



DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF HEALTH SERVICE REGULATION

ROY COOPER
GOVERNOR

MANDY COHEN, MD, MPH
SECRETARY

MARK PAYNE
DIRECTOR

January 27, 2016

Robert A. Leandro
301 Fayetteville Street, Suite 1400
Raleigh, NC 27601

Exempt from Review – Acquisition of Facility

Record #: 2148
Facility Name: Spring Arbor of Hendersonville
Type of Facility: Adult Care Home
FID #: 960697
Acquisition by: NHI-REIT of North Carolina, LLC
Business #: 2560
County: Henderson

Dear Mr. Leandro:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) determined that based on your letter of January 17, 2017, the above referenced proposal is exempt from certificate of need review in accordance with N.C. Gen. Stat. §131E-184(a)(8). Therefore, NHI-REIT of North Carolina, LLC 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 Home 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 separate determination. If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,

Julie Halatek
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

TELEPHONE 919-855-3873

LOCATION: EDGERTON BUILDING • 809 RUGGLES DRIVE • RALEIGH, NC 27603

MAILING ADDRESS: 2704 MAIL SERVICE CENTER • RALEIGH, NC 27699-2704

AN EQUAL OPPORTUNITY/ AFFIRMATIVE ACTION EMPLOYER





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January 17, 2017

VIA U.S. AND ELECTRONIC MAIL

Martha Frisone
Assistant Chief
Healthcare Planning and Certificate of Need Section
North Carolina Department of Health and Human Services
2704 Mail Service Center
Raleigh, NC 27699-2704
Martha.Frisone@dhhs.nc.gov



Re: Request for No Review Determination

Dear Ms. Frisone:

This letter is intended to provide notice to the Certificate of Need (“CON”) Section that NHI-REIT of North Carolina, LLC, a Delaware limited liability company (“NHI”), is planning to acquire the real property and personal property that comprise the following adult care homes:

1. Spring Arbor West (HAL-045-092), which is located at 1825 Pisgah Drive, Hendersonville, North Carolina (the “Hendersonville West Facility”); and
2. Spring Arbor of Hendersonville (HAL-045-011), which is located at 1820 Pisgah Drive, Hendersonville, North Carolina (the “Hendersonville Facility” and together with the Hendersonville West Facility, the “Facilities”).

Concurrently with the closing of the acquisition of the Facilities (the “Closing”), NHI will lease the Hendersonville West Facility to RSS Hendersonville West Operations, LLC, a North Carolina limited liability company (the “Proposed Hendersonville West New Operator”) and the Hendersonville Facility to RSS Hendersonville Operations, LLC, a North Carolina limited liability company (the “Proposed Hendersonville New Operator” and together with the Proposed Hendersonville West New Operator, the “Proposed New Operators”), which will serve as the licensees and operators of the Facilities.

We do not expect that this transaction will result in a change in the number of beds located at, or services provided at, the Facilities or have any significant effect on the day to day operations of the Facilities.

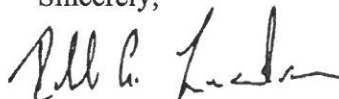
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We currently anticipate that the Closing will occur on or around February 17, 2017. So that the changes of ownership may proceed, we would ask that you please issue a written determination that the acquisition of the Facilities by NHI and the leasing of the Facilities to the Proposed New Operators is not subject to Certificate of Need ("CON") review under N.C. Gen. Stat. § 131E-1848A prior to the anticipated closing.

I greatly appreciate your attention to this matter. Please call me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Robb A. Leandro". The signature is written in a cursive style with a large, stylized initial "R".

Robb A. Leandro