



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

January 10, 2022

Kenneth L. Burgess, Baker Donelson
kburgess@bakerdonelson.com

Exempt from Review – Acquisition of Facility

Record #: See Attachment A
Date of Request: January 6, 2022
Facility Name: See Attachment A
Type of Facility: Adult Care Home
FID #: See Attachment A
Acquisition by: See Attachment A
Business #: See Attachment A
County: See Attachment A

Dear Mr. Burgess:

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 businesses may proceed to acquire the health service facilities identified above without first obtaining a CON. The Agency’s determination is limited to the question of whether the above referenced businesses would have to obtain a CON if the current owners of the health service facilities do in fact sell it to the business listed above. Note that pursuant to G.S. 131E-181(b): “A recipient of a certificate of need, or any person who may subsequently acquire, in any manner whatsoever permitted by law, the service for which that certificate of need was issued, is required to materially comply with the representations made in its application for that certificate of need.”

If the businesses listed above do acquire the facilities, you should contact the Agency’s Adult Care Licensure Section to obtain instructions for changing ownership of the existing facility.

It should be noted that this Agency's position is based solely on the facts represented by you and that any change in facts as represented would require further consideration by this Agency and a separate determination regarding whether a certificate of need would be required. If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,

[Handwritten signature of Michael J. McKillip]

Michael J. McKillip
Project Analyst

[Handwritten 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

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

Attachment A

Name of Facility	County	FID	New Property Ownership Entity	Business #	Record #
Spring Arbor of Albemarle	Stanly	971268	Spring Arbor Albemarle NC Landlord, LLC	3499	3772
Spring Arbor of Apex	Wake	990039	Spring Arbor Apex NC Landlord, LLC	3500	3774
Spring Arbor of Cary	Wake	130543	Spring Arbor Cary NC Landlord, LLC	3501	3773
Spring Arbor of Greensboro	Guilford	090346	Spring Arbor Greensboro NC Landlord, LLC	3502	3775
Spring Arbor of Greenville	Pitt	970986	Spring Arbor Greenville NC Landlord, LLC	3503	3776
Spring Arbor of Outer Banks	Dare	970709	Spring Arbor Kill Devil Hills NC Landlord, LLC	3504	3777
Spring Arbor of Kinston	Lenoir	980433	Spring Arbor Kinston NC Landlord, LLC	3505	3778
Spring Arbor of Raleigh	Wake	990961	Spring Arbor Raleigh NC Landlord, LLC	3506	3779
Spring Arbor of Rocky Mount	Nash	955657	Spring Arbor Rocky Mount NC Landlord, LLC	3507	3780
Spring Arbor of Thomasville	Davidson	921210	Spring Arbor Thomasville NC Landlord, LLC	3508	3781
Spring Arbor of Wilmington	New Hanover	970923	Spring Arbor Wilmington NC Landlord, LLC	3509	3782
Spring Arbor of Wilson	Wilson	960313	Spring Arbor Wilson NC Landlord, LLC	3510	3783

KENNETH L. BURGESS
Direct Dial: 919-294-0802
Direct Fax: 919-338-7696
E-Mail Address: kburgess@bakerdonelson.com

January 6, 2022

Micheala Mitchell
Chief
N.C. Department of Health and Human Services
Division of Health Service Regulation
Certificate of Need Section
809 Ruggles Drive
Raleigh, N.C. 27603
Via email to: *Micheala.Mitchell@dhhs.nc.gov*

Re: *Notice of Exempt Acquisition of Existing Health Service Facilities*

Dear Micheala:

I am writing on behalf of our client, HHHunt Assisted Living, Inc.; its related entities which operate adult care homes in North Carolina under the trade name Spring Arbor (collectively “Hunt”) and Foundry Commercial Acquisitions, LLC and its related entities and assignees (“Foundry”) to provide notice to the N.C. Department of Health and Human Services, Division of Facility Services, Healthcare Planning and Certificate of Need Section (the “CON Section”) of the pending acquisition by Foundry of Spring Arbor’s existing North Carolina adult care homes. The closing of the transaction described herein is currently scheduled to occur on March 1, 2022 or as soon thereafter as possible.

The transaction involves the sale by Hunt of the real property and operations of its twelve (12) existing licensed adult care homes in North Carolina to Foundry (each a “Facility” and collectively “the Facilities”). Attachment A to this correspondence identifies each of the Hunt entities which currently own adult care homes in North Carolina; the trade name and address of each Facility; and the Foundry entity which will acquire the Hunt adult care homes. We will soon be filing change of ownership applications with the Adult Care Home Licensure Section to effectuate the change of licensee for each Facility from the current Hunt licensee entity to the future Foundry licensee entity. Upon the closing of the transaction, each of the Foundry entities shown on Attachment A, will become the owners of the respective adult care homes reflected on Attachment A. Foundry-related operating entities will become the licensees of the Facilities.

Micheala Mitchell

January 6, 2022

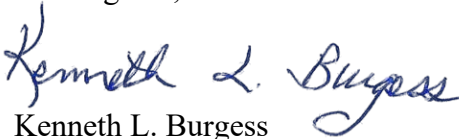
Page 2

Each of the adult care homes identified on Attachment A is an existing “health service facility” as defined at N.C. Gen. Stat. section 131E-176(9b). Pursuant to N.C. Gen. Stat. section 131E-184(a)(8), the acquisition of an existing health service facility is exempt from review by the CON Section and no certificate of need is required for such transactions, provided that the CON Section receives prior written notice of such acquisition.

Please allow this correspondence to serve as the prior written notice of the acquisition by Foundry of Hunt’s North Carolina adult care homes required by N.C. Gen. Stat. section 131E-184(a)(8). We would appreciate it if you could provide written confirmation at your earliest convenience that the transaction described herein is exempt from CON Section review pursuant to N.C. Gen. Stat. section 131E-184(a)(8) and that Hunt and Foundry may proceed with the transaction without first obtaining a certificate of need.

Thank you in advance for your prompt consideration of this Notice of Exempt Acquisition. Please let me know if you have any questions or need additional information.

Best regards,


Kenneth L. Burgess

klb

cc: Kevin Maddron
Ann P. Kelly

ATTACHMENT A

ADULT CARE HOME NAME	CURRENT HHHUNT OWNER ENTITY	FUTURE FOUNDRY OWNER ENTITY	CITY	STATE
Spring Arbor of Albemarle Facility ID # 971268	Spring Arbor of Albemarle Limited Partnership	Spring Arbor Albemarle NC Landlord, LLC	Albemarle	NC
Spring Arbor of Apex Facility ID # 990039	Spring Arbor of Apex Limited Partnership	Spring Arbor Apex NC Landlord, LLC	Apex	NC
Spring Arbor of Cary Facility ID # 130543	Spring Arbor of Cary, LLC	Spring Arbor Cary NC Landlord, LLC	Cary	NC
Spring Arbor of Greensboro Facility ID # 090346	Spring Arbor of Greensboro Limited Partnership	Spring Arbor Greensboro NC Landlord, LLC	Greensboro	NC
Spring Arbor of Greenville Facility ID # 970986	Spring Arbor-- Greenville	Spring Arbor Greenville NC Landlord, LLC	Greenville	NC
Spring Arbor of Outer Banks Facility ID # 970709	Spring Arbor of Nags Head Limited Partnership d/b/ Spring Arbor of Outer Banks	Spring Arbor Kill Devil Hills NC Landlord, LLC	Kill Devil Hills	NC
Spring Arbor of Kinston Facility ID # 980433	Spring Arbor of Kinston II Limited Partnership	Spring Arbor Kinston NC Landlord, LLC	Kinston	NC
Spring Arbor of Raleigh	Spring Arbor of East Raleigh Limited	Spring Arbor Raleigh NC Landlord, LLC	Raleigh	NC

ADULT CARE HOME NAME	CURRENT HHHUNT OWNER ENTITY	FUTURE FOUNDRY OWNER ENTITY	CITY	STATE
Facility ID # 990961	Partnership d/b/a Spring Arbor Raleigh			
Spring Arbor of Rocky Mount Facility ID # 955657	Spring Arbor Rocky Mount--II	Spring Arbor Rocky Mount NC Landlord, LLC	Rocky Mount	NC
Spring Arbor of Thomasville Facility ID # 921210	The Oaks of Thomasville II Limited Partnership	Spring Arbor Thomasville NC Landlord, LLC	Thomasville	NC
Spring Arbor of Wilmington Facility ID # 970923	Spring Arbor -- Wilmington	Spring Arbor Wilmington NC Landlord, LLC	Wilmington	NC
Spring Arbor of Wilson Facility ID # 960313	Spring Arbor -- Wilson	Spring Arbor Wilson NC Landlord, LLC	Wilson	NC

From: [Mitchell, Micheala L](#)
To: [Burgess, Ken](#)
Cc: [Waller, Martha K](#); [Pittman, Lisa](#)
Subject: FW: [External] Notice of Exempt Acquisition: Change of Ownership of Spring Arbor Adult Care Homes
Date: Thursday, January 6, 2022 10:30:05 AM
Attachments: [4893-5186-9960 v.1 EXECUTED CON Exemption Letter 4853-5895-3223 v.1.pdf](#)

Received. Thanks Ken.

Micheala Mitchell, JD
[NC Department of Health and Human Services](#)
[Division of Health Service Regulation](#)
Section Chief, Healthcare Planning and CON Section
809 Ruggles Drive, Edgerton Building
2704 Mail Service Center
Raleigh, NC 27699-2704
Office: 919 855 3879
Micheala.Mitchell@dhhs.nc.gov

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From: Burgess, Ken <kburgess@bakerdonelson.com>
Sent: Thursday, January 6, 2022 10:02 AM
To: Mitchell, Micheala L <Micheala.Mitchell@dhhs.nc.gov>; Pittman, Lisa <lisa.pittman@dhhs.nc.gov>
Cc: Stauffer, Iain <istauffer@bakerdonelson.com>
Subject: [External] Notice of Exempt Acquisition: Change of Ownership of Spring Arbor Adult Care Homes

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Micheala and Lisa, hope you are doing well. Attached please find a copy of a Notice of Exempt Acquisition of twelve (12) adult care homes owned and operated in North Carolina by our client, HHHunt Assisted Living, Inc. d/b/a Spring Arbor in connection with the upcoming acquisition of Spring Arbor's adult care homes by Foundry Commercial Acquisitions, LLC or its assignee/related entity. The transaction is currently scheduled to close on or about March 1, 2022. We will soon be filing Change of Ownership licensure packets with the Adult Care Licensure Section and we've already been in touch with that office regarding the upcoming transaction. A hard copy of the attached letter is being mailed to Micheala today. Please let me know if you have any questions about the attached Notice of Exemption. Thanks very much, Ken Burgess

Kenneth (Ken) L. Burgess
Shareholder
Baker, Donelson, Bearman, Caldwell & Berkowitz, PC
2530 Meridian Parkway, Suite 300
Durham, NC 27713

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Baker, Donelson, Bearman, Caldwell & Berkowitz, PC represents clients across the U.S. and abroad from offices in Alabama, Florida, Georgia, Louisiana, Maryland, Mississippi, North Carolina, South Carolina, Tennessee, Texas, Virginia and Washington, D.C.

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