



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

November 21, 2014

Douglas M. Hance
Arnall, Golden, and Gregory, LLP
171 17th Street Northwest
Atlanta, GA 30363

No Review

Facility or Business: Falls River Court Memory Care Community
Project Description: Replacement of an indirect holding company
County: Wake
FID #: 980873

Dear Mr. Hance:

The Certificate of Need Section (CON Section) received your letter of October 31, 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

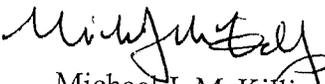
Mailing Address: 2704 Mail Service Center • Raleigh, NC 27699-2704

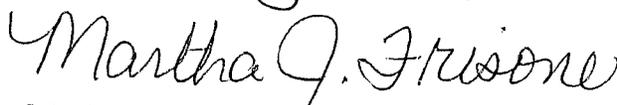
An Equal Opportunity/ Affirmative Action Employer



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. McKillip, Project Analyst


Martha J. Frisone, Interim Chief
Certificate of Need Section

cc: Adult Care Licensure Section, DHSR

October 31, 2014

VIA FEDERAL EXPRESS

Mr. Craig Smith
State of North Carolina Department of Health and Human Services
Division of Health Service Regulation
Certificate of Need Section
809 Ruggles Drive
Raleigh, North Carolina 27603

**Re: North Carolina Facilities
Proposed Holding Company Insertion/Replacement**

Dear Mr. Smith:

This letter is to inform you of the insertion/replacement of an indirect holding company for the owners/operators of the facilities listed on Attachment A (the "Facilities"). This internal change in being made for tax purposes and is scheduled to occur on or about January 1, 2015.

As reflected in the enclosed diagram at Attachment B, there will be no change to the operators as the licensees. The operators' federal tax identification numbers will not change. This change will have no impact on day-to-day operations. There will be no change to the current management entities for the Facilities.

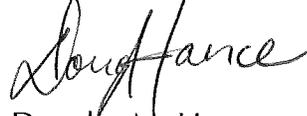
It is our understanding that the proposed changes described above and reflected on the diagram do not require any additional filings prior to these changes taking place, and that we may proceed with consummating the proposed changes. We will provide post-closing notice to your office once the changes occur along with updated information pertaining to the new holding company. **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 provided above.

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

Sincerely,

ARNALL GOLDEN GREGORY LLP



Douglas M. Hance

Enclosures

cc: Ms. Christina Firth
Hedy S. Rubinger, Esq.

**NORTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF HEALTH SERVICE REGULATION
CERTIFICATE OF NEED SECTION**

Signature: _____

Printed Name: _____

Title: _____

Date: _____

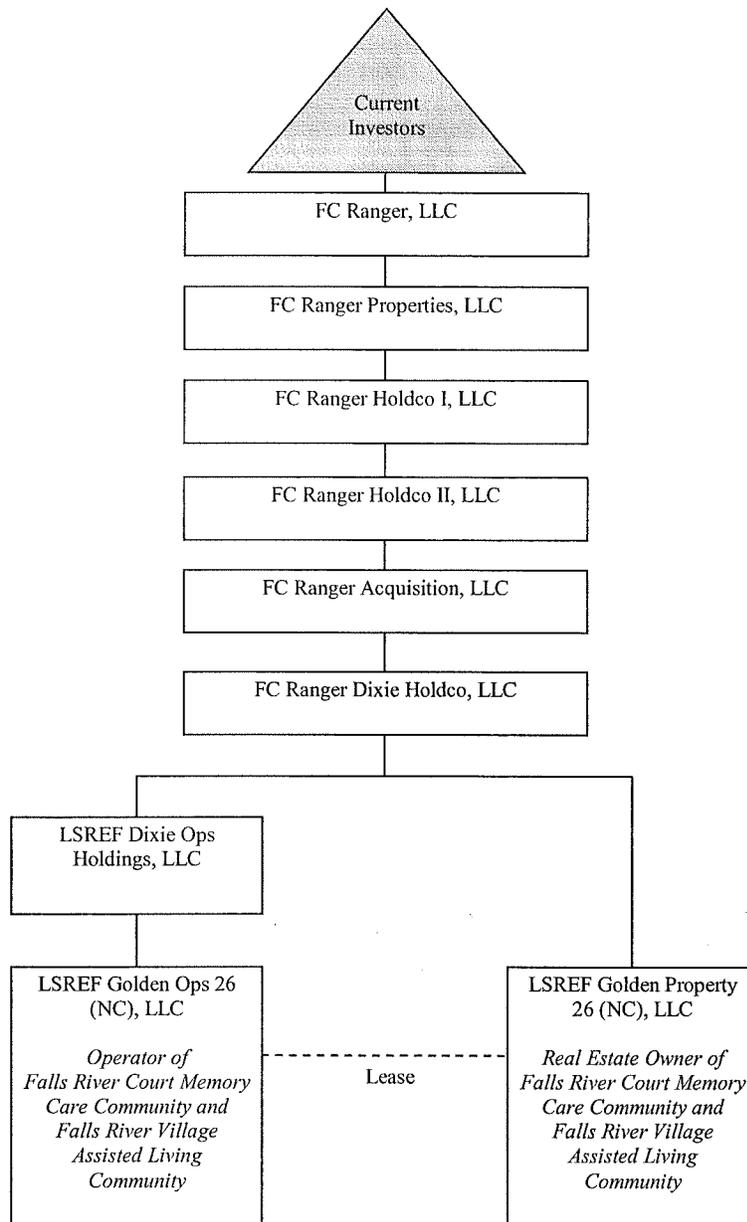
ATTACHMENT A

FACILITY OPERATORS

Facility Name and Address	Facility Type	Facility Operator
Falls River Court Memory Care Community 1130 Falls River Avenue Raleigh, North Carolina 27614	Adult Care Home	LSREF Golden Ops 26 (NC), LLC
Falls River Village Assisted Living Community 1110 Falls River Avenue Raleigh, North Carolina 27614	Adult Care Home	LSREF Golden Ops 26 (NC), LLC

NORTH CAROLINA

CURRENT



NORTH CAROLINA

PROPOSED

