



North Carolina Department of Health and Human Services  
Division of Health Service Regulation

Pat McCrory  
Governor

Richard O. Brajer  
Secretary DHHS

Mark Payne, Director  
Health Service Regulation

September 12, 2016

Tyler L. Arnold  
Arnall, Golden, and Gregory, LLP  
171 17th Street Northwest  
Atlanta, GA 30363

**No Review**

**Record #:** 2047  
**Facility Name:** Falls River Village Assisted Living Community  
**FID #:** 980579  
**Project Description:** Change in indirect ownership within the corporate structure  
**County:** Wake

Dear Mr. Arnold:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) received your letter of September 6, 2016 regarding the above referenced proposal. Based on the CON law **in effect on the date of this response to your request**, the proposal described in your correspondence is not governed by, and therefore, does not currently require a certificate of need. However, please note that if the CON law is subsequently amended such that the above referenced proposal would require a certificate of need, this determination does not authorize you to proceed to develop the above referenced proposal when the new law becomes effective.

However, you need to contact the Agency's Adult Care Licensure Section to determine if they have any requirements for development of the proposed project.

It should be noted that this determination is binding only for the facts represented in your correspondence. Consequently, if changes are made in the project or in the facts provided in your correspondence referenced above, a new determination as to whether a certificate of need is required would need to be made by this office. Changes in a project include, but are not limited to: (1) increases in the capital cost; (2) acquisition of medical equipment not included in the original cost estimate; (3) modifications in the design of the project; (4) change in location; and (5) any increase in the number of square feet to be constructed.

Please contact this office if you have any questions. Also, in all future correspondence you should reference the Facility ID # (FID) if the facility is licensed.

Sincerely,

Michael J. McKillip  
Project Analyst

Martha J. Frisone  
Assistant Chief, Certificate of Need

cc: Adult Care Licensure Section, DHSR  
Paige Bennett, Assistant Chief, Healthcare Planning, DHSR

**Healthcare Planning and Certificate of Need Section**  
www.ncdhhs.gov



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September 6, 2016

**VIA UPS**

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: North Carolina Adult Care Homes  
Proposed Change in Certain Indirect Owners**

Dear Mr. Smith:

I am writing on behalf of the facilities listed in the table below (the "Facilities") to inform you of a change in the indirect ownership of the operator and the entity that owns the real estate for each of the Facilities, which is scheduled to occur on or about January 1, 2017 (the "Transaction").

Facility Name & Address	Facility Type
Falls River Court Memory Care Community 1130 Falls River Avenue Raleigh, NC 27614	Adult Care Home
Falls River Village Assisted Living Community 1110 Falls River Avenue Raleigh, NC 27614	Adult Care Home

As reflected in the enclosed diagram at Attachment A (applicable to the Facilities as identified above), there will be no change to the operators as the licensees, no change to the real estate entities themselves, no change in the direct ownership of the operators or real estate entities, and no change in existing lease arrangements. The change in certain indirect owners will take place multiple levels above the operators in the corporate structure. The operators' federal tax identification numbers will not change. In addition, other than changes resulting in the ordinary course of business, there will be no changes to facility staff for the operators and the facilities' day-to-day operations and management agreements will not be impacted as a result of the change in indirect ownership. We are happy to provide additional details, if necessary.

Note that prior to the Transaction, there may be an additional investor added to the current structure. If added, the additional investor will hold a 20 percent or less indirect interest in the real estate entities through an investment in an entity which is also multiple levels above the operators in

the corporate structure. We understand that no additional filings are required prior to the addition of this investor and will provide your office with notice after the change, if it occurs.

It is our understanding that the proposed changes described above would not constitute a change of ownership that would require new certifications, that no additional filings are required prior to the change taking place, and that the Facilities' existing certifications will not be impacted, and that we may proceed as scheduled. **We respectfully request a letter or email acknowledgment from your office confirming our understanding.**

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 our understanding, as stated above.

Thank you for your attention to this matter.

Sincerely,

Arnall Golden Gregory LLP

  
Tyler L. Arnold *CPA*

Enclosures

cc: Ann Harrington, Esq. (w/encl.)  
Hedy Rubinger, Esq. (w/encl.)

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

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

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

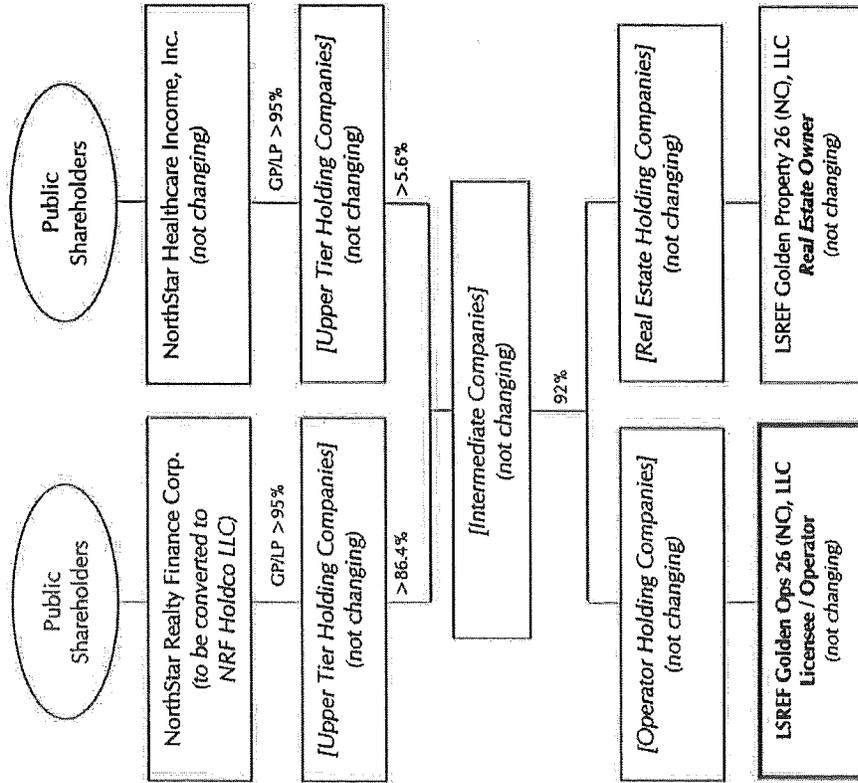
Title: \_\_\_\_\_

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

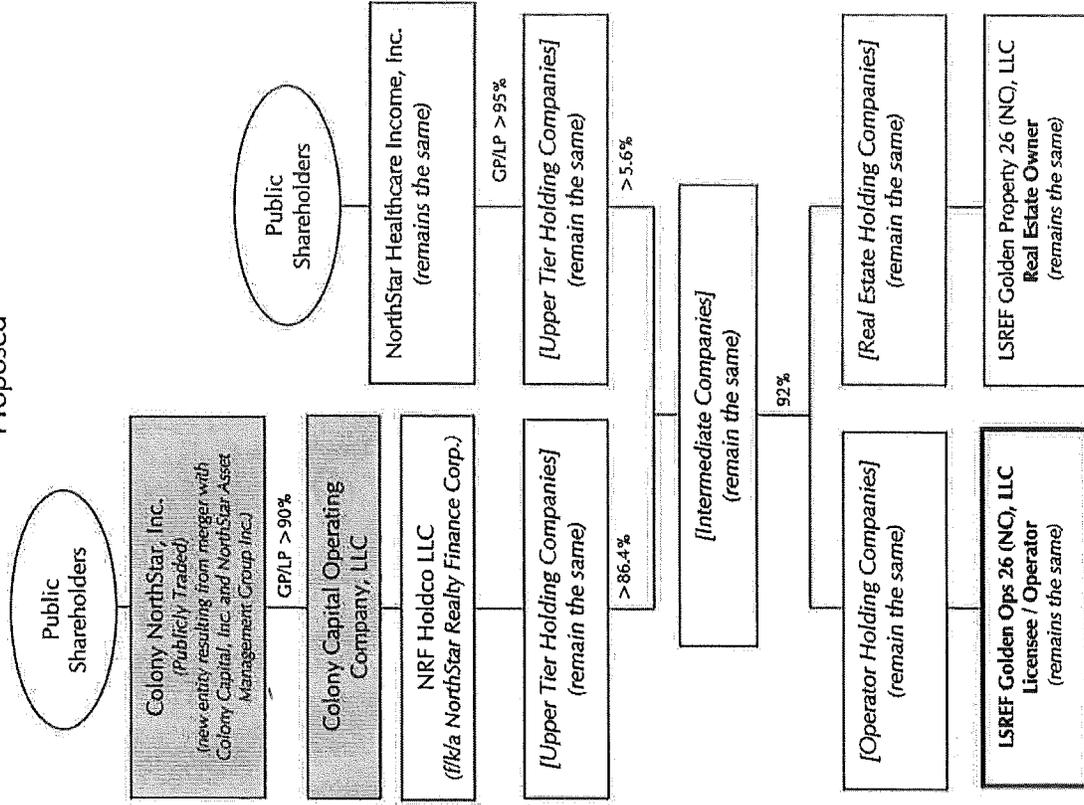
# ATTACHMENT A

## Overview of Changes in Certain Indirect Owners Falls River Court Memory Care Community

Current



Proposed

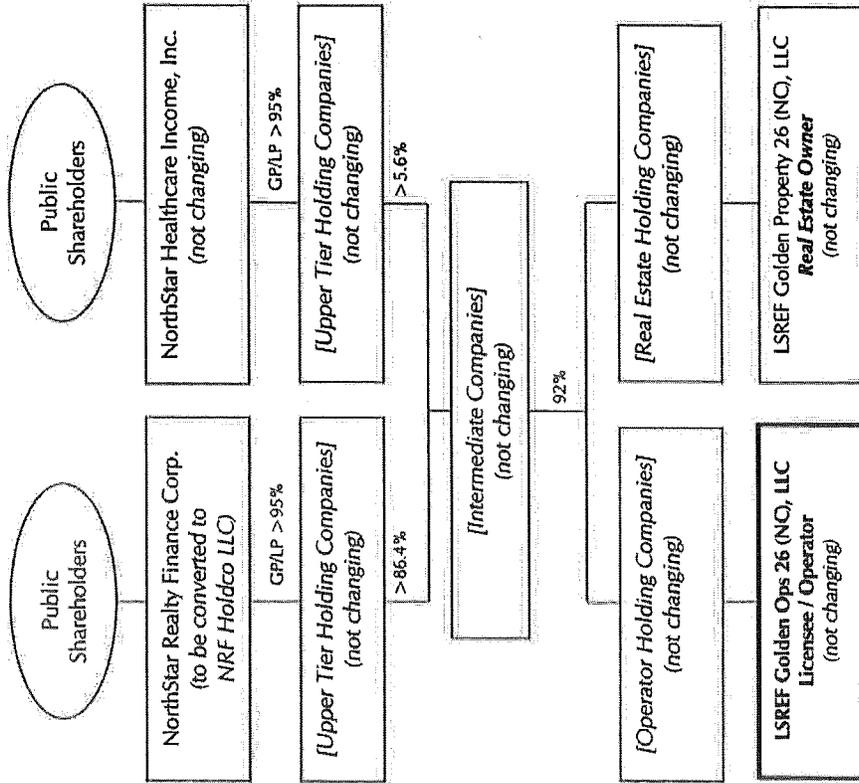


This diagram presents the change in certain indirect ownership in generalized terms and does not depict all entities within the corporate structure of the Licensee/Operator or those entities with less than 5% indirect ownership. The only changes to the current structure are reflected in gray. Note that an additional investor may be added to the current structure. If added, the additional investor will hold an indirect interest of 20% or less multiple levels above the Licensee/Operator. Please let us know if you would like additional information regarding the structure.

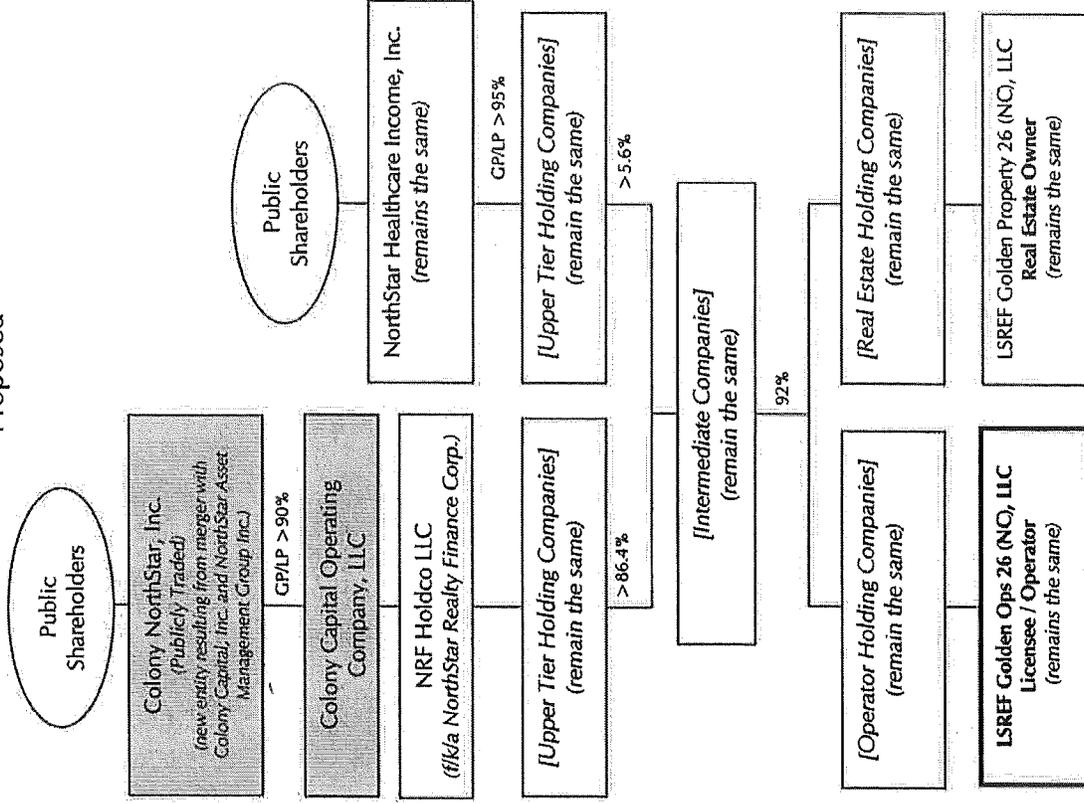
# ATTACHMENT A

## Overview of Changes in Certain Indirect Owners Falls River Village Assisted Living Community

Current



Proposed



This diagram presents the change in certain indirect ownership in generalized terms and does not depict all entities within the corporate structure of the Licensee/Operator or those entities with less than 5% indirect ownership. The only changes to the current structure are reflected in gray. Note that an additional investor may be added to the current structure. If added, the additional investor will hold an indirect interest of 20% or less multiple levels above the Licensee/Operator. Please let us know if you would like additional information regarding the structure.