



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

August 31, 2015

Emily W. G. Towey  
P.O. Box 72050  
Richmond, VA 23225-2050

**No Review**

**Record #:** See Attachment A  
**Facility Name:** See Attachment A  
**FID #:** See Attachment A  
**Business Name:** See Attachment A  
**Business #:** See Attachment A  
**Project Description:** Change in Lessee  
**County:** See Attachment A

Dear Ms. Towey:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) received your letter of August 14, 2015 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.

However, you need to contact the Agency's Construction and & (add the appropriate licensure section) Sections 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 in your correspondence. 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 this office. 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



**Healthcare Planning and Certificate of Need Section**

[www.ncdhhs.gov](http://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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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.

Please contact this office if you have any questions. Also, in all future correspondence you should reference the Facility ID # (FID) if the facility is licensed.

Sincerely,



Tanya S. Rupp  
Project Analyst



Martha J. Frisone  
Assistant Chief, Certificate of Need

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



*Handwritten initials*

Emily W.G. Towey  
Ext. 432  
E-mail: etowey@hdjn.com



August 12, 2015

**VIA U.S. Mail and Email**

Martha J. Frisone, Assistant Chief  
North Carolina Division of Health Service Regulation  
Healthcare Planning and Certificate of Need Section  
2704 Mail Service Center  
Raleigh, North Carolina 27699-2704  
([Martha.Frisone@dhhs.nc.gov](mailto:Martha.Frisone@dhhs.nc.gov))

**RE: Meadowview Assisted Living Center – HAL-051-047**  
**Green Leaf Care Center – HAL-043-027**  
**Azalea Health and Rehab Center – Lic. No. NH0632**  
**Gabriel Manor Assisted Living Center – HAL-051-048**  
**Franklin Manor Assisted Living Center – HAL-035-024**  
**Emerald Health and Rehab Center – Lic. No. NH0144**

Dear Ms. Frisone:

Certain affiliates of Saber Healthcare Group (“SHG”) operate the above-listed Assisted Living facilities and Skilled Nursing facilities (the “Facilities”). Each facility maintained a separate lease agreement with Health Care REIT, Inc. and/or one or more of its indirect, wholly-owned subsidiaries (“HCN”).

Please be advised that effective August 1, 2015, HCN entered into a lease agreement (the “Master Lease”) with Bundle Tenant, LLC (the “Tenant”). The Tenant is also affiliated with SHG. Pursuant to the Master Lease, the Tenant agreed to lease the Facilities from the HCN affiliated owner, and then essentially subleased the Facilities to the SHG affiliates licensed to operate the Facilities. In essence, SHG established a new intermediary entity (the “Tenant”) between HCN and the licensed operators for the Facilities; however, (i) HCN's ownership with respect to the Facilities has not changed, (ii) the licensed operators of the Facilities have not changed, and (iii) the material terms of the leases with the licensed operators of the Facilities have not changed (only the direct landlord and the fact that there is now a Master Lease). Accordingly, none of the management or personnel of the Facilities will change as a result of this lease agreement.

Based upon our review of North Carolina law, it is our understanding that the lease agreement will not give rise to a “change of ownership” for certificate of need,

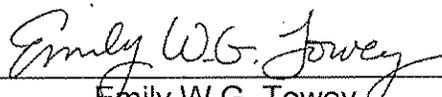
Martha J. Frisone  
August 12, 2015  
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nursing home licensure, adult care facility licensure, or Medicaid enrollment purposes with respect to the Facilities. However, we are seeking confirmation that a certificate of need is not required by requesting the issuance of a "No Review Letter" to be issued by the Healthcare Planning and Certificate of Need Section of the Division of Health Service Regulation.

Should you have any questions, please contact me at (804) 967-9604, or by email at [etowey@hdjn.com](mailto:etowey@hdjn.com). Thank you for your assistance with this matter.

Sincerely,

**SABER HEALTHCARE GROUP**

By:   
Emily W.G. Towey  
Counsel

cc: Greg Nicoluzakis, Esq., Saber Healthcare Group, LLC  
Megan Dhillon, Esq., HDJN

DM#736791

**Attachment A**  
**Emily W. G. Towey**

<b>Name of Facility</b>	<b>Type of Facility</b>	<b>County</b>	<b>FID#</b>	<b>No Review ID #</b>	<b>Business ID #</b>
Meadowview Assisted Living Center	AL	Johnston	980347	1699	2270
Green Leaf Care Center	AL	Harnett	920134	1700	2270
Azalea Health & Rehab Center	NF	New Hanover	100671	1701	268
Gabriel Manor Assisted Living Center	AL	Johnston	100883	1702	32
Franklin Manor Assisted Living Center	AL	Franklin	110290	1703	769
Emerald Health & Rehab Center	NF	Harnett	110288	1704	196