



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

2704 Mail Service Center • Raleigh, North Carolina 27699-2704  
<http://www.ncdhhs.gov/dhst/>

Drexdal Pratt, Director

Beverly Eaves Perdue, Governor  
Albert A. Delia, Acting Secretary

Craig R. Smith, Section Chief  
Phone: (919) 855-3873  
Fax: (919) 733-8139

May 10, 2012

Denise M. Gunter  
Nelson Mullins Riley & Scarborough LLP  
380 Knollwood Street  
Suite 530  
Winston-Salem, NC 27103


RE: Exempt from Review / Acquisition of Cross Creek Imaging, LLC by Carolina Imaging, LLC of Fayetteville / Cumberland County

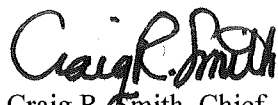
Dear Mrs. Gunter:

In response to your letter of May 8, 2012, the above referenced proposal is exempt from certificate of need review in accordance with N.C.G.S 131E-184(a)(8). Therefore, Carolina Imaging, LLC of Fayetteville may proceed to acquire Cross Creek Imaging, LLC without first obtaining a certificate of need. However, you need to contact the Acute and Home Care Licensure and Certification Section of the Division of Health Service Regulation to obtain instructions for changing ownership of the existing facility. Note that pursuant to N.C.G.S. §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,

  
Gregory F. Yakaboski  
Project Analyst

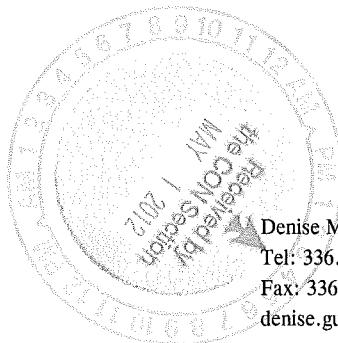
  
Craig R. Smith, Chief  
Certificate of Need Section

cc: Acute and Home Care Licensure and Certification Section, DHSR



# Nelson Mullins

Nelson Mullins Riley & Scarborough LLP  
Attorneys and Counselors at Law  
380 Knollwood Street / Suite 530 / Winston-Salem, NC 27103  
Tel: 336.774.3300 Fax: 336.774.3372  
www.nelsonmullins.com



*Handwritten signature*

Denise M. Gunter  
Tel: 336.774.3322  
Fax: 336.774.3372  
denise.gunter@nelsonmullins.com

May 1, 2012

## VIA HAND DELIVERY

Craig R. Smith, Chief  
Certificate of Need Section  
North Carolina Department of Health and Human Services  
Division of Health Service Regulation  
701 Barbour Drive  
Raleigh, North Carolina 27603

Re: Notice of Exempt Acquisition Pursuant to N.C. Gen. Stat. § 131E-184(a)(8) of  
Cross Creek Imaging, LLC

Dear Craig:

I am writing on behalf of Carolina Imaging, LLC of Fayetteville, which is a subsidiary of Foundation Health Systems Corp. (collectively, "Foundation"). Foundation is a subsidiary of Novant Health, Inc. Pursuant to N.C. Gen. Stat. § 131E-184(a)(8), I am writing to provide the Agency with prior written notice of Foundation's planned acquisition of all or substantially all of the assets of Cross Creek Imaging, LLC, 726 Ramsey Street, Fayetteville, North Carolina ("Cross Creek"). Cross Creek is a diagnostic center that offers X-Ray, CT, ultrasound, mammography and DEXA. It also serves as a host site for mobile MRI. The mobile MRI is not being transferred as part of this transaction. As a diagnostic center, Cross Creek is therefore a health service facility. See N.C. Gen. Stat. §§ 131E-176(7a) and (9b).

Foundation will acquire all or substantially all of the assets of Cross Creek, including but not limited to:

- all inventory and supplies located at Cross Creek (including pharmaceuticals to the extent legally transferable), all fixed assets located at Cross Creek, medical equipment, cameras, film processing equipment and other ancillary diagnostic equipment, cabinetry, furniture, fixtures, computers (including software thereon to the extent legally transferable), computer related equipment and office equipment;

Craig R. Smith  
May 1, 2012  
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- copies of all books and records, sales logs, regulatory filings and communications, accreditations (to the extent legally transferable), designs, drawings, specifications, engineering data, data, files, correspondence, reports, recorded knowledge, plans and records for Cross Creek; and
- the goodwill of Cross Creek.

The expected date of the acquisition is May 22, 2012.

Cross Creek is an existing health service facility. Under the proposed acquisition, Foundation will not develop or establish any new health service facility, and Foundation intends to operate Cross Creek without making any changes which would trigger any of the "new institutional health service" definitions in N.C. Gen. Stat. § 131E-176(16).

N.C. Gen. Stat. § 131E-184(a)(8) provides that the acquisition of an existing health service facility is exempt from certificate of need review, upon prior written notice. As the transaction is scheduled to close on May 22, 2012, please let me know as soon as possible if you have any questions.

With best personal regards.

Sincerely,

*Denise M. Gunter with permission*  
Denise M. Gunter *by J. Blakely Kiefer*