



**North Carolina Department of Health and Human Services  
Division of Health Service Regulation  
Certificate of Need Section**

2704 Mail Service Center • Raleigh, North Carolina 27699-2704

<http://www.ncdhhs.gov/dhsr/>

Drexdal Pratt, Director

Beverly Eaves Perdue, Governor  
Albert A. Delia, Acting Secretary

Craig R. Smith, Section Chief  
Phone: (919) 855-3873  
Fax: (919) 733-8139

December 19, 2012

Neil Hoffman  
Arnall Golden Gregory LLP  
171 17<sup>th</sup> Street, NW, Suite 2100  
Atlanta, GA 30363-1031

**Exempt from Review – Acquisition of Five Carillon Adult Care Home Facilities**


Facilities: Located in HSAs III, IV, and V, See Exhibit A  
Acquisition by: Griffin-American HC REIT II North Carolina ALF Portfolio, LLC (“RealCo”)  
County: See Exhibit A  
FID #: See Exhibit A

Dear Mr. Hoffman:

In response to your letter of December 10, 2012, the above referenced proposal is exempt from certificate of need review in accordance with N.C.G.S 131E-184(a)(8). Therefore, Griffin-American HC REIT II North Carolina ALF Portfolio, LLC (“RealCo”) may proceed to acquire the above referenced health service facility without first obtaining a certificate of need. However, you need to contact the Adult Care Licensure Section of the Division of Health Service Regulation to obtain instructions for changing ownership of the existing facility. Note that pursuant to N.C.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.”*

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

Sincerely,

  
Kim Randolph  
Project Analyst

  
Craig R. Smith, Chief  
Certificate of Need Section

cc: Adult Care Licensure Section, DHSR



Exhibit A  
Carillon Assisted Living  
Acquisition of Five Carillon ACH Facilities in HSAs III, IV, and V

<b>Facility</b>	<b>FID#</b>	<b>County/HSA</b>	<b>Owner</b>
Carillon Assisted Living of Indian Trail	080125	Union/ HSA III	Carillon Assisted Living of Monroe, LLC
Carillon Assisted Living of Lincolnton	000456	Lincoln/ HSA III	Carillon Assisted Living of Lincolnton, LLC
Carillon Assisted Living of Fuquay-Varina	000461	Wake/ HSA IV	Carillon Assisted Living of Fuquay-Varina, LLC
Carillon Assisted Living of Knightdale	000453	Wake/ HSA IV	Carillon Assisted Living of Knightdale, LLC
Carillon Assisted Living of Fayetteville	080399	Cumberland/ HSA V	Carillon Assisted Living of Fayetteville, LLC

CARILLON  
ASSISTED LIVING

VIA E-MAIL AND HAND DELIVERY

December 6, 2012

Mr. Craig Smith, Section Chief  
NC Division of Health Service Regulation  
Certificate of Need Section  
809 Ruggles Drive  
Raleigh, NC 27603

**Re: Carillon Assisted Living of Lincolnton – HAL-055-011  
Carillon Assisted Living of Fayetteville – HAL-026-056  
Carillon Assisted Living of Monroe – HAL-090-031  
Carillon Assisted Living of Fuquay – HAL-092-159  
Carillon Assisted Living of Knightdale – HAL-092-166**

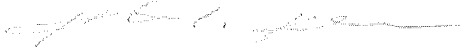
Dear Mr. Smith:

Carillon Assisted Living, the parent company, is going to enter into a sale-leaseback transaction prior to December 31, 2012 related to these five facilities. This is a refinancing transaction solely related to the real estate associated with these properties. The facilities will continue to be operated as they are today by Carillon as the licensed operator as identified by the license number reflected above.

To maintain proper compliance with DHSR Licensure Section regulations, we are requesting the issuance of a "No Review Letter" to be issued by the Certificate of Need Section to the Licensure Section so they know the above-referenced projects have been constructed in accordance with and comply with North Carolina's Certificate of Need law.

Thanks in advance for your attention to this matter. Should you have any questions, I can be reached at (919) 852-4000.

Sincerely,



Kenneth C. Kirkham  
Chief Operating Officer

KCK:sac

cc: B. Steenson, Carillon Assisted Living  
K. Moriarty, Carillon Assisted Living

# State of North Carolina

Department of Health and Human Services  
Division of Health Service Regulation

*Effective January 1, 2013, this license is issued to*

*Carillon Assisted Living of Monroe, LLC*

*to operate an Adult Care Home known as*

*Carillon Assisted Living at Indian Trail*

*located at 5306 Secrest Short Cut Road*

*Monroe, NC, Union County.*

*This license is issued subject to the statutes of the State of North  
Carolina, is not transferable and shall expire  
December 31, 2013.*

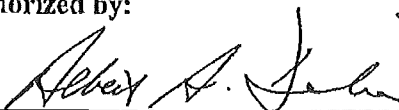
*License Number: HAL-090-031*

*\*\*\* This home serves only elderly persons. \*\*\**

*Capacity: 96*

*Special Care Units: X Yes    No      Type: Alzheimer's/Dementia 36*

Authorized by:



Acting Secretary, N.C. Department of Health and  
Human Services



Director, Division of Health Service Regulation

# State of North Carolina

Department of Health and Human Services  
Division of Health Service Regulation

*Effective January 1, 2013, this license is issued to*

*Carillon Assisted Living of Lincolnton, LLC*

*to operate an Adult Care Home known as*

*Carillon Assisted Living of Lincolnton*

*located at 440 Salem Church Road  
Lincolnton, NC, Lincoln County.*

*This license is issued subject to the statutes of the State of North  
Carolina, is not transferable and shall expire  
December 31, 2013.*

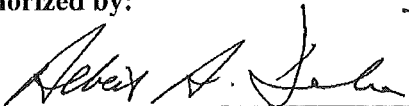
*License Number: HAL-055-011*

*\*\*\* This home serves only elderly persons. \*\*\**

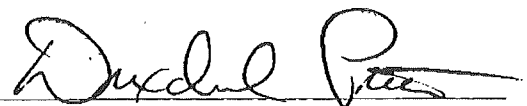
*Capacity: 96*

*Special Care Units: X Yes \_ No      Type: Alzheimer's/Dementia 36*

Authorized by:



Acting Secretary, N.C. Department of Health and  
Human Services



Director, Division of Health Service Regulation

# State of North Carolina

Department of Health and Human Services  
Division of Health Service Regulation

*Effective January 1, 2013, this license is issued to  
Carillon Assisted Living of Fuquay Varina, LLC  
to operate an Adult Care Home known as  
Carillon Assisted Living of Fuquay Varina  
located at 6516 Johnson Pond Road  
Fuquay Varnia, NC, Wake County.*

*This license is issued subject to the statutes of the State of North  
Carolina, is not transferable and shall expire  
December 31, 2013..*

*License Number: HAL-092-159*

*\*\*\* This home serves only elderly persons. \*\*\**

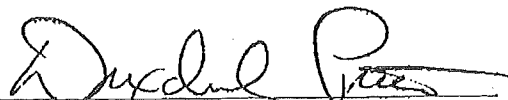
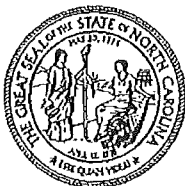
*Capacity: 96*

*Special Care Units:  Yes  No      Type: Alzheimer's/Dementia 36*

Authorized by:



Acting Secretary, N.C. Department of Health and  
Human Services



Director, Division of Health Service Regulation

# State of North Carolina

Department of Health and Human Services  
Division of Health Service Regulation

*Effective January 1, 2013, this license is issued to*

*Carillon Assisted Living of Knightdale, LLC*

*to operate an Adult Care Home known as*

*Carillon AL of Knightdale*

*located at 2408 Hodge Road  
Knightdale, NC, Wake County.*

*This license is issued subject to the statutes of the State of North  
Carolina, is not transferable and shall expire*

*December 31, 2013.*

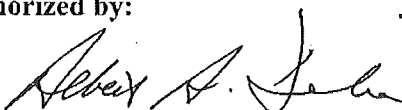
*License Number: HAL-092-166*

*\*\*\* This home serves only elderly persons. \*\*\**

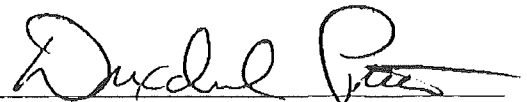
*Capacity: 96*

*Special Care Units: X Yes    No      Type: Alzheimer's/Dementia 36*

Authorized by:



Acting Secretary, N.C. Department of Health and  
Human Services



Director, Division of Health Service Regulation

# State of North Carolina

Department of Health and Human Services  
Division of Health Service Regulation

*Effective January 1, 2013, this license is issued to  
Carillon Assisted Living of Fayetteville, LLC  
to operate an Adult Care Home known as  
Carillon Assisted Living of Fayetteville  
located at 1164 71st School Rd  
Fayetteville, NC, Cumberland County.*

*This license is issued subject to the statutes of the State of North  
Carolina, is not transferable and shall expire  
December 31, 2013.*

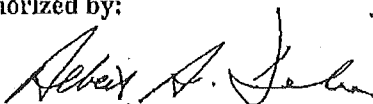
*License Number: HAL-026-056*

*\*\*\* This home serves only elderly persons. \*\*\**

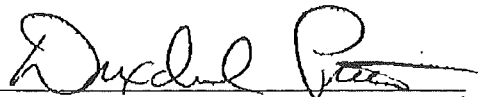
*Capacity: 96*

*Special Care Units:  Yes  No      Type: Alzheimer's/Dementia 36*

Authorized by:



Acting Secretary, N.C. Department of Health and  
Human Services



Director, Division of Health Service Regulation



December 10, 2012

VIA FEDERAL EXPRESS

Mr. Craig Smith  
State of North Carolina Department of Health and Human Services  
Division of Health Service Regulation  
Certificate of Need Section  
809 Ruggles Drive  
Raleigh, North Carolina 27603



Re: Notice of Exemption – Change in Ownership of Real Estate Assets of the following facilities (the “Facilities”):

- Carillon Assisted Living of Fayetteville
- Carillon Assisted Living of Fuquay Varina
- Carillon Assisted Living at Indian Trail
- Carillon Assisted Living of Knightdale
- Carillon Assisted Living of Lincolnton

Dear Mr. Smith:

We are counsel to GA HC REIT II North Carolina ALF Portfolio, LLC (“RealCo”) and its affiliates, who intend to enter into a sale-leaseback transaction on or before December 31, 2012 related to the above-referenced Facilities. Wholly-owned affiliates of RealCo will purchase the real estate assets of the Facilities from the owners/operators/licensees of the Facilities, each of whom is an affiliate of Carillon Assisted Living. The operators, license numbers, and addresses of these Facilities are listed in Exhibit A.

The operators will continue to operate these Facilities as adult care homes after this real estate transaction has occurred pursuant to lease arrangements with RealCo. There will be no change in ownership of the operators as a result of this transaction, and there will be no change to the operators as the licensees or Medicaid providers. The operators will continue to exist, their current Medicaid provider agreements will remain in place, and their federal tax identification numbers will not change. None of the Facilities’ day-to-day operations should be impacted by this transaction.

This letter constitutes prior written notice to your department in accordance with N.C. Gen. Stat. § 131E-184. Pursuant to N.C. Gen. Stat. § 131E-184(a)(8), this real estate transaction constitutes an acquisition of an existing health services facility and is therefore exempt from certificate-of-need review.

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Mr. Craig Smith  
State of North Carolina Department of Health and Human Services  
Division of Health Service Regulation  
December 10, 2012  
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As indicated above, this real estate transaction is currently scheduled to close on or before December 31, 2012. The parties are targeting a closing date of December 20, 2012. Accordingly, in light of the fact that there will be no change in the operators/licenseses of, or operations at, the Facilities, we would appreciate receiving as soon as possible your written confirmation that this transaction is exempt from certificate-of-need review and that no additional filings are required prior to this transaction taking place. For your convenience, I have enclosed a stamped, self-addressed envelope and a copy of this letter for your signature in the space provided below indicating confirmation of the foregoing.

Thank you for your attention to this matter. If you have any questions or require any additional information, please do not hesitate to contact me.

Sincerely,

ARNALL GOLDEN GREGORY LLP



Neil W. Hoffman, Ph.D., J.D.

Enclosure

cc: Stefan Oh, RealCo  
Hedy S. Rubinger, Esq.

**STATE OF NORTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES**

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT A**

<b>Facility</b>	<b>License No.</b>	<b>Address</b>	<b>Seller/Operator/Licensee</b>
Carillon Assisted Living of Fayetteville	HAL-026-056	1164 71 <sup>st</sup> School Road Fayetteville, NC 28314	Carillon Assisted Living of Fayetteville, LLC
Carillon Assisted Living of Fuquay Varina	HAL-092-159	6516 Johnson Pond Road Fuquay-Varina, NC 27526	Carillon Assisted Living of Fuquay-Varina, LLC
Carillon Assisted Living at Indian Trail	HAL-090-031	5306 Secrest Short Cut Rd. Monroe, NC 28110	Carillon Assisted Living of Monroe, LLC
Carillon Assisted Living of Knightdale	HAL-092-166	2408 Hodge Road Knightdale, NC 27545	Carillon Assisted Living of Knightdale, LLC
Carillon Assisted Living of Lincolnton	HAL-055-011	440 Salem Church Road Lincolnton, NC 28092	Carillon Assisted Living of Lincolnton, LLC