



DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF HEALTH SERVICE REGULATION

ROY COOPER
GOVERNOR

MANDY COHEN, MD, MPH
SECRETARY

MARK PAYNE
DIRECTOR

August 14, 2017

Susan M. Fradenburg
Smith Moore Leatherwood LLP
300 N. Greene Street
Greensboro, NC 27401

Exempt from Review – Acquisition of Facility

Record #: 2359
Facility Name: Preston House
Type of Facility: Adult Care Home SCU Alzheimer
FID #: 970707
Acquisition by: Ridge Care, Inc.
Business #: 2699
County: Mecklenburg

Dear Ms. Fradenburg:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) determined that based on your letter of August 10, 2017, the above referenced proposal is exempt from certificate of need review in accordance with N.C. Gen. Stat. §131E-184(a)(8). Therefore, Ridge Care, Inc. may proceed to acquire the above referenced health service facility without first obtaining a certificate of need. However, you need to contact the Agency's Adult Care Licensure Section to obtain instructions for changing ownership of the existing facility. Note that pursuant to N.C. Gen. Stat. §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

HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION

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TELEPHONE 919-855-3873

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

Sincerely,



Celia C. Inman
Project Analyst



Martha J. Frisone
Chief, Healthcare Planning and
Certificate of Need Section

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

August 10, 2017

Via Email and Federal Express

Ms. Martha Frisone
Chief, Healthcare Planning and Certificate of Need Section
Division of Health Service Regulation
NC Department of Health and Human Services
2704 Mail Service Center
Raleigh, North Carolina 27699-2704



Re: Notice of Exempt Acquisition of Preston House Assisted Living by Ridge Care, Inc, Mecklenburg County

Dear Martha:

We represent Ridge Care, Inc., Preston House of Charlotte, LLC and Arbor Ridge at Huntersville, LLC (collectively "Ridge Care"). This letter provides prior written notice that Ridge Care plans to acquire from Preston House I, LLC ("Preston House"), the existing, licensed adult care home located at 4910 Harris Woods Blvd., Charlotte, Mecklenburg County, North Carolina, HAL-060-031. Ridge Care is acquiring the 40 bed, special care unit Alzheimer/dementia adult care home facility from Preston House, and Ridge Care plans to operate the facility through Preston House of Charlotte, LLC an affiliate of Ridge Care. Following the Closing of this acquisition it is anticipated the license for this facility will be issued to Preston House of Charlotte LLC but the facility will continue to do business as Preston House. Ridge Care is a NC Corporation and Preston House of Charlotte is a N.C. Limited Liability Corporation.

The acquisition of "an existing health service facility" is exempt from certificate of need review. N.C. Gen. Stat. § 131E-184(a)(8). As you know, "health service facility" is defined to include an "adult care home." N.C. Gen. Stat. § 131E-176(9b).

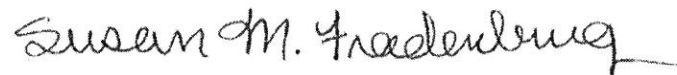
Please confirm that Ridge Care's acquisition of the adult care home known as Preston House is exempt from CON review pursuant to N.C. Gen. Stat. § 131E-184(a)(8). We look forward to receiving your confirmation as soon as possible. Please let us know if you have any questions or need additional information.

Martha Frisone, Chief
August 10, 2017
Page 2

With kindest regards, I am

Very truly yours,

SMITH MOORE LEATHERWOOD LLP

A handwritten signature in black ink that reads "Susan M. Fradenburg". The signature is written in a cursive style with a long horizontal flourish at the end.

Susan M. Fradenburg

cc: Jeff Dickerson