



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

Pat McCrory
Governor

Aldona Z. Wos, M.D.
Ambassador (Ret.)
Secretary DHHS

Drexdal Pratt
Division Director

January 27, 2014

Kenneth C. Kirkham, Chief Operating Officer
Carillon Assisted Living
4901 Waters Edge Drive, Suite 200
Raleigh NC 27606

No Review

Facility: Carillon Assisted Living of Durham
Project Description: Sale-leaseback transaction
County: Durham
FID #: 100294

Dear Mr. Kirkham:

The Certificate of Need Section (CON Section) received your letter of January 13, 2014 regarding the above referenced proposal. Based on the CON law **in effect on the date of this response to your request**, the proposal described in your correspondence is not governed by, and therefore, does not currently require a certificate of need. However, please note that if the CON law is subsequently amended such that the above referenced proposal would require a certificate of need, this determination does not authorize you to proceed to develop the above referenced proposal when the new law becomes effective.

Moreover, you need to contact the Adult Care Licensure Section of the Division of Health Service Regulation to determine if they have any requirements for development of the proposed project.

It should be noted that this determination is binding only for the facts represented by you. Consequently, if changes are made in the project or in the facts provided in your correspondence referenced above, a new determination as to whether a certificate of need is required would need to be made by the Certificate of Need Section. Changes in a project include, but are not limited to: (1) increases in the capital cost; (2) acquisition of medical equipment not included in the original cost estimate; (3) modifications in the design of the project; (4) change in location; and (5) any increase in the number of square feet to be constructed.

Certificate of Need Section

www.ncdhhs.gov

Telephone: 919-855-3873 • Fax: 919-733-8139

Location: Edgerton Building • 809 Ruggles Drive • Raleigh, NC 27603

Mailing Address: 2704 Mail Service Center • Raleigh, NC 27699-2704

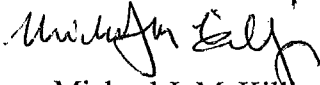
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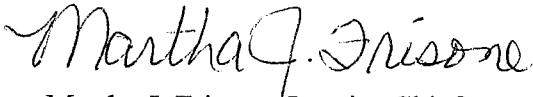
Mr. Kirkham
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Please contact the CON Section if you have any questions. Also, in all future correspondence you should reference the Facility I.D. # (FID) if the facility is licensed.

Sincerely,



Michael J. McKillop, Project Analyst



Martha J. Frisone, Interim Chief
Certificate of Need Section

cc: Adult Care Licensure Section, DHSR

CARILLON
ASSISTED LIVING

Mike
ARC



VIA E-MAIL AND HAND DELIVERY

January 13, 2014

Mr. Craig Smith, Section Chief
NC Division of Health Service Regulation
Certificate of Need Section
809 Ruggles Drive
Raleigh, NC 27603

Re: Carillon Assisted Living of Durham – HAL-032-124

Dear Mr. Smith:

Carillon Assisted Living, the parent company, is going to enter into a sale-leaseback transaction prior to January 30, 2014 related to the above-referenced facility. This is a refinancing transaction solely related to the real estate associated with this property. The facility will continue to be operated as it is today by Carillon as the licensed operator as identified by the license number reflected above.

To maintain proper compliance with DHSR Licensure Section regulations, we are requesting the issuance of a "No Review Letter" to be issued by the Certificate of Need Section to the Licensure Section so they know the above-referenced project has been constructed in accordance with and comply with North Carolina's Certificate of Need law.

Thanks in advance for your attention to this matter. Should you have any questions, I can be reached at (919) 852-4000.

Sincerely,

Kenneth C. Kirkham
Chief Operating Officer

KCK:sac

cc: B. Steenson, Carillon Assisted Living