



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 #:** 2147  
**Facility Name:** Spring Arbor West  
**Type of Facility:** Adult Care Home  
**FID #:** 980406  
**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.

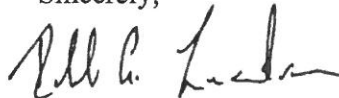
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We currently anticipate that the Closing will occur on or around February 17, 2017. So that the changes of ownership may proceed, we would ask that you please issue a written determination that the acquisition of the Facilities by NHI and the leasing 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 initial "R".

Robb A. Leandro