

**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/dhsr/>

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Phone: (919) 855-3873
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September 28, 2012

Kenneth L. Burgess, Partner
PoynerSpruill
P.O. Box 1801
Raleigh NC 27602-1801

Exempt from Review – Acquisition of Facility

Facility: Alta Walk Assisted Living
Acquisition by: CHS Walk, LLC
County: Durham
FID #: 070323

Dear Mr. Burgess:

In response to your letter of September 18, 2012, the above referenced proposal is exempt from certificate of need review in accordance with N.C.G.S 131E-184(a)(8). Therefore, CHS Walk, LLC may proceed to acquire the above referenced health service facility without first obtaining a certificate of need. However, you need to contact the Adult Care Licensure 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,

Michael J. McKillip
Project Analyst

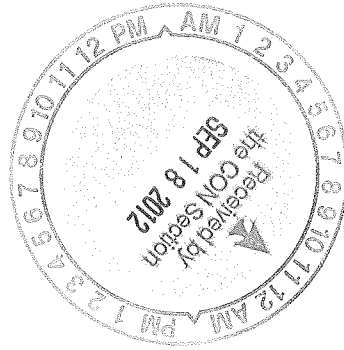
Craig R. Smith, Chief
Certificate of Need Section

cc: Adult Care Licensure Section, DHSR



Mike

FID# 070323



Poyner Spruill^{LLP}

September 18, 2012

Kenneth L. Burgess
Partner
D:919-783-2917
F: 919-783-1075
kburgess@poynerspruill.com

VIA HAND-DELIVERY

Craig R. Smith, Chief
Certificate of Need Section
N.C. Department of Health and Human Services
Division of Health Service Regulation
809 Ruggles Drive
Raleigh, North Carolina 27603

RE: Notice of Exempt Acquisition of WS Walk Senior Apartments, LLC Pursuant to N.C. Gen. Stat. § 131E-184(a)(8)

Dear Craig:

I am writing on behalf of our client, CSH Walk LLC, pursuant to N.C. Gen. Stat. § 131E-184(a)(8), to provide notice to the N.C. Department of Health and Human Services, Division of Health Service Regulation, Certificate of Need Section ("the Agency") of our client's intent to acquire the adult care home known as Alta Walk, located at 5075 Fayetteville Road, Durham, North Carolina 27713 ("the Facility"). The Facility is a combination independent living and adult care home facility, consisting of ninety-five (95) independent living units and twenty (20) licensed adult care home beds. Pursuant to N.C. Gen. Stat. § 131E-176(9b), that portion of the Facility which contains licensed adult care home beds is a health service facility.

Our client, CSH Walk LLC ("Buyer") is a Delaware limited liability company and intends to acquire the Facility via a Purchase and Sale Agreement pursuant to which it will acquire all assets of the Facility from Seller, WS Walk Senior Apartments, LLC. The acquisition includes all real property and personal property necessary to operate the Facility as an adult care home. The transaction I have described herein is scheduled to close on November 14, 2012 or, potentially, a few days before that date.

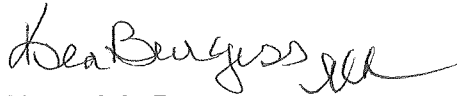
The acquisition of the Facility will not involve the development of any new health service facility or otherwise qualify as a "new institutional health service" under applicable Certificate of Need statutes or regulations which would be subject to Agency review. Rather, the acquisition I have described herein qualifies as an "exempt transaction" within the meaning of N.C. Gen. Stat. § 131E-184(a)(8) which provides that the acquisition of an existing health service facility is exempt from CON review, upon prior written notice to the Agency. This correspondence is intended to serve as the required written notice required by that statutory provision.

Please provide me with written confirmation that this transaction is exempt from CON review pursuant to N.C. Gen. Stat. § 131E-184(a)(8). We would be very appreciative if this reply could be expedited since our client will need to apply for a new license for the adult care home portion of the Facility and we are required to include the Agency's response to this correspondence as part of that application.

Craig R. Smith, Chief
September 18, 2012
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I appreciate your attention to this matter. Please let me know if there are any questions regarding this notice or if the Agency needs further information.

Sincerely,

A handwritten signature in cursive script, appearing to read "Ken Burgess", followed by a flourish.

Kenneth L. Burgess
Partner