RE: **Letter of Intent / Non-Applicability Request for Transfer of Certain Ownships Interests in Hibbard Skilled Nursing & Rehabilitation Center Entities**

Dear Ms. Taylor and Messrs. Carboneau and Lawrence:

This Letter of Intent / Non-Applicability Request is filed in connection with certain proposed changes in the entities that own and operate the Hibbard Skilled Nursing & Rehabilitation Center ("Hibbard"), a 93 bed skilled nursing facility located in Dover-Foxcroft, Maine.

**Background**

We are requesting an NSTR ruling regarding the proposed transfer from First Atlantic HealthCare, Inc. ("FAH") to First Atlantic Corporation ("FAC") of the 50% membership interests now held by FAH in the two entities that own and operate Hibbard: (1) 1037 West Main Street, LLC (real estate owner); and (2) Dover-Foxcroft Healthcare LLC (operating entity) (collectively the "Proposed Transfer").

The remaining 50% membership interests in each of these two LLCs will continue to be held by LTC, LLC, an affiliate of Northern Light Health (formerly Eastern Maine Health Systems). The interests of LTC, LLC were formerly held by Rosscare Nursing Homes, Inc. ("Rosscare"). Mr. Lawrence issued an NSTR ruling dated October 15, 2018, authorizing the transfer of Rosscare’s interests to LTC, LLC.

The ownership interests in FAC and FAH are now each held by the same legal persons:

First Atlantic Corporation:

- 66.67% Ronald C. Coffin Living Trust, u/t/a dated May 30, 1986
- 33.33% Faraday Holdings, LLC – Craig Coffin, Ron Coffin’s son, is sole Member and Manager of Faraday Holdings, LLC
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First Atlantic Healthcare, Inc.:  
- 66.67% Ronald C. Coffin Living Trust, u/t/a dated May 30, 1986  
- 33.33% Faraday Holdings, LLC  

The Proposed Transfer will bring the ownership structure of Hibbard into conformance with the ownership structure of each of the other nursing facilities that are jointly owned by affiliates of First Atlantic and Northern Light (the “Joint Ventures”). These other Joint Venture nursing facilities include Colonial Healthcare in Lincoln, Dexter Healthcare in Dexter, Katahdin Nursing Home in Millinocket and Ross Manor and Stillwater Healthcare in Bangor. In each of these other Joint Ventures, FAC holds the 50% interest in both the real estate entity and the operating entity.  

At Hibbard, as is the case in each of the Joint Venture facilities, management services will continue to be provided by FAH pursuant to management contracts that have been in place for many years. Accordingly, the same corporation will continue to maintain requisite “ultimate control,” and this continues to provide a proper basis for another NSTR determination.  

The Proposed Transfer will also bring the Hibbard structure into conformance with the structure that was laid out in the 2013 CON application seeking approval of a change of ownership of Hibbard, as described in the CON Unit's September 11, 2013 Preliminary Analysis (the “Preliminary Analysis”):  

- Page 2 of the Preliminary Analysis states that the application “seeks change of asset ownership from Jane Hibbard-Merrill to a newly created LLC owned 50% by First Atlantic Corporation (FAC) and 50% by Rosscare of Bangor, Inc. (RC, Inc.”; and  
- Page 6 of the Preliminary Analysis contains similar statements.  

The CON approval dated October 22, 2013, however, stated that the CON authorized “a transfer of ownership of Hibbards Nursing Home, Inc. to a new LLC owned by First Atlantic Healthcare and Rosscare of Bangor, Inc.”  

**NF Transfers Not Subject to CON Review**  

The Proposed Transfer is not subject to Certificate of Need review for the following reasons:  

- Day-to-day management control will continue through the management contracts of FAH.  
- An NSTR should properly be granted as:  

  *the transfer of ownership only involves healthcare facilities that are under direct or indirect ownership of or ultimate control by the*
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same parent corporation immediately prior to the transfer or acquisition.

- No changes will be made to the reimbursement or rates of the respective facilities as a result of the Proposed Transfer;

- Craig Coffin has played, and will continue to play, a key role in the management structure of FAH and FAC. He currently serves as Chief Development Officer, and prior to that, Craig served for many years as Chief Operating Officer;

- Ken Bowden has played, and will continue to play, a key role in the management structure of FAH and FAC. He currently serves Treasurer.

The Proposed Transfer will be completed as soon as practicable, following receipt of clearance from DLRS to proceed.

Thank you for your attention to this request. John Doyle or I will be following up with you shortly to confirm receipt of this filing and to respond to any questions or concerns you may have.

Sincerely,

[Signature]

Kenneth W. Bowden
Treasurer

Enclosures

cc: Ronald G. Coffin
    Craig G. Coffin
    John P. Doyle, Jr.