



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

Pat McCrory
Governor

Richard O. Brajer
Secretary DHHS

Drexdal Pratt
Division Director

REVISED

December 14, 2015 (Revised)
September 25, 2015

Douglas M. Hance
171 17th Street NW, Suite 2100
Atlanta, GA 30363-1031

Exempt from Review – Acquisition of Facility

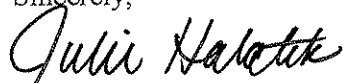
Record #: See Attachment A
Facility Name: See Attachment A
Type of Facility: Nursing Home
FID #: See Attachment A
Acquisition by: See Attachment A
Business #: See Attachment A
County: See Attachment A

Dear Mr. Hance:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) determined that based on your letter of September 8, 2015, the above referenced proposal is exempt from certificate of need review in accordance with G.S. 131E-184(a)(8). Therefore, the entities listed in Attachment A may proceed to acquire the health service facilities referenced in Attachment A without first obtaining a certificate of need. However, you need to contact the Agency's Nursing Home Licensure and Certification Section to obtain instructions for changing ownership of the existing facility. Note that pursuant to 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,


Julie Halatek
Project Analyst


Martha J. Frisone,
Assistant Chief, Certificate of Need

cc: Nursing Home Licensure and Certification Section, DHHS
Assistant Chief, Healthcare Planning

Healthcare Planning and Certificate of Need Section

www.ncdhhs.gov

Telephone: 919-855-3873 • Fax: 919-715-4413

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

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

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REVISED

ATTACHMENT A

Please note: This table contains only the facilities listed in the request for exemption letter that have real estate being acquired by a new owner. Facilities listed in the request for exemption letter that do not have any ownership changes are not included below.

Record #	County	Name of Facility	FID #	Operator	Bus. #	Real Property Acquired By:
1734	Wake	Cary Health and Rehabilitation Center	923078	Cary HealthCare LLC	2290	FC Encore Cary, LLC
1735	Gates	Down East Health and Rehabilitation Center	923158	Down East Health Care LLC	2291	Encore NC, LLC
1736	Stanly	Forrest Oakes Healthcare Center	923154	Forrest Oakes HealthCare LLC	2292	FC Encore Albemarle, LLC
1737	Rutherford	Oak Grove Healthcare Center	923379	Oak Grove HealthCare LLC	2293	FC Encore Rutherfordton, LLC
1738	Cabarrus	Transitional Health Services of Kannapolis	923060	Kannapolis HealthCare LLC	2294	FC Encore Kannapolis, LLC
1739	Cherokee	Valley View Care and Rehabilitation Center	923155	Valley View HealthCare LLC	2295	FC Encore Andrews, LLC
1740	Randolph	Westwood Health and Rehabilitation Center	923156	Westwood HealthCare LLC	2296	FC Encore Archdale, LLC
1741	Yadkin	Willowbrook Rehabilitation and Care Center	923563	Willowbrook HealthCare LLC	2297	FC Encore Yadkinville, LLC
1742	Mecklenburg	Wilora Lake Healthcare Center	923567	Wilora Lake HealthCare LLC	2298	FC Encore Charlotte, LLC



Atlanta Office
171 17th Street NW, Suite 2100
Atlanta, GA 30363-1031
Direct phone: 404.873.8104
Direct fax: 404.873.8105
E-mail: doug.hance@agg.com

December 1, 2015

VIA UPS

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

Re: Nursing Facilities/ Real Estate Transaction

Dear Ms. Frisone:

This follows our prior correspondence dated September 8, 2015 and your response dated September 25, 2015 (attached for your reference). Please note that the Real Estate Transaction discussed in our prior correspondence has been delayed but is still scheduled to close in the near future. We will update you once the Real Estate Transaction has occurred.

Additionally, I am writing to correct the proposed real estate owner identified in Attachment A of our prior correspondence for three facilities. Specifically, our prior correspondence incorrectly identified the proposed real estate owner for Down East Health and Rehabilitation Center, Westwood Health and Rehabilitation Center, and Wilora Lake Healthcare Center. The proposed real estate entities for these facilities are as follows:

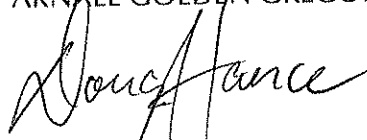
Facility Name and Address	Proposed Real Estate Owner
Down East Health and Rehabilitation Center 38 Carters Road Gatesville, NC 27938-9302	Encore NC, LLC
Westwood Health and Rehabilitation Center 625 Ashland Street Archdale, NC 27263-2943	FC Encore Archdale, LLC
Wilora Lake Healthcare Center 6001 Wilora Lake Road Charlotte, NC 28212-2833	FC Encore Charlotte, LLC

We understand that this updated information does not impact your office's response dated September 25, 2015 and that no additional filings are required by your office. Please let us know, however, if our understanding is incorrect. Unless we hear otherwise, we plan to proceed with the Real Estate Transaction and will notify you after the transaction has occurred.

Thank you for your attention to this matter. Should you have any questions, please do not hesitate to contact me.

Sincerely,

ARNALL GOLDEN GREGORY LLP



Douglas M. Hance

cc: Ms. Tracey Cosby
Hedy Rubinger, Esq.



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

Pat McCrory
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Richard O. Brajer
Secretary DHHS

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Division Director

September 25, 2015

Douglas M. Hance
171 17th Street NW, Suite 2100
Atlanta, GA 30363-1031

Exempt from Review – Acquisition of Facility

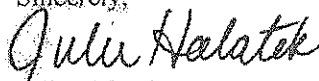
Record #: See Attachment A
Facility Name: See Attachment A
Type of Facility: Nursing Home
FID #: See Attachment A
Acquisition by: See Attachment A
Business #: See Attachment A
County: See Attachment A

Dear Mr. Hance:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) determined that based on your letter of September 8, 2015, the above referenced proposal is exempt from certificate of need review in accordance with G.S. 131E-184(a)(8). Therefore, the entities listed in Attachment A may proceed to acquire the health service facilities referenced in Attachment A without first obtaining a certificate of need. However, you need to contact the Agency's Nursing Home Licensure and Certification Section to obtain instructions for changing ownership of the existing facility. Note that pursuant to 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,


Julie Halatek
Project Analyst


Martha J. Frisone,
Assistant Chief, Certificate of Need

cc: Nursing Home Licensure and Certification Section, DHSR
Assistant Chief, Healthcare Planning



Healthcare Planning and Certificate of Need Section

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171 17th Street NW, Suite 2100
Atlanta, GA 30363-1031
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Direct fax: 404.873.8105
E-mail: doug.hance@agg.com

September 8, 2015

VIA UPS

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

Re: Nursing Facilities/ Real Estate Transaction

Dear Ms. Frisone:

This is to inform you of a proposed real estate transaction (the "Real Estate Transaction") involving the nursing facilities listed in Attachment A (the "Facilities"). The Real Estate Transaction is scheduled to occur on or about October 31, 2015.

The Real Estate Transaction will not impact the licensed operators or the ownership of the licensed operators. The Real Estate Transaction will only involve a change to the real estate ownership of the Facilities and/or a change to the Facilities' lease arrangements. Please note that this letter supersedes all previously filed information regarding the Facilities' real estate ownership and lease arrangements. The operators will continue to exist, their current Medicare/Medicaid provider agreements will remain in place, and their federal tax identification numbers will not change.

We understand that no additional filings regarding the Real Estate Transaction are required by your office and that we may proceed with the Real Estate Transaction. **We respectfully request a letter or email acknowledgment from your office confirming our understanding.**

For your convenience, I have enclosed a stamped, self-addressed envelope and a copy of this letter for your signature in the space provided below indicating confirmation of our understanding, as stated above.

Thank you for your attention to this matter. Should you have any questions, please do not hesitate to contact me.

Sincerely,

ARNALL GOLDEN GREGORY LLP



Douglas M. Hance

cc: Ms. Tracey Cosby
Hedy Rubinger, Esq.

**NC Division of Health Service Regulation
Healthcare Planning and Certificate of Need Section**

Signature: _____

Printed Name: _____

Title: _____

Date: _____

ATTACHMENT A

NORTH CAROLINA NURSING FACILITIES

Facility Name and Address	Facility Operator	Proposed Real Estate Owner
Cardinal Healthcare and Rehabilitation Center 931 North Aspen Street Lincolnton, NC 28092-2113	Cardinal North Carolina Healthcare, LLC	Elderberry of Lincolnton, LLC <i>(remaining the same)</i>
Cary Health and Rehabilitation Center 6590 Tryon Road Cary, NC 27518-7052	Cary Healthcare, LLC	FC Encore Cary, LLC
Clay County Care Center 86 Valley Hideaway Drive Hayesville, NC 28904-9674	Clay County Healthcare, LLC	Elderberry of Hayesville, LLC <i>(remaining the same)</i>
Down East Health and Rehabilitation Center 38 Carters Road Gatesville, NC 27938-9302	Down East Healthcare, LLC	FC Encore Properties B, LLC
Emerald Ridge Rehabilitation and Care Center 25 Reynolds Mountain Boulevard Asheville, NC 28804-1270	Emerald Ridge Healthcare, LLC	CSE Woodfin LP <i>(remaining the same)</i>
Forrest Oakes Healthcare Center 620 Heathwood Drive Albemarle, NC 28001-8604	Forrest Oakes Healthcare, LLC	FC Encore Albemarle, LLC
Gateway Rehabilitation and Healthcare	Gateway Healthcare, LLC	CSE Lenoir LP <i>(remaining the same)</i>

Facility Name and Address	Facility Operator	Proposed Real Estate Owner
2030 Harper Avenue, NW Lenoir, NC 28645-4953		
Hunter Woods Nursing and Rehabilitation Center 620 Tom Hunter Road Charlotte, NC 28213-5511	Hunter Woods Healthcare, LLC	Elderberry of Charlotte, LLC <i>(remaining the same)</i>
Oak Grove Healthcare Center 518 Old US Highway 221 Rutherfordton, NC 28139-8670	Oak Grove Healthcare, LLC	FC Encore Rutherfordton, LLC
Oaks at Sweeten Creek, The 3864 Sweeten Creek Road Arden, NC 28704-3136	Oaks at Sweeten Creek Healthcare, LLC	CSE Arden LP <i>(remaining the same)</i>
Transitional Health Services of Kannapolis 1810 Concord Lake Road Kannapolis, NC 28083-0434	Kannapolis Healthcare, LLC	FC Encore Kannapolis, LLC
Valley View Care and Rehabilitation Center 551 Kent Street Andrews, NC 28901-8088	Valley View Healthcare, LLC	FC Encore Andrews, LLC
Walnut Cove Health and Rehabilitation Center 511 Windmill Street Walnut Cove, 27052	Walnut Cove Healthcare, LLC	CSE Walnut Cove LP <i>(remaining the same)</i>
Wellington Rehabilitation and Healthcare 1000 Tandall Place Knightdale, NC 27545-8842	Wellington Healthcare, LLC	CSE Knightdale LP <i>(remaining the same)</i>
Westwood Health and Rehabilitation Center 625 Ashland Street	Westwood Healthcare, LLC	FC Encore Properties B, LLC

Facility Name and Address	Facility Operator	Proposed Real Estate Owner
Archdale, NC 27263-2943		
Willowbrook Rehabilitation and Care Center 333 East Lee Avenue Yadkinville, NC 27055-8132	Willowbrook Healthcare, LLC	FC Encore Yadkinville, LLC
Wilora Lake Healthcare Center 6001 Wilora Lake Road Charlotte, NC 28212-2833	Wilora Lake Healthcare, LLC	FC Encore Properties B, LLC