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May 31, 2017

Bernetta Thorne-Williams, Project Analyst
Healthcare Planning and Certificate of Need Section
Division of Health Service Regulation
N.C. Department of Health and Human Services
809 Ruggles Drive
Raleigh, NC 27603

Re: Written Comments regarding Project I.D. No. G-01135-17

Dear Ms. Thorne-Williams:

Pursuant to N.C. Gen. Stat. 131E-185(a1)(1), please find attached written comments submitted on behalf of our clients, the Estate of Clifford E. Hemingway and AA Holdings - Winston-Salem, LLC, regarding the certificate of need application filed by Winston-Salem Investors, LLC and Winston-Salem Operations, LLC to relocate 121 adult care home beds from Integrity Assisted Living (FID #920217) to develop a 121-bed replacement facility and rename it The Crossings at Winston-Salem, Project I.D. No. G-01135-17.

We appreciate your consideration of these comments in your review process.

Sincerely,

HOPPER, HICKS, & WRENN, PLLC

POYNER SPRUILL, LLP

By: 

James C. Wrenn, Jr.

By: 

S. Todd Hemphill

**WRITTEN COMMENTS OF THE ESTATE OF CLIFFORD E. HEMINGWAY AND
AA HOLDINGS - WINSTON-SALEM, LLC ON
THE APPLICATION OF THE CROSSINGS AT WINSTON-SALEM
PROJECT I.D. No. G-01135-17**

Pursuant to N.C. Gen. Stat. 131E-185(a1)(1), the following written comments are submitted on behalf of the Estate of Clifford E. Hemingway (the "Estate") and AA Holdings - Winston-Salem, LLC ("AA Holdings"), related to the certificate of need ("CON") application filed by Winston-Salem Investors, LLC and Winston-Salem Operations, LLC (collectively, the "Applicants"), to relocate 121 adult care home ("ACH") beds from Integrity Assisted Living (FID #920217) to develop a 121-bed replacement facility and rename it The Crossings at Winston-Salem, Project I.D. No. G-01135-17 (the "Crossings Application" or the "Application").

According to the Application, the Applicants contend that they are entitled to relocate the facility pursuant to a purported agreement with the facility lessee, Raintree Healthcare of Forsyth, LLC. However, as set forth below, under North Carolina law, the certificate of need rights to the existing facility belong to the owner of the building which houses the facility, which in this case is AA Holdings, which is 100% owned by the Estate. Neither the Estate nor AA Holdings have given Raintree permission to enter into any such agreement with the Applicants, and therefore, the applicants are not legally entitled to develop the proposed services.

Further, based on a review of the Crossings Application, it appears that the proposal does not conform with multiple other statutory review criteria, and is not approvable.

Specific comments related to the Application are set forth below.

The Applicants Do Not Have the Legal Right to Relocate the Facility

The real property upon which the facility is located (the "Real Property") is owned by AA Holdings. The Estate is the sole owner of the membership interests in AA Holdings, a single member limited liability company. Prior to his death, Clifford E. Hemingway ("Mr. Hemingway") was the sole member and manager of AA Holdings. As set forth in Exhibit 2, p. 70 of the Crossings Application, Bank of the Ozarks has an outstanding loan to AA Holdings and a Deed of Trust on the Real Property. The Applicants have neither sought nor received the approval of AA Holdings, the Estate, or their lenders to file the Application. As explained below, the Applicants' claimed right to file the Application is derived from its agreement with Raintree Healthcare of Forsyth, LLC ("Raintree"), an entity which does not have the authority to consent to the Application.

As previously stated, AA Holdings owns the Real Property. The adult care home facility located on the Real Property was developed prior to the applicability of the CON law to adult care homes in North Carolina and is therefore a "grandfathered" facility. In late May of 2015, AA Holdings' tenant of the Real Property, Cornerstone Living Center of Winston-Salem, LLC ("Cornerstone"), received a Notice of Summary Suspension of Adult Care License (the "Suspension") which suspended its adult care home license for the facility effective May 26, 2015. AA Holdings and Cornerstone engaged in discussions to develop a strategy to preserve

the grandfathered status of the facility. As a result, Cornerstone appealed the Suspension by filing a Petition for Contested Case Hearing, case no. 15 DHR 4486. Cornerstone and AA Holdings met with representatives of the Adult Care Licensure Section, Division of Health Service Regulation, North Carolina Department of Health and Human Services ("ACLS"). AA Holdings, Cornerstone, and ACLS entered into settlement negotiations pursuant to which AA Holdings would identify an entity to serve as license holder for the facility while AA Holdings made efforts to renovate the facility or to relocate the beds to another location. Mr. Hemingway, on behalf of AA Holdings, entered into discussions with Reema Owens to determine whether she or an entity controlled by her would be an appropriate person or entity to hold the license for the facility. Ms. Owens organized the entity known as Raintree to serve as license holder. Ms. Owens submitted a change ownership application ("CHOW") to ACLS dated June 3, 2015. See Exhibit A hereto. As a requirement of the CHOW, Mr. Hemingway and Raintree entered a lease dated June 1, 2015 pursuant to which the Real Property was leased to Raintree, a copy of which is attached as Exhibit B (the "June 1 lease"). As required under 10A NCAC 13F .0203, ACLS informed Ms. Owens that she could not be a principal of the entity receiving the license due to regulatory violations at another facility of which she was a principal of the owning entity. As a result, Raintree submitted a new CHOW dated July 14, 2015 which showed Ms. Owens' mother, Betty Davis as the sole owner of Raintree. See Exhibit C hereto. This CHOW included as an enclosure a "Stock Purchase Agreement" dated July 14, 2015 pursuant to which Ms. Owens transferred her interest in Raintree to Ms. Davis. Ms. Davis was listed as the owner of 100% of the ownership interests in Raintree on the July 14 CHOW and in License Renewal Application for 2017. See Exhibit D.

The negotiations above ultimately resulted in a Settlement Agreement executed among Cornerstone, Raintree, AA Holdings, and ACLS, wherein case no. 15 DHR 4486 was settled and a license to operate an adult care home on the Real Property was issued to Raintree subject to a suspension of admissions until the facility located on the Real Property could be brought into compliance with applicable construction standards as outlined in Title 10A, Chapter 13F of the North Carolina Administrative Code. The Settlement Agreement gave AA Holdings and Raintree or the then current licensee of the facility a defined period of time to (1) apply for a CON to relocate the facility's beds or (2) undertake and complete the improvements to the facility necessary to bring the facility into compliance with the applicable construction standards and request an inspection by the Construction Section, Division of Health Service Regulation, North Carolina Department of Health and Human Services. See Exhibit E hereto.

As discussed above, Mr. Hemingway and Raintree executed the June 1 lease to satisfy licensure requirements and to facilitate the intent of the Settlement Agreement. However, Exhibit 25 to the Application contains a **different** purported lease dated September 30, 2015 with Mr. Hemingway for the Real Property, which Ms. Owens signed as "Managing Member" of Raintree (the "September 30 Lease") This alleged September 30 Lease expands the rights given to Raintree and is the document Raintree relies upon to assert its ability to contract for the sale of the CON rights of the Real Property. Specifically, the alleged September 30 Lease contains the following language:

Lessee shall have a license to use the Facilities during the term of this Agreement in accordance with the terms and conditions of this Agreement, and shall have rights to the License and Certificate of Need (CON) according to the settlement agreement signed

agreed and approved by the Division of Health Service Regulation on September 25, 2015 in and to the Facilities. Owner shall at all times during and after the term of this Agreement be the sole owner of the Facilities real estate. The License and CON shall be transferred and/or sold with proceeds divided by Raintree and Owner for an amount not less than 60% of the proceeds to Raintree and 40% to Owner.

September 30 Lease, ¶3.

AA Holdings and the Estate believe the September 30 Lease to be fraudulent. When AA Holdings entered into contract negotiations with Mainstay Financial Services, LLC in June 2016, Mr. Hemingway supplied the June 1 Lease to his counsel. Mr. Hemingway never made any of the attorneys working for him, the mortgage holder for the Real Property, or the real estate broker he contracted to sell the Real Property aware of the September 30 Lease or the fact that anyone else may have an interest in the proceeds from the sale of the Real Property or the CON rights. In addition to the fact that the existence of the September 30 Lease would be inconsistent with Mr. Hemingway's actions concerning the property prior to his death, the signature page for the two leases are identical except for the date in the document footer. Even the time and document number are the same. Interestingly, Ms. Owens signed both leases as "Managing Member". While she was in fact the Managing Member of Raintree on June 1, she *transferred* ownership of Raintree on July 14, 2015 to satisfy the regulatory requirements which made the Settlement Agreement with ACLS possible, and all documents filed with the ACLS since then have shown Betty Davis to be the 100% owner of the membership interests in Raintree. See Exhibits C and D. Ms. Davis also identifies herself in the Crossings Application as the managing member of Raintree as of April 13, 2017. See Application, Exhibit 22. Therefore, Reema Owens' execution of the September 30 Lease is not valid since she was not a member or manager of Raintree on September 30. Without the signature of a person legally authorized to bind Raintree on the September 30 Lease, that Lease is not valid and cannot be the source of authority to give consent to the Application.

Even if one assumes *arguendo* that the September 30 Lease is valid, Raintree has not complied with the terms of the Agreement it allegedly entered into dated November 15, 2016 with the Applicants for the sale of the rights associated with the Real Property, including the CON rights. That Agreement, which is attached to the Crossings Application as Exhibit 2, contains the following language:

Property Owner and Lender Agreement. Upon the full execution of this Agreement, the Seller *shall help coordinate the delivery to the Buyer of an executed agreement from the Property Owner and Lender* (the "Property Owner and Lender Agreement"), which agreement shall contain any terms deemed necessary or desirable by the Buyer, including but not limited to *the acknowledgment that the Property Owner and Lender consent to the transaction contemplated herein and waive any right, claim or lien they have to the Authorized Beds and/or COPN¹ Rights.* The Property Owner and Lender shall further agree to forebear and take no action to exercise any of their rights against the Real Estate or Facility as long as this Agreement is in effect.

¹ In Virginia, where the Applicants' principal offices are located, the CON law is called Certificate of *Public Need*.

See Application, Exhibit 2 at paragraph 5 (emphasis added).

Neither Raintree nor the Applicants have sought AA Holdings', the Estate's or Bank of the Ozarks' consent to the transaction contemplated by the CON Agreement and reflected in the Application, and none have provided that consent. In fact, the Application was not filed until after AA Holdings' contracted purchaser of the Real Property, Mainstay Financial Services, LLC, obtained a "no review" letter from the CON Section on February 22, 2017, a copy of which is attached as Exhibit F. The Estate notified Raintree on February 28, 2017 that it was terminating the June 1 lease.

Under North Carolina law, the CON rights to a licensed facility such as an adult care home remain with the owner of the Real Property following the termination of a lease agreement. *Rutherford Hospital Incorporated v. RNH Partnership*, 168 F3d 693 (4th Cir. 1999). The CON Section consistently applies the CON law in this manner, and in fact, granted Mainstay's "no review" request based upon that application of the law. Raintree had and has no interest in the CON rights in the facility, and therefore, the Applicants do not have the authority to pursue the Application.

The Application Does Not Demonstrate a Need for the Proposed Service under Criterion 3

According to current facility data under review by the State Health Coordinating Council for the 2018 SMFP, Forsyth County has a surplus of 925 ACH beds, the largest county surplus in the State. Overall, the existing facilities in the County are at 58.6% capacity. See Exhibit G hereto. Further, as noted in the Crossings Application, Integrity Assisted Living is currently closed, so no residents will be transferring to the new facility as part of the fill-up of the project. Therefore, the applicants have a high burden to demonstrate that the population they propose to serve has a need for the new facility.

In response to Question III.2(b), asking for statistical information that substantiates the need for the proposed service, the Application presents information regarding the need only for the proposed 48 bed special care unit ("SCU") out of the 121 beds to be relocated to the new facility. That information is based in part on a 2003 article on Alzheimer's Disease prevalence in the U.S., based upon 2000 census data. The Application provides no historical data regarding Alzheimer's prevalence in Forsyth County. The Application also provides no evidence of communications with Forsyth County representatives or Alzheimer's advocates, who would be in the best position to offer information regarding the county's need for additional SCU beds. This is the type of information the Agency typically has relied upon in determining the need for the number of SCU beds proposed in an application. See, e.g., January 28, 2016 Required State Agency Findings, Brunswick County Competitive ACH Review, pp. 23-24.

More important, the Application provides no statistical information whatsoever justifying the projected utilization of or need for the 73 ACH beds which will not be part of the proposed SCU. The only information the Application provides at all is a map showing that the proposed site is in a part of Forsyth County that is closer to residents having a higher median age than the existing site. The Application states that the new location will be within a 15-minute drive time of more of those older patients, and that based on the "Applicants' experience, a 15-minute drive-time

radius is a good indicator for determining the origin of a significant segment of a facility's potential residents" (Application, p. 19 and Exhibit 26).

This "analysis" has significant holes. There are no articles, correspondence, or other third-party materials supporting this assumption. There also were no letters of support for the project from community representatives or residents, identifying a need for more beds in the proposed location.

Further, the data itself does not support the Applicants' assumptions. A Google search of the two sites reveals that they are only approximately 15 miles and 20 minutes apart from each other (see Exhibit H hereto). According to the map in Exhibit 26, page 243 of the Application, the largest concentration of older residents (52-86 years of age), which comprises the majority of Forsyth County adult care home residents according to SMFP data,² live essentially equidistant from the two facilities. Further, Exhibit 26 contains no indication of the number of people in each designated area of the County. Thus, while the median age in one part of the County may be higher, there may actually be more elderly people in another area.³ Finally, as a practical matter, it is just as plausible that people residing in adult care homes wish to live closer to their children, who would be in a lower age bracket. The maps in Exhibit 26 simply do not support the Applicants' contention that the new location will be more convenient than the current location for elderly Forsyth County residents.

There also is no explanation of what "the Applicants' experience" means. The Application does not identify the facilities the Applicants own, where the facilities are located, whether those facilities are new or already existing facilities, whether the counties or states in which they are located are similar to Forsyth County, or the number of other adult care homes and beds located in those counties.

Nor does the Application provide any information regarding the existing adult care homes in Forsyth County, including where they are located or their current capacity. All of that Forsyth County information would be available to the applicants by reviewing current SMFP and License Renewal Application data. In that regard, attached hereto as Exhibits I and J are the Department's list of adult care homes in Forsyth County and a map plotting the locations of all of those facilities. A comparison of that map with the 15-minute radius map on page 244 of the Application shows that while the adult care homes are evenly spread out around Forsyth County, approximately half of the existing facilities and beds in the County are located within that 15-minute radius of the Applicants' proposed site.

Finally, the Application makes no effort to tie the relocation of the facility to the projected fill-up rate of the 73 non-SCU beds in Section IV. There, the Application projects 81% occupancy of

² See Exhibit G hereto.

³ The CON Section rejected a similar argument in a 2014 review of an application to develop an ambulatory surgical facility in Caldwell County. There, the applicant argued that the proposed facility was needed in a particular part of Caldwell County, based upon the higher population density of that area. The CON Section found that population density is not the same as actual population, and that a higher population density does not equate to a higher population, and therefore, the applicant's contentions did not support the proposed location. See September 5, 2014 Required State Agency Findings, Caldwell Surgery Center, Project I.D. No. E-10261-1, pp. 15-16.

those beds by the end of the first year of operation. Recent CON Section decisions and Findings have rejected other CON applications for relocation of ACH beds on similar grounds. Specifically:

- By decision dated February 26, 2017 and Findings issued March 6, 2017, the CON Section disapproved the application of Lake Lure Assisted Living (Project I.D. No. C-11244-16), to relocate 16 ACH beds from Oak Grove Healthcare Center to the previously approved facility for a total of 62 adult care home beds upon completion. In finding the application non-conforming to Criterion 3, the CON Section found that the applicant provided no information or support for its projected fill-up at the rate of 5 residents per month until ACH fills. See Findings, p. 9.
- By decision and Findings dated March 15, 2017, the CON Section disapproved the application of Buncombe Senior Living (Project I.D. No. B-11270-16), to develop a replacement 60-bed adult care home facility by relocating 24 adult care home beds from Nana's Assisted Living Facility and 36 adult care home beds from The Laurels of Summit Ridge. The CON Section rejected similar fill-up language, with no backing information or support, as being inadequate to demonstrate the need for the project. See Findings, p. 6. The Agency also found that a map of Buncombe County showing the approximate location of the proposed facility, along with some demographic information about Buncombe County, did not support a need to relocate 60 ACH beds in the County. See Findings, p. 5.
- By decision and Findings dated March 31, 2017, the CON Section disapproved the application of Henderson Senior Living (Project I.D. No. K-11278-16) to replace and relocate Green-Bullock Assisted Living, a 129-bed adult care home on a new site and rename it Henderson Senior Living. In its Findings, the CON Section found that:

Exhibit L also includes a breakdown of payor types, rates and staffing information for the proposed replacement facility. The exhibit does not include methodology or assumptions which support the occupancy projections. The applicants provide no other information in the application or exhibits to demonstrate that the assumptions are reasonable and adequately supported, particularly since the beds are currently unoccupied and have been for nearly four years; and Vance County has a surplus of ACH beds reported in the 2016 SMFP.

The applicants do not provide sufficient information in the application as submitted to adequately document that the replacement facility will operate at either 71.1% of capacity or greater than 85% of capacity. The applicants did not provide any assumptions to support the projected utilization; and the methodology the applicants used was not provided.

Findings, p. 7.

In each of these reviews, the applicants projected similar fill-up rates and provided similar information (or lack of information) to the Crossings Application. In each instance, the CON Section found the information wholly inadequate to justify relocating ACH beds to a different

part of the county. Based on the same analysis, the Crossings Application fails to justify the need for the proposed new facility, and should be disapproved.

The Application Does Not Demonstrate Financial Feasibility or the Availability of Funds for the Project under Criterion 5

N.C. Gen. Stat. § 131E-183(a)(5) requires the applicant to demonstrate (1) the availability of funds to meet capital and operating needs, and (2) that the project as proposed is financially feasible. The Crossings Application does neither.

In Section VIII, the Applicants project total capital costs of \$14,559,000. The Application states that the sources of financing for the project will be a \$10,919,250 loan and \$3,639,750 of owner's equity of James R. Smith. Exhibit 12 to the Application contains a letter from Synovus Financial Corporation, indicating a willingness to loan the applicant \$10,919,250 for the project. Exhibit 14 contains a letter from Michael O. Meeks, a certified public accountant who states that he is the personal accountant for James R. Smith and Hunter D. Smith. Mr. Meeks' letter states that Mr. James R. Smith has liquid financial assets to fund "the Smiths' equity contribution ... [of]...\$3,639,750." Mr. Meeks offers no opinion of Hunter D. Smith's liquid financial assets or his ability to fund the capital needs of the project. Nowhere in the Application does James R. Smith personally indicate his willingness to fund the project, nor did he certify the Application.

Further, the Synovus letter states that its willingness to loan the necessary funds is contingent upon a *personal guarantee* of the loan by James R. Smith and Hunter D. Smith. Nowhere else in the Application is there any discussion of that guarantee, and there is no correspondence from either of those individuals indicating a willingness or ability to personally guarantee that loan. Further, Mr. Meeks makes no representation regarding the ability of either to guarantee the loan.

In addition to the capital costs of the project, Exhibit 24 of the Application contains an estimate of working capital (start-up expenses and initial operating expenses) totaling \$1,177,475. However, there is no mention anywhere in the body of the Application or in any of the exhibits identifying the source of the funds for that working capital. The letter from Synovus makes no proposal to loan those funds, nor does Mr. Meeks' letter discuss either of the Smiths' ability or interest in funding that portion of the project.

In *Retirement Villages, Inc. v. NC DHHS*, 124 N.C. App. 495, 477 S.E.2d 697 (1996), the North Carolina Court of Appeals held that the applicants which had been initially approved by the CON Section should have been found non-conforming with Criterion 5, because there was no information in the application showing that the applicants had access to funds for the project. Specifically, the Court found:

that in cases where the project is to be funded other than by the applicants, the application must contain evidence of a commitment to provide the funds *by the funding entity*. We hold that without such a commitment, an applicant cannot adequately demonstrate availability of funds or the requisite financial feasibility.

Retirement Villages, 124 N.C. App. at 499, 477 S.E.2d at 699 (emphasis added).

Similarly, because there is (1) nothing in the Crossings Application indicating a willingness by James R. Smith to provide the owner's equity portion of the capital costs; (2) nothing in the Application indicating a willingness or ability of either of the Smiths to guarantee the Synovus loan for the capital portion of the project; and (3) nothing *anywhere* in the Application identifying a funding source for over \$1.17 million in projected working capital, the Application has not and cannot demonstrate the availability of funds for capital and operating needs, and is non-conforming.

This is not an error that the Applicants can now fix. Agency rule 10A N.C.A.C. 14C.0204 prohibits an applicant from amending its application to correct this deficiency. Due to the projected capital cost of the project, there will be no expedited review, and there is no statutory basis for the Agency to request additional information from the Applicant during the review. See N.C. Gen. Stat. § 131E-185(a2).

Since the *Retirement Villages* decision, the Agency has consistently found in subsequent decisions that where there is insufficient information in an application to demonstrate the availability of funds for capital and operating needs, the application properly may be disapproved. See Required State Agency Findings, Duke University Project I.D. No. J-5938-98, pp. 21-22; Required State Agency Findings, KND Development 50, L.L.C. d/b/a Kindred Hospital Charlotte, Project I.D. No. F-7993-07, pp. 11-12; Required State Agency Findings, Onslow MRI, LLC, Project I.D. No. P-8332-09, pp. 56-59. Given the multiple other issues with this Application, there is no reason to reach a different decision here.

Further, as discussed above, because the Application's utilization projections are questionable, its pro forma financial projections of revenues and expenses, which are based on those utilization projections, are likewise questionable. For that reason (and as the CON Section found in each of the previous Findings discussed under Criterion 3), the Application fails to demonstrate that the financial feasibility of the proposal is based on reasonable projections of costs and charges, and is non-conforming to Criterion 5.

The Application Does Not Demonstrate the Availability of a Suitable Site

Question X.1. of the Application asks the applicant to provide documentation regarding the availability of the proposed site of the project. The Crossings Application checked the box for Question X.1(f), asking the Applicants to provide "a letter from the realtor or owner of the site that documents that the site is available for acquisition", and directs the CON Section to Exhibit 15. However, Exhibit 15 is what appears to be an undated advertisement from Meridian Realty for a 23.5 acre site on Meadowlark Drive in Winston-Salem. The Applicants appear to identify the proposed 10-acre site on that advertisement as being located at the intersection of Meadowlark Drive and Hundley Road. However, there is no correspondence from Meridian Realty confirming the current availability of the site, and a search of Meridian Realty's web site on the advertisement does not list this location as being available for purchase. Thus, there is no way to tell whether the proposed site is currently available. Without contemporaneous correspondence from the realtor or owner verifying that the proposed site is available, as required in the CON Section's application form, the Crossings Application fails to demonstrate the availability of a site, and therefore the Application is not an effective or reasonable alternative under Criteria 4 and 12.

The Application Does Not Demonstrate that Quality Care Has Been Provided in the Past

Question II.3 of the CON application form asks the applicant to list “all adult care homes *owned by the applicant or a related entity in North Carolina* in the first column of the table below” (emphasis added).⁴ This information is sought in order to ensure that the facility owners have provided quality care in the past and are conforming with Criterion 20. The Crossings Application states only that the applicant is a “single-purpose entity” and therefore, the question is not applicable to the applicant. The Application further responds that the proposed facility manager (which is not an owner) has not experienced any of the events listed in the table. However, the Application improperly limits the meaning of “related entity” to only the management company. CON rules are much broader, consistently defining a “related entity” to include *any* “company that shares common ownership with the applicant (i.e., the applicant and another company are owned by some of the same persons).” See, e.g., 10A NCAC 14C.2101(9), .2301(10), .2701(16), .3901(5).

ACLS licensure rules are equally broad, and specifically prohibit ownership of any facility to an applicant who is “the owner, principal or affiliate of an adult care home that has had its admissions suspended until six months after the suspension is lifted.” 10 NCAC 13F .0203. The definitions of “affiliate” and “principal” of a licensure application are very broad, and include any person that directly or indirectly controls an adult care home, two or more adult care homes who are under common control are affiliates, any person who is the owner or operator of an adult care home, an executive officer of a corporation that owns or operate an adult care home, a general partner of a partnership that owns or operates an adult care home, or a sole proprietorship that owns or operates an adult care home. 10 NCAC 13F.0201(3),(4). The information related to sanctions against the facility owners which is sought in the CON application is the same type of information requested as part of the adult care home licensure process. See Exhibit C.

Therefore, every adult care home in North Carolina in which James R. Smith or Hunter Smith have an interest is subject to scrutiny under Criterion 20, and the Crossings Application should have presented the requested information related to any such facilities. Having failed to do so, the Applicants have failed to demonstrate conformity to Criterion 20.

Conclusion

For all of the above reasons, because the Applicants not have the authority to acquire or transfer the adult care home beds and because the Crossings Application is otherwise non-conforming with applicable statutory review criteria, the Application should be disapproved.

⁴ The Crossings Application failed to include the table referenced in the form. The table lists the following events for which information is sought: Type B Violations, Type A Violations, Penalties (including the amount), Suspension of Admissions, Provisional License, Revocation of License, and Summary Suspension of License.

INDEX OF EXHIBITS

- A. Raintree June 3, 2015 CHOW materials filed with ACLS
- B. June 1, 2015 Lease between AA Holdings - Winston-Salem, LLC and Raintree Healthcare of Forsyth, LLC,
- C. Raintree July 14, 2015 CHOW materials filed with ACLS
- D. Integrity Assisted Living 2016 License Renewal Application for 2017 license year
- E. September 25, 2015 Settlement Agreement executed among Cornerstone, Raintree, AA Holdings, and ACLS
- F. February 22, 2017 no review determination issued to Mainstay Financial Services, LLC
- G. 2018 SMFP adult care home data
- H. Google Maps search of current and proposed facility sites
- I. ACLS list of Forsyth County adult care homes
- J. Map plotting addresses of adult care homes in Exhibit H

EXHIBIT A

**CHANGE LICENSURE
APPLICATION PACKET
FOR
ADULT CARE HOME
(7 OR MORE BEDS)**

Return the entire packet to

Mailing address of Raleigh Adult Care Licensure Section:

Regular Mail:

Division of Health Service Regulation
Adult Care Licensure Section
2720 Mail Service Center
Raleigh NC 27699-2720
Attn: License Materials Enclosed

Express/Overnight Courier(FED-EX, UPS):

Division of Health Service Regulation
Adult Care Licensure Section
805 Biggs Drive
Raleigh, North Carolina 27603
Attn: License Materials Enclosed

Adult Care Licensure Section (Raleigh Office) : 919-855-3765

**STEPS FOR A CHANGE OF OWNERSHIP
FOR ADULT CARE HOMES WITH 7 OR MORE BEDS**

Please read and follow these steps to complete a change of ownership successfully

1. The applicant or prospective licensee must contact the Certificate of Need with the Division of Health Service Regulation (DHSR):
 - i. To obtain a letter of exemption from review from the Certificate of Need (CON) prior to the obligation to purchase the building (*when the applicant or prospective licensee plans to purchase the building*). Or
 - ii. Notifying CON of the intent to change licensee (*when licensee is changing but ownership of building is not*);
2. The current licensee informs the Adult Care Licensure Section (ACLS), Raleigh office, the county department of social services and the residents or their responsible persons in writing of the proposed change of business ownership and the date of the change. **This contact should be made at least 30 days in advance of the proposed change.**
3. The Construction Section of the DHSR must approve any proposed structural changes of building before a license can be approved. (See page 4 for review form)
4. Unpaid fines for penalties imposed will result in denial of licensure. License applications will not be processed if there are any outstanding/unpaid fines for penalties.
5. The applicant/prospective licensee compile the following information and submit it to the Adult Care Licensure Section, Raleigh office.
 - a. Adult Care Home Licensure Change Application to facilitate compliance history check
 - b. Submit payment for the non-refundable licensure fee \$360.00 plus a per-bed fee of \$17.50 by check, money order or certified check and made payable to the "NC Division of Health Service Regulation."
 - c. Administrator Certificate/License
 - d. Approved fire and building safety inspection reports
 - e. Approved sanitation inspection report
 - f. Upon completion of any construction or renovation, -a certificate of occupancy or certificate of compliance from local building officials
 - g. Letter from previous owner relinquishing ownership (this letter must specify the date of the change in ownership)
 - h. Copy of CON letter (Licensure applications cannot be processed without approval or exemption by CON)
6. **Note:** A compliance history will be conducted on the prospective licensee. Based on the results of this compliance additional information may be requested.
7. New Providers will be required to submit Policy and Procedures for Review. Existing Providers must submit policy and procedures upon request.
8. Upon receipt of the above information or packet, the Adult Care Licensure Section will review and contact the prospective licensee for additional information if needed. If all documentation is complete and approved, the Adult Care Licensure Section will issue a new license to the applicant.

Any information not included in the packet will render the application incomplete and it will not be processed

ADULT CARE HOME
SPECIAL CARE UNIT APPROVAL PROCESS

Certificate of Need (CON) Approval

An adult care home cannot obtain a license with a special care unit designation without first obtaining **CON approval if there will be an increase in the facility's licensed bed capacity.**

To request an increase in capacity, the licensee or designee should contact the CON Section of the Division of Health Service Regulation (DHSR) at 919/855-3873.

The CON Section will determine if the proposed increase in capacity is subject to CON review and approval and require a CON application if applicable.

If there is no increase in the facility capacity please continue to the submission section.

Submission of Plans and Fees

If CON approval is granted or if there will be **no increase in bed capacity** for the special care unit, plans for new or renovated construction or conversion of existing building areas for the special care unit should be submitted by the licensee or designee, along with documentation of CON approval if applicable, to the Construction Section of DHSR according to Rule 13F .0304.

Fees for review of construction projects will be invoiced to the provider by the DHSR Construction Section. The Construction Section will notify the licensee or designee when building plans are approved so that construction may begin.

The contact number for the Construction Section is 919/855-3893.

Submission of Special Care Unit Policies and Procedures

Facilities that advertise market or otherwise promote themselves as having special care units shall meet the requirements in 10A NCAC 13F .1300 or .1400, depending on the type of unit, including submission of disclosure information, according to G.S. 131D-8 and Rules 13F .1302 or 13F .1402, to the Adult Care Licensure Section of the Division of Health Service Regulation. The submission of Policies and Procedures must be submitted and approved prior to issuance of a special care unit license.

Submission of Special Care Unit Disclosure

Facility shall submit the required disclosure statement.

The Adult Care Licensure Section will notify the licensee or designee when the disclosure information has been approved. Approval of the disclosure information is required before a license designating special care unit status can be issued and residents admitted to the unit.

The contact number for special care unit disclosure review is 919/855-3778.

Issuance of License

Once the Construction Section has made on-site visits as necessary and given its approval of the completed project, a DHSR consultant and an adult home specialist from the county department of social services will arrange for a joint visit to the facility to survey for compliance with special care unit rules. Once compliance is verified, a license with special care unit designation will be issued to the facility.

FORMAT FOR SPECIAL CARE UNIT DISCLOSURE STATEMENT

The adult care home special care unit disclosure statement must address the items in order as listed below. It is to be submitted with the Adult Care Home Initial License Application or the Change Licensure Application. Any changes to the disclosure statement as submitted must be reported in writing to the Adult Care Licensure Section and written notification must be provided to the residents.

I. Special Care Units for Residents with Alzheimer's disease or Related Disorders:

- (1) The philosophy of the special care unit which includes a statement of mission and objectives regarding the specific population to be served by the unit which shall address, but not be limited to the following;
 - a) Safe, secure, familiar and consistent environment that promotes mobility and minimal use of physical restraints or psychotropic medication;
 - b) A structured but flexible lifestyle through a well developed program of care which includes activities appropriate for each resident's abilities;
 - c) Individualized care plans that stress the maintenance of residents' abilities and promote the highest possible level of physical and mental functioning; and
 - d) Methods of behavior management which preserve dignity through design of the physical environment, physical exercise, social activity, appropriate medication administration, proper nutrition and health maintenance
- (2) The process and criteria for admission to and discharge from the unit;
- (3) A description of the special care services offered in the unit;
- (4) Resident assessment and care planning, including opportunity for family involvement in care planning, and the implementation of the care plan, including responding to changes in the resident's condition;
- (5) Safety measures addressing dementia specific dangers such as wandering, ingestion, falls and aggressive behavior or other behavior management problems;
- (6) Staffing in the unit;
- (7) Staff training based on the special care needs of the residents;
- (8) Physical environment and design features that address the needs of the residents;
- (9) Activity plans based on personal preferences and needs of the residents;
- (10) Opportunity for involvement of families in resident care and the availability of family support programs and
- (11) Additional costs and fees for the special care provided.

II. Special Care Units for Residents with Mental Health or Developmental Disabilities

In addition to all of the above, disclosure must address the following;

- (1) Grouping of residents that takes age, interests and behaviors into account;
- (2) Ensuring client rights, choice and service coordination [(See Rule 10A NCAC 13F .1405(3)(a)(b)]; and
- (3) Safeguarding confidential information and ensuring that such information is not further disclosed in accordance with G.S. 122C-55(f).

**Construction Licensure Plan Review
Information For
Adult Care Licensure Section**

Please complete this form only if structural changes to the building have been made

**Please do not send Construction Section Fee payment for Adult Care Home projects.
The Construction Section will bill you.**

PLEASE PRINT

Current Name of Facility _____

New Name of Facility (if applicable) _____

Site Address _____

Site City, State, and Zip _____

County _____

Contact Person _____

Contact Phone Number() _____

Address _____

Site City, State, and Zip _____

Requested Information:

Applicable Licensure Rules: ___ Adult Care Rules

Number of beds requested _____

Status of Residents:

 ___ All Ambulatory

 ___ Non-Ambulatory, 1-3

 ___ Non-Ambulatory, More than 3

Review For : ___ Initial Licensure ___ Capacity Increase ___ Remodeling ___ Other

Return this form: Adult Care Licensure Section
2720 Mail Service Center
Raleigh, NC 27699-2720
ATTN: Karen Jones

Office Use Only

Date Received _____

FID _____ LICENSE NUMBER _____

Team Supervisor/Branch Manager(C A R L) _____

Comments _____

Instructions for Completing a Change Licensure Application

LICENSE APPLICATION FOR ADULT CARE HOMES

READ ALL INSTRUCTIONS BEFORE COMPLETING APPLICATION

Overview

1. These instructions are provided to assist you in completing a change application.
2. Failure to provide all requested information will result in delaying the processing of the application. If the information does not pertain to your facility mark N/A in the area.
3. Change requests must be submitted at least 30 days prior to the anticipated change. Construction related fees will be invoiced to you at a later date (change of capacity).

Type of Licensure Application

- Check the appropriate box/boxes for the action you are requesting. If the action is not listed, fill in the blank beside "Other".
- Change of Capacity: if change of capacity is an increase, submit photos, floor plan.
- Change of Facility Name: Complete this application.
- Change of Licensee/Ownership: Complete this application. A fee is assessed for a change of ownership.
- Requested Effective Date of Change: Enter date when you are requesting that the change be effective. This may be related to other changes that are occurring with your business.

Current Information

1. Current Facility Name: Enter name printed on your most current license.
2. Current Facility Site Address: This address is the physical site location as printed on most current license.
3. Current Legal Identity of Ownership/Licensee: This is the name printed on your license as the licensee/owner. Please complete address & phone information.

*Note fee charge for a change of ownership.

The omission of any information will delay the processing of your application. If you have any questions regarding any area of this application please contact our office 919-855-3765.

The following must be submitted to our office in order to obtain Facility License:

- ✓ Original completed application
- ✓ Your licensure fee must accompany this application
- ✓ Signature(s) is required on the application where specified. The application will be returned if not signed and dated
- ✓ Copy of the administrator's current license or certificate
- ✓ Disclosure Statement for Special Care Unit
- ✓ Policies and Procedures for Special Care Unit
- ✓ Plan Review Form for Construction if structural changes have been made to the existing building.
- ✓ New Providers will be required to submit Policy and Procedures for Review.
- ✓ Existing Providers must submit policy and procedures upon request.

Part A: Facility Information

- **Facility Information**-Please complete the current information for the facility .
- **Correspondence Mailing Address**-All correspondence coming from DSHR will be sent to this address.
- **Building Owner**-If you rent or have a lease agreement for the building, please give the name of the building owner, their address and business phone number.

Part B: Operation Disclosure

- A change in licensee **requires** a change application to be submitted with the application
- For a **partnership or limited liability partnership (LLP)**, you **must provide** the name of each partner
- For a **limited liability company (LLC)**, you **must provide** the names of the managing members, attach a list with the names and address of the members of the limited liability company
- For a **corporation**, you **must provide** the name and title of each corporate officer
- Complete information for Management Company, if applicable
- Complete information for Certified Administrator. If more than one Certified Administrator, provide information on separate piece of paper. Submit a copy of each Certified Administrator's Certificate

Part C: Ownership Disclosure

- Leaving this area blank will delay the process of your application
- List all persons separately who are owners of this business
- If you are the sole owner, you must enter your information as owner of this business
- Enter the name, address, etc of other Adult Care and/or Family Care facilities you own in this section

Please note the following:

- **10A NCAC 13F .0202** All applications for license shall disclose the names of individuals who are co-owners, partners or shareholders holding an ownership or controlling interest of 5% or more of the applicant entity.
- **SECTION 10.40A.(l) G.S. 131D-34: "§ 131D-34. Penalties; remedies (d1)** The Department shall impose a civil penalty on any applicant for licensure who provides false information or omits information on the portion of the licensure application requesting information on owners, administrators, principals, or affiliates of the facility. The amount of the penalty shall be as is prescribed for a Type A Violation.

LICENSE FEE INVOICE

Please submit your licensure fee with the enclosed application. Failure to submit a completed application with licensure fee will result in a delay of your license being issued.

Facility Name:

County:

Facility Type	Number of Beds	Base Fee	Per Bed Fee	Total Fee Due
Adult Care Home	121	\$360.00	\$17.50	2,477.50

- A separate check is required for each licensed facility.
- Payment must be by check, money order, or certified check, made payable to: **Division of Health Service Regulation.**
- Remember to write the facility's Adult Care License number on the check. (ie HAL-000-000)

ATTACH THE CHECK HERE



**N.C. Department of Health and Human Services
Division of Health Service Regulation
Adult Care Licensure Section
2720 Mail Service Center ■ Raleigh, North Carolina 27699-2720**

CHANGE LICENSURE APPLICATION FOR ADULT CARE FACILITIES

TYPE OF LICENSURE APPLICATION: Adult Care Home
(7 or more beds)

CURRENT FACILITY LICENSE Number- HAL - 034 - 091

- Change of Facility Name Change of Licensee/Ownership
 Change of Capacity Change to Special Care Unit (specify bed Number) _____
 Other (specify): _____

Requested Effective Date of Change: 6/4/2015
Must be at least 30 days prior to the proposed changed

Note: Change in Ownership requires a license fee. Change of Capacity requires a Construction review and fee.

CURRENT INFORMATION (Prior to Change)

- CURRENT FACILITY NAME:** CORNERSTONE LIVING CENTER OF WINSTON SALEM
- CURRENT FACILITY SITE ADDRESS: (NO P.O. BOXES)**

Street: 2900 Reynolds Park Rd
City Winston-Salem Zip Code 27107 County Forsyth
Facility Telephone Number (336) 784-6187 Fax Number (336) 397-2666

3. CURRENT LEGAL IDENTITY OF OWNERSHIP/LICENSEE:

Name of Owner: CORNERSTONE Living Center of Winston-Salem LLC
Address: PO Box 12907
City: Winston-Salem State: NC Zip Code: 27117
Business Phone # of Applicant/Licensee: (336) 397-2662 Fax (336) 397-2666

DHSR USE ONLY	
License#	
FID#	
Region	
Compliance Check Completed <input type="checkbox"/>	
Entry by _____	Reviewed by _____
Date: _____	Date: _____
License Fee:	

PLEASE COMPLETE THE APPLICATION FOR NEW APPLICANT

Part A. Facility/Administrator Information

Facility Name: <i>Integrity Assisted Living</i>			
Physical Address: <i>2900 Reynolds Park Rd</i>		City: <i>Winston-Salem</i>	State: <i>NC</i>
Telephone Number: <i>704-763-6300</i>		Fax number: <i>704-973-4019</i>	Zip: <i>27107</i>
Facility E-mail address:			

Correspondence Mailing Address: (where you want to receive all correspondence including the license from Division of Health Service Regulation):

Name: <i>Reema Owens</i>	Title: <i>MEMBER</i>
Address: <i>2015 Aynsley Town Blvd Ste 202</i>	Telephone Number: <i>(704) 763-6300</i>
City, State Zip Code: <i>Charlotte, NC 28273</i>	
Email: <i>crowens28@201.com</i>	

Building Owner

Is the building where services are offered leased/ rented? Yes No. If yes, please complete the following on the building/property owner and provide a copy of the lease agreement.

Name: <i>CLIFF Hemingway</i>		
Street/Box: <i>5615 Closeburn Rd</i>		
City: <i>Charlotte</i>	State: <i>NC</i>	Zip: <i>28210</i>
Telephone Number: <i>(704) 332-4131</i>	Fax Number: <i>(704) 332-4423</i>	

CERTIFIED ADMINISTRATOR

Name: <i>Reema Owens</i>	
Telephone Number: <i>(704) 763-6300</i>	Fax: <i>(704) 973-4019</i>
Administrator Certificate No. <i>600000362</i>	Expiration Date: <i>12/31/2016</i>

Part B Operation Disclosure

LEGAL IDENTITY OF LICENSEE

Licensee Information

- Print name, address and phone number(s) for the facility
- The Licensee is the name of the legal entity licensed to operate the business at that site as indicated in Part A
- The Licensee is responsible for compliance to State rules and laws governing adult care homes
- The status of the Legal entity will be verified with the NC Office of the Secretary of State

Licensee Name: <i>RAINBOW HEALTHCARE OF FORSYTH LLC</i>		
Address: <i>2900 Reynolds Park Rd</i>		
City: <i>Winston-Salem</i>	State: <i>NC</i>	Zip code: <i>27107</i>
Telephone Number: <i>704-280-8340</i>	Fax Number: <i>704-973-4019</i>	
The owner is a: (check one)	<input checked="" type="checkbox"/> For Profit	<input type="checkbox"/> Non-Profit
The owner is a: (check one)	<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Partnership
<input checked="" type="checkbox"/> Limited Liability Company (LLC)	<input type="checkbox"/> Corporation	<input type="checkbox"/> Governmental Unit
<input type="checkbox"/> Limited liability Partnership (LLP)		

PLEASE LIST IN THE SPACE PROVIDED BELOW:

- If the licensee is a partnership or limited liability partnership (LLP), the name of each partner
- If the licensee is a limited liability company (LLC), the names of the managing members, attach a list of the names and address of the members of the limited liability company
- If the licensee is a corporation, the name and title of each corporate officer
- If the licensee is a governmental unit, the name and title of the individual in charge of the governmental agency or the individual designated in writing by the individual in charge of the governmental agency

Executive Officer, General Partner, Managing Member		
Name:	Telephone Number:	Fax Number:
<i>Reema Owens</i>	<i>(704) 763-6300</i>	<i>(704) 973-4019</i>
Address: <i>PO BOX 668543</i>		
City: <i>Charlotte</i>	State: <i>NC</i>	Zip: <i>28266</i>

Name	Title
<i>Reema Owens</i>	<i>managing mgr</i>

MANAGEMENT COMPANY:

Is the business operated under a management contract? _____ Yes <input checked="" type="checkbox"/> No. If yes, provide name and address of the management company			
Company Name:			
Contact Name:		Telephone number: ()	
Street/Box:			
City:		State:	Zip:

Part C Ownership Disclosure

For the purpose of this application the following definitions apply:

The following definitions shall apply throughout this application:

- (1) "Person" means an individual; a trust or estate; a partnership; a corporation; or any grouping of individuals, each of whom owns five percent or more of a partnership or corporation, who collectively own a majority interest of either a partnership or a corporation.
- (2) "Owner" means any person who has or had legal or equitable title to or a majority interest in an adult care home.
- (3) "Affiliate" means any person that directly or indirectly controls or did control an adult care home or any person who is controlled by a person who controls or did control an adult care home. In addition, two or more adult care homes who are under common control are affiliates.
- (4) "Principal" means any person who is or was the owner or operator of an adult care home, an executive officer of a corporation that does or did own or operate an adult care home, a general partner of a partnership that does or did own or operate an adult care home, or a sole proprietorship that does or did own or operate an adult care home.
- (5) "Indirect control" means any situation where one person is in a position to act through another person over whom the first person has control due to the legal or economic relationship between the two.

RELATED AND APPLICABLE RULES

SECTION 10.40A.(1) G.S. 131D-34:

"§ 131D-34. Penalties; remedies

(d1) The Department shall impose a civil penalty on any applicant for licensure who provides false information or omits information on the portion of the licensure application requesting information on owners, administrators, principals, or affiliates of the facility. The amount of the penalty shall be as is prescribed for a Type A Violation.

**CHANGE LICENSURE
APPLICATION PACKET
FOR
ADULT CARE HOME
(7 OR MORE BEDS)**

Return the entire packet to

Mailing address of Raleigh Adult Care Licensure Section:

Regular Mail:

Division of Health Service Regulation
Adult Care Licensure Section
2720 Mail Service Center
Raleigh NC 27699-2720
Attn: License Materials Enclosed

Express/Overnight Courier(FED-EX, UPS):

Division of Health Service Regulation
Adult Care Licensure Section
805 Biggs Drive
Raleigh, North Carolina 27603
Attn: License Materials Enclosed

Adult Care Licensure Section (Raleigh Office) : 919-855-3765

**STEPS FOR A CHANGE OF OWNERSHIP
FOR ADULT CARE HOMES WITH 7 OR MORE BEDS**

Please read and follow these steps to complete a change of ownership successfully

1. The applicant or prospective licensee must contact the Certificate of Need with the Division of Health Service Regulation (DHSR):
 - i. To obtain a letter of exemption from review from the Certificate of Need (CON) prior to the obligation to purchase the building (*when the applicant or prospective licensee plans to purchase the building*). Or
 - ii. Notifying CON of the intent to change licensee (*when licensee is changing but ownership of building is not*);
2. The current licensee informs the Adult Care Licensure Section (ACLS), Raleigh office, the county department of social services and the residents or their responsible persons in writing of the proposed change of business ownership and the date of the change. **This contact should be made at least 30 days in advance of the proposed change.**
3. The Construction Section of the DHSR must approve any proposed structural changes of building before a license can be approved. (See page 4 for review form)
4. Unpaid fines for penalties imposed will result in denial of licensure. License applications will not be processed if there are any outstanding/unpaid fines for penalties.
5. The applicant/prospective licensee compile the following information and submit it to the Adult Care Licensure Section, Raleigh office.
 - a. Adult Care Home Licensure Change Application to facilitate compliance history check
 - b. Submit payment for the non-refundable licensure fee \$360.00 plus a per-bed fee of \$17.50 by check, money order or certified check and made payable to the "NC Division of Health Service Regulation."
 - c. Administrator Certificate/License
 - d. Approved fire and building safety inspection reports
 - e. Approved sanitation inspection report
 - f. Upon completion of any construction or renovation, -a certificate of occupancy or certificate of compliance from local building officials
 - g. Letter from previous owner relinquishing ownership (this letter must specify the date of the change in ownership)
 - h. Copy of CON letter (Licensure applications cannot be processed without approval or exemption by CON)
6. **Note:** A compliance history will be conducted on the prospective licensee. Based on the results of this compliance additional information may be requested.
7. New Providers will be required to submit Policy and Procedures for Review. Existing Providers must submit policy and procedures upon request.
8. Upon receipt of the above information or packet, the Adult Care Licensure Section will review and contact the prospective licensee for additional information if needed. If all documentation is complete and approved, the Adult Care Licensure Section will issue a new license to the applicant.

Any information not included in the packet will render the application incomplete and it will not be processed

ADULT CARE HOME
SPECIAL CARE UNIT APPROVAL PROCESS

Certificate of Need (CON) Approval

An adult care home cannot obtain a license with a special care unit designation without first obtaining **CON approval if there will be an increase in the facility's licensed bed capacity.**

To request an increase in capacity, the licensee or designee should contact the CON Section of the Division of Health Service Regulation (DHSR) at 919/855-3873.

The CON Section will determine if the proposed increase in capacity is subject to CON review and approval and require a CON application if applicable.

If there is no increase in the facility capacity please continue to the submission section.

Submission of Plans and Fees

If CON approval is granted or if there will be **no increase in bed capacity** for the special care unit, plans for new or renovated construction or conversion of existing building areas for the special care unit should be submitted by the licensee or designee, along with documentation of CON approval if applicable, to the Construction Section of DHSR according to Rule 13F .0304.

Fees for review of construction projects will be invoiced to the provider by the DHSR Construction Section. The Construction Section will notify the licensee or designee when building plans are approved so that construction may begin.

The contact number for the Construction Section is 919/855-3893.

Submission of Special Care Unit Policies and Procedures

Facilities that advertise market or otherwise promote themselves as having special care units shall meet the requirements in 10A NCAC 13F .1300 or .1400, depending on the type of unit, including submission of disclosure information, according to G.S. 131D-8 and Rules 13F .1302 or 13F .1402, to the Adult Care Licensure Section of the Division of Health Service Regulation. The submission of Policies and Procedures must be submitted and approved prior to issuance of a special care unit license.

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Facility shall submit the required disclosure statement.

The Adult Care Licensure Section will notify the licensee or designee when the disclosure information has been approved. Approval of the disclosure information is required before a license designating special care unit status can be issued and residents admitted to the unit.

The contact number for special care unit disclosure review is 919/855-3778.

Issuance of License

Once the Construction Section has made on-site visits as necessary and given its approval of the completed project, a DHSR consultant and an adult home specialist from the county department of social services will arrange for a joint visit to the facility to survey for compliance with special care unit rules. Once compliance is verified, a license with special care unit designation will be issued to the facility.

FORMAT FOR SPECIAL CARE UNIT DISCLOSURE STATEMENT

The adult care home special care unit disclosure statement must address the items in order as listed below. It is to be submitted with the Adult Care Home Initial License Application or the Change Licensure Application. Any changes to the disclosure statement as submitted must be reported in writing to the Adult Care Licensure Section and written notification must be provided to the residents.

I. Special Care Units for Residents with Alzheimer's disease or Related Disorders:

- (1) The philosophy of the special care unit which includes a statement of mission and objectives regarding the specific population to be served by the unit which shall address, but not be limited to the following:
 - a) Safe, secure, familiar and consistent environment that promotes mobility and minimal use of physical restraints or psychotropic medication;
 - b) A structured but flexible lifestyle through a well developed program of care which includes activities appropriate for each resident's abilities;
 - c) Individualized care plans that stress the maintenance of residents' abilities and promote the highest possible level of physical and mental functioning; and
 - d) Methods of behavior management which preserve dignity through design of the physical environment, physical exercise, social activity, appropriate medication administration, proper nutrition and health maintenance
- (2) The process and criteria for admission to and discharge from the unit;
- (3) A description of the special care services offered in the unit;
- (4) Resident assessment and care planning, including opportunity for family involvement in care planning, and the implementation of the care plan, including responding to changes in the resident's condition;
- (5) Safety measures addressing dementia specific dangers such as wandering, ingestion, falls and aggressive behavior or other behavior management problems;
- (6) Staffing in the unit;
- (7) Staff training based on the special care needs of the residents;
- (8) Physical environment and design features that address the needs of the residents;
- (9) Activity plans based on personal preferences and needs of the residents;
- (10) Opportunity for involvement of families in resident care and the availability of family support programs and
- (11) Additional costs and fees for the special care provided.

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In addition to all of the above, disclosure must address the following;

- (1) Grouping of residents that takes age, interests and behaviors into account;
- (2) Ensuring client rights, choice and service coordination [(See Rule 10A NCAC 13F .1405(3)(a)(b))]; and
- (3) Safeguarding confidential information and ensuring that such information is not further disclosed in accordance with G.S. 122C-55(f).

**Construction Licensure Plan Review
Information For
Adult Care Licensure Section**

Please complete this form only if structural changes to the building have been made

**Please do not send Construction Section Fee payment for Adult Care Home projects.
The Construction Section will bill you.**

PLEASE PRINT

Current Name of Facility _____

New Name of Facility (if applicable) _____

Site Address _____

Site City, State, and Zip _____

County _____

Contact Person _____

Contact Phone Number() _____

Address _____

Site City, State, and Zip _____

Requested Information:

Applicable Licensure Rules: ___ Adult Care Rules

Number of beds requested _____

Status of Residents:

___ All Ambulatory

___ Non-Ambulatory, 1-3

___ Non-Ambulatory, More than 3

Review For : ___ Initial Licensure ___ Capacity Increase ___ Remodeling ___ Other

Return this form: Adult Care Licensure Section
2720 Mail Service Center
Raleigh, NC 27699-2720
ATTN: Karen Jones

Office Use Only

Date Received _____

FID _____ LICENSE NUMBER _____

Team Supervisor/Branch Manager(C A R L) _____

Comments _____

Instructions for Completing a Change Licensure Application

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READ ALL INSTRUCTIONS BEFORE COMPLETING APPLICATION

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1. These instructions are provided to assist you in completing a change application.
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3. Change requests must be submitted at least 30 days prior to the anticipated change. Construction related fees will be invoiced to you at a later date (change of capacity).

Type of Licensure Application

- Check the appropriate box/boxes for the action you are requesting. If the action is not listed, fill in the blank beside "Other".
- Change of Capacity: if change of capacity is an increase, submit photos, floor plan.
- Change of Facility Name: Complete this application.
- Change of Licensee/Ownership: Complete this application. A fee is assessed for a change of ownership.
- Requested Effective Date of Change: Enter date when you are requesting that the change be effective. This maybe related to other changes that are occurring with your business.

Current Information

1. Current Facility Name: Enter name printed on your most current license.
2. Current Facility Site Address: This address is the physical site location as printed on most current license.
3. Current Legal Identity of Ownership/Licensee: This is the name printed on your license as the licensee/owner. Please complete address & phone information.

*Note fee charge for a change of ownership.

The omission of any information will delay the processing of your application. If you have any questions regarding any area of this application please contact our office 919-855-3765.

The following must be submitted to our office in order to obtain Facility License:

- ✓ Original completed application
- ✓ Your licensure fee must accompany this application
- ✓ Signature(s) is required on the application where specified. The application will be returned if not signed and dated
- ✓ Copy of the administrator's current license or certificate
- ✓ Disclosure Statement for Special Care Unit
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- For a **partnership or limited liability partnership (LLP)**, you ***must provide*** the name of each partner
- For a **limited liability company (LLC)**, you ***must provide*** the names of the managing members, attach a list with the names and address of the members of the limited liability company
- For a **corporation**, you ***must provide*** the name and title of each corporate officer
- Complete information for Management Company, if applicable
- Complete information for Certified Administrator. If more than one Certified Administrator, provide information on separate piece of paper. Submit a copy of each Certified Administrator's Certificate

Part C: Ownership Disclosure

- **Leaving this area blank will delay the process of your application**
- **List all persons separately who are owners of this business**
- If you are the sole owner, you must enter your information as owner of this business
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LICENSE FEE INVOICE

Please submit your licensure fee with the enclosed application. Failure to submit a completed application with licensure fee will result in a delay of your license being issued.

Facility Name:

County:

Facility Type	Number of Beds	Base Fee	Per Bed Fee	Total Fee Due
Adult Care Home	121	\$360.00	\$17.50	2,477.50

- A **separate check** is required for **each licensed facility**.
- Payment must be by check, money order, or certified check, made payable to: **Division of Health Service Regulation**.
- Remember to write the facility's Adult Care License number on the check. (ie HAL-000-000)

ATTACH THE CHECK HERE



**N.C. Department of Health and Human Services
Division of Health Service Regulation
Adult Care Licensure Section
2720 Mail Service Center ■ Raleigh, North Carolina 27699-2720**

CHANGE LICENSURE APPLICATION FOR ADULT CARE FACILITIES

TYPE OF LICENSURE APPLICATION: Adult Care Home (7 or more beds)

CURRENT FACILITY LICENSE Number: HAL - 034 - 091

- Change of Facility Name Change of Licensee/Ownership
 Change of Capacity Change to Special Care Unit(specify bed Number) _____
 Other (specify): _____

Requested Effective Date of Change: 6/4/2015
Must be at least 30 days prior to the proposed changed

Note: Change in Ownership requires a license fee. Change of Capacity requires a Construction review and fee.

CURRENT INFORMATION (Prior to Change)

1. **CURRENT FACILITY NAME:** CORNERSTONE LIVING CENTER OF WINSTON SALEM

2. **CURRENT FACILITY SITE ADDRESS: (NO P.O. BOXES)**

Street: 2900 Reynolds Park Rd
City Winston-Salem Zip Code 27107 County Forsyth
Facility Telephone Number (336) 784-6187 Fax Number (336) 397-2666

3. **CURRENT LEGAL IDENTITY OF OWNERSHIP/LICENSEE:**

Name of Owner: CORNERSTONE LIVING Center of Winston-Salem LLC
Address: PO Box 12907
City: Winston-Salem State: NC Zip Code: 27117
Business Phone # of Applicant/Licensee: (336) 397-2662 Fax (336) 397-2666

DHSR USE ONLY	
License#	
FID#	
Region	
Compliance Check Completed	[]
Entry by _____	Reviewed by _____
Date: _____	Date: _____
License Fee:	

PLEASE COMPLETE THE APPLICATION FOR NEW APPLICANT

Part A. Facility/Administrator Information

Facility Name: <i>Integrity Assisted Living</i>			
Physical Address: <i>2900 Reynolds Park Rd</i>	City: <i>Winston-Salem</i>	State: <i>NC</i>	Zip: <i>27107</i>
Telephone Number: <i>704-763-6300</i>	Fax number: <i>704-973-4019</i>	Facility E-mail address:	

Correspondence Mailing Address: (where you want to receive all correspondence including the license from Division of Health Service Regulation):

Name: <i>Reema Owens</i>	Title: <i>MEMBER</i>
Address: <i>2015 Aynsley Town Blvd Ste 202</i>	Telephone Number: <i>(704) 763-6300</i>
City, State Zip Code: <i>Charlotte, NC 28273</i>	
Email: <i>rowens28@201.com</i>	

Building Owner

Is the building where services are offered leased/ rented? Yes No. If yes, please complete the following on the building/property owner and provide a copy of the lease agreement.

Name: <i>CLIFF Hemingway</i>		
Street/Box: <i>5615 Closeburn Rd</i>		
City: <i>Charlotte</i>	State: <i>NC</i>	Zip: <i>28210</i>
Telephone Number: <i>(704) 332-4131</i>	Fax Number: <i>(704) 332-4423</i>	

CERTIFIED ADMINISTRATOR

Name: <i>Reema Owens</i>	
Telephone Number: <i>(704) 763-6300</i>	Fax: <i>(704) 973-4019</i>
Administrator Certificate No. <i>600000362</i>	Expiration Date: <i>12/31/2016</i>

Part B Operation Disclosure

LEGAL IDENTITY OF LICENSEE

Licensee Information

- Print name, address and phone number(s) for the facility
- The Licensee is the name of the legal entity licensed to operate the business at that site as indicated in Part A
- The Licensee is responsible for compliance to State rules and laws governing adult care homes
- The status of the Legal entity will be verified with the NC Office of the Secretary of State

Licensee Name: <i>RAINIERE Healthcare of forsyth LLC</i>		
Address: <i>2900 Reynolds Park Rd</i>		
City: <i>Winston-Salem</i>	State: <i>NC</i>	Zip code: <i>27087</i>
Telephone Number: <i>704-280-8340</i>	Fax Number: <i>704-973-4019</i>	
The owner is a: (check one)	<input checked="" type="checkbox"/> For Profit	<input type="checkbox"/> Non-Profit
The owner is a: (check one)	<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Partnership
<input checked="" type="checkbox"/> Limited Liability Company (LLC)	<input type="checkbox"/> Corporation	<input type="checkbox"/> Governmental Unit
<input type="checkbox"/> Limited liability Partnership (LLP)		

PLEASE LIST IN THE SPACE PROVIDED BELOW:

- If the licensee is a **partnership or limited liability partnership (LLP)**, the name of each partner
- If the licensee is a **limited liability company (LLC)**, the names of the managing members, attach a list of the names and address of the members of the limited liability company
- If the licensee is a **corporation**, the name and title of each corporate officer
- If the licensee is a **governmental unit**, the name and title of the individual in charge of the governmental agency or the individual designated in writing by the individual in charge of the governmental agency

Executive Officer, General Partner, Managing Member		
Name:	Telephone Number:	Fax Number:
<i>Reema Owens</i>	<i>(704) 763-6300</i>	<i>(704) 973-4019</i>
Address: <i>PO BOX 668543</i>		
City: <i>Charlotte</i>	State: <i>NC</i>	Zip: <i>28266</i>

Name <i>Reema Owens</i>	Title <i>managing mar</i>
Name	Title
Name	Title
Name	Title
Name	Title

MANAGEMENT COMPANY:

Is the business operated under a management contract? _____ Yes <input checked="" type="checkbox"/> No. If yes, provide name and address of the management company		
Company Name:		
Contact Name:		Telephone number: ()
Street/Box:		
City:	State:	Zip:

Part C Ownership Disclosure

For the purpose of this application the following definitions apply:

The following definitions shall apply throughout this application:

- (1) "Person" means an individual; a trust or estate; a partnership; a corporation; or any grouping of individuals, each of whom owns five percent or more of a partnership or corporation, who collectively own a majority interest of either a partnership or a corporation.
- (2) "Owner" means any person who has or had legal or equitable title to or a majority interest in an adult care home.
- (3) "Affiliate" means any person that directly or indirectly controls or did control an adult care home or any person who is controlled by a person who controls or did control an adult care home. In addition, two or more adult care homes who are under common control are affiliates.
- (4) "Principal" means any person who is or was the owner or operator of an adult care home, an executive officer of a corporation that does or did own or operate an adult care home, a general partner of a partnership that does or did own or operate an adult care home, or a sole proprietorship that does or did own or operate an adult care home.
- (5) "Indirect control" means any situation where one person is in a position to act through another person over whom the first person has control due to the legal or economic relationship between the two.

RELATED AND APPLICABLE RULES

SECTION 10.40A.(1) G.S. 131D-34:

"§ 131D-34. Penalties; remedies

(d1) The Department shall impose a civil penalty on any applicant for licensure who provides false information or omits information on the portion of the licensure application requesting information on owners, administrators, principals, or affiliates of the facility. The amount of the penalty shall be as is prescribed for a Type A Violation.

Part C Ownership Disclosure

OWNERS, PRINCIPLES, AFFILIATES, SHAREHOLDERS, MEMBERS

Complete the information below on all individuals who are owners, principles, affiliates, shareholders or members holding an interest of 5% or more of the licensee. Attach additional pages if necessary. If you are the only owner, complete the information below, listing the percentage interest as 100%.

Name: Heema Owens
Address: PO Box 668543
City: Charlotte State: NC Zip Code: 28266
Phone #: (704) 763-6300 Fax (704) 773-4019
Email Address: rowens28@aol.com
Percentage interest in this licensed Facility: 100% Title: managing mgr
List the names of other Family Care/Adult Care Home in which you are the owner or affiliate: Raintree Healthcare of Clinton, Concord, Winston & Wilkesboro

Name: _____
Address: _____
City: _____ State: _____ Zip Code: _____
Phone #: () _____ Fax () _____
Email Address: _____
Percentage interest in this licensed Facility: _____ Title: _____
List the names of other Family Care/Adult Care Home in which you are the owner or affiliate: _____

Name: _____
Address: _____
City: _____ State: _____ Zip Code: _____
Phone #: () _____ Fax () _____
Email Address: _____
Percentage interest in this licensed Facility: _____ Title: _____
List the names of other Family Care/Adult Care Home in which you are the owner or affiliate: _____

Name: _____
Address: _____
City: _____ State: _____ Zip Code: _____
Phone #: () _____ Fax () _____
Email Address: _____
Percentage interest in this licensed Facility: _____ Title: _____
List the names of other Family Care/Adult Care Home in which you are the owner or affiliate: _____

LICENSED CAPACITY AND SPECIAL CARE UNIT

- Check here if this Adult Care Home serves Only elderly persons.
Elderly Persons are defined as persons age 55 OR older or who have a primary diagnosis of Alzheimer's disease or other form of dementia that require assistance with activities of daily living

Current Licensed Capacity 121

Current Licensed Special Care Unit Capacity: _____

As defined in 10A NCAC 13F. 1302 SPECIAL CARE UNIT DISCLOSURE

- a. Only those facilities with units that meet the requirements of this Section may advertise market or otherwise promote themselves as providing special care units for persons with Alzheimer's Disease or related disorders.
- b. The facility shall disclose information about the special care unit according to G.S. 131D-8 and which address policies and procedures listed in Rule .1305 of this Section.

Authenticating Signature: The undersigned submits this application for licensure for the year 2011 in accordance with Article 1 Chapter 131D-2 of the General Statutes of North Carolina and to the rules adopted there under by the North Carolina Medical Care Commission (10A NCAC 13F) and certifies the accuracy of this information.

Signature: _____

Date: 6/3/2015

Part C Ownership Disclosure – Confidential Information

The following information will be used for internal compliance history checks as required by G.S. 131D-2.4(b). We ask that you voluntarily provide the last four digits of your social security number with the understanding that it will be used only as an identification number for internal record keeping and data processing. Incomplete data will delay the application being processed.

Category	Name	Last 4 digits of SSN	Contact Number	Percentage of interest as reported on pages 2-6
			Cell Number	
Licensee	<i>Prairie HealthCare of Forsyth LLC</i>	***-**-____ or EIN <i>47-4173150</i>		
Executive Officer	<i>Reema Owens</i>	***-**- <u><i>7006</i></u>	<i>704-763-6300</i>	<i>100%</i>
owners, principles, affiliates, shareholders or members	<i>Reema Owens</i>	***-**- <u><i>7006</i></u>	<i>11 11</i>	<i>100%</i>
owners, principles, affiliates, shareholders or members		***-**-____		
owners, principles, affiliates, shareholders or members		***-**-____		
owners, principles, affiliates, shareholders or members		***-**-____		
owners, principles, affiliates, shareholders or members		***-**-____		
owners, principles, affiliates, shareholders or members		***-**-____		
owners, principles, affiliates, shareholders or members		***-**-____		

Reminder: Failure to complete this information will delay the process.

Category	Name	Last 4 digits of SSN	Contact Number	Percentage of interest as reported on pages 2-6
			Cell Number	
owners, principles, affiliates, shareholders or members		***_**_ _____		
owners, principles, affiliates, shareholders or members		***_**_ _____		
owners, principles, affiliates, shareholders or members		***_**_ _____		
owners, principles, affiliates, shareholders or members		***_**_ _____		
owners, principles, affiliates, shareholders or members		***_**_ _____		
owners, principles, affiliates, shareholders or members		***_**_ _____		
owners, principles, affiliates, shareholders or members		***_**_ _____		
owners, principles, affiliates, shareholders or members		***_**_ _____		
owners, principles, affiliates, shareholders or members		***_**_ _____		
owners, principles, affiliates, shareholders or members		***_**_ _____		

Please use additional paper and attach if needed.

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

*Effective January 1, 2015, this document
certifies that*

REEMA R OWENS

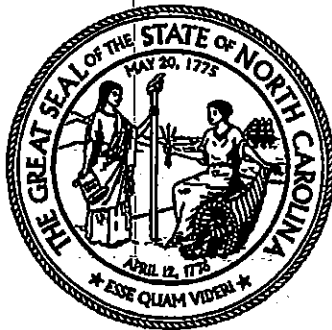
is certified by the State of North Carolina as an

Assisted Living Administrator

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

midnight December 31, 2016

G00000362



Authorized by:

Adana M. M.D.
Secretary, N.C. Dept. of Health and Human Services

Duane P.
Director, Division of Health Service Regulation

EXHIBIT B

LEASE AGREEMENT
RAINTREE HEALTHCARE OF FORSYTH LLC,
A NORTH CAROLINA LIMITED LIABILITY COMPANY
AND CLIFF HEMINGWAY

THIS AGREEMENT ("Agreement") is made and entered into this 1st day of June, 2015, to be effective as of the 1st day of June 2012, by and between RAIN TREE HEALTHCARE OF FORSYTH LLC, a North Carolina Limited Liability Company ("Lessee"); and CLIFF HEMINGWAY; ("Owner").

STATEMENT OF PURPOSE

Owner desires Lessee to operate a quality full-service 121-Bed Adult Care Home as designated by North Carolina Department of Health Service Regulation and of similar quality and high standards as demonstrated by other similar facilities managed by Lessee. During this lease agreement the owner desires for the facility to continue to be successful and will not impede or cause to impede the successful operations of the facility.

PRELIMINARY STATEMENT

Owner owns the land, building, certain equipment and furnishing's. Such land, building, equipment, and furnishing, and any additions thereto, shall hereinafter be referred to as "Facilities" or the "Facility".

STATEMENT OF AGREEMENT. In consideration of the premises hereof and the mutual promises and covenants set forth herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by Lessor, and Lessee, intending to be legally bound, hereby agree as follows.

1. ENGAGEMENT. Owner hereby leases to Lessee and Lessee agrees to lease from the Owner the facilities under the following terms and conditions in accordance with this agreement.

2. RELATIONSHIP. The relationship between the parties is that of Lessor and Lessee. Nothing herein shall be agency or other relationship between the parties.

3. LICENSE. Lessee shall have a license to use the Facilities during the term of this Agreement in accordance with the terms and conditions of this Agreement, and shall have no other rights in and to the Facilities. Owner shall at all times during and after the term of this Agreement be the sole owner of the Facilities.

4. RESPONSIBILITY. Except as otherwise specifically set forth herein or required by law, the parties acknowledge and agree that Lessee has accepted all responsibility for, and all liability of the Facility as of the effective date of this agreement. Neither party shall make any representation or statement (whether oral or written) to any person or entity inconsistent with this Paragraph.

5. OPERATING AND OTHER COSTS. Except as otherwise specifically provided herein, Lessee shall be solely responsible for all costs of operation of the Facility and performing its other duties, obligations, covenants and warranties under this Agreement, including without limitation the following:

5.1 PROPERTY TAXES. All property taxes on an accrual basis, from the effective date of this Agreement, related to the Facilities. If the Owner elects to pay the property tax itself, the Lessee will, when the lease payment is made, pay to the Owner at a rate of 1/12 of last year's property tax each month; however, at the end of the year, if monies are still due on the total yearly tax for the present year, the entire remaining balance is due and shall be paid by December 10th of that year.

5.2 INSURANCE. All cost of insurance related to the operation of the Facility as an Adult Care Home, including and without limitation the insurance required by Section 12 below. Lessee shall keep the improvements upon the premises insured to the current appraised value of the building or \$4,000,000.00, whichever is greater and the personal property located therein insured at \$750,000.00 on contents against loss or damage by fire, burglary, and theft of either.

5.3 MAINTENANCE AND REPAIR. All costs and expenses related to the maintenance and repair of the Facility. Up to an amount of \$5,000.00 Lessee shall, at its sole cost and expense maintain, replace, and keep in good repair and appearance (including periodic repainting) the foundation, roof, exterior walls, windows, and exterior

glass of all buildings, now or hereafter erected upon the premises and shall likewise maintain the paved parking lot. Lessee, at it's sole cost and expense up to \$5,000.00, shall maintain, replace, and keep in good repair and appearance (including periodic repainting) the interior of all buildings now or hereafter erected upon the premises, including, but not limited to, electrical wiring and fixtures, plumbing, air conditioning and heating systems (inside and out), telephone systems, and shall police and maintain the grounds and paved parking lot.

Lessee is responsible to maintain the Facility to a condition at least equal to the present condition. Lessee shall at all times maintain the facility and the facility be at least equal to the present condition, taking into consideration the ordinary use and life of the Facility.

5.4 UTILITIES. All costs related to the Facilities utilities, including without limitation electricity, gas, water, telephone and sewer.

5.5 EQUIPMENT. All costs associated with supplying, repairing, maintaining and replacing equipment and furnishings at the Facilities.

5.6 ALTERATIONS TO FACILITY. No alterations shall be made by the Lessee to the Facility without prior written approval of the Owner.

5.7 EXISTING INVENTORY. It is the responsibility of the Lessee to negotiate and handle the appropriate transfer of all usable goods and supplies that the Lessee wishes to use and purchase from the prior Lessee.

6. DUTIES OF LESSEE. In addition to it's other obligations set forth herein, Lessee shall do each of the following:

6.1 OPERATIONS. Lessee shall be responsible to assure the Facility is established and operated as a full-service Adult Care Home as designated by the North Carolina Department of Health Service Regulation in accordance with the requirements of this Agreement. Among other things, Lessee shall assure the conduction of such operations are in a professional manner in accordance with all applicable laws and regulations. To the extent consistent with the foregoing, such operation shall be conducted economically, efficiently, and in a business-like manner. The Lessee has significant knowledge and understanding of the appropriate methods of managing such a Facility. It is understood that this Facility will be managed with the same integrity and professionalism as found with the other Facilities that the Lessee is involved with and/or other facilities within 100 miles of this facility.

6.2 ADVERTISEMENT. The services available at the Facility will be

advertised in an appropriate and professional manner.

6.3 PUBLICITY. Publicity is normal component in a professional marketing plan and will be included as deemed necessary and appropriate by the Lessee.

6.4 LAWS, REGULATIONS, LICENSES AND REIMBURSEMENT PROGRAMS. Lessee will make every reasonable effort to continually meet state licensing requirements, and other applicable standards for the Facility. Lessee shall comply on behalf of the Owner with all applicable federal, state and local laws rules and regulations (including state and local fire and safety codes) relating to the Facility and shall operate the Facility so that it shall maintain all necessary licenses, permits, consents, and approvals from all governmental agencies that have jurisdiction over the operation of Facility. Lessee shall at all times allow the Owner to copy (at Owner's expense), all correspondence, statements, surveys and other communications which relate to the Facility's compliance with the foregoing. Further, lessee shall, immediately notify owner of any such correspondence.

6.5 QUALITY ASSURANCE AND UTILIZATION. A quality assurance program is a major component of the standards set by governmental agencies that have jurisdiction over the operation of the Facility . Lessee will comply on behalf of the Owner with all applicable federal, state and local laws, rules and regulations.

6.6 FAVORABLE RELATIONSHIPS. Lessee shall conduct operations in a professional manner in accordance with all applicable laws and regulations. Lessee will always strive to maintain good relationships with the local department of Social Services and other medical professionals in the Facilities service area.

6.7 SUPPLY AND MAINTENANCE OF EQUIPMENT. Lessee will supervise and determine the use of, replace and/or maintain the Facilities equipment, furnishings and upfittings as they deem necessary and appropriate; however, the maintenance of the

Facility shall at all times be at least equal to the present condition of the Facility taking into consideration the life of the Facility. Any equipment necessary for the Rest Home which is not supplied by the Owner pursuant to Section 7.1 shall be supplied by Lessee. All equipment, furnishings, and upfittings owned by the facility, including but not limited to replacement or updated equipment, furnishings and upfittings, will be the responsibility of the Lessee to return in good working order or the replacement thereof to the owner at the termination of the lease agreement. Lessee acknowledges that the Facility owns the present equipment, furnishings, and upfittings and any replacement that have previously been made.

6.8 PATIENT CARE. Lessee shall conduct all medical services in a professional manner in accordance with all applicable laws and regulations.

6.9 RECORDS. Lessee shall maintain all records in a professional manner in accordance with all applicable laws and regulations. In addition Owner shall be entitled to access for inspection and copying, upon reasonable request, records pertaining to Lessee's financial condition if at any time during this Agreement, Lessee is not current in its obligations to make remittance to the Owner pursuant to Section 9.

6.10 MONTHLY FINANCIAL STATEMENTS. Lessee will provide Lessor with a monthly financial statement concerning the operation of the Facility if at any time during this Agreement, Lessee is not current in its obligations to make remittance to the Owner pursuant to Section 9.

6.11 PROFESSIONAL INSURANCE COVERAGE. Lessee will ensure that all necessary professional insurance coverage is provided for the Facility.

7. DUTIES OF OWNER. In addition to the other covenants set forth herein, Owner's duties shall include the following:

7.1 EQUIPMENT. Supply the equipment presently in the Facilities, which equipment shall be deemed to be part of the "Facilities" for purposes of this agreement; however, Owner shall have no further obligation to supply equipment for operation of the Facility as an Adult Care Home. In addition, the Owner shall have no obligation to supervise the use of, replace and/or maintain the equipment and up-fittings of the Facility, such obligation being Lessee's pursuant to Section 6.7.

8. COMPENSATION/RENT. Owner shall be compensated as follows:

8.1 REMITTANCES. Lessee shall pay an amount not less than \$29,000.00 each month to the Owner once occupancy reaches 70 residents. This amount represents payment for the use of 121 beds. At the Owner's request, any documents that could or do reflect the use of each and every bed or payment of same shall be provided.

8.2 DUE DATE. Remittances (rent,) to be made (paid) by Lessee pursuant to this Section shall be received by Owner no later than the 10th day of the month, beginning the 10th day of September, 2015, and continuing there after to be paid by Lessee and received by Owner on the 10th of each month until July 1, 2020, or to the end of any period of renewal. All remittances shall be sent to Owner's address listed in Section 23 herein. Lessee failure to pay within five (5) days of the due date shall be considered an event of default under Section 16.2.4 and may be subject to late fees or penalties as allowed by NC state law. Lessee will be given the option to cure untimely payments as allowed by NC state law.

9. TERM; HOLDOVER. The term of this Agreement shall begin June 1st, 2015, and ends on July 1, 2020, unless sooner terminated by either of the parties in accordance with this agreement. Any holder after the expiration of the term of the Agreement, with the

written consent of the Owner, shall be constructed to be a month to month term, and shall be on the terms and conditions herein specified so far as is applicable.

10. **OPTION TO RENEW.** Upon expiration of the terms of this agreement and with the express approval of any necessary governmental authority, Lessee shall have the right to extend this lease for one (1) additional term of five (5) years, at the rental set forth herein, provided Lessee gives to the Owner written notice of it's desire to extend at least sixty (60) days prior to the expiration of the initial term or any extended term of this lease. During the extension, Owner has the right to sell the Facilities and thereby terminate this lease with ninety (90) days written notice after receiving a valid offer to purchase including any necessary deposit which owner has agreed in writing to accept subject to Lessee's first right of refusal and subject to the terms and conditions of this lease. Lessor shall have the option to purchase Lessee's personal property and vehicles utilized in connection with the premises, if any, at the expiration or termination of the lease term, for an amount equal to the tenant's net book value determined in accordance with GAAP, and with appropriate price adjustments for all equipment leases, conditional sales contracts, UCC-1 financing statements and other encumbrances which encumber tenant's personal property.

11. **ANCILLARY SERVICES.** It is understood and agreed that Lessee is responsible for providing laundry, dietary, laboratory, physical therapy and other services (collectively "Ancillary Services") needed at the Facility .

12. **INSURANCE.** Lessee shall ensure that the Facility is adequately insured. The costs of such insurance shall be paid as set forth in Section 5.2 . The insurance shall include, without limitation, the following:

- a. workman's compensation insurance as required by law;
- b. comprehensive liability insurance for injury or death to persons and damage to or loss of property in an amount equal to or greater than One Million (\$1,000,000.00) Dollars;

Section 12.1 Lessee shall require it's insurance carrier or carriers to notify Owner in case there is a cancellation or change in coverage.

13. RESPONSIBILITY FOR MISCONDUCT OF EMPLOYEES AND OTHER PERSONS. Lessee shall be liable to Owner in connection with damage or loss sustained by Owner by reason of the activities of Lessee or Lessee's employees in the operation of the Facility during the term of this Agreement. Lessee shall ensure that each of it's employees performing health care services in the Facility are covered by professional liability insurance with an insurance company licensed in the state of North Carolina, coverage to be in the minimum amount of \$1,000,000 per occurrence and \$1,000,000 annual aggregate during the term of this Agreement.

14. GOOD FAITH. Each party to this Agreement shall be obligated to act reasonable, without delay, and in good faith in connection with all matter which are related to the performance of duties under this Agreement. In this regard, each party acknowledged that they have been induced to enter into this Agreement based upon the anticipated cooperation and reasonable conduct of the other party.

15. APPLICABLE STANDARDS. Lessee shall also ensure that the physicians and other authorized medical professionals who perform services in the Facility comply with all requirements of the Federal and State constitutions, all applicable Federal and State statutes and regulations, and the standards set by the American Medical Association.

16. TERMINATION. The following provisions shall govern the termination of this Agreement:

16.1 FOR CAUSE TERMINATION BY EITHER PARTY. This Agreement may be terminated by either party for "cause" upon thirty (30) days prior written notice. "Cause" for such termination shall occur when either party is in default under any provision of this Agreement and such default has not been cured within thirty (30) days after receipt of the termination notice prescribed above. In the event that a governmental entity or accreditation authority provides for a correction period shorter than thirty (30) days, such shorter period shall apply.

16.2 TERMINATION BY THE OWNER; EVENTS OF DEFAULT. Owner shall have the right to immediately terminate this Agreement, at the Owner's sole discretion or to replace Lessee with any person or entity under any of the following circumstances, which are considered events of default under the Agreement:

16.2.1 Bankruptcy, dissolution, appointment of a receiver or similar event on the part of Lessee.

16.2.2 Intentional, material damage or destruction of the Facilities by the Lessee.

16.2.3 The acquisition of Lessee's concern or it's attempted assignment of this Agreement to another company without mutual consent of the parties.

16.2.4 The failure by Lessee to pay any remittance then due in the manner and within the time period specified in Section 5.1, 5.2, 8.1, 8.2, and 12c.

16.2.5 Any act or omission on the part of Lessee which results in the loss or irresolvable threatened loss of any governmental approval necessary to operate the Facility as an Adult Care Home.

17. COVENANTS AND WARRANTIES.

17.1 Neither Lessee nor Owner shall knowingly or purposefully take any action that shall (1) cause any government authority having jurisdiction over the operation of Facility to institute a proceeding for the rescission or revocation of any necessary license, permit, consent, or approval; (2) cause an institution of any proceeding or action to revoke the, accreditation of the Facilities as the action to revoke the, accreditation of the Facilities as an Adult Care Home; or (3) cause a termination of, or adversely affect, the Owner's participation in Medicare, Medicaid, Blue Cross, or any other public or private medical payment program.

17.2 The parties covenant and warrant that each has the respective power and authority to enter into this agreement.

18. EMINENT DOMAIN. In the event the demised premises are made subject to a proceeding by which the right of eminent domain is exercised, or any like proceeding, Owner and Lessees shall join and cooperate in prosecuting their respective claims for damages incurred from the successful exercise of such right of proceeding.

19. INDEMNIFICATION. To the fullest extent permitted by law, Lessee does hereby agree, for itself, its successors and assigns, to indemnify, defend and hold harmless the Owner, its commissioners, officers, employees and other agents from and against any and all demands, costs, losses, damages, causes of action, claims, actions, suits at law and/or equity, awards or settlements (including the payment of attorney's fees) of any nature and kind whatsoever, known and unknown, on account of any injuries or damages, foreseen or unforeseen, accruing or arising out of any incident, occurrence or condition on or after the effective date of this Agreement and relating to the subject matter of this Agreement, including but not limited to, and claims occasioned by or growing out of Lessee supervision, management and operation of the Facility, or Lessee's failure to

comply with applicable Federal, State and Local statutes, regulations and rules. In the event that a claim, damage, loss or expense arises. This indemnification is an additional consideration for this Agreement.

20. GOVERNING LAW. The construction and interpretation of this Agreement shall at all times and in all respects be governed by the laws of the State of North Carolina.

21. SEVERABILITY. If any provision of this Agreement shall be held invalid, illegal or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

22. NOTICES. Any notices, request, approval, consent, demand, or other communication shall be effective upon the first to occur of the following: (a) upon receipt by the party to whom such notice, request, approval, consent, demand, or other communication is being given; or (b) three (3) business days after being duly deposited in the United States Mail, certified or registered, return receipt requested, and addressed as follows:

Lessee: RAINTREE HEALTHCARE OF FORSYTH LLC
 2015 Ayrley Town Blvd Suite 202
 Charlotte, NC 28273

Owner: Cliff Hemingway
 3330 Monroe Rd
 Charlotte, NC 28205

The parties hereto may change their respective addresses by notice in writing given to the other party to this Agreement.

23. ADDITIONAL ASSURANCES. The provisions of this Agreement shall be self-operative and shall not require further agreement by the parties except as may be herein specifically provided to the contrary; provided, however, at the request of either party, the other execute such additional instruments and take such additional acts as may be necessary to effectuate or confirm this Agreement.

24. ASSIGNMENTS. Neither this Agreement nor any rights hereunder may be assigned or otherwise transferred by either party, except to any corporation controlled by or under common control with the assigning party.

25. MODIFICATIONS. This Agreement can only be modified by a written agreements duly signed by an authorized representatives of Owner and Lessee and variances from or addition to the terms and conditions of this Agreement in any order or other writing from either party will be of no effect. Moreover, in order to avoid uncertainty, ambiguity and misunderstandings in their relationships, Owner and Lessee covenant and agree not to enter into any oral agreement or understanding inconsistent or in conflict with this Agreement; and Owner and Lessee further purportedly constituting such an agreement or understanding shall be absolutely null, void and without effect.

26. RELATIONSHIP OF THE PARTIES. Nothing herein deemed to create any partnership, joint venture, or agency relationship between the parties. Neither party shall make any representation or statement (whether oral or written) to any person or entity inconsistent with this Paragraph.

27. TIME OF ESSENCE. The parties acknowledge and agree that time is of the essence in the performance of this Agreement

28. CUMULATIVE REMEDIES. All rights and remedies of a party hereunder shall be cumulative and in addition to such rights and remedies as may be available to a party at law or equity.

29. NO INFERENCE AGAINST AUTHOR. No provision of this Agreement shall be interpreted against any party because such party or its legal representative drafted or modified such provision.

30. APPROVAL. This Agreement shall be binding on the parties hereto only when signed by its authorized representative name below.

31. CAPTIONS AND HEADINGS. The captions and headings are inserted in this Agreement for convenience only, and in no event be deemed to define, limit or describe the scope or intent of this Agreement, or of any provision hereof, nor in any way affect the interpretation of this Agreement.

32. WAIVER. Any waiver by either party of any breach or any term or condition hereof shall be effective only if in writing and such writing shall not be deemed to be a waiver of any subsequent or other breach, term, or condition of this Agreement.

33. THIRD PARTIES. The provisions of this Agreement are not intended to be for the benefit of any third parties, and no third party shall be deemed to have any privities of contract with either of the parties hereto by virtue of this Agreement.

34. VENUE AND JURISDICTION. The parties hereby (a) agree that any litigation, action or proceeding arising out of or relating to this Agreement may be instituted in a State or Federal Court in the city and State of North Carolina, (b) waive any objection now or hereafter to any such litigation, action or proceeding based upon improper venue or inconvenient forum, and (c) irrevocable submit to the jurisdiction of such courts in this Agreement, the parties hereby submit to the venue and jurisdiction of the courts in the State of North Carolina (federal and state), irrevocably consent to personal jurisdiction of such courts, and further agree that service of process upon the respective parties may be

effected pursuant to United States mail.

35. COUNTERPARTS. This Agreement may be executed simultaneously in several counterparts, each of which shall be deemed an original but which shall constitute one and the same original.

36. ENTIRE AGREEMENT. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior or contemporaneous written or oral agreements and representations between the parties with respect thereto.

37. COLLECTION. If it is necessary for either party to employ attorneys and bring action in court to protect or enforce such party's rights hereunder, to the extent a party prevails in such action, all costs and expenses incident to such action, including without limitation reasonable fees of such prevailing party's attorneys, shall be added to or shall reduce the amount payable hereunder. This term includes guarantors and owners.

IN WITNESS WHEREOF, the parties have executed this agreement in multiple counterparts as of the day first above written.

RAINTREE HEALTHCARE OF
FORSYTH LLC

CLIFF HEMINGWAY

BY:  _____
ITS: MANAGING MEMBER

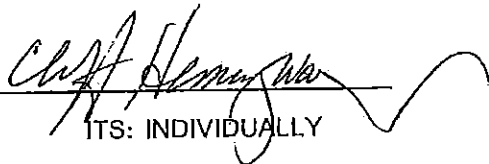
BY:  _____
ITS: INDIVIDUALLY

EXHIBIT C

State of North Carolina

Department of Health and Human Services
Division of Health Service Regulation

Effective December 1, 2015, this license is issued to

*Raintree Healthcare of Forsyth, LLC
to operate an Adult Care Home known as
Integrity Assisted Living*

*located at 2900 Reynolds Park Road
Winston-Salem, NC, Forsyth County.*

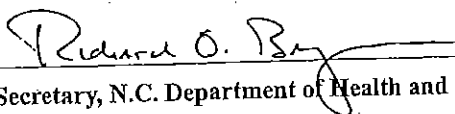
*This license is issued subject to the statutes of the State of North
Carolina, is not transferable and shall expire
December 31, 2016.*

License Number: HAL-034-101

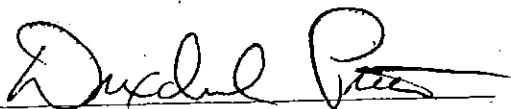
Capacity: 121

Special Care Units: Yes No

Authorized by:


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




Director, Division of Health Service Regulation



North Carolina Department of Health and Human Services

Pat McCrory
Governor

Richard O. Brajer
Secretary

Drexdal Pratt, Director
Division of Health Service Regulation

Certified Mail and Regular Mail

#7014 2120 0002 0137 4169

November 19, 2015

Betty Davis, Member Manager
Raintree Healthcare of Forsyth, LLC, Licensee
Integrity Assisted Living
2015 Ayrley Town Blvd Suite 202
Charlotte NC 28273

Re: Settlement Agreement dated September 25, 2015
Facility Integrity Assisted Living (HAL-034-101)
County Forsyth

Dear Ms Davis:

We have carefully evaluated the licensing information and recommendations submitted to our office and find that your home meets minimum rules for licensure in accordance with North Carolina General Statutes 131D-2(b) and 143B-153.

We are therefore pleased to issue a license to the above named adult care facility. The enclosed license is effective December 1, 2015 and shall remain in force until December 31, 2016 unless revoked for due cause.

The Suspension of Admissions previously issued on May 13, 2015 to Cornerstone Living Center of Winston Salem, LLC remains in force in accordance with the Settlement Agreement dated September 25, 2015 between Cornerstone Living Center of Winston Salem, LLC, AA Holdings-Winston-Salem, LLC, Raintree Healthcare of Forsyth, LLC and this agency.

Adult Care Licensure Section

www.ncdhhs.gov

Tel 919-855-3765 • Fax 919-733-9379

Location: Broughton Building, 805 Biggs Drive • Raleigh, NC 27603

Mailing Address: 2708 Mail Service Center • Raleigh, NC 27699-2708

An Equal Opportunity / Affirmative Action Employer



Page 2 of 2
Integrity Assisted Living
HAL-034-101
November 19, 2015

If you have questions regarding this matter, please do not hesitate to contact this office at (919) 855-3765.

Sincerely,



Megan Lamphere, MSW
Chief, Adult Care Licensure Section

cc: Clifford Hemingway, Building Owner, AA Holdings-Winston-Salem, LLC (5615 Closeburn Rd, Charlotte, NC 28210)
Sheila Moore, Supervisor/Supervisor Designee, Forsyth County DSS
Special Assistance, Division of Aging and Adult Services
Construction Section, Division of Health Service Regulation
Pam Burns, Assistant Chief, Adult Care Licensure Section
Carolyn Harrison, Team Supervisor, Northwest Region, Adult Care Licensure Section
SMFP (ACH only)
File

www.ncdhhs.gov

Tel 919-855-3765 • Fax 919-733-9379

Location: Broughton Building, 805 Biggs Drive • Raleigh, NC 27603

Mailing Address: 2708 Mail Service Center • Raleigh, NC 27699-2708

An Equal Opportunity / Affirmative Action Employer





**N.C. Department of Health and Human Services
Division of Health Service Regulation
Adult Care Licensure Section
2720 Mail Service Center ■ Raleigh, North Carolina 27699-2720**

CHANGE LICENSURE APPLICATION FOR ADULT CARE FACILITIES

TYPE OF LICENSURE APPLICATION: Adult Care Home
(7 or more beds)

CURRENT FACILITY LICENSE Number HAL - 034 - 091

- | | |
|---|---|
| <input checked="" type="checkbox"/> Change of Facility Name | <input checked="" type="checkbox"/> Change of Licensee/Ownership |
| <input type="checkbox"/> Change of Capacity | <input type="checkbox"/> Change to Special Care Unit (specify bed Number) _____ |
| | <input type="checkbox"/> Other (specify): _____ |

Requested Effective Date of Change: 6/4/2015
Must be at least 30 days prior to the proposed change

Note: Change in Ownership requires a license fee. Change of Capacity requires a Construction review and fee.

CURRENT INFORMATION (Prior to Change)

1. CURRENT FACILITY NAME: CORNERSTONE LIVING CENTER OF WINSTON SALEM

2. CURRENT FACILITY SITE ADDRESS: (NO P.O. BOXES)

Street: 2900 Reynolds Park Rd
City Winston-Salem Zip Code 27107 County Forsyth
Facility Telephone Number (336) 784-6187 Fax Number (336) 397-2666

3. CURRENT LEGAL IDENTITY OF OWNERSHIP/LICENSEE:

Name of Owner: CORNERSTONE Living Center of Winston-Salem LLC
Address: PO Box 12907
City: Winston-Salem State: NC Zip Code: 27117
Business Phone # of Applicant/Licensee: (336) 397-2662 Fax (336) 397-2666

DHSR USE ONLY	
License#	
FID#	<u>920217</u>
Region	
Compliance Check Completed	<input type="checkbox"/>
Entry by _____	Reviewed by _____
Date: _____	Date: _____
License Fee:	

FEE PAID		
Date	<u>6, 4, 2015</u>	
Amount \$	<u>2,477.50</u>	
<input checked="" type="radio"/> Check	<input type="radio"/> Cash	<input type="radio"/> Other

1025



**N.C. Department of Health and Human Services
Division of Health Service Regulation
Adult Care Licensure Section
2720 Mail Service Center ■ Raleigh, North Carolina 27699-2720**

CHANGE LICENSURE APPLICATION FOR ADULT CARE FACILITIES

TYPE OF LICENSURE APPLICATION: Adult Care Home
(7 or more beds)

CURRENT FACILITY LICENSE Number- HAL- 034- 091

- Change of Facility Name Change of Licensee/Ownership
 Change of Capacity Change to Special Care Unit (specify bed Number) _____
 Other (specify): _____

Requested Effective Date of Change: 7/14/2015
Must be at least 30 days prior to the proposed changed

Note: Change in Ownership requires a license fee. Change of Capacity requires a Construction review and fee.

CURRENT INFORMATION (Prior to Change)

- CURRENT FACILITY NAME: Cornerstone Living Center of Winston-Salem
- CURRENT FACILITY SITE ADDRESS: (NO P.O. BOXES)

Street: 2900 Reynolds Park Rd
City Winston-Salem Zip Code 27107 County Forsyth
Facility Telephone Number (336) 784-6187 Fax Number (336) 397-2666

3. CURRENT LEGAL IDENTITY OF OWNERSHIP/LICENSEE:
Name of Owner: Cornerstone Living Center of Winston-Salem LLC
Address: PO Box 12907
City: Winston-Salem State: NC Zip Code: 27117
Business Phone # of Applicant/Licensee: (336) 317-2662 Fax (336) 397-2666

DHSR USE ONLY	
License#	
FID#	<u>920217</u>
Region	
Compliance Check Completed	<input type="checkbox"/>
Entry by _____	Reviewed by _____
Date: _____	Date: _____
License Fee:	

PLEASE COMPLETE THE APPLICATION FOR NEW APPLICANT

Part A. Facility/Administrator Information

Facility Name: <i>Integrity Assisted Living</i>			
Physical Address: <i>2900 Reynolds Park Rd</i>		City: <i>Winston-Salem</i>	State: <i>NC</i>
		Zip: <i>27107</i>	
Telephone Number: <i>704-280-8340</i>	Fax number: <i>704-973-4019</i>	Facility E-mail address:	

Correspondence Mailing Address: (where you want to receive all correspondence including the license from Division of Health Service Regulation):

Name: <i>Betty Davis</i>	Title: <i>Managing MGR</i>
Address: <i>2015 Aynsley Town Blvd Ste 202</i>	Telephone Number: <i>(704) 749-4943</i>
City, State Zip Code: <i>Charlotte, NC 28273</i>	
Email:	

Building Owner

Is the building where services are offered leased/ rented? Yes No. If yes, please complete the following on the building/property owner and provide a copy of the lease agreement.

Name: <i>Cliff Hemingway</i>			
Street/Box: <i>5615 Closeburn Rd</i>			
City: <i>Charlotte</i>	State: <i>NC</i>	Zip: <i>28210</i>	
Telephone Number: <i>(704) 332-4131</i>	Fax Number: <i>(704) 332-4423</i>		

CERTIFIED ADMINISTRATOR

Name: <i>Reema Owens</i>	<i>763-6300</i>
Telephone Number: <i>(704) 763-6300</i>	Fax: <i>(704) 973-4019</i>
Administrator Certificate No. <i>B00000362</i>	Expiration Date: <i>12/31/2016</i>

Part B Operation Disclosure

LEGAL IDENTITY OF LICENSEE

Licensee Information

- Print name, address and phone number(s) for the facility
- The Licensee is the name of the legal entity licensed to operate the business at that site as indicated in Part A
- The Licensee is responsible for compliance to State rules and laws governing adult care homes
- The status of the Legal entity will be verified with the NC Office of the Secretary of State

Licensee Name: <i>Rainbow Healthcare of Forsyth LLC</i>		
Address: <i>2900 Reynolds Park Rd</i>		
City: <i>Winston-Salem</i>	State: <i>NC</i>	Zip code: <i>27107</i>
Telephone Number: <i>704-280-8340</i>	Fax Number: <i>704-973-4019</i>	
The owner is a: (check one)	<input checked="" type="checkbox"/> For Profit	<input type="checkbox"/> Non-Profit
The owner is a: (check one)	<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Partnership
<input checked="" type="checkbox"/> Limited Liability Company (LLC)	<input type="checkbox"/> Corporation	<input type="checkbox"/> Governmental Unit
<input type="checkbox"/> Limited liability Partnership (LLP)		

PLEASE LIST IN THE SPACE PROVIDED BELOW:

- If the licensee is a **partnership or limited liability partnership (LLP)**, the name of each partner
- If the licensee is a **limited liability company (LLC)**, the names of the managing members, attach a list of the names and address of the members of the limited liability company
- If the licensee is a **corporation**, the name and title of each corporate officer
- If the licensee is a **governmental unit**, the name and title of the individual in charge of the governmental agency or the individual designated in writing by the individual in charge of the governmental agency

Executive Officer, General Partner, Managing Member		
Name:	Telephone	Fax
<i>Betty Davis</i>	Number: <i>(704) 749-4943</i>	Number: <i>(704) 973-4019</i>
Address: <i>3341 Boulevard Dr</i>		
City: <i>Charlotte</i>	State: <i>NC</i>	Zip: <i>28217</i>

Name	Title
Name	Title
Name	Title
Name	Title
Name	Title

MANAGEMENT COMPANY

Is the business operated under a management contract? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes, provide name and address of the management company		
Company Name:		
Contact Name:	Telephone number: ()	
Street/Box:		
City:	State:	Zip:

Part C Ownership Disclosure

For the purpose of this application the following definitions apply:
The following definitions shall apply throughout this application:

- (1) "Person" means an individual; a trust or estate; a partnership; a corporation; or any grouping of individuals, each of whom owns five percent or more of a partnership or corporation, who collectively own a majority interest of either a partnership or a corporation.
- (2) "Owner" means any person who has or had legal or equitable title to or a majority interest in an adult care home.
- (3) "Affiliate" means any person that directly or indirectly controls or did control an adult care home or any person who is controlled by a person who controls or did control an adult care home. In addition, two or more adult care homes who are under common control are affiliates.
- (4) "Principal" means any person who is or was the owner or operator of an adult care home, an executive officer of a corporation that does or did own or operate an adult care home, a general partner of a partnership that does or did own or operate an adult care home, or a sole proprietorship that does or did own or operate an adult care home.
- (5) "Indirect control" means any situation where one person is in a position to act through another person over whom the first person has control due to the legal or economic relationship between the two.

RELATED AND APPLICABLE RULES
SECTION 10.40A.(l) G.S. 131D-34:

"§ 131D-34. Penalties; remedies

(d1) The Department shall impose a civil penalty on any applicant for licensure who provides false information or omits information on the portion of the licensure application requesting information on owners, administrators, principals, or affiliates of the facility. The amount of the penalty shall be as is prescribed for a Type A Violation.

Part C Ownership Disclosure

OWNERS, PRINCIPLES, AFFILIATES, SHAREHOLDERS, MEMBERS

Complete the information below on all individuals who are owners, principles, affiliates, shareholders or members holding an interest of 5% or more of the licensee. Attach additional pages if necessary. **If you are the only owner, complete the information below, listing the percentage interest as 100%.**

Name: Betty Davis
Address: 3391 BAWWING DR
City: Charlotte State: NC Zip Code: 28217
Phone #: (704) 749-4943 Fax: (704) 973-4019
Email Address: _____
Percentage interest in this licensed Facility: 100% Title: MANAGING MGR
List the names of other Family Care/Adult Care Home in which you are the owner or affiliate: N/A

Name: _____
Address: _____
City: _____ State: _____ Zip Code: _____
Phone #: () _____ Fax () _____
Email Address: _____
Percentage interest in this licensed Facility: _____ Title: _____
List the names of other Family Care/Adult Care Home in which you are the owner or affiliate: _____

Name: _____
Address: _____
City: _____ State: _____ Zip Code: _____
Phone #: () _____ Fax () _____
Email Address: _____
Percentage interest in this licensed Facility: _____ Title: _____
List the names of other Family Care/Adult Care Home in which you are the owner or affiliate: _____

Name: _____
Address: _____
City: _____ State: _____ Zip Code: _____
Phone #: () _____ Fax () _____
Email Address: _____
Percentage interest in this licensed Facility: _____ Title: _____
List the names of other Family Care/Adult Care Home in which you are the owner or affiliate: _____

LICENSED CAPACITY AND SPECIAL CARE UNIT

- Check here if this Adult Care Home serves Only elderly persons.
Elderly Persons are defined as persons age 55 OR older or who have a primary diagnosis of Alzheimer's disease or other form of dementia that require assistance with activities of daily living

Current Licensed Capacity 121

Current Licensed Special Care Unit Capacity: _____

As defined in 10A NCAC 13F. 1302 SPECIAL CARE UNIT DISCLOSURE

- a. Only those facilities with units that meet the requirements of this Section may advertise market or otherwise promote themselves as providing special care units for persons with Alzheimer's Disease or related disorders.
- b. The facility shall disclose information about the special care unit according to G.S. 131D-8 and which address policies and procedures listed in Rule .1305 of this Section.

Authenticating Signature: The undersigned submits this application for licensure for the year 2011 in accordance with Article 1 Chapter 131 D-2 of the General Statutes of North Carolina and to the rules adopted there under by the North Carolina Medical Care Commission (10A NCAC 13F) and certifies the accuracy of this information.

Signature: Betty Davis

Date: 7-17-2015

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

*Effective January 1, 2015, this document
certifies that*

REEMA R OWENS

is certified by the State of North Carolina as an

Assisted Living Administrator

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

midnight December 31, 2016
G00000362



Authorized by:

Adena M. ... M.D.
Secretary, N.C. Dept. of Health and Human Services

Duane P. ...
Director, Division of Health Service Regulation



Elaine F. Marshall
Secretary

North Carolina

DEPARTMENT OF THE
SECRETARY OF STATE

PO Box 29622 Raleigh, NC 27626-0622 (919)807-2000

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[Amend a Previous Annual Report](#)

Corporate Names

Legal: Cornerstone Living Center of Winston-Salem, LLC

Limited Liability Company Information

Sosid: 1171355
Status: Current-Active
Annual Report Status: Current
Citizenship: Domestic
Date Formed: 10/18/2010
Fiscal Month: December
State of Incorporation: NC
Registered Agent: Hemric, Kimberly M.

Corporate Addresses

Principal Office: 2900 Reynolds Park Road
Winston Salem, NC 27107-1653
Reg Office: 2900 Reynolds Park Road
Winston Salem, NC 27107-1653
Reg Mailing: PO Box 12907
Winston Salem, NC 27117-2907
Mailing: PO Box 12907
Winston Salem, NC 27117-2907

Company Officials

All LLCs are manager-managed pursuant to N.C.G.S. 57D-3-20.

Manager: Kimberly Hemric
2900 Reynolds Park Road
Winston-Salem NC 27717

CHOW Licensure
Compliance History Check List

Applicant(s) Information continued

Reference	Check all APPLICANTS with 5% or more interest for all of the following:	If yes, list below			
G.S. 131D-2.4 (C) (2)	Type B or Type A Penalty Deny until 1 year after assessed OR... Until confirmed returned to substantial compliance which ever comes first	<input checked="" type="checkbox"/> NO	<input type="checkbox"/> YES	<input type="checkbox"/> Appeal Date _____	Monetary Assessment Date _____ Penalty Due Date _____ Confirmed Compliance Date _____ Penalty Paid Date _____
10ANCAC 13F .0203	Suspension of Admission (SOA) Deny until 6 months after SOA lifted	<input checked="" type="checkbox"/> NO	<input type="checkbox"/> YES	<input type="checkbox"/> Appeal Date _____	Initiation Date _____ Lift Date _____ () Cost Report _____
G.S. 131D-2.4 (C) (3) or (4)	Provisional Licensure Deny until 6 months from date license fully restored	<input checked="" type="checkbox"/> NO	<input type="checkbox"/> YES	<input type="checkbox"/> Appeal Date _____	Restoration Date _____ Termination Date _____
G.S. 131D-2.4 (C) (3) or (4)	Summarily Suspended Licensure Deny until 6 months from date license fully restore	<input checked="" type="checkbox"/> NO	<input type="checkbox"/> YES	<input type="checkbox"/> Appeal Date _____	Restoration Date _____ Termination Date _____
G.S. 131D-2.4 (C) (3) or (4)	Revocation Deny until 1 year after date of revocation. Cross reference with MFF as well as Provider Penalty Tracking database.	<input checked="" type="checkbox"/> NO	<input type="checkbox"/> YES	<input type="checkbox"/> Appeal Date _____	Lift Date _____

*If applicable, list all facilities owned by applicants and any negative findings below.

Owner (s)	Facility	County	Action	Date	Compliance

Sign Off by at least 2 of below:

Administrative Officer _____ Branch Manager _____
Program Coordinator _____ Team Supervisor _____
Section Chief _____

Performed by: _____ (Initial)

Stock Purchase Agreement

THIS AGREEMENT is made and entered on July 14, 2015 by and between, Reema Owens ("Seller") of PO Box 668611, Charlotte, North Carolina 28266 and Betty Davis ("Purchaser") of 3341 Barringer Dr, Charlotte, North Carolina, 28217.

WITNESSETH:

Whereas, the Seller is a Stockholder in RAINTREE HEALTHCARE OF FORSYTH LLC/ DBA INTEGRITY ASSISTED LIVING, who is the record owner of outstanding shares of the capital stock of RAINTREE HEALTHCARE OF FORSYTH LLC/ DBA INTEGRITY ASSISTED LIVING (hereinafter referred to as the "Corporation"), a North Carolina corporation, which has authority to sell 1,000 shares of capital stock at \$0.01 par value common stock, and

WHEREAS, the Purchaser desires to purchase said stock and the Seller desires to sell said stock, upon the terms and subject to the conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the mutual covenants and Agreements contained in this Agreement, and in order to consummate the purchase and the sale of the Corporation's Stock aforementioned, it is hereby agreed as follows:

Purchase and Sale

Subject to the terms and conditions hereinafter set forth, at the closing of the transaction contemplated hereby, the Seller shall sell, convey, transfer, and deliver to the Purchaser certificates representing such stock, and the Purchaser shall purchase from the Seller the Corporation's Stock in consideration of the purchase price set forth in this Agreement. The certificates representing the Corporation's Stock shall be duly endorsed for transfer or accompanied by appropriate stock transfer powers duly executed in blank, in either case with signatures guaranteed in the customary fashion, and shall have all the necessary documentary transfer tax stamps affixed thereto at the expense of the Seller.

The closing of the transactions contemplated by this Agreement (the "Closing"), shall be held at Cornerstone Assisted Living located at 2900 Reynolds Park Rd, Winston-Salem, North Carolina 27107 on July 14, 2015, at 2:30 PM, or such other place, date and time as the parties hereto may otherwise agree.

Amount and Payment of Purchase Price

(a) Consideration

As total consideration for the purchase and sale of the Corporation's Stock, pursuant to this Agreement, the Purchaser shall pay to the Seller the sum of \$10.00, such total consideration to be referred to in this Agreement as the "Purchase Price".

(b) Payment

The Purchase Price shall be paid as follows:

- i. The sum of \$0.00 to be delivered to Seller upon the execution of this Agreement.
- ii. The sum of \$10.00 to be delivered to Seller at Closing.

Representations and Warranties of Seller

Seller hereby warrants and represents:

(a) Organization and Standing

The Seller is a stockholder and record owner of the issued and outstanding shares of the capital stock of the Corporation, which is a corporation duly organized, validly existing and in good standing under the laws of the State of North Carolina and has the Corporation has the corporate power and authority to carry on its business as it is now being conducted.

(b) Restrictions on Stock

- i. ~~The Seller is not a party to any Agreement, written or oral, creating rights in respect to the Corporation's Stock in any third person or relating to the voting of the Corporation's Stock.~~
- ii. Seller is the lawful owner of the Stock, free and clear of all security interests, liens, encumbrances, equities and other charges.
- iii. There are no existing warrants, options, stock purchase agreements, redemption agreements, restrictions of any nature, calls or rights to subscribe of any character relating to the stock, nor are there any securities convertible into such stock.

Representations and Warranties of Seller and Purchaser

Seller and Purchaser hereby represent and warrant that there has been no act or omission by Seller and Purchaser which would give rise to any valid claim against any of the parties hereto for a brokerage commission, finder's fee, or other like payment in connection with the transactions contemplated hereby.

General Provisions

(a) Entire Agreement

This Agreement (including any written amendments hereof executed by the parties) constitutes the entire Agreement and supersedes all prior agreements and understandings, oral and written, between the parties hereto with respect to the subject matter hereof.

(b) Sections and Other Headings

The section and other headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

(c) Governing Law

This Agreement, and all transactions contemplated hereby, shall be governed by, construed and enforced in accordance with the laws of the State of North Carolina. In the event that litigation

results from or arises out of this Agreement or the performance thereof, the parties agree to reimburse the prevailing party's reasonable attorney's fees, court costs, and all other expenses, whether or not taxable by the court as costs, in addition to any other relief to which the prevailing party may be entitled.

IN WITNESS WHEREOF, this Agreement has been executed by each of the individual parties hereto on the date first above written.

SELLER:

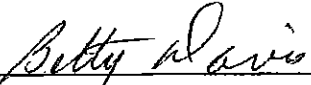


Reema Owens

7/17/2015

Date

PURCHASER:



Betty Davis

7/17/2015

Date

EXHIBIT D



DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF HEALTH SERVICE REGULATION

ROY COOPER
GOVERNOR

MANDY COHEN, MD, MPH
SECRETARY

MARK PAYNE
DIRECTOR

CERTIFIED MAIL and ELECTRONIC MAIL and REGULAR MAIL
#7007 0710 0002 0023 7956

February 24, 2017

Betty Davis, Managing Member
Raintree Healthcare of Forsyth, LLC, Licensee
Integrity Assisted Living
PO Box 668611
Charlotte, NC 28266

email address: raintreehealth@aol.com

Re: **Denial of 2017 License Renewal**
Facility Name: Integrity Assisted Living
Licensure Number: HAL-034-101
County: Forsyth

Dear Ms. Davis:

The North Carolina Department of Health and Human Services, Division of Health Service Regulation, Adult Care Licensure Section has determined that you have substantially failed to comply with the provisions of G.S. 131D of the North Carolina General Statutes and the rules adopted thereunder. In accordance with N.C. Gen. Stat. 131D-2.4(d) the Department hereby denies your request for a 2017 license based on your failure to be in full compliance with all terms of our Settlement Agreement.

Denial of License

The findings upon which the agency's decision is based are the terms of our Settlement Agreement ("Agreement"), effective September 25, 2015. Pursuant to Paragraphs 6, 8 and 9 of the Agreement, you have failed to either: apply for a Certificate of Need (CON) to relocate the beds; undertake and complete improvements to the facility necessary to bring the facility into compliance with applicable construction requirements and request an inspection by the Construction Section of the Division of Health Service Regulation; or request a reasonable extension under the terms of the Agreement. Therefore, the Department is denying the 2017 license renewal application for Integrity Assisted Living.

ADULT CARE LICENSURE SECTION

www.ncdhhs.gov

TEL 919-855-3765 • FAX 919-733-9379

LOCATION: BROWN BUILDING • 801 BIGGS DRIVE • RALEIGH, NC 27603

MAILING ADDRESS: 2708 MAIL SERVICE CENTER • RALEIGH, NC 27699-2708

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER



APPEAL NOTICE

You have the right to contest the above action by filing a petition for a contested case hearing with the Office of Administrative Hearings within 60 days of mailing of this letter. For complete instructions on the filing of petitions, please contact the Office of Administrative Hearings at (919) 431-3000. The mailing address for the Office of Administrative Hearings is as follows:

**Office of Administrative Hearings
6714 Mail Service Center
Raleigh, North Carolina, 27699-6714**

§ 150B-23.2. Fee for filing a contested case hearing.

(a) **Filing Fee.** – In every contested case commenced in the Office of Administrative Hearings by a person aggrieved, the petitioner shall pay a filing fee, and the administrative law judge shall have the authority to assess that filing fee against the losing party, in the amount of one hundred twenty-five dollars (\$125.00), unless the Office of Administrative Hearings establishes a lesser filing fee by rule.

(b) **Time of Collection.** – All fees that are required to be assessed, collected, and remitted under subsection (a) of this section shall be collected by the Office of Administrative Hearings at the time of commencement of the contested case (except in suits in forma pauperis).

(c) **Forms of Payment.** – The Office of Administrative Hearings may by rule provide for the acceptable forms for payment and transmission of the filing fee.

(d) **Waiver or Refund.** – The Office of Administrative Hearings shall by rule provide for the fee to be waived in a contested case in which the petition is filed in forma pauperis and supported by such proofs as are required in G.S. 1-110 and in a contested case involving a mandated federal cause of action. The Office of Administrative Hearings shall by rule provide for the fee to be refunded in a contested case in which the losing party is the State. (2009-451, s. 21A.1(b).)

N.C. Gen. Stat. § 150B-23 provides that you must also serve a copy of the petition on all other parties, which includes the Department of Health and Human Services. The Department's representative for such action is Lisa G. Corbett, General Counsel. This person may receive service of process by mail at the following address:

**Lisa G. Corbett
Department of Health and Human Services
Office of Legal Affairs
Adams Building
2001 Mail Services Center
Raleigh, NC 27699-2001**

If you do not file a petition within the 60 day period, you lose your right to appeal.

ADULT CARE LICENSURE SECTION

www.ncdhhs.gov

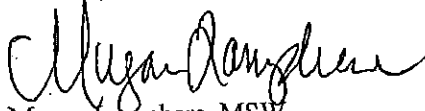
TEL 919-855-3765 • FAX 919-733-9379

LOCATION: BROWN BUILDING • 801 BIGGS DRIVE • RALEIGH, NC 27603
MAILING ADDRESS: 2708 MAIL SERVICE CENTER • RALEIGH, NC 27699-2708
AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

Denial of 2017 License Renewal
Integrity Assisted Living (HAL-034-101)
February 24, 2017

Should you have any question regarding any aspect of this letter, please do not hesitate to contact our office at the Department of Health and Human Services, Division of Health Service Regulation, Adult Care Licensure Section, 2708 Mail Service Center, Raleigh, North Carolina 27699-2708 or call me at (919) 855-3765.

Sincerely,



Megan Lamphere, MSW
Chief, Adult Care Licensure Section

cc: AA Holdings-Winston-Salem, LLC, Building Owner (In care of Hopper, Hicks & Wrenn PLLC, PO Box 247, Oxford, NC 27565)
Victor Orija, Division of Aging and Adult Services
Special Assistance, Division of Aging and Adult Services
State Facilities Medical Planning, Division of Health Service Regulation
Linda Blalock, Branch Manager, Western Region, Adult Care Licensure Section
Carolyn Harrison, Team Supervisor, West 2 Region, Adult Care Licensure Section
Sheila Moore, Supervisor/Designee, Forsyth County DSS
Paulette Brock-Fogg, Adult Care Licensure Section
Star Rating Program, Adult Care Licensure Section

ADULT CARE LICENSURE SECTION

www.ncdhhs.gov

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North Carolina Department of Health and Human Services
 Division of Health Service Regulation
 Adult Care Licensure Section
 2720 Mail Service Center
 Raleigh, North Carolina 27699-2720

If you are submitting a change application please indicate *Change Application Attached: Yes No

Part A. Facility Information

Facility Name: **Integrity Assisted Living**

Physical Address: 2900 Reynolds Park Road City: Winston-Salem State: NC Zip: 27107-

Telephone Number: (704)280-8340 Fax Number: (704)973-4019

*If any of the above information is incorrect please call the Adult Care Licensure Section (919) 855-3765

Please provide your National Provider Identifier (NPI)
 For questions regarding NPI, contact 1-800-465-3203 (NPI Toll-Free) NPI:

Correspondence Mailing Address: (where you want to receive ALL correspondence including the license from Division of Health Service Regulation): *Make corrections as needed

Name: *Betty Davis* Title: *MANAGING MGR*

Address: *2015 Ayrley Town Blvd, Suite 202 P.O. Box 662611* Telephone Number: ()

City, State Zip Code: *Charlotte, NC 28273-8866*

Primary Email: *pdavis@integrityassistedliving.com*

CERTIFIED ADMINISTRATOR:

Name:

Telephone Number: ()

Fax: ()

Administrator Certificate No.

Expiration Date:

DHSR USE ONLY

License# HAL-034-101

FID# 920217

Region Northwest

Compliance Check Completed ()

Entry by *[Signature]* Reviewed by *[Signature]*

Date: _____ Date: _____

License Fee: \$2,477.50

FEE PAID
 Date *12, 15, 16*
 Amount \$ *2477.50*
 Check Cash Other

1018

Part B Operation Disclosure

LEGAL IDENTITY OF LICENSEE

Licensee Information

- The preprinted name is the data we currently hold for this licensed Facility. Please fill in the full address and phone number(s) for licensee.
- The Licensee is the name of the legal entity licensed to operate the business at that site as indicated in Part A.
- The Licensee is responsible for compliance to State rules and laws governing adult care homes.
- The status of the Legal entity will be verified with the NC Office of the Secretary of State.
- **A Change Application is required for ANY changes to the preprinted Licensee name.**

Licensee Name: Raintree Healthcare of Forsyth, LLC		
Address: P.O. Box 668611		
City: Charlotte	State: NC	Zip code: 28266
Telephone Number: 704-657-8163	Fax Number:	
The licensee is :	<input checked="" type="checkbox"/> For Profit	<input type="checkbox"/> Not For Profit

The licensee is: (Check one)	
<input type="checkbox"/> Proprietorship (individual owner) <input type="checkbox"/> Corporation (Inc)* <input checked="" type="checkbox"/> Limited Liability Company (LLC)*	<input type="checkbox"/> Partnership (Unincorporated) <input type="checkbox"/> Limited Liability Partnership (LLP)* <input type="checkbox"/> Government Unit
*NC Secretary of State ID #: 1450712	<input type="checkbox"/> Registered in Other State. (Attach a copy of the Certificate of Authority issued by NCSOS)

COMPLETE THE FOLLOWING INFORMATION:

- If the licensee is not for profit, the name of each Officer, Director or Trustees.
- If the licensee is a partnership or limited liability partnership (LLP), the name of each partner.
- If the licensee is a limited liability company (LLC), the names of the managing members, attach a list of the names and address of the members of the limited liability company.
- If the licensee is a corporation (Inc), the name and title of each corporate officer.
- If the licensee is a governmental unit, the name and title of the individual in charge of the governmental agency or the individual designated in writing by the individual in charge of the governmental agency.

Executive Officer, General Partner, Managing Member		
Name: Betty Davis	Telephone Number: (704) 657-8163	Fax Number: ()
Address: P.O. Box 668611		
City: Charlotte	State: NC	Zip: 28266
Name: Betty Davis	Title: Managing MBR	
Name:	Title:	
Name:	Title:	

Management Company:

Is the business operated under a management contract? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, provide name and address of the management company		
Company Name:		
Owner of Management Company Entity:	Telephone Number: ()	
Street/Box:		
City:	State:	Zip:

Building Owner

Is the building where services are offered leased/ rented? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If yes, please complete the following on the building/property owner.		
Company Name or Individual Name: <i>Cliff Hemingway (ESTATE)</i>		
Name of Managing Member: <i>DAVID Dufault - Attorney / For estate</i>		
Street/Box: <i>211 EAST BEND</i>		
City: <i>Charlotte</i>	State: <i>NC</i>	Zip: <i>28203</i>
Telephone Number: <i>(704) 442-0000</i>	Fax Number: ()	

Part C Ownership Disclosure (*REQUIRED)

For the purpose of this application the following definitions apply:
 The following definitions shall apply throughout this application:

- (1) "Person" means an individual; a trust or estate; a partnership; a corporation; or any grouping of individuals, each of whom owns five percent or more of a partnership or corporation, who collectively own a majority interest of either a partnership or a corporation.
- (2) "Owner" means any person who has or had legal or equitable title to or a majority interest in an adult care home.
- (3) "Affiliate" means any person that directly or indirectly controls or did control an adult care home or any person who is controlled by a person who controls or did control an adult care home. In addition, two or more adult care homes who are under common control are affiliates.
- (4) "Principal" means any person who is or was the owner or operator of an adult care home, an executive officer of a corporation that does or did own or operate an adult care home, a general partner of a partnership that does or did own or operate an adult care home, or a sole proprietorship that does or did own or operate an adult care home.
- (5) "Indirect control" means any situation where one person is in a position to act through another person over whom the first person has control due to the legal or economic relationship between the two.

APPLICABLE RULES

"§ 131D-34. Penalties; remedies

(d1) The Department shall impose a civil penalty on any applicant for licensure who provides false information or omits information on the portion of the licensure application requesting information on owners, administrators, principals, or affiliates of the facility. The amount of the penalty shall be as is prescribed for a Type A1 Violation.

Part C Ownership Disclosure (*REQUIRED)

OWNERS, PRINCIPLES, AFFILIATES, SHAREHOLDERS, MEMBERS

Complete the information below on all individuals who are owners, principles, affiliates, shareholders or members holding an interest of 5% or more of the licensee. Attach additional pages if necessary. **If you are the only owner, complete the information below, listing the percentage interest as 100%.**

Name: Betty Davis
Address: PO Box 669611
City: Charlotte State: NC Zip Code: 28266
Phone #: (704) 657-8163 Fax ()
Email Address: carolannehughes@aol.com
Percentage interest in this licensed Facility: 100% Title: MANAGING MGR
List the names of other Family Care/Adult Care Home in which you are the owner or affiliate: _____

Name: _____
Address: _____
City: _____ State: _____ Zip Code: _____
Phone #: () Fax ()
Email Address: _____
Percentage interest in this licensed Facility: _____ Title: _____
List the names of other Family Care/Adult Care Home in which you are the owner or affiliate: _____

Name: _____
Address: _____
City: _____ State: _____ Zip Code: _____
Phone #: () Fax ()
Email Address: _____
Percentage interest in this licensed Facility: _____ Title: _____
List the names of other Family Care/Adult Care Home in which you are the owner or affiliate: _____

Name: _____
Address: _____
City: _____ State: _____ Zip Code: _____
Phone #: () Fax ()
Email Address: _____
Percentage interest in this licensed Facility: _____ Title: _____
List the names of other Family Care/Adult Care Home in which you are the owner or affiliate: _____

Part D Census Data

If facility **DID NOT** serve any residents in the last 12 months, please sign below.

Attestation of Facility Census

This facility operating as **Integrity Assisted Living** has **not** served one or more residents in the previous 12 months. If this is a true statement for this facility, please sign below.

Date of last resident served at this location 5/27/2015.

Do you plan to serve residents in the next 12 months? Yes

Signature Betty Martin Title: MANAGING MGR Date 12-12-16

Data requested for all questions in this section should be based on facility's July 31, 2016 Census

Complete this section if you have one or more residents.

1. Please give the number (1,2,3 etc.) of residents in facility as indicated on **July 31, 2016**:

Resident Age - years	Male	Female	Total
18 - 20			
21 - 34			
35 - 54			
55 - 64			
65 - 74			
75 - 84			
85 or older			
TOTAL			

2. On **July 31, 2016**, number of residents receiving Medicaid reimbursed Consolidated Personal Care: _____
3. On **July 31, 2016**, number of residents on State/County Special Assistance (SA): _____
4. On **July 31, 2016**, number of private pay residents: _____

RESIDENT UTILIZATION DATA

If you have questions about the items on this page, call Healthcare Planning at (919) 855-3865.

A. Beginning Census, Admissions, Discharges, and Deaths

Complete the chart below for the reporting period of August 1, 2015 through July 31, 2016.

Beginning Census (Aug. 1, 2015)	Admissions (Aug. 1, 2015 – July 31, 2016)	Discharges (excluding deaths) (Aug. 1, 2015 – July 31, 2016)	Deaths (Aug. 1, 2015 – July 31, 2016)	Total*

Total must match total reported for July 31, 2016 census on page 11.

*To calculate: *Beginning Census + Admissions – Discharges – Deaths = Total*

Note: *Beginning Census* is the number of residents in your facility on Aug. 1, 2015.
Admissions is the number of residents admitted from Aug. 1, 2015 through July 31, 2016.
Discharges and *Deaths* are all discharges and deaths from Aug. 1, 2015 through July 31, 2016.

B. Paid Bed Days

Complete the chart below for the reporting period of August 1, 2015 through July 31, 2016.

(1) Paid Bed Days reimbursed by Private Pay (out-of-pocket)	
(2) Paid Bed Days reimbursed by County Special Assistance (includes Medicaid)	
(3) Paid Bed Days reimbursed by Other (insurance or other means of payment)	
(4) Total** = { (1) + (2) + (3) }	

Note: Report paid bed days as cumulative totals.

Example: total number of days of private pay for Resident #1+
 total number of days of private pay for Resident #2+
 total number of days of private pay for Resident #3+...

(Continue for each resident in the facility and then repeat for each of the three categories)

**Total cannot be less than the *minimum paid bed* † days or greater than *maximum paid bed* †† days.

† *minimum paid bed days* is equal to *Beginning Census* plus the *Admissions* (see Item A above).

†† *maximum paid bed days* is equal to your licensed bed capacity multiplied the number of days in the year.
 (Example: 20 licensed beds x 365 days = 7,300 paid bed days).

C. Census by Diagnosis and Age

Please give the number (1,2,3, etc.) of residents in facility (on July 31, 2016) with a physician's diagnosis of the following:

- **Mental Illness (MI)** which includes a psychiatric illness but does not include intellectual disability, developmental disability or Alzheimer's Disease/Related Dementia;

*****For the purpose of this application Mental Illness is an illness which lessens the capacity of the individual to use self-control, judgment and discretion in the conduct of his affairs and social relations so as it makes it necessary or advisable to be under treatment, care, supervision, guidance or control. Mental illnesses include major depression, schizophrenia, bipolar disorder, obsessive compulsive disorder (OCD), panic disorder, post traumatic stress disorder (PTSD), and borderline personality disorder. *****

- **Intellectual Disability/Developmental Disability (ID/DD)** This reflects change in wording from MR to ID
- **Alzheimer's Disease or Related Dementia**

If a resident is dually diagnosed, only count the resident once, based on the **primary** diagnosis.
 Do not list names of residents.

Resident Age - years	MI**** (See above definition for MI)	ID/DD	Alzheimer's Disease /Related Dementia
18 - 20			
21 - 34			
35 - 54			
55 - 64			
65 - 74			
75 - 84			
85 or older			
TOTAL			

- Check here if this Adult Care Home serves **Only** elderly persons. [G.S. 131D-21 (5)]
Elderly Persons are defined as persons age 55 OR older or who have a primary diagnosis of Alzheimer's disease or other form of dementia that requires assistance with activities of daily living.

***LICENSED CAPACITY: 121**

Licensed Special Care Unit, in accordance with 10A NCAC 13F .1300, Capacity: 0
 On July 31, 2016 number of occupied Special Care Unit beds _____

Authenticating Signature: The undersigned submits this application for licensure for the year 2017 in accordance with Article 1 Chapter 131 D-2 of the General Statutes of North Carolina and to the rules adopted there under by the North Carolina Medical Care Commission (10A NCAC 13F) and certifies the accuracy of this information.

Signature: Betty J. Davis Date: 12-12-2016
 Print Name Betty J. DAVIS Phone Number: (704)657-8163



Elaine F. Marshall
Secretary

North Carolina

**DEPARTMENT OF THE
SECRETARY OF STATE**

PO Box 29622 Raleigh, NC 27626-0622 (919)807-2000

Account
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[Print a Pre-Populated Annual Report form](#)

Corporate Names

Legal: RainTree Healthcare of Forsyth LLC

Limited Liability Company Information

SosId: 1450712
Status: Current-Active
Annual Report Status: Current
Citizenship: Domestic
Date Formed: 6/13/2015
Fiscal Month: January
Registered Agent: Business Filings International, Inc.

Corporate Addresses

Reg Office: 160 Mine Lake Ct Ste 200
Raleigh, NC 27615
Reg Mailing: 160 Mine Lake Ct Ste 200
Raleigh, NC 27615
Mailing: 2015 Ayrslay Town Blvd Suite 202
Charlotte, NC 28273-4068
Principal Office: 2900 Reynolds Park Road
Winston Salem, NC 27107-1653

Company Officials

All LLCs are managed by their managers pursuant to N.C.G.S. 57D-3-20.

Administrative Member: Integrity Health Care
2015 Ayrslay Town Blvd Suite 202
Charlotte NC 28273

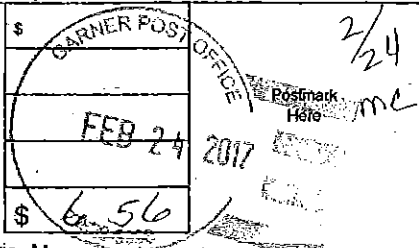
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OFFICIAL USE

7007 0710 0002 0023 7956

Postage	\$	
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	6.56



Sent: Betty Davis, Managing Member
 Street or PO: Raintree Healthcare of Forsyth, LLC, Licensee
 City: Integrity Assisted Living
 PO Box 668611
 Charlotte, NC 28266

PS Form 3800, August 2006 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Betty Davis, Managing Member
 Raintree Healthcare of Forsyth, LLC, Licensee
 Integrity Assisted Living
 PO Box 668611
 Charlotte, NC 28266



2. Article Number (Transfer from service label)
 7007 0710 0002 0023 7956

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
 Addressee

B. Received by (Printed Name) C. Date of Delivery
 Keema K. Owens 3/9/17

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No



3. Service type
- Adult Signature
 - Adult Signature Restricted Delivery
 - Certified Mail®
 - Certified Mail Restricted Delivery
 - Collect on Delivery
 - Collect on Delivery Restricted Delivery
 - Insured Mail
 - Insured Mail Restricted Delivery (over \$500)
 - Priority Mail Express®
 - Registered Mail™
 - Registered Mail Restricted Delivery
 - Return Receipt for Merchandise
 - Signature Confirmation™
 - Signature Confirmation Restricted Delivery

EXHIBIT E

STATE OF NORTH CAROLINA
COUNTY OF FORSYTH

IN THE OFFICE OF
ADMINISTRATIVE HEARING
15 DHR 04486

Cornerstone Living Center of Winston-Salem,
LLC, Licensee; Facility: Cornerstone Living
Center of Winston-Salem; License Number
HAL-034-091,

Petitioner,

vs.

N.C. Department of Health and Human
Services, Division of Health and Human
Services, Adult Care Licensure Section,
Respondent.

SETTLEMENT AGREEMENT

RECITALS

WHEREAS, Petitioner (License Number: HAL-034-091; Licensee: Cornerstone Living Center of Winston-Salem, LLC) was licensed by the North Carolina Department of Health and Human Services, Division of Health Service Regulation, Adult Care Licensure Section ("Respondent"), to operate an adult care home located at 2900 Reynolds Park Road, Winston-Salem, NC 27107 (the "Facility") pursuant to N.C.G.S. § 131D and 10A N.C.A.C. 13F;

WHEREAS, Respondent issued a Suspension of Admissions on May 13, 2015 based on alleged violations identified during an annual survey and complaint investigation conducted in May 2015;

WHEREAS, Respondent issued a Notice of Summary Suspension Adult Care License which summarily suspended Petitioner's license on or about May 26, 2015 pursuant to N.C. Gen. Stat. §§131D-2.7(c) and 150B-3(c);

WHEREAS, Petitioner, by and through counsel, filed a Petition for a Contested Case Hearing in the Office of Administrative Hearings on June 16, 2015 (the "Contested Case") challenging the Notice of Summary Suspension Adult Care License;

WHEREAS, AA Holdings-Winston-Salem, LLC ("AAHWS") is the owner of the real property in and on which the Facility is located (the "Real Property") and wishes to protect its right (1) to use the Real Property, which was developed and used for an adult care home prior to the enactment of Article 9, Chapter 131E of the North Carolina General Statutes, as an adult care home or (2) to transfer the existing adult care home beds to another location in accordance with applicable certificate of need ("CON") law;

WHEREAS, Raintree Healthcare of Forsyth, LLC ("Raintree") has been identified by AAHWS as a potential new lessee (subject to the surrender or termination of Petitioner's license) and licensee for the Facility and has submitted a Change of Ownership Application ("CHOW Application") to the Respondent for the Facility;

WHEREAS, by certified letter dated June 2, 2015, Respondent issued Petitioner a Notice of Intent to Revoke Adult Care Home License notifying Petitioner that Respondent intends to revoke its Petitioner's license based on Petitioner allegedly having substantially failed to comply with the provisions of Articles 1 and 3 of Chapter 131D of the North Carolina General Statutes and with the rules and regulations adopted by the Department thereunder;

WHEREAS, Respondent has stayed the deadline for Petitioner to respond to the Notice of Intent to Revoke Adult Care Home License pending the parties finalizing and executing this Agreement;

WHEREAS, Petitioner has advised Respondent that it no longer intends to operate an adult care home on the Real Property subject to the terms and conditions set forth herein;

WHEREAS, Petitioner contends that it did not violate any law or rule governing the licensure or operation of the Facility;

WHEREAS, Respondent contends that it neither deprived Petitioner of property, exceeded its authority or jurisdiction, acted erroneously, acted arbitrarily or capriciously, nor failed to act as required by law or rule when it issued the Suspension of Admissions, Summary Suspension of License to Operate, and Notice of Intent to Revoke License; and

WHEREAS, pursuant to N.C. Gen. Stat. § 150B-22 it is the policy of the State to settle disputes between State agencies and other persons whenever possible.

NOW, THEREFORE, the parties have decided to resolve this dispute and the Contested Case in the manner set forth below, pursuant to N.C. Gen. Stat. §§ 150B-22 and -31(b), and subject to the approval of the Director of the Division of Health Service Regulation.

AGREEMENT

1. Within five (5) business days after this Agreement is approved and adopted by the Director of the Division of Health Service Regulation (the "Director"), Petitioner shall file a Notice of Voluntary Dismissal with prejudice with the Office of Administrative Hearings in Contested Case number 15 DHR 04486.

2. Respondent agrees and acknowledges that this Agreement fully addresses all issues raised in the Notice of Intent to Revoke Adult Care Home License and that no further response or action is required of Petitioner or any other person or entity with respect to Notice of Intent to Revoke Adult Care Home License except as expressly set out herein.

3. The execution of this Agreement does not constitute an admission by any of the parties of error or liability, and does not constitute a concession by any of the parties regarding any issue in this Contested Case. Further, no party waives objection to any allegations of any

other party with respect hereto, nor does any party waive its rights, whether statutory or otherwise, if any, to dispute or contest any of the facts raised herein in any other proceeding.

4. Upon final approval of this Settlement Agreement by the Director, any agreement for the lease of the Facility entered into by AAHWS and Raintree shall become fully effective without further restriction except as set forth in this Agreement or in the lease between AAHWS and Raintree.

5. AAHWS and Raintree are not affiliates, owners, or principals of the Petitioner and will not affiliate in the future with the owners or principals of the Petitioners as the term "affiliate" is defined in Chapter 131D of the North Carolina General Statutes and 10A NCAC 13F.0201(3).

6. (a) Upon review and approval of Raintree's CHOW Application, Respondent shall issue a license to Raintree. The license issued to Raintree shall not be a provisional license. If for any reason a license is denied to Raintree, Respondent shall notify AAHWS and AAHWS shall have sixty (60) days to submit a CHOW Application or to have a new CHOW Application submitted by a potential lessee of the Facility. Any CHOW Application so submitted shall be reviewed under applicable law and, upon review and approval, Respondent shall issue a license to such applicant. Any license issued shall not be a provisional license. The holder of a license issued as described in this paragraph shall be known as the "License Holder."

(b) The license issued to the License Holder by the Respondent shall be renewable by the License Holder in the manner required by the applicable statutes and regulations each year and such licenses shall be issued by Respondent;

provided, however, that Respondent shall not continue annual renewals of License Holder's license should (1) License Holder fail to meet its obligations under Section 8 below or (2) having met its obligations under Section 8 below by applying for a CON to relocate Facility's bed's, the application for a CON to relocate the Facility is denied and the License Holder has exhausted all available administrative and judicial appeals without obtaining approval of a CON to relocate the Facility.

7. (a) Contemporaneous with the issuance of the license referenced in Section 6 above, the parties agree that the suspension of admissions previously issued pursuant to N.C. Gen. Stat §131D-2.7(d) barring the admission of any residents to the Facility shall remain in full force and effect until lifted in accordance with subparagraph (b) below or as the parties may otherwise mutually agree.

(b) Prior to the suspension of admissions being lifted, the DHHS Division of Health Service Regulation, Construction Section (the "Construction Section") must determine that the Facility has been brought into compliance with applicable construction standards as outlined in Title 10A, Chapter 13F of the North Carolina Administrative Code. In order to comply with the applicable construction standards, the Facility must "meet licensure and code requirements in effect at the time of construction, change in service or bed count, addition, renovation, or alteration" as required by 10A NCAC 13F .0301(2) and must correct any violations or deficiencies noted by the Construction Section in the Statement of Deficiencies and Plan of Correction dated May 13, 2015 (the "Construction Requirements").

8. License Holder and AAHWS shall have until February 29, 2016, to either (1) apply for a CON to relocate the Facility's beds or (2) undertake and complete the improvements to the Facility necessary to bring the Facility into compliance with the applicable Construction Requirements and request an inspection by the Construction Section. If AAHWS is not the licensee of the Facility at the time any application for a CON to Relocate the Facility's beds is applied for, the licensee must join in any such application to the extent required by law.

9. License Holder and AAHWS may request and receive a reasonable extension past February 29, 2016 to a date no later than August 31, 2016 in which to apply for a CON to relocate the Facility's beds unless Respondent finds that AAHWS has acted in bad faith or for the purpose of delay in failing to apply for a CON to relocate the Facility's beds. If AAHWS is not the licensee of the Facility at the time any application for a CON to Relocate the Facility's beds is applied for, the licensee must join in any such extension to the extent required by law.

10. The parties agree that the suspension of admissions, summary suspension of license, intent to revoke license, and civil money penalties (if any) applicable to the Facility were issued or imposed while the Facility was under the operation and control of Petitioner and that the suspension of admissions, summary suspension of license, intent to revoke license, and civil money penalties (if any) shall not be viewed as having been issued against License Holder or AAHWS and the existence of the suspension of admissions, summary suspension of license, intent to revoke license, and civil money penalties (if any) shall not be considered to be suspension of admissions, summary suspension of license, intent to revoke license, and civil money penalties (if any) imposed against or issued to License Holder or AAHWS for any purpose, including as a consideration in a decision by the Respondent to issue, deny, or revoke any license for an adult care home in North Carolina for which License Holder or AAHWS may

apply or for the imposition of any licensure fine or penalty, or the increase of any such licensure fine or penalty, against License Holder or AAHWS.

11. The License Holder shall provide AAHWS with copies of all correspondence to and from Respondent within forty-eight (48) hours of the receipt of sending or receiving of the same. The License Holder shall not surrender its license without at least fourteen (14) business days' notice to AAHWS. The License Holder shall give AAHWS immediate notice of any proposed or actual adverse license action by Respondent in order for AAHWS to have time to promptly file a CHOW Application. Further, Respondent shall not revoke a license for the Facility without giving AAHWS at least fourteen (14) business days' notice. Nothing herein shall be read to require Respondent to give notice to AAHWS of any action other than a revocation of license.

12. License Holder's rights under this Agreement may be transferred to another entity who submits an appropriate CHOW Application that will have the same rights and obligations set forth in this Agreement as the License Holder; provided, however that AAHWS shall be given notice of any such transfer and must have entered into a lease with such proposed licensee. In such event, all applicable provisions of this Agreement shall be read substituting the name of such licensee for the License Holder. If the CHOW Application is approved by DHHS, any licensee issued will be subject to an immediate suspension of admissions as set out above until the requirements herein are satisfied.

13. If approved by the Director, this Agreement shall resolve all issues in, or arising out of, the above-captioned Contested Case. If this Agreement is not approved by the Director, the parties agree that this Agreement shall be null and void and that Petitioner shall be entitled to proceed with the Contested Case and any rights they may have under applicable law. In

addition, if this Agreement is not approved by the Director, the parties agree that it shall be inadmissible at the contested case hearings for any purpose.

14. The parties irrevocably waive any right to initiate an appeal from this Agreement, assuming that any such right exists, provided that nothing in this Agreement shall be construed to waive any claim for enforcement or breach of this Agreement. The parties reserve the right to intervene in any appeal of the Agreement that might possibly be filed by any third parties.

15. Each party releases the other party, their officials, employees, and representatives, from any and all claims or liabilities that have arisen or might arise out of this Contested Case.

16. The parties further agree and acknowledge that this written Agreement sets forth all of the terms and conditions between them concerning the subject matter of this Agreement, superseding all prior oral and written statements and representations, and that there are no terms or conditions between the parties except as specifically set forth in this Agreement.

17. No modification or waiver of any provision of this Agreement shall be effective unless it is in writing. Any modification or waiver must be signed by authorized representatives of the parties and must be adopted and approved by the Director.

18. The parties have had the opportunity to review this Agreement and consult with counsel concerning its terms. This Agreement shall not be interpreted strictly against any party on the grounds that it drafted the Agreement.

19. The parties agree that each party shall bear its own expenses, including attorney's fees, and that no claim for such costs or expenses shall be made by one party against the other.

20. The undersigned represent and warrant that they are authorized to enter into this Agreement on behalf of the parties to this Agreement.

21. This Agreement shall be construed and governed according to the laws of the State of North Carolina. If any provision of this Agreement is held to be invalid or unenforceable, all other provisions shall continue in full force and effect.

22. Petitioner, AAHWS, and Raintree authorize counsel for Respondent to present this Agreement to the Director, *ex parte*.

23. This Agreement may be executed in counterparts and, as so executed, shall constitute one agreement binding on all parties.

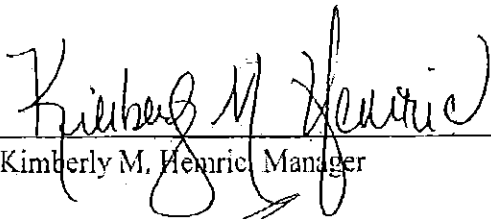
24. In order to expedite the signing of this Agreement, the parties agree that the delivery of an executed signature page by one party to the other via facsimile or pdf e-mail transmission shall bind the transmitting party to the same extent as service of the original signature page by hand-delivery. The parties stipulate and agree that a party that sends a signature page via facsimile or pdf e-mail transmission shall mail the original within five (5) business days after the facsimile transmission.

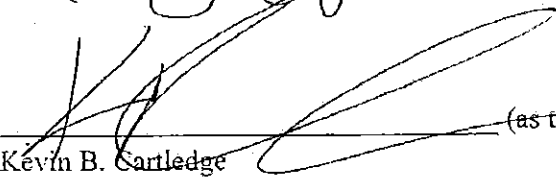
25. This Agreement shall be effective as of the day and year on which it is adopted and approved by the Director of the Division of Health Service Regulation.

IN WITNESS WHEREOF, the parties have executed duplicate original copies of this Settlement Agreement, with one original copy being retained by each party.

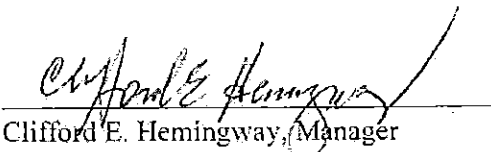
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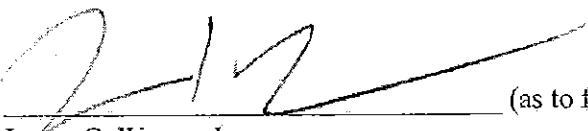
CORNERSTONE LIVING CENTER OF WINSTON-SALEM, LLC

BY: 
Kimberly M. Henric, Manager

BY:  (as to form only)
Kevin B. Cartledge
Kevin B. Cartledge
Wilson Helms & Cartledge, LLP
110 Oakwood Dr., Ste. 400
Winston-Salem, NC 27103

AA HOLDINGS-WINSTON-SALEM, LLC

BY: 
Clifford E. Hemingway, Manager

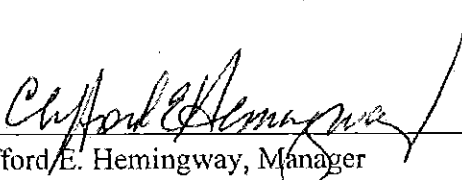
BY:  (as to form only)
James C. Wrenn, Jr.
Gerald T. Koinis
LAW OFFICES OF HOPPER, HICKS & WRENN, PLLC
Post Office Box 247
Oxford, NC 27565
COUNSEL FOR AA HOLDINGS-WINSTON-SALEM, LLC

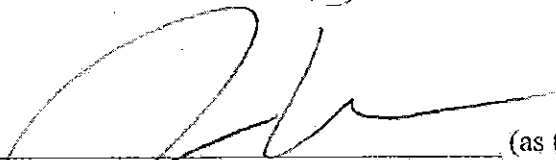
CORNERSTONE LIVING CENTER OF WINSTON-SALEM, LLC

BY: _____
Kimberly M. Hemric, Manager

BY: _____ (as to form only)
Kevin B. Cartledge
Kevin B. Cartledge
Wilson Helms & Cartledge, LLP
110 Oakwood Dr., Ste. 400
Winston-Salem, NC 27103

AA HOLDINGS-WINSTON-SALEM, LLC

BY: 
Clifford E. Hemingway, Manager

BY: 
_____ (as to form only)
James C. Wrenn, Jr.
Gerald T. Koinis
LAW OFFICES OF HOPPER, HICKS & WRENN, PLLC
Post Office Box 247
Oxford, NC 27565
COUNSEL FOR AA HOLDINGS-WINSTON-SALEM, LLC

RAINTREE HEALTHCARE OF FORSYTH LLC

BY: Betty Davis
Betty Davis, Member/Manager

ADULT CARE LICENSURE SECTION

BY: Megan Lamphere
Megan Lamphere, Section Chief
Adult Care Licensure Section
N.C. DHHS, Division of Health Service Regulation
2708 Mail Service Center
Raleigh, NC 27699-2708

ROY COOPER
Attorney General

BY: Adrian Dellinger (as to form only)
Adrian Dellinger
Assistant Attorney General
N.C. Department of Justice
Post Office Box 629
Raleigh, NC 27602-0629
COUNSEL FOR N.C. DHHS

APPROVED AND ADOPTED this the 25th day of September, 2015.

Drexel Pratt
Drexel Pratt, Director
Division Health Service Regulation
N.C. Department of Health and Human Services

EXHIBIT F



DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF HEALTH SERVICE REGULATION

ROY COOPER
GOVERNOR

MANDY COHEN, MD, MPH
SECRETARY

MARK PAYNE
DIRECTOR

February 22, 2017

Louis F. Garrard V, Manager
Mainstay Financial Services
PO Box 2480
Lakeland, FL 33806

Exempt from Review – Acquisition of Facility

Record #: 2177
Facility Name: Integrity Assisted Living
Type of Facility: Adult Care Home
FID #: 920217
Acquisition by: Mainstay Financial Services
Business #: 2582
County: Forsyth

Dear Mr. Garrard:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) determined that based on your letter of January 11, 2017, the above referenced proposal is exempt from certificate of need review in accordance with N.C. Gen. Stat. §131E-184(a)(8). Therefore, Mainstay Financial Services 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 separate determination. If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,

A handwritten signature in cursive script that reads "Martha J. Frisone".

Martha J. Frisone
Assistant Chief Certificate of Need

cc: Construction Section, DHSR (via email only)
Adult Care Licensure Section, DHSR (via email only)
Paige Bennett, Assistant Chief, Healthcare Planning, DHSR (via email only)
Jim Wrenn, Hopper, Hicks & Wrenn, PLLC (via email only)
Gilles Ouellette (via email only)

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





EXHIBIT "A"

2582



January 11, 2017

Ms. Martha Frisone
Assistant Section Chief
NC Division of Health Service Regulation
Healthcare Planning and Certificate of Need Section
809 Ruggles Drive
Raleigh, NC 27603
martha.frisone@dhhs.nc.gov

Via overnight delivery and email

Rec'd # 2177
FID # 920217

Dear Ms. Frisone:

Mainstay Financial Services, LLC proposes to acquire that certain 121 bed adult care home currently known as "Integrity Assisted Living" (address 2900 Reynolds Park Road, Winston-Salem, NC; License Number: HAL-034-101) from AA Holdings - Winston-Salem, LLC, the owner of the real property upon which the above-referenced adult care home is located. After the proposed transaction, Mainstay Financial Services, LLC will both own the real property and operate the adult care home. Pursuant to G.S. §131D-184(a)(8), I understand that this transaction is exempt from review and, as a result, we request that you confirm that understanding by providing us with a "no review" letter. Should you need any additional information, please let me know.

Thank you for your assistance.

Sincerely,

[Handwritten signature of Louis F. Garrard V.]

1225

Louis F. Garrard V., Manager

Cc: James C. Wrenn, Jr.

[A6134155.DOCX]

EXHIBIT G



Table 11B: Adult Care Home Need Projections for 2021

Service Area	Projected 2021 Population					Projected 2021 Bed Utilization (Rounded)								Projected Bed Utilization Summary	Currently Licensed	# License Pending	Exclusions	Planning Inventory	Surplus/Deficit	Deficit Index	Occupancy Rate	Beds Needed
	Under Age 35	Age 35-64	Age 65-74	Age 75-84	Age 85 and up	<35	35-64	65-74	75-84	85+												
Alamance	75,814	62,974	17,495	9,325	3,831	4	81	92	171	285	633	758	0	7	751	118				0		
Alexander	15,174	15,140	4,677	2,661	829	1	19	25	49	62	156	126	0	0	126	-30	-19.23%	73.02%		0		
Alleghany	4,024	4,511	1,619	1,027	402	0	6	8	19	30	63	22	40	0	62	-1	-1.59%			0		
Anson	10,970	10,341	2,853	1,463	530	1	13	15	27	39	95	113	0	0	113	18				0		
Ash	9,603	10,322	3,894	2,385	833	1	13	20	44	62	140	115	0	0	100	17				0		
Avery	6,441	7,415	2,235	1,327	514	0	9	12	24	38	83	100	0	0	100	17				0		
Beaufort	18,038	17,437	7,095	4,045	1,215	1	22	37	74	90	224	167	50	0	217	-7	-3.13%			0		
Bertie	7,710	7,895	2,479	1,252	570	0	10	13	23	42	88	105	0	0	105	17				0		
Bladen	14,408	13,043	4,429	2,338	794	1	17	23	43	59	143	150	0	0	150	7				0		
Brunswick	44,604	52,790	26,266	14,576	3,375	2	68	138	268	251	727	321	372	0	693	-34	-4.68%			0		
Buncombe	106,642	109,190	33,536	17,223	6,836	6	140	176	316	508	1,146	1,175	-25	10	1,140	-6	-0.52%			0		
Burke	37,378	33,671	10,825	5,907	2,019	2	43	57	108	150	360	415	0	0	415	55				0		
Cabarrus	99,628	90,293	18,812	9,336	3,116	5	116	99	171	292	623	934	0	0	934	311				0		
Caldwell	33,966	32,231	9,972	5,378	1,638	2	41	52	99	122	316	349	0	0	349	33				0		
Camden	4,092	4,235	1,091	611	197	0	5	6	11	15	37	24	0	0	24	24				0		
Carteret *	24,559	27,818	10,661	5,941	1,975	1	36	56	109	147	349	186	110	0	296	-53	-15.19%	77.96%		0		
Caswell	8,963	9,380	3,164	1,601	504	0	12	17	29	37	95	207	0	0	207	112				0		
Catawba	67,643	60,518	17,420	9,035	2,870	4	77	91	166	213	551	723	0	0	723	172				0		
Chatham	26,994	30,944	12,060	7,048	2,941	1	40	63	129	219	452	453	0	26	427	-25	-5.53%			0		
Cherokee	9,542	10,064	4,572	3,011	952	1	13	24	55	71	164	24	150	0	174	10				0		
Chowan	5,404	4,909	1,853	1,156	488	0	6	10	21	36	73	120	0	0	120	47				0		
Clay	3,781	4,019	1,902	1,226	415	0	5	10	23	31	69	70	0	0	70	1				0		
Cleveland	42,702	36,455	11,530	5,871	1,832	2	47	61	108	136	354	423	0	0	423	69				0		
Columbus	24,182	21,743	6,521	3,516	1,129	1	28	34	65	84	212	225	0	0	225	13				0		
Craven *	44,020	34,471	9,341	5,896	2,474	2	44	49	108	184	387	611	0	0	611	224				0		
Cumberland *	148,444	111,095	28,145	12,985	4,408	8	142	148	238	328	864	912	0	0	912	48				0		
Currituck	11,548	12,467	3,194	1,470	363	1	16	17	27	27	88	90	0	0	90	2				0		
Dare	13,727	15,556	5,379	2,620	807	1	20	28	48	60	157	120	0	0	120	-37	-23.57%	60.00%		0		
Davidson	70,209	67,827	18,916	9,897	3,062	4	87	99	182	228	600	597	0	0	597	-3	-0.50%			0		
Davie	16,742	17,028	5,384	2,977	1,090	1	22	28	55	81	187	187	0	0	212	25				0		
Duplin	27,227	21,585	6,219	3,427	1,407	1	28	33	63	105	230	387	0	0	387	157				0		
Durham	166,096	117,259	27,694	11,885	4,882	9	150	145	218	363	885	990	34	17	1,007	122				0		
Edgecombe	22,559	19,843	6,797	3,268	1,192	1	25	36	60	89	211	312	0	0	312	101				0		
Forsyth	180,569	143,193	38,263	18,860	7,625	10	183	201	346	567	1,307	2,229	24	21	2,232	925				0		
Franklin	28,631	27,537	7,710	3,734	1,238	2	35	40	69	92	238	240	0	0	240	2				0		

Table 11B: Adult Care Home Need Projections for 2021

Service Areas	Projected 2021 Population						Projected 2021 Bed Utilization (Rounded)					Projected Bed Utilization Summary	Currently Licensed	# License Pending	Exclusions	Planning Inventory	Surplus / Deficit	Deficit Index	Occupancy Rate	Beds Needed
	Under Age 35	Age 35-64	Age 65-74	Age 75-84	Age 85 and up	<35	35-64	65-74	75-84	85+										
Caston	97,830	88,760	23,367	11,298	3,555	5	114	123	207	264	713	1,171	14	15	1,170	457			0	
Gales **	4,883	4,296	1,374	789	288	0	5	7	14	21	47	80	0	0	80	33			0	
Graham	3,528	3,101	1,136	728	280	0	4	6	13	21	44	23	0	0	23	-21	-47.73%	30.43%	0	
Granville	24,274	25,545	6,751	3,242	1,090	1	33	35	60	81	210	251	0	0	251	41			0	
Greene	8,761	8,545	2,299	1,065	403	0	11	12	20	30	73	57	0	0	57	-16	-21.92%	92.98%	20	
Goufford	250,691	201,479	52,300	25,692	10,319	13	258	274	472	767	1,784	2,340	0	13	2,327	543			0	
Halifax	20,352	18,945	6,519	3,237	1,207	1	24	34	59	90	208	205	0	0	205	-3	-1.44%		0	
Hamett *	64,271	49,921	11,065	5,560	1,738	3	64	58	102	129	356	678	0	0	678	322			0	
Haywood	22,721	24,276	8,945	5,600	2,057	1	31	47	103	153	335	323	0	0	323	-12	-3.58%		0	
Henderson	42,644	44,264	17,268	11,352	4,486	2	57	91	208	334	692	593	25	16	602	-90	-13.01%	69.42%	0	
Hertford	10,058	9,285	2,905	1,464	576	1	12	15	27	43	98	173	0	0	173	75			0	
Hoke *	29,207	22,536	4,108	1,641	517	2	29	22	30	38	121	173	0	0	173	52			0	
Hyder/Tyrrell	3,511	4,178	1,231	627	278	0	5	6	12	21	44	50	0	0	50	6			0	
Iredell	79,364	77,390	18,869	9,504	2,998	4	99	99	175	223	600	934	0	0	934	334			0	
Jackson	20,282	14,264	5,001	2,937	980	1	18	26	54	73	172	145	0	0	145	-27	-15.70%	74.48%	0	
Johnston	93,975	86,150	18,830	8,859	2,498	5	110	99	163	186	563	707	0	0	707	144			0	
Jones	4,182	3,884	1,420	684	253	0	5	7	13	19	44	20	30	0	50	6			0	
Lee	27,299	21,448	5,811	3,128	1,221	1	27	30	57	91	206	323	0	0	323	117			0	
Lenoir	24,727	21,256	7,025	5,573	1,372	1	27	37	66	102	233	327	0	0	327	94			0	
Lincoln	34,553	36,620	10,305	5,002	1,390	2	47	54	92	103	298	381	0	0	381	83			0	
Macon	13,389	12,587	5,578	3,706	1,425	1	16	29	68	106	220	178	0	0	178	-42	-19.09%	81.46%	0	
Malden	8,537	8,530	3,221	1,664	592	0	11	17	31	44	103	89	0	0	89	-14	-13.59%	69.66%	0	
Martin	9,055	8,599	3,270	1,663	580	0	11	17	31	43	102	182	0	0	182	80			0	
McDowell	17,935	18,045	5,833	3,135	1,053	1	23	31	58	78	191	350	0	0	350	159			0	
Mecklenburg	548,667	474,801	88,187	39,300	15,103	29	608	463	722	1,123	2,945	3,081	273	49	3,305	360			0	
Mitchell	5,618	5,856	2,039	1,319	463	0	7	11	24	34	76	80	0	0	80	4			0	
Montgomery	12,018	10,088	3,555	1,894	673	1	13	19	35	50	118	180	16	0	196	78			0	
Moore *	37,740	36,079	14,121	9,207	4,228	2	46	74	169	314	605	637	10	18	629	24			0	
Nash	38,749	36,149	11,565	5,470	1,897	2	46	61	100	141	350	522	0	0	522	172			0	
New Hanover	104,854	89,468	25,087	13,294	5,043	6	115	132	244	375	872	1,105	-32	9	1,064	192			0	
Northampton	7,977	7,692	2,750	1,705	727	0	10	14	31	54	109	242	0	0	242	133			0	
Onslow *	101,564	58,442	12,539	6,165	2,132	5	75	66	113	159	418	438	0	0	438	20			0	
Orange	71,997	54,000	14,745	6,513	2,228	4	69	77	120	166	436	490	0	0	490	54			0	
Pamlico	4,197	5,019	2,153	1,393	505	0	6	11	24	38	79	48	30	0	78	-1	-1.27%		0	
Passquotank	18,984	14,604	3,981	2,062	730	1	19	21	38	54	133	266	0	0	266	133			0	

Table 11B: Adult Care Home Need Projections for 2021

Service Areas	Projected 2021 Population						Projected 2021 Bed Utilization (Rounded)					Projected Bed Utilization Summary	Currently Licensed	# License Pending	Exclusions	Planning Inventory	Surplus / (-) = Deficit	Deficit Index	Occupancy Rate	Beds Needed
	Under Age 35	Age 35-64	Age 65-74	Age 75-84	Age 85 and up		<35	35-64	65-74	75-84	85+									
Pender	26,859	25,866	7,586	3,789	1,233		1	33	40	70	92	236	202	0	0	202	-34	-14.41%	80.69%	0
Perquimans	5,203	5,037	2,070	1,440	490		0	6	11	26	36	79	24	50	0	74	-5	-6.33%		0
Person	16,309	15,690	4,923	2,550	859		1	20	26	47	64	158	214	0	0	214	56			0
Pitt	94,056	60,683	15,709	7,042	2,730		5	78	82	129	203	497	609	0	6	603	106			0
Folk	7,065	7,677	3,460	2,149	1,005		0	10	18	39	75	142	146	0	0	146	4			0
Randolph	62,034	55,059	15,623	8,335	2,780		3	70	82	153	207	515	583	0	0	583	68			0
Richmond	19,712	16,918	5,085	2,533	730		1	22	27	47	54	151	199	0	0	199	48			0
Robeson	63,712	46,945	13,210	6,150	1,811		3	60	69	113	135	380	579	0	0	579	199			0
Rockingham	36,529	35,763	11,331	5,969	2,095		2	46	59	110	156	373	419	0	0	419	46			0
Rowan	63,099	55,377	16,101	7,949	2,651		3	71	84	146	197	501	901	5	3	903	402			0
Rutherford	27,134	25,949	8,482	4,816	1,541		1	33	45	88	115	282	518	0	0	518	236			0
Sampson	28,639	23,387	7,002	3,648	1,316		2	30	37	67	98	234	282	0	0	282	48			0
Scotland	15,425	12,547	4,188	1,964	636		1	16	22	36	47	122	206	0	0	206	84			0
Sturly	26,419	23,631	7,293	3,917	1,306		1	30	38	72	97	238	231	0	0	231	-7	-2.94%		0
Stokes	17,644	18,813	5,874	3,241	1,054		1	24	31	60	78	194	300	0	0	300	106			0
Surry	30,725	27,393	8,624	4,779	1,676		2	35	45	88	125	295	460	0	0	460	165			0
Swain	6,963	5,743	1,818	1,031	311		0	7	10	19	23	59	50	0	0	50	-9	-15.25%	0.00%	0
Transylvania	11,552	12,623	5,551	4,123	1,771		1	16	29	76	132	254	134	0	0	134	-120	-47.24%	56.72%	0
Union	111,913	98,599	20,421	10,338	2,941		6	126	107	190	219	648	596	0	0	596	-52	-8.02%		0
Vance	20,671	15,949	4,998	2,595	955		1	20	26	48	71	166	218	0	0	218	52			0
Wake	520,591	474,847	90,023	41,056	14,934		28	608	472	754	1,111	2,973	3,164	155	27	3,292	319			0
Warren	7,773	7,527	2,800	1,661	732		0	10	15	31	54	110	116	0	0	116	6			0
Washington	4,791	4,212	1,749	944	416		0	5	9	17	31	62	49	10	0	59	-3	-4.84%		0
Watauga	31,681	15,774	5,604	3,101	1,187		2	20	29	57	88	196	176	0	0	176	-20	-10.20%	47.16%	0
Wayne *	57,946	47,041	12,881	6,595	2,493		3	60	68	121	185	437	745	0	0	745	308			0
Wilkes	27,483	26,664	8,688	5,097	1,732		1	34	46	94	129	304	290	0	0	290	-14	-4.61%		0
Wilson	37,294	31,645	9,652	4,800	1,753		2	41	51	88	130	312	454	0	0	454	142			0
Yadkin	15,157	14,256	4,203	2,432	877		1	18	22	45	65	151	189	0	0	189	38			0
Yancey	6,758	6,720	2,497	1,552	556		0	9	13	29	41	92	99	0	0	99	7			0

Table 11B: Adult Care Home Need Projections for 2021

Service Areas	Projected 2021 Population				Projected 2021 Bed Utilization (Rounded)				Projected Bed Utilization Summary	Currently Licensed	# License Pending	Exclusions	Planning Inventory	Surplus (-) or Deficit	Deficit Index	Occupancy Rate	Beds Needed
	Under Age 35	Age 35-64	Age 65-74	Age 75-84	Age 85 and up	<35	35-64	65-74									
State Total	470,385	4,089,657	1,086,602	554,904	197,809	243	5,253	5,701	10,181	14,789	36,066	43,000	1,341	237	44,104		50

Average Combined Ratios for Beds per 1000 derived based on reported number of patients based on 2013 through 2017 License Renewal Applications.

0.08 Beds/1000 Under Age 35

1.43 Beds/1000 Age 35-64

5.53 Beds/1000 Age 65-74

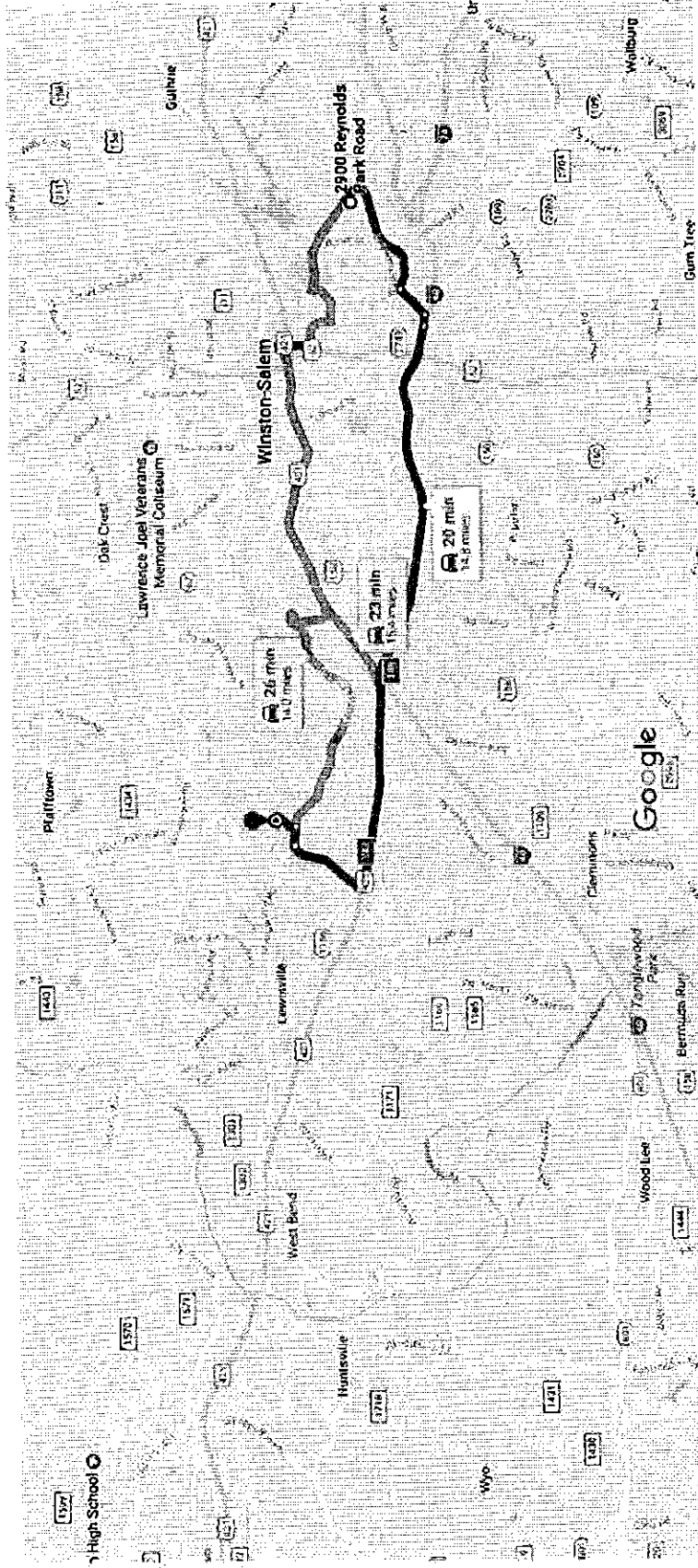
19.22 Beds/1000 Age 75-84

75.87 Beds/1000 Age 85 and over

* Projections for under age 35 were adjusted to exclude active duty military personnel.

EXHIBIT H

Google Maps 2900 Reynolds Park Rd to 5590 Hundley Road, Winston-Salem, NC Drive 14.8 miles, 20 min



Map data ©2017 Google 2 mi

via I-40 W

Fastest route, the usual traffic

20 min
14.8 miles



EXHIBIT I

Adult Care Homes / Homes for the Aged

Licensed by the State of North Carolina
Department of Health and Human Services - Division of Health Service Regulation
(Number in parenthesis indicates the maximum number of residents for which the home is licensed)



As of 05/2017

DURHAM

Atria Southpoint Walk (20)
WG Durham, LP
5705 Fayetteville Rd; Durham, NC 27713
(502)779-4700 Fax: (919)544-8402 HAL-032-131
Star Rating Certificate # of Stars: 4

Brookdale Chapel Hill (38)
Brookdale Senior Living Community, Inc.
2230 Farmington Drive; Chapel Hill, NC 27517
(919)929-5850 Fax: (919)493-3672 HAL-032-019
Star Rating Certificate # of Stars: 4

Brookdale Chapel Hill AL (NC) (70)
Brookdale Senior Living Communities, Inc.
2220 Farmington Drive; Chapel Hill, NC 27517
(919)933-1430 Fax: (919)933-1543 HAL-032-016
Star Rating Certificate # of Stars: 4

Brookdale Durham (119)
Southern Assisted Living, LLC
4434 Ben Franklin Boulevard; Durham, NC 27704
(919)479-9966 Fax: (919)479-9977 HAL-032-065
Star Rating Certificate # of Stars: 4

Camellia Gardens (81)
KC Care Management, Inc
5010 S. Alston Avenue; Durham, NC 27713
(919)544-0257 Fax: (919)544-3943 HAL-032-071
Star Rating Certificate # of Stars: 4

Carillon Assisted Living of Durham (96)
Carillon Assisted Living of Durham, LLC
4713 Garrett Road; Durham, NC 27707
(919)401-1101 Fax: (919)401-1102 HAL-032-124
Star Rating Certificate # of Stars: 4

Croasdalle Village (30)
United Methodist Retirement Homes Inc
2600 Croasdalle Farm Parkway; Durham, NC 27705
(919)384-2000 Fax: (919)384-2181 HAL-032-020
Star Rating Certificate # of Stars: 4

Durham Ridge Assisted Living (142)
Durham Ridge Assisted Living, LLC
3420 Wake Forrest Hwy; Durham, NC 27703
(919)596-9464 Fax: (919)957-8915 HAL-032-091
Star Rating Certificate # of Stars: 3

Eden Spring Living Center (19)
Eden Spring Living Center, Inc
3812 Booker Street; Durham, NC 27713
(919)544-0874 Fax: (919)544-0802 HAL-032-073
Star Rating Certificate # of Stars: 4

Ellison's Rest Home #1 (29)
Ellison Rest Home, Inc
100 Ellison Drive; Durham, NC 27713
(919)544-3714 Fax: (919)544-3714 HAL-032-002
Star Rating Certificate # of Stars: 3

Eno Pointe Assisted Living (147)
Durham Rest Home, Inc.
5600 N. Roxboro Road; Durham, NC 27712
(919)471-6306 Fax: (919)471-0554 HAL-032-001
Star Rating Certificate # of Stars: 4

Seasons @ Southpoint (51)
SNH SE Tenant TRS, Inc.
1002 East Highway 54; Durham, NC 27713
(919)484-8518 Fax: (919)484-8520 HAL-032-109
Star Rating Certificate # of Stars: 4

Spring Arbor of Durham (60)
Spring Arbor of Durham a Virginia Ltd Partnership
4523 Hope Valley Road; Durham, NC 27707
(919)403-0055 Fax: (919)403-5667 HAL-032-013
Star Rating Certificate # of Stars: 4

EDGECOMBE

Heritage Care of Rocky Mount (126)
Heritage of Rocky Mount, LLC
1650 Cokey Road; Rocky Mount, NC 27801
(252)977-6199 Fax: (252)977-6510 HAL-033-005
Star Rating Certificate # of Stars: 2

Open Fields Assisted Living (130)
Tar River LTC Group
3210 Western Boulevard; Tarboro, NC 27886
(252)823-8546 Fax: (252)823-3878 HAL-033-001
Star Rating Certificate # of Stars: 4

FORSYTH

Brighton Gardens of Winston-Salem (115)
Prime Care One, LLC
2601 Reynolda Road; Winston-Salem, NC 27106
(336)722-2224 Fax: (336)722-7212 HAL-034-026
Star Rating Certificate # of Stars: 3

Brookdale Reynolda Road (72)
Southern Assisted Living, LLC
2980 Reynolda Road; Winston-Salem, NC 27106
(336)722-1617 Fax: (336)722-1660 HAL-034-035
Star Rating Certificate # of Stars: 0

Brookdale Winston-Salem (38)
Brookdale Senior Living Communities, Inc
275 South Peace Haven Road; Winston-Salem, NC 27104
(336)659-7797 Fax: (336)659-6474 HAL-034-027
Star Rating Certificate # of Stars: 4

Brookstone Terrace (40)
BYPeterson Properties, LLC
4430 Clinard Road; Clemmons, NC 27102
(336)766-5000 Fax: (336)766-5020 HAL-034-094
Star Rating Certificate # of Stars: 3

C.R.T. - Golden Lamb Rest Home (40)
C.R.T. - Golden Lamb Rest Home, Inc
1515 Golden Lamb Court; Winston-Salem, NC 27105
(336)727-9119 Fax: (336)727-1128 HAL-034-019
Star Rating Certificate # of Stars: 2

Adult Care Homes / Homes for the Aged

Licensed by the State of North Carolina

Department of Health and Human Services - Division of Health Service Regulation

(Number in parenthesis indicates the maximum number of residents for which the home is licensed)

As of 05/2017

Carillon Assisted Living of Clemmons (96)
Carillon Assisted Living of Clemmons, LLC
1165 Peace Haven Road; Clemmons, NC 27012
(336)766-6220 Fax: (336)766-6221 HAL-034-099
Star Rating Certificate # of Stars: 3

Clemmons Village I (60)
Clemmons Village I, LLC
6401 Holder Road; Clemmons, NC 27012
(336)766-2990 Fax: (336)766-6240 HAL-034-090
Star Rating Certificate # of Stars: 3

Clemmons Village II (66)
Clemmons Assisted Living, LLC
6441 Holder Road; Clemmons, NC 27012
(336)778-8548 Fax: (336)778-8875 HAL-034-062
Star Rating Certificate # of Stars: 4

Creekside Manor (60)
Creekside Manor of Forsyth, LLC
6206 Reidsville Road; Kernersville, NC 27284
(336)595-9889 Fax: (336)595-9395 HAL-034-060
Star Rating Certificate # of Stars: 4

Danby House (100)
Danby House, LLC
3150 Burke Mill Road; Winston-Salem, NC 27103-6431
(336)768-5656 Fax: (336)837-1235 HAL-034-093
Star Rating Certificate # of Stars: 3

Forest Heights Senior Living Community (125)
Five Star Quality Care-OBX Operator, LLC
2500 Polo Ridge Court; Winston-Salem, NC 27106-3950
(336)722-7118 Fax: (336)722-9785 HAL-034-087
Star Rating Certificate # of Stars: 3

Forsyth Village (60)
Raintree Healthcare of Winston Salem, LLC
5100 Lansing Drive; Winston-Salem, NC 27105
(336)661-0850 Fax: (336)661-0945 HAL-034-084
Star Rating Certificate # of Stars: 1

Homestead Hills Assisted Living (66)
Homestead Hills Retirement Limited Partnership
2101 Homestead Hills Drive; Winston-Salem, NC 27103
(336)659-0708 Fax: (336)659-8506 HAL-034-023
Star Rating Certificate # of Stars: 2

Integrity Assisted Living (121)
Raintree Healthcare of Forsyth, LLC
2900 Reynolds Park Road; Winston-Salem, NC 27107
(704)280-8340 Fax: (704)973-4019 HAL-034-101
Star Rating Certificate # of Stars: 0

Kerner Ridge Assisted Living (66)
Kerner Ridge Assisted Living, LLC
250 Hopkins Road; Kernersville, NC 27284
(336)993-1881 Fax: (336)993-2592 HAL-034-058
Star Rating Certificate # of Stars: 4

Magnolia Creek Assisted Living (117)
WP-Winston Salem Health Holdings, LLC
2560 Willard Road; Winston-Salem, NC 27107-5543
(336)650-0699 Fax: (336)650-0132 HAL-034-097
Star Rating Certificate # of Stars: 3

Memory Care of the Triad (42)
The Bradford Village of Kernersville, East, LLC
413 North Main Street; Kernersville, NC 27284
(336)993-4696 Fax: (336)993-0957 HAL-034-068
Star Rating Certificate # of Stars: 4

Salem Terrace (142)
BHM Salem Terrace, LLC
2609 Old Salisbury Road; Winston-Salem, NC 27127
(336)785-1935 Fax: (336)785-2735 HAL-034-098
Star Rating Certificate # of Stars: 0

Shuler Health Care/Crane Villa (12)
Shuler Health Center, Inc
250 Pitt Street; Kernersville, NC 27284
(336)996-0772 Fax: (336)996-6225 HAL-034-009
Star Rating Certificate # of Stars: 3

Shuler Health Care/Phillips Villa (12)
Shuler Health Care, Inc
250 Pitt Street; Kernersville, NC 27284
(336)996-0772 Fax: (336)996-6225 HAL-034-010
Star Rating Certificate # of Stars: 4

Shuler Health Care/Pierce Villa (12)
Shuler Health Care, Inc.
250 Pitt Street; Kernersville, NC 27285
(336)996-0772 Fax: (336)996-6225 HAL-034-011
Star Rating Certificate # of Stars: 4

Shuler Health Care/Record Villa (12)
Shuler Health Care, Inc
250 Pitt Street; Kernersville, NC 27284
(336)996-4427 Fax: (336)996-6225 HAL-034-012
Star Rating Certificate # of Stars: 4

Shuler Health Care/Storey Villa (12)
Shuler Health Care Inc.
250 Pitt Street; Kernersville, NC 27285
(336)996-0772 Fax: (336)996-6225 HAL-034-013
Star Rating Certificate # of Stars: 3

Somerset Court at University Place (60)
JFC Meridian Opco-Winston-Salem, LLC
1635 East 5th Street; Winston Salem, NC 27101
(336)722-7119 Fax: (336)837-0212 HAL-034-100
Star Rating Certificate # of Stars: 3

Southfork (78)
DePaul Adult Care Communities Inc
1345 Jonestown Road; Winston-Salem, NC 27103
(336)768-8828 Fax: (336)768-0607 HAL-034-028
Star Rating Certificate # of Stars: 4

Adult Care Homes / Homes for the Aged

Licensed by the State of North Carolina

Department of Health and Human Services - Division of Health Service Regulation

(Number in parenthesis indicates the maximum number of residents for which the home is licensed)

As of 05/2017

The Bradford Village of Kernersville - West (62)
The Bradford Village of Kernersville - West, LLC
602 Piney Grove Road; Kernersville, NC 27284
(336)993-8711 Fax: (336)993-8499 HAL-034-069
Star Rating Certificate # of Stars: 3

The Crest of Clemmons (96)
The Crest of Clemmons, Inc.
6010 Meadowbrook Mall Court; Clemmons, NC 27012-9266
(336)766-8050 Fax: (336)766-8054 HAL-034-082
Star Rating Certificate # of Stars: 3

Trinity Elms (104)
LSA Elms At Tanglewood, Inc.
3750 Harper Road; Clemmons, NC 27012
(336)766-2131 Fax: (336)766-2160 HAL-034-085
Star Rating Certificate # of Stars: 4

Verra Spring at Heritage Woods (29)
KRC Woods, LP
3812 Forrestgate Drive; Winston-Salem, NC 27103
(336)768-2011 Fax: (336)760-4258 HAL-034-003
Star Rating Certificate # of Stars: 4

Vienna Village (90)
Vienna Village, Inc.
6601 Yadkinville Road; Pfafftown, NC 27040
(336)945-5410 Fax: (336)945-6488 HAL-034-016
Star Rating Certificate # of Stars: 4

FRANKLIN

Autumn Wind Assisted Living of Louisburg (60)
Autumn Wind, Inc.
361 Leonard Road; Louisburg, NC 27549
(919)853-3121 Fax: (919)853-3633 HAL-035-022
Star Rating Certificate # of Stars: 0

Essex Manor Assisted Living Facility (56)
844 NC 39 Highway South / Louisburg, LLC
844 Highway 39 S.; Louisburg, NC 27549
(919)340-4464 Fax: (919)340-4466 HAL-035-030

Franklin Manor Assisted Living Center (54)
Franklin Operations, LLC
100 Sunset Drive; Youngsville, NC 27596
(919)562-5550 Fax: (919)562-5505 HAL-035-024
Star Rating Certificate # of Stars: 1

Louisburg Manor (60)
TRC of Louisburg, Inc.
114 Smoketree Way; Louisburg, NC 27549
(919)496-6084 Fax: (919)496-5458 HAL-035-003
Star Rating Certificate # of Stars: 4

GASTON

Brookdale New Hope (86)
Southern Assisted Living, LLC
1680 South New Hope Road; Gastonia, NC 28054
(704)864-0801 Fax: (704)866-4848 HAL-036-013
Star Rating Certificate # of Stars: 2

Brookdale Robinwood (89)
Southern Assisted Living, LLC
1750 Robinwood Road; Gastonia, NC 28054
(704)864-2480 Fax: (704)864-4448 HAL-036-015
Star Rating Certificate # of Stars: 2

Brookdale Union (78)
Southern Assisted Living, LLC
1717 Union Road; Gastonia, NC 28054
(704)864-9440 Fax: (704)864-1935 HAL-036-012
Star Rating Certificate # of Stars: 2

Carillon Assisted Living of Cramer Mountain (128)
Carillon Assisted Living of Cramer Mountain, LLC
500 Cramer Mountain Road; Cramerton, NC 28032
(704)823-0500 Fax: (704)823-0504 HAL-036-016
Star Rating Certificate # of Stars: 3

Country Time Inn (59)
Country Time Inn, LLC
602 Brevard Road; Kings Mountain, NC 28086-8692
(704)739-2760 Fax: (704)739-4775 HAL-036-018
Star Rating Certificate # of Stars: 3

Heritage Oaks Assisted Living (86)
MTC Adult Care, LLC
916 S. Marietta Street; Gastonia, NC 28054
(704)864-3249 Fax: (704)854-3397 HAL-036-035
Star Rating Certificate # of Stars: 1

Morningside of Gastonia (105)
Morningside Of Gastonia, LLC
2755 Union Road; Gastonia, NC 28054
(704)810-0111 Fax: (704)810-9586 HAL-036-019
Star Rating Certificate # of Stars: 4

Rosewood Assisted Living (48)
Lancaster Health Care, Inc.
721 North Marietta Street; Gastonia, NC 28052
(704)865-2238 Fax: (704)864-7626 HAL-036-004
Star Rating Certificate # of Stars: 2

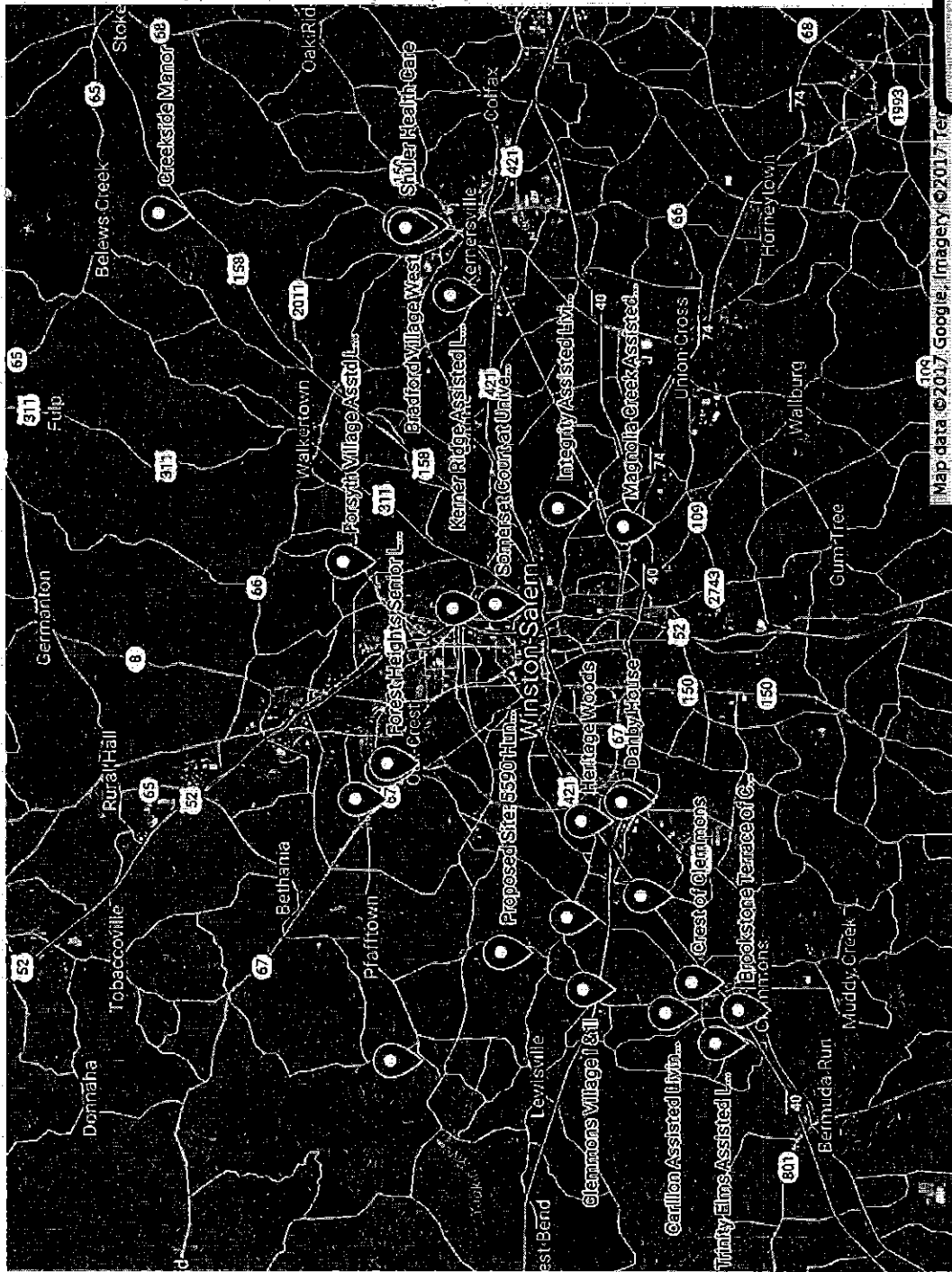
Somerset Court of Cherryville (60)
JFC Meridian Opco-Cherryville, LLC
401 West Academy Street; Cherryville, NC 28021
(704)445-7554 Fax: (704)445-1501 HAL-036-034
Star Rating Certificate # of Stars: 4

Terrace Ridge Assisted Living (74)
Terrace Ridge Assisted Living, Inc.
1251 B Hudson Blvd; Gastonia, NC 28054-6102
(704)865-5556 Fax: (704)865-5560 HAL-036-023
Star Rating Certificate # of Stars: 4

Wellington House (48)
WP-Gastonia Health Holdings, LLC
850 Majestic Court; Gastonia, NC 28054-5131
(704)864-7739 Fax: (704)864-3772 HAL-036-031
Star Rating Certificate # of Stars: 2

EXHIBIT J

Forsyth County Adult Care Homes



Untitled layer

- 📍 Brighton Gardens of Winston-Salem
- 📍 Brookdale Reynolda Road
- 📍 Brookdale Winston-Salem
- 📍 Brookstone Terrace of Clemmons
- 📍 CRT Golden Lamb Rest Home
- 📍 Carillon Assisted Living of Clemmons
- 📍 Clemmons Village I & II
- 📍 Creekside Manor
- 📍 Danby House
- 📍 Forsyth Village Asstd Living
- 📍 Forest Heights Senior Living Community
- 📍 Homestead Hills Retirement
- 📍 Integrity Assisted Living
- 📍 Kerner Ridge Assisted Living
- 📍 Magnolia Creek Assisted Living
- 📍 Memory Care of the Triad

EXHIBIT

- 📍 Shuler Health Care
- 📍 Somerset Court at University Place
- 📍 Southfork - A DePaul Senior Living Community
- 📍 Bradford Village West
- 📍 Crest of Clemmons
- 📍 Trinity Elms Assisted Living
- 📍 Heritage Woods
- 📍 Vienna Village Assisted Living
- 📍 Proposed Site: 5590 Hundley Rd