

MATERIAL CHANGE NOTICE SUBMISSION DETAILS

MCN Number	2025-02-13-1310
OHCA Review Start Date	5/19/2025
Anticipated date (unless tolled per regulation) by which OHCA could waive cost and market impact review	7/3/2025
Anticipated date (unless tolled per regulation) by which OHCA could determine cost and market impact review required	7/18/2025

SUBMITTER

HEALTH CARE ENTITY CONTACT FOR PUBLIC INQUIRY

Title	Director of Reimb.
First Name	Manuel
Last Name	Lemus
Email Address	mlemus@arkpostacute.com

GENERAL

Business Name	Cambridge Sierra Holdings, LLC
Website	Not Applicable
Ownership Type	Limited Liability Company
Tax Status	For-profit
Federal Tax ID	45-3216863
Description of Submitting Organization	<p>Cambridge Sierra Holdings, LLC (Cambridge) is the operator and licensee of Reche Canyon Regional Rehab Center (Reche Canyon), a 156-bed skilled nursing facility (SNF) located at 1350 Reche Canyon Road in Colton, CA. Cambridge is a health care entity providing health care services as those terms are defined in 22 CCR § 97431. Cambridge also manages the day-to-day operations of Reche Canyon.</p> <p>Cambridge does not own any other health care entity providing health care services as those terms are defined in 22 CCR § 97431 other than Reche Canyon. Cambridge is not owned by another health care entity.</p> <p>Business Lines or Segments: Reche Canyon offers outpatient services, physical therapy, speech therapy, and hemodialysis.</p> <p>Ownership Type: Limited Liability Company Governance Structure: Adam Garff owns 25% of Cambridge Sierra Holdings, LLC. West Coast Commonwealth Partners, LLC owns 75% of Cambridge Sierra Holdings, LLC.</p>

Health Care Provider	Yes
For Providers: Desc. of Capacity or Patients served in California	<p>Cambridge Sierra Holdings, LLC operates a 156-bed skilled nursing facility, Reche Canyon Regional Rehab Center (CDPH License No. 240000394). The facility provides outpatient services, physical therapy, speech therapy, and hemodialysis. Reche Canyon is the only facility operated by Cambridge Sierra Holdings, LLC.</p> <p>The facility has 176 full-time staff, 14 part-time staff, and 73 pro re nata. It serves patient in San Bernardino County, California. In 2024, the facility served 915 patients, all in San Bernardino County.</p>

LOCATIONS

Counties	San Bernardino
California licenses and numbers	<p>California Department of Public Health – SNF License Number 240000394</p> <p>HCAI ID: 206364064</p> <p>Medicare: 55-5435</p> <p>California Secretary of State: 201125010273</p> <p>San Bernardino County Fictitious Business Name Registration: FBN20220003399</p> <p>CLIA Waiver: 05D0573280</p>
Other States Served	None
Other state(s) licenses and numbers	None
Primary Languages used when providing services	English

MATERIAL CHANGE

ADDITIONAL ENTITIES

Business Name	Description of the Organization	Ownership Type	Additional MCN Submission
RC Real Estate Investments, Inc.	RC Real Estate Investments, Inc. is a corporation that operates in San Bernardino County only. It does not provide	Corporation	No

	any health care services.		
1350 Reche Road, LLC	1350 Reche Road, LLC is a newly formed LLC that will operate in San Bernardino County and has its principal headquarters office in Los Angeles County. It does not provide health care services.	Limited Liability Company	No
Cape Cod Bay Holdings, LLC	Cape Cod Bay Holdings, LLC is a newly formed LLC that will operate in San Bernardino County. It does not currently provide any health care services.	Limited Liability Company	No

CRITERIA

A health care entity with annual revenue, as defined in section 97435(d) , of at least \$25 million or that owns or controls California assets of at least \$25 million, or;	Yes
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CIRCUMSTANCES FOR FILING

The proposed fair market value of the transaction is \$25 million or more and the transaction concerns the provision of health care services.	Yes
The transaction involves the sale, transfer, lease, exchange, option, encumbrance, or other disposition of 25% or more of the total California assets of the submitter(s).	Yes

TRANSACTION DETAILS

Anticipated Date of Transaction Closure	10/1/2025
Description of the Transaction	<p>On March 4, 2025, the owner of the real property upon which the skilled nursing facility is located, RC Real Estate Investments, Inc., entered into a transaction to sell the real property to 1350 Reche Road, LLC.</p> <p>Cambridge Sierra Holdings, LLC executed a separate operations transfer agreement to transfer the operations of the facility to Cape Cod Bay Holdings, LLC (New Operator). The goals of this transaction are</p>

	<p>to transfer ownership of the real property to the new real estate owner and to transfer the operations of the skilled nursing facility to the New Operator.</p> <p>The transaction will close upon the California Department of Public Health's approval of the New Operator's licensing application. The application to the California Department of Public Health was filed on April 3, 2025.</p> <p>The transaction is necessary and desirable to maintain operations of Reche Canyon Regional Rehab Center with minimal disruption to the care provided to patients. The parties do not anticipate that this transaction will have any adverse impacts on the general public or the quality of patient care. There are no expected adverse impacts to the public as a result of the transaction itself. There are no changes to the services provided to Medicare and Medi-Cal patients.</p> <p>There are no anticipated potential post-transaction changes after the initial 60-day post-closing period, other than in the ordinary course of business.</p>
Submitted to US Department of Justice or Federal Trade Commission?	No
Submitted to Other Agency?	Yes
Date of Submission	4/3/2025
To Whom Submitted	California Department of Public Health
Description of Submission (Include Agency name(s) and State(s))	The licensing application for the new operator was filed to the California Department of Public Health.
Subject to court proceeding	No
Description of current services provided and expected post-transaction impacts on health care services	<p>(A) Counties where services are currently performed and any post-transaction changes thereto:</p> <p>Services are currently performed in San Bernardino County only. There are no expected post-transaction changes thereto that Submitter is aware of.</p> <p>(B) Levels and type of health care services currently offered, such as the full range of reproductive health care and sexual health care services, specialized services for LGBTQ+ populations, labor and delivery services, pediatric services, behavioral health services, cardiac services, and emergency services, and any post-transaction changes thereto:</p> <p>Reche Canyon provides skilled nursing services,</p>

	<p>including rehabilitation (physical and speech therapy) and long-term care. There are no expected post-transaction changes thereto that Submitter is aware of.</p> <p>(C) Summary that includes the number and type of patients currently served, including, but not limited to, age, gender, race, ethnicity, preferred language spoken, disability status, and payer category, and any post-transaction changes thereto:</p> <p>Reche Canyon currently serves 144 patient. Below is a summary of the patients:</p> <p>Age 0-50 (18), 51-60 (11), 61-70 (33), 71-80 (47), 81-90 (27), 91-100 (7), 100+ (1) Total (144).</p> <p>Gender Female (73), Male (71), Total (144)</p> <p>Preferred Language Chinese (1), English (131), Hmong (1), Other (1), Spanish (10), Total (144).</p> <p>Payer Category Mgd Care (56), Medi-Cal (81), Hospice (1), Medicare (5), Private (1), Total (144).</p> <p>See attached for data on race and ethnicity. Disability data is not available.</p> <p>(D) Current community needs assessments, charity care, and community benefit programs, and any post-transaction changes thereto:</p> <p>There are currently no community needs assessments, charity care, or community benefit programs. There are no expected post-transaction changes thereto that Submitter is aware of.</p> <p>(E) Whether Medi-Cal and Medicare patients are currently accepted and any post-transaction changes thereto:</p> <p>Currently Reche Canyon accepts both Medi-Cal and Medicare patients. There are no expected post-transaction changes thereto that Submitter is aware of that will impact Medi-Cal or Medicare patients.</p>
Prior mergers or acquisitions that: (A) involved the same or related health care services; (B) involved at least one of the entities, or their parents, subsidiaries, predecessors, or successors, in the proposed	<p>There have been no prior mergers or acquisitions as described that were closed within the last ten years.</p>

transaction; and (C) were closed in the last ten years.	
Description of Potential Post Transaction Changes	<p>Upon closing of this transaction, the New Operator will assume operations of the skilled nursing facility. The New Operator does not anticipate any changes to the staffing levels or care provided at the skilled nursing facility. (See Operations Transfer Agreement, section 6.5.) There are no anticipated potential post-transaction changes after the initial 60-day post-closing period, other than in the ordinary course of business.</p> <p>The New Operator currently has no city or county contracts for the provision of health care services to the skilled nursing facility. The New Operator anticipates no post-transaction changes to comparable health care services offered by other entities within a 20 mile radius of the skilled nursing facility. The New Operator does not anticipate any changes to its ownership, governance, or operational structure upon the close of this transaction.</p>
Description of the nature, scope, and dates of any pending or planned material changes occurring between the Submitter and any other entity, within the 12 months following the date of the notice	<p>There are no other pending or planned material changes occurring between Cambridge Sierra Holdings, LLC and any other entity involved in the transaction within 12 months following the date of the OHCA notice.</p>

OPERATIONS TRANSFER AGREEMENT

This OPERATIONS TRANSFER AGREEMENT (this “Agreement”) is made and entered into as of April 3, 2025 (the “Effective Date”), by and between Cambridge Sierra Holdings, LLC, a California limited liability company (“Licensee”), and Cape Cod Bay Holdings, LLC, a California limited liability Company (“New Operator”; the Licensee and the New Operator being referred to individually as a “Party” and together as the “Parties”).

RECITALS

A. **WHEREAS**, Licensee is the licensed operator of that certain 156-bed skilled nursing facility commonly known as Reche Canyon Rehab and Health Center, located at 1350 Reche Canyon Road, Colton, CA (the “Facility”), which is owned by RC Real Estate Investments, Inc., a Delaware corporation (“Seller”).

B. **WHEREAS**, Seller leases the Facility to LTCP Master Lease Holds, LLC, a Florida limited liability company (“Master Tenant”), pursuant to the terms and provisions of that certain Amended and Restated Master Lease, dated as of April 1, 2018 (as amended, the “Existing Lease”).

C. **WHEREAS**, Master Tenant subleases the Facility to Licensee, pursuant to the terms and provisions of that certain [Sublease Agreement], dated as of September 28, 2021 (as amended, the “Existing Sublease”).

D. **WHEREAS**, 1350 Reche Road LLC, a California limited liability company (“Purchaser”) and Seller have entered into that certain Purchase and Sale Agreement and Joint Escrow Instructions, dated as of March 4, 2025 (as amended, the “PSA”), pursuant to which Purchaser will be acquiring from Seller the real property and improvements housing the Facility, among other assets (the date on which the PSA closes, the “Real Estate Transfer Date”).

E. **WHEREAS**, concurrently with the closing under the PSA, (1) Seller and Master Tenant will enter into a termination agreement, pursuant to which the Existing Lease will be terminated as of the Real Estate Transfer Date (the “Lease Termination Agreement”), and (2) Master Tenant and Licensee will enter into a termination agreement, pursuant to which the Existing Sublease will be terminated as of the Real Estate Transfer Date (the “Sublease Termination Agreement”).

F. **WHEREAS**, concurrently with the closing under the PSA, Purchaser and New Operator will enter into a lease of the Facility (the “New Lease”), pursuant to which New Operator will occupy the Facility.

G. **WHEREAS**, New Operator has filed or will file its Change of Ownership Application with the California Department of Public Health (“CDPH”) and the 855A form with the fiscal intermediary for the Facility, (collectively, the “CHOW”) pursuant to which New Operator will obtain its own license to operate the Facility (the “New License”) and obtain the Permits, as defined herein.

Licensee agrees not to pay the Hired Employees any Employee Accruals outside the ordinary course of business.

6.4 On the Operations Transfer Date, Licensee shall pay to Current Employees all Employee Accruals and such other amounts due and payable under applicable law and the policies and procedures of Licensee for periods prior to the Operations Transfer Date and shall timely pay to all applicable governmental authorities all employment-related taxes due with respect to Employees for periods before the Operations Transfer Date, including Licensee's share of all FICA, state and federal unemployment taxes and workers' compensation insurance premiums.

6.5 New Operator hereby covenants and agrees that, to the extent required by applicable law, (a) it shall offer to hire on the Operations Transfer Date and retain for a period of at least sixty (60) days after the Operations Transfer Date all of the employees at the Facility (specifically excluding the director of nursing and the administrator) and all shall be Hired Employees under this Agreement, (b) it shall not terminate the employment of any of the Hired Employees during such sixty (60) day period, except for cause, and (c) during such sixty (60) day period, it will not reduce the wages and/or benefits of any of the Hired Employees nor alter the terms and conditions of employment, economic or otherwise, of such Hired Employees. In connection with any offers of employment to Facility employees, to the extent required by applicable law, New Operator shall make a written offer of employment to each employee of the Facility (other than the administrator and director of nursing) at least the minimum amount of time required under applicable law, if any, prior to the Operations Transfer Date (an "Employment Offer"). Each Employment Offer must be in each employee's primary language or another language in which such employee is literate and must state the time within which the employee may accept the offer, which time period may not be less than the minimum amount of time required under applicable law.

6.6 Licensee shall not, without the prior written consent of New Operator, (a) increase or promise to increase by fifteen percent (15%) or more any of the wages or benefits of any of the Hired Employees, or (b) grant or promise to grant any bonuses to, any of the Hired Employees for which such bonuses will not be paid by Licensee prior to the Operations Transfer Date.

6.7 Nothing in this Agreement shall create any rights in favor of any person not a party hereto, including the Hired Employees, or constitute an employment agreement or condition of employment for any employee of Licensee or the New Operator or any affiliate thereof, nor shall this Agreement be deemed the assignment to or assumption by New Operator of any collective bargaining agreement, employment agreement or terms or conditions of employment (except as set forth herein), and New Operator shall not assume any liabilities or obligations under any employee benefit plan or defined benefit plan of Licensee or its affiliates.

6.8 It is the understanding and belief of Licensee and New Operator that Licensee is not required to give notice to the employees of the Facility of the "closure" thereof under the Worker Adjustment and Retraining Notification Act (the "WARN Act") or under any comparable State law, because of the assurances provided by New Operator in Section 6.5. New Operator has advised the Licensee that it does not want Licensee to deliver any such notices to the

SO MADE SHALL BE COMPLETE TEN (10) DAYS AFTER THE SAME HAS BEEN POSTED. THE PARTIES HERETO HEREBY WAIVE ANY RIGHT THEY MAY HAVE TO TRANSFER OR CHANGE THE VENUE OF ANY LITIGATION BROUGHT AGAINST SUCH PARTY IN ACCORDANCE WITH THIS SECTION.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereby execute this Operations Transfer Agreement as of the day and year first set forth above.

LICENSEE:

Cambridge Sierra Holdings, LLC,
a California limited liability company

By: _____

Name: _____

Title: _____

RB Bridges
Manager

NEW OPERATOR:

Cape Cod Bay Holdings, LLC,
a California limited liability company

By: _____

Name: Abraham Bak

Title: Authorized Representative

IN WITNESS WHEREOF, the parties hereby execute this Operations Transfer Agreement as of the day and year first set forth above.

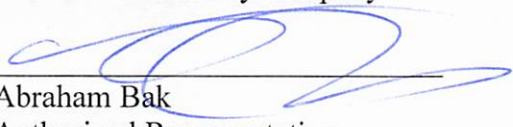
LICENSEE:

Cambridge Sierra Holdings, LLC,
a California limited liability company

By: _____
Name: _____
Title: _____

NEW OPERATOR:

Cape Cod Bay Holdings, LLC,
a California limited liability company

By:  _____
Name: Abraham Bak
Title: Authorized Representative