 Adult Care Homes
Date: Tuesday, November 29, 2022 10:14:35 AM
Attachments: [No Review Request - Sale of 11 Adult Care Homes.pdf](#)

CAUTION: External email. Do not click links or open attachments unless you verify. Send all suspicious email as an attachment to [Report Spam](#).

Hi Tiffany—sending this your way as well as I received an out of office from Martha. Thank you!

Francisco T. Morales
Stoneville Acceptance, LLC
P.O. Box 26255
Winston-Salem, NC 27114
919-353-2059
notices@stonevilleacceptance.com

From: Waller, Martha K <martha.waller@dhhs.nc.gov>
Sent: Tuesday, November 29, 2022 10:11 AM
To: Stoneville Acceptance Notices <notices@stonevilleacceptance.com>
Subject: Automatic reply: [External] No Review Request - Sale of 11 Adult Care Homes

CAUTION: This email originated from outside of the organization. Do not click links, open attachments, or reply unless you recognize the sender and know the content is safe.

Thank you for your email. I am currently out of the office, Monday November 7, 2022 with no email access. I will respond to all emails on return TBD at this time. Please forward all Correspondence and Admin questions to Tiffany Stancil at:

tiffany.stancil@dhhs.nc.gov

If you are requesting copy(s) of documents, please submit to the following email:

dhsr.con.request@dhhs.nc.gov

Sincerely,

Martha Waller

From: Stoneville Acceptance Notices
Sent: Tuesday, November 29, 2022 10:10 AM
To: 'tiffany.c.hunt@dhhs.nc.gov' tiffany.c.hunt@dhhs.nc.gov; 'Waller, Martha K' martha.waller@dhhs.nc.gov
Subject: No Review Request - Sale of 11 Adult Care Homes

Hi Tiffany and Martha:

Hope you're well.

Attached please find a *No Review Request* related to the sale of eleven (11) North Carolina adult care homes.

Since the facilities span several different Health Service Areas, I am including the both of you.

Please let me know should the Department require anything further.

Thank you!

Best,

Francisco

Francisco T. Morales
Stoneville Acceptance, LLC
P.O. Box 26255
Winston-Salem, NC 27114
919-353-2059
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