



NC DEPARTMENT OF HEALTH AND HUMAN SERVICES

ROY COOPER • Governor
MANDY COHEN, MD, MPH • Secretary
MARK PAYNE • Director, Division of Health Service Regulation

VIA EMAIL ONLY

June 25, 2020

Francisco T. Morales
101 S. Stratford Road
Suite 210
Winston-Salem, NC 27104
fmorales@waldrepllp.com

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: Indirect Change in Ownership
County: See Attachment A

Dear Mr. Morales:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) received your correspondence 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 that correspondence is not governed by, and therefore, does not currently require a certificate of need. 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.

This determination is binding only for the facts represented in your correspondence. If changes are made in the project or in the facts provided in the correspondence referenced above, a new determination as to whether a certificate of need is required would need to be made by this office.

Please do not hesitate to contact this office if you have any questions.

Sincerely,

[Handwritten signature]

Project Analyst

[Handwritten signature: Martha J. Frisone]

Martha J. Frisone
Chief

cc: Adult Care Licensure Section, DHSR

Attachment

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH SERVICE REGULATION
HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION

LOCATION: 809 Ruggles Drive, Edgerton Building, Raleigh, NC 27603
MAILING ADDRESS: 809 Ruggles Drive, 2704 Mail Service Center, Raleigh, NC 27699-2704
https://info.ncdhhs.gov/dhsr/ • TEL: 919-855-3873

ATTACHMENT A

OWNER/LANDLORDS OF THE FACILITIES					
Record #	Facility	FID#	County	Owner/Landlord Before Sale of Membership Interests	Owner/Landlord After Sale of Membership Interests
3286	Autumn Village	920050	Duplin	NC4 Autumn Village, LLC (Bus #3221)	NC4 Autumn Village, LLC
3287	Cedar Mountain House	980288	Transylvania	NC4 Cedarmtn, LLC (Bus #3222)	NC4 Cedarmtn, LLC
3288	Edenton House	971527	Chowan	NC4 Edenton, LLC (Bus #3223)	NC4 Edenton, LLC
3289	Hayesville House	060220	Clay	NC4 Hayesville, LLC (Bus #3224)	NC4 Hayesville, LLC
3290	Williamston House	971507	Martin	NC4 Williamston, LLC (Bus #3225)	NC4 Williamston, LLC
3291	Windsor House	971515	Bertie	NC4 Windsor, LLC (Bus #3226)	NC4 Windsor, LLC
3292	Oliver House	920767	Wake	NC4 Oliver, LLC (Bus #3227)	NC4 Oliver, LLC
TENANTS OF THE FACILITIES					
Record #	Facility	FID#	County	Tenant Before Sale of Membership Interests	Tenant After Sale of Membership Interests
3295	Autumn Village	920050	Duplin	WP-Beulaville Health Holdings, LLC (Bus #3228)	WP-Beulaville Health Holdings, LLC
3296	Cedar Mountain House	980288	Transylvania	WP-Brevard Health Holdings I, LLC (Bus #3229)	WP-Brevard Health Holdings I, LLC
3297	Edenton House	971527	Chowan	WP-Edenton Health Holdings, LLC (Bus #3230)	WP-Edenton Health Holdings, LLC
3298	Hayesville House	060220	Clay	WP-Hayesville Health Holdings, LLC (Bus #3231)	WP-Hayesville Health Holdings, LLC
3299	Williamston House	971507	Martin	WP-Williamston Health Holdings, LLC (Bus #3232)	WP-Williamston Health Holdings, LLC
3300	Windsor House	971515	Bertie	WP-Windsor Health Holdings, LLC (Bus #3233)	WP-Windsor Health Holdings, LLC
3301	Oliver House	920767	Wake	WP-Wendall Health Holdings, LLC (Bus #3234)	WP-Wendall Health Holdings, LLC

State	Facility Name	Facility Address	County	Current Operator/Owner/Manager	Operator/Owner/Manager Address	Ownership Structure Before Purchase of Membership Interests in Column G	Ownership Structure After Purchase of Membership Interests in Column G	Proposed Operator/Owner/Manager after Transaction (no change in any entity)	
1	NC	Autumn Village	235 North NC 41 Beulaville, NC 28518	Duplin	Operator: WP-Beulaville Health Holdings, LLC (NC)	P.O. Box 2568, Hickory, NC 28603-2568	HOB II LLC (NC) (100%)	Autumn Village Holdco, LLC (NC) (100%)	Operator: WP-Beulaville Health Holdings, LLC (NC)
					Owner: NC4 Autumn Village, LLC (DE)	P.O. Box 2568, Hickory, NC 28603-2568	NC3 Autumn Village, LLC (DE) (100%)	Autumn Village Holdco, LLC (NC) (100%)	Owner: NC4 Autumn Village, LLC (DE)
					Manager: Affinity Living Group, LLC (NC)	P.O. Box 2568, Hickory, NC 28603-2568	NO CHANGE	NO CHANGE	Manager: Affinity Living Group, LLC (NC)
2	NC	Cedar Mountain House	11 Sherwood Ridge Road Brevard, NC 28712-6558	Transylvania	Operator: WP-Brevard Health Holdings I, LLC (NC)	P.O. Box 2568, Hickory, NC 28603-2568	HOB II LLC (NC) (100%)	Cedar Mountain Holdco, LLC (NC) (100%)	Operator: WP-Brevard Health Holdings I, LLC (NC)
					Owner: NC4 Cedarmin, LLC (DE)	P.O. Box 2568, Hickory, NC 28603-2568	NC3 Cedarmin, LLC (DE) (98.6%) HOB II LLC (NC) (1.4%)	Cedar Mountain Holdco, LLC (NC) (100%)	Owner: NC4 Cedarmin, LLC (DE)
					Manager: Affinity Living Group, LLC (NC)	P.O. Box 2568, Hickory, NC 28603-2568	NO CHANGE	NO CHANGE	Manager: Affinity Living Group, LLC (NC)
3	NC	Edenton House	323 Medical Arts Drive Edenton, NC 27932-8608	Chowan	Operator: WP-Edenton Health Holdings, LLC (NC)	P.O. Box 2568, Hickory, NC 28603-2568	HOB II LLC (NC) (100%)	Edenton Holdco, LLC (NC) (100%)	Operator: WP-Edenton Health Holdings, LLC (NC)
					Owner: NC4 Edenton, LLC (DE)	P.O. Box 2568, Hickory, NC 28603-2568	NC3 Edenton, LLC (DE) (98.6%) HOB II LLC (NC) (1.4%)	Edenton Holdco, LLC (NC) (100%)	Owner: NC4 Edenton, LLC (DE)
					Manager: Affinity Living Group, LLC (NC)	P.O. Box 2568, Hickory, NC 28603-2568	NO CHANGE	NO CHANGE	Manager: Affinity Living Group, LLC (NC)
4	NC	Hayesville House	480 Old Highway 64 West Hayesville, NC 28904-7268	Clay	Operator: WP-Hayesville Health Holdings, LLC (NC)	P.O. Box 2568, Hickory, NC 28603-2568	HOB II LLC (NC) (100%)	Hayesville Holdco, LLC (NC) (100%)	Operator: WP-Hayesville Health Holdings, LLC (NC)
					Owner: NC4 Hayesville, LLC (DE)	P.O. Box 2568, Hickory, NC 28603-2568	NC3 Hayesville, LLC (DE) (98.6%) HOB II LLC (NC) (1.4%)	Hayesville Holdco, LLC (NC) (100%)	Owner: NC4 Hayesville, LLC (DE)
					Manager: Affinity Living Group, LLC (NC)	P.O. Box 2568, Hickory, NC 28603-2568	NO CHANGE	NO CHANGE	Manager: Affinity Living Group, LLC (NC)
5	NC	Williamston House	160 Santree Drive Williamston, NC 27892-1466	Martin	Operator: WP-Williamston Health Holdings, LLC (NC)	P.O. Box 2568, Hickory, NC 28603-2568	HOB II LLC (NC) (100%)	Williamston Holdco, LLC (NC) (100%)	Operator: WP-Williamston Health Holdings, LLC (NC)
					Owner: NC4 Williamston, LLC (DE)	P.O. Box 2568, Hickory, NC 28603-2568	NC3 Williamston, LLC (DE) (100%)	Williamston Holdco, LLC (NC) (100%)	Owner: NC4 Williamston, LLC (DE)
					Manager: Affinity Living Group, LLC (NC)	P.O. Box 2568, Hickory, NC 28603-2568	NO CHANGE	NO CHANGE	Manager: Affinity Living Group, LLC (NC)
6	NC	Windsor House	336 S. Rhodes Avenue Windsor, NC 27983-9611	Bertie	Operator: WP-Windsor Health Holdings, LLC (NC)	P.O. Box 2568, Hickory, NC 28603-2568	HOB II LLC (NC) (100%)	Windsor Holdco, LLC (NC) (100%)	Operator: WP-Windsor Health Holdings, LLC (NC)
					Owner: NC4 Windsor, LLC (DE)	P.O. Box 2568, Hickory, NC 28603-2568	NC3 Windsor, LLC (DE) (98.6%) HOB II LLC (NC) (1.4%)	Windsor Holdco, LLC (NC) (100%)	Owner: NC4 Windsor, LLC (DE)
					Manager: Affinity Living Group, LLC (NC)	P.O. Box 2568, Hickory, NC 28603-2568	NO CHANGE	NO CHANGE	Manager: Affinity Living Group, LLC (NC)
7	NC	Oliver House	4230 Wendell Boulevard Wendell, NC 27591-8412	Wake	Operator: WP-Wendell Health Holdings, LLC (NC)	P.O. Box 2568, Hickory, NC 28603-2568	HOB II LLC (NC) (100%)	Oliver Holdco, LLC (NC) (100%)	Operator: WP-Wendell Health Holdings, LLC (NC)
					Owner: NC4 Oliver, LLC (DE)	P.O. Box 2568, Hickory, NC 28603-2568	NC3 Oliver, LLC (DE) (98.6%) HOB II LLC (NC) (1.4%)	Oliver Holdco, LLC (NC) (100%)	Owner: NC4 Oliver, LLC (DE)
					Manager: Affinity Living Group, LLC (NC)	P.O. Box 2568, Hickory, NC 28603-2568	NO CHANGE	NO CHANGE	Manager: Affinity Living Group, LLC (NC)



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June 2, 2020

Ms. Martha Frisone, Chief
Division of Health Service Regulation
Healthcare Planning and Certificate of Need Section
North Carolina Department of Health & Human Services
2704 Mail Service Center
Raleigh, NC 27699-2704

Re: **Exemption From Review / Request for Non-Withdrawal of Certificates of Need**
Facility Names and License Numbers Listed on Schedule 1

Dear Ms. Frisone:

I am writing on behalf of the tenants ("Tenants") and landlords ("Landlords") listed on Schedule 1 attached hereto ("Schedule 1"), each of which is either a North Carolina limited liability company or a Delaware limited liability company with its principal place of business located at 400 Second Avenue NW, Hickory, North Carolina 28601-4993. Each Tenant holds the license to operate the adult care home listed opposite its name on Schedule 1 (each such adult care home, a "Facility," and collectively, the "Facilities"). Each Facility has a licensed capacity of adult care home beds as set forth on Schedule 1. Each Landlord owns the real estate and building on which the Facility set forth opposite its name on Schedule 1 is located. Landlords lease such premises to Tenants as set forth on Schedule 1.

The current equity holders of each Landlord are transferring their ownership interests in such Landlord to a new holding company that will be the sole member of such Landlord and the sole member of such Landlord's Tenant. Please refer to the attached Exhibit A through Exhibit G, which show the current corporate structure of each Facility, as well as the proposed new corporate structure of each Facility. Other than the changes reflected in Exhibit A through Exhibit G, no other changes are contemplated.

The parties believe it is in the best interests of the Facilities for these transactions to take place. Under the proposed new corporate structure, each Landlord will continue to own its respective Facility, and each Tenant will continue to operate its respective Facility in accordance with the provisions of N.C. Gen. Stat. § 131D et seq. and 10A NCAC 13F et seq. The proposed

changes only relate to the entities that hold the ownership interests in Landlords and Tenants. No transfer of the Certificates of Need for each Facility is contemplated by these transactions.

In accordance with N.C. Gen. Stat. § 131E-189(c), I intend for this letter to serve as prior written notice to the Agency by which the corporate structure of Landlords and Tenants is changing, and a formal request that the Agency conclude that the proposed transaction is exempt from Certificate of Need review and that the Facilities' Certificates of Need will not be withdrawn as a result of the proposed transaction

Should you need additional information in order to make a decision on this matter, please do not hesitate to contact me directly.

Sincerely,

WALDREP LLP

Francisco T. Morales
*Counsel for the Landlords and Tenants Listed on
Schedule 1*

Schedule 1:
Facilities, Landlords, and Tenants

Exhibit A:
Proposed Changes to Corporate Structure of Autumn Village

Exhibit B:
Proposed Changes to Corporate Structure of Cedar Mountain House

Exhibit C:
Proposed Changes to Corporate Structure of Edenton House

Exhibit D:
Proposed Changes to Corporate Structure of Hayesville House

Exhibit E:
Proposed Changes to Corporate Structure of Oliver House

Exhibit F:
Proposed Changes to Corporate Structure of Williamston House

Exhibit G:
Proposed Changes to Corporate Structure of Windsor House

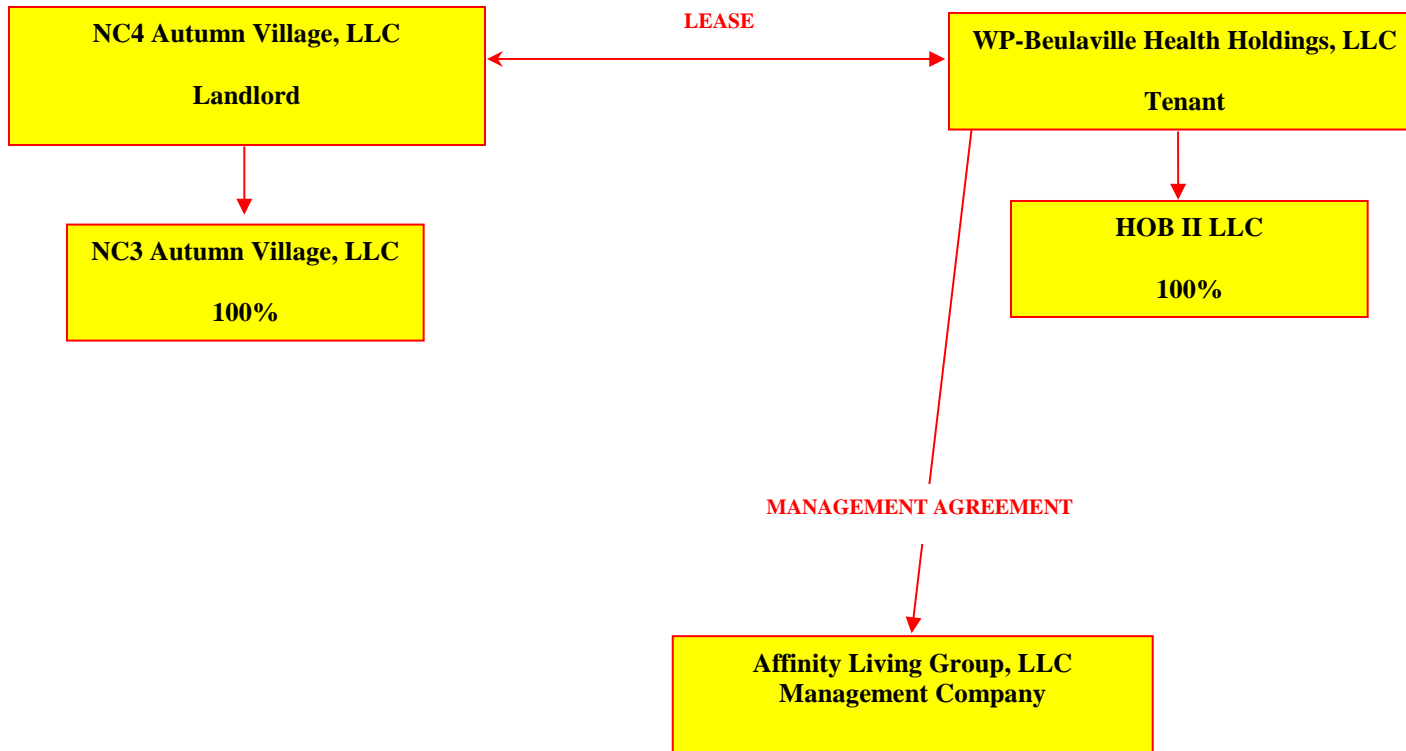
SCHEDULE 1

Facilities, Landlords, and Tenants

Facility	Address	County	No. Licensed Beds (including SCU)	License No.	Landlord (State of Organization)	Tenant (State of Organization)
<i>Autumn Village</i>	235 North NC 41 Beulaville, NC 28518-8633	Duplin	88 (0 SCU)	HAL-031-018	NC4 Autumn Village, LLC (DE)	WP-Beulaville Health Holdings, LLC (NC)
<i>Cedar Mountain House</i>	11 Sherwood Ridge Road Brevard, NC 28712-6558	Transylvania	64 (0 SCU)	HAL-088-014	NC4 Cedarmtn, LLC (DE)	WP-Brevard Health Holdings I, LLC (NC)
<i>Edenton House</i>	323 Medical Arts Drive Edenton, NC 27932-8608	Chowan	60 (0 SCU)	HAL-021-009	NC4 Edenton, LLC (DE)	WP-Edenton Health Holdings, LLC (NC)
<i>Hayesville House</i>	480 Old Highway 64 West Hayesville, NC 28904-7268	Clay	60 (0 SCU)	HAL-022-005	NC4 Hayesville, LLC (DE)	WP-Hayesville Health Holdings, LLC (NC)
<i>Oliver House</i>	4230 Wendell Boulevard Wendell, NC 27591-1897	Wake	100 (31 SCU)	HAL-092-182	NC4 Oliver, LLC (DE)	WP-Wendell Health Holdings, LLC (NC)
<i>Williamston House</i>	160 Santree Drive Williamston, NC 27892-1466	Martin	60 (0 SCU)	HAL-058-011	NC4 Williamston, LLC (DE)	WP-Williamston Health Holdings, LLC (NC)
<i>Windsor House</i>	336 S. Rhodes Avenue Windsor, NC 27983-9611	Bertie	60 (60 SCU)	HAL-008-034	NC4 Windsor, LLC (DE)	WP-Windsor Health Holdings, LLC (NC)

EXHIBIT A

**Autumn Village
Current Corporate Structure**



**Autumn Village
Proposed New Corporate Structure**

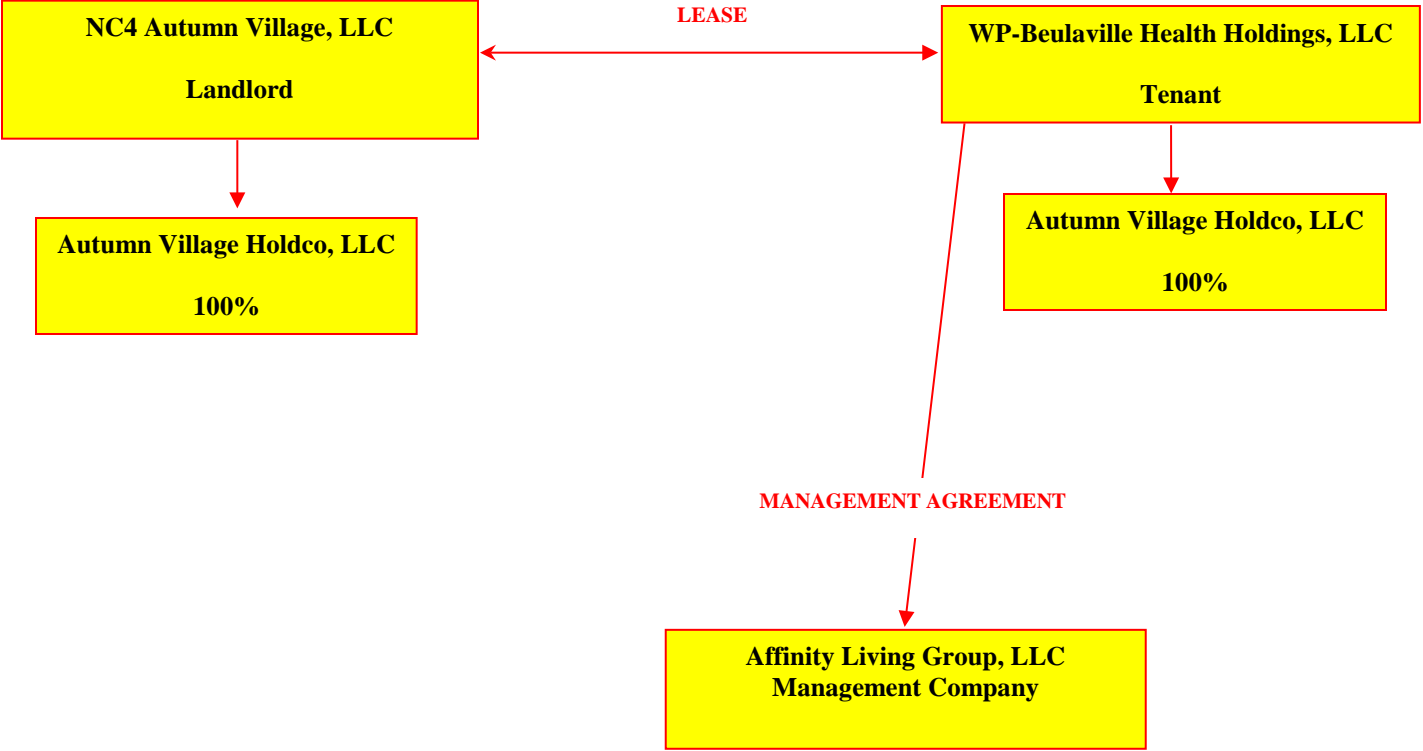
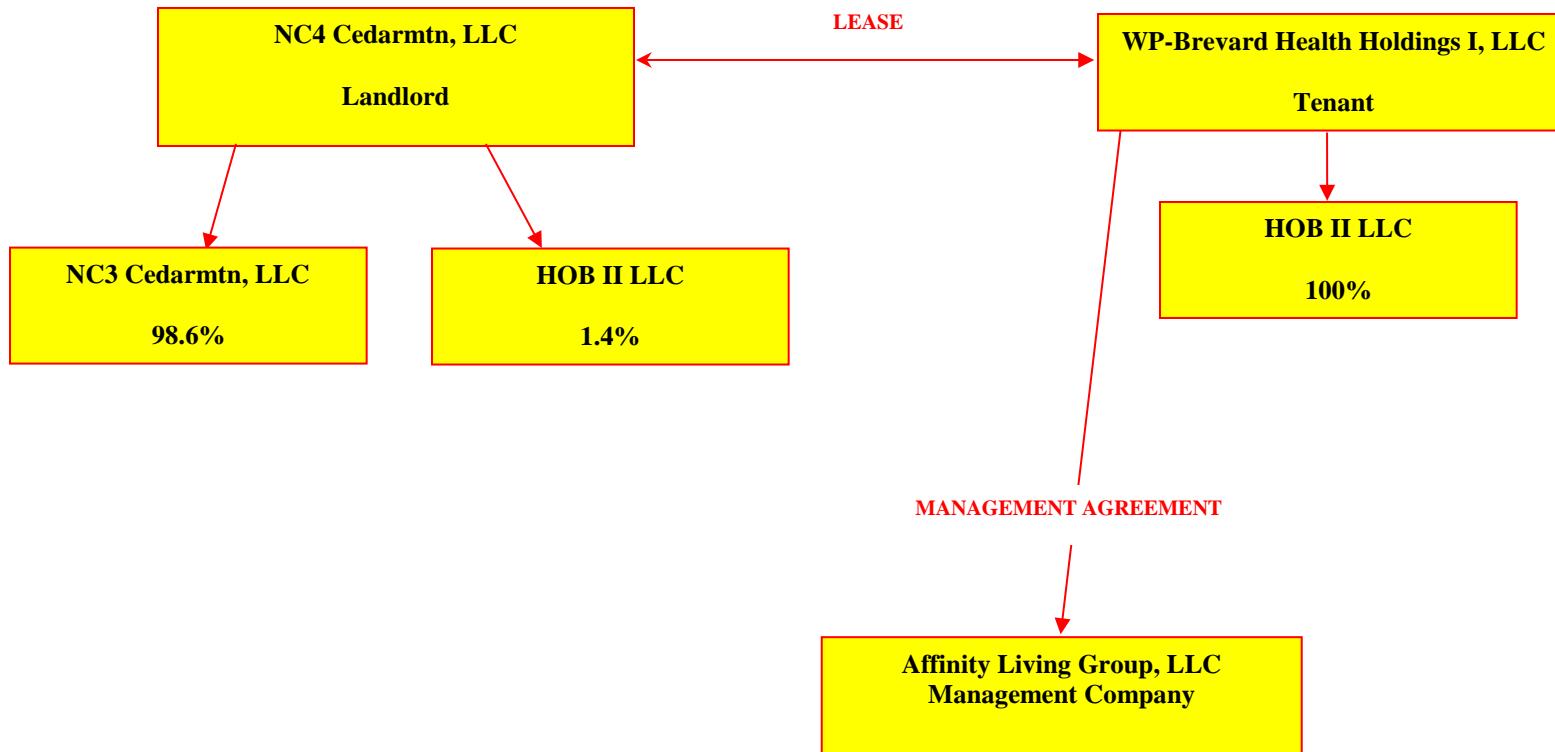


EXHIBIT B

**Cedar Mountain House
Current Corporate Structure**



**Cedar Mountain House
Proposed New Corporate Structure**

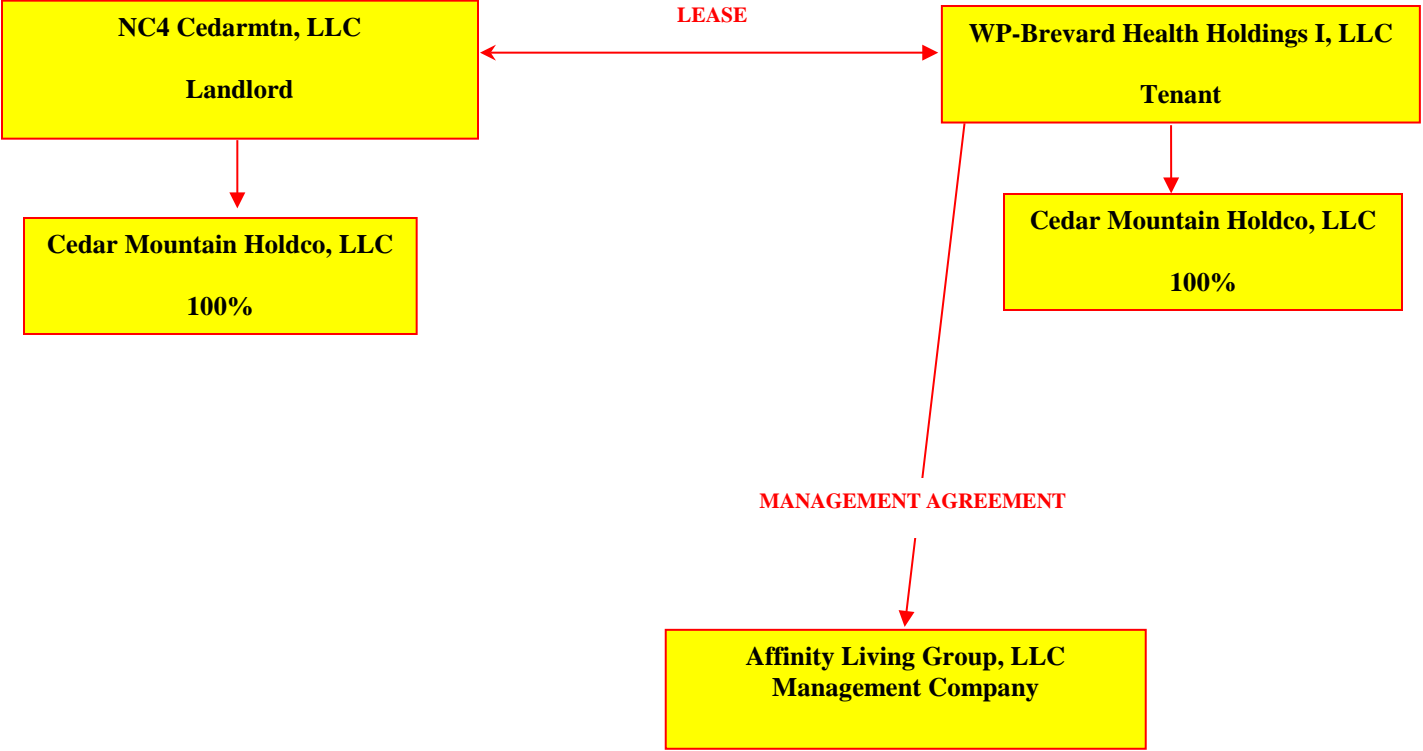
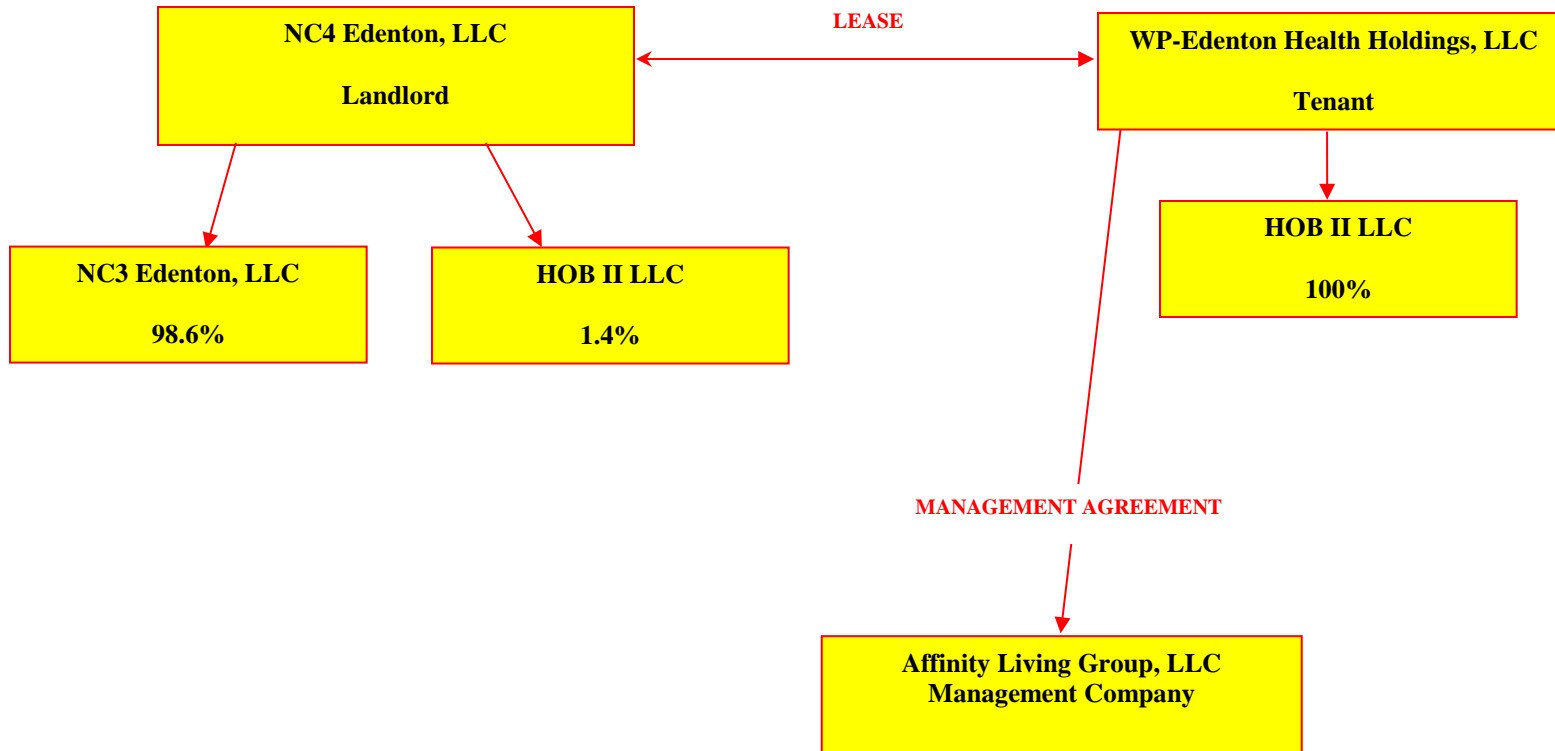


EXHIBIT C

**Edenton House
Current Corporate Structure**



**Edenton House
Proposed New Corporate Structure**

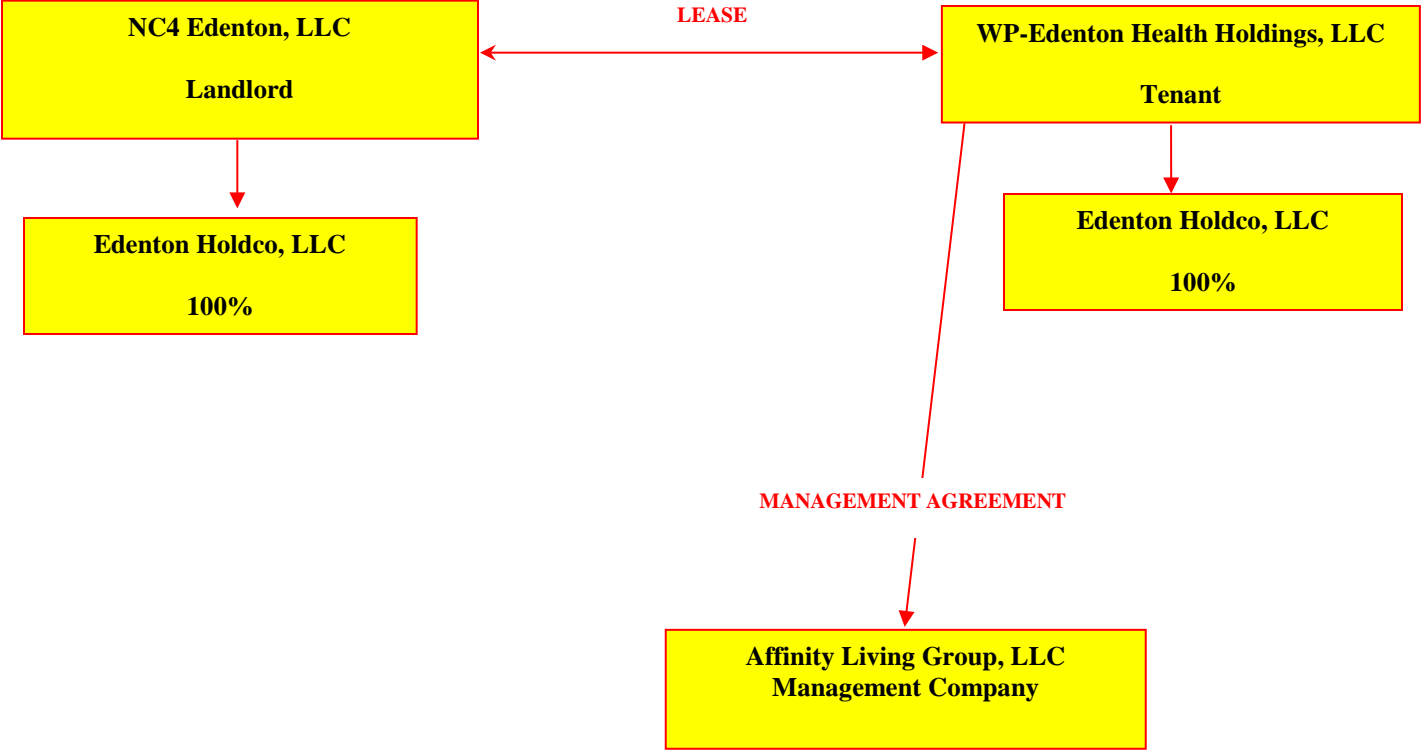
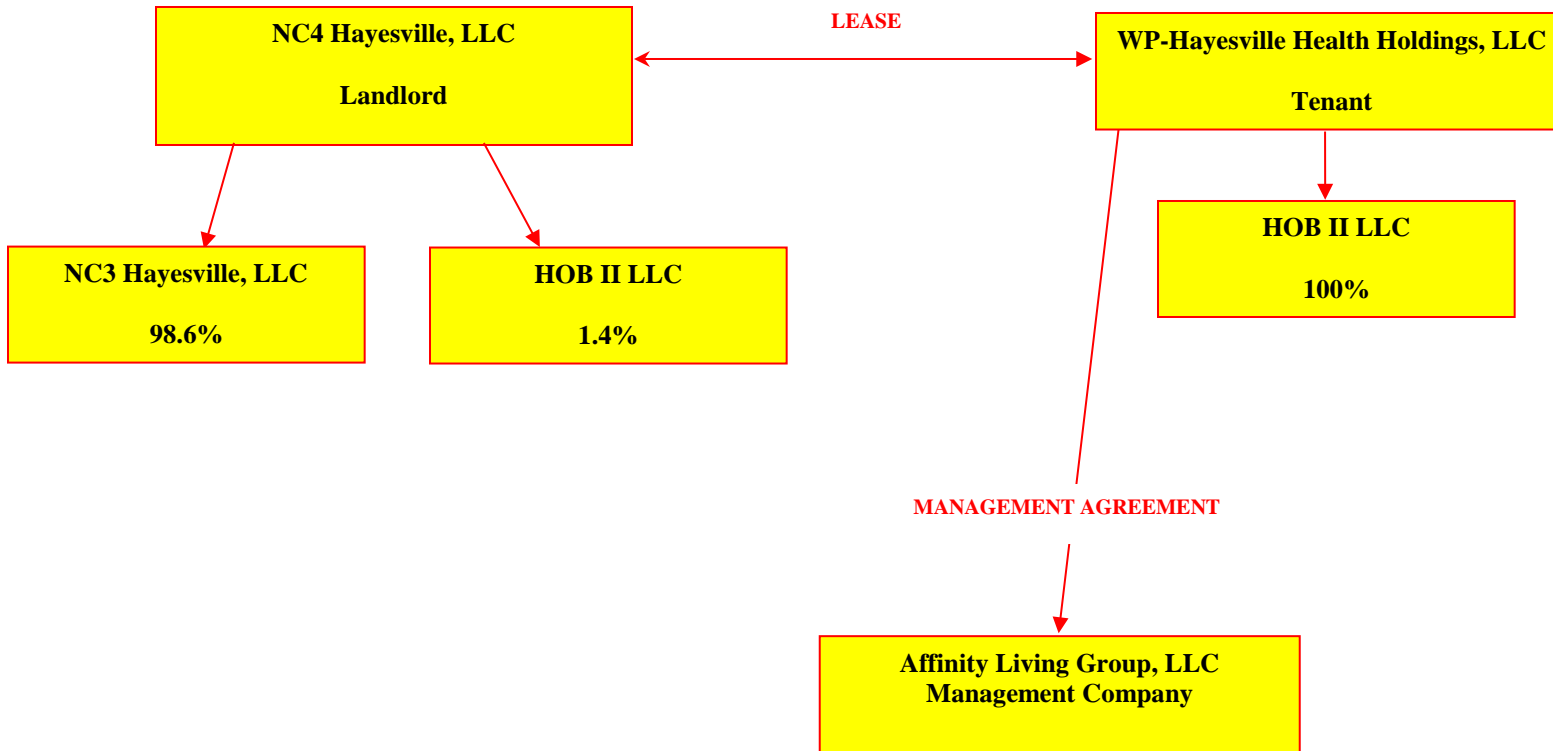


EXHIBIT D

**Hayesville House
Current Corporate Structure**



Hayesville House Proposed New Corporate Structure

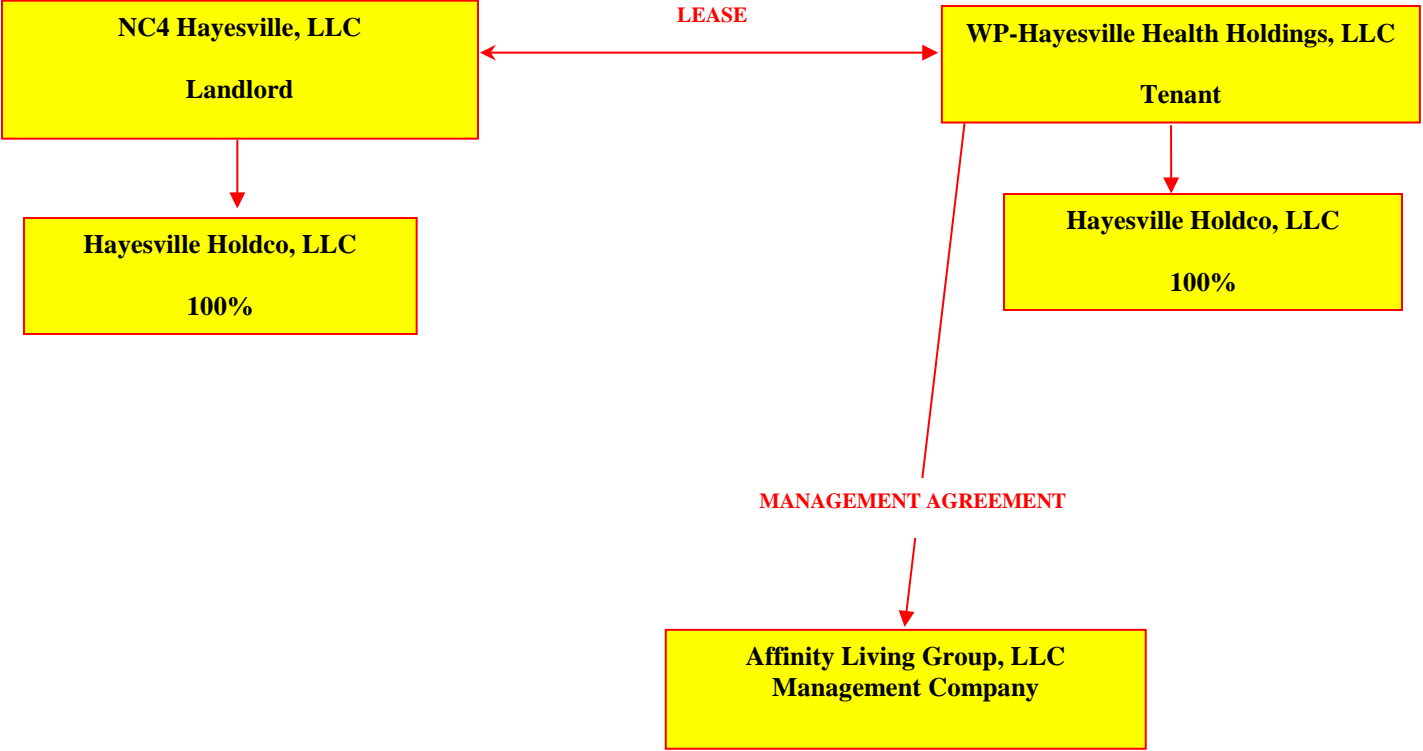
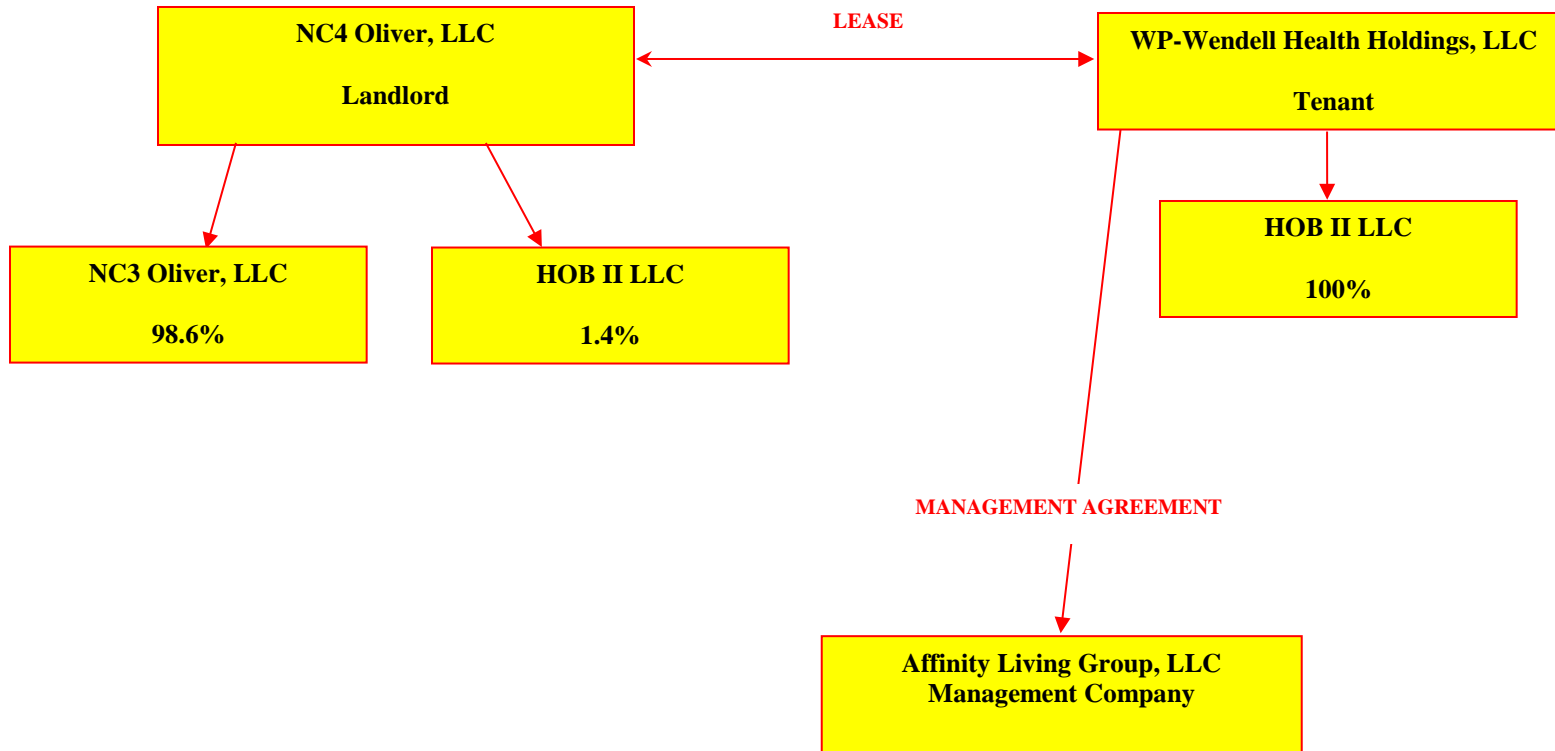


EXHIBIT E

**Oliver House
Current Corporate Structure**



**Oliver House
Proposed New Corporate Structure**

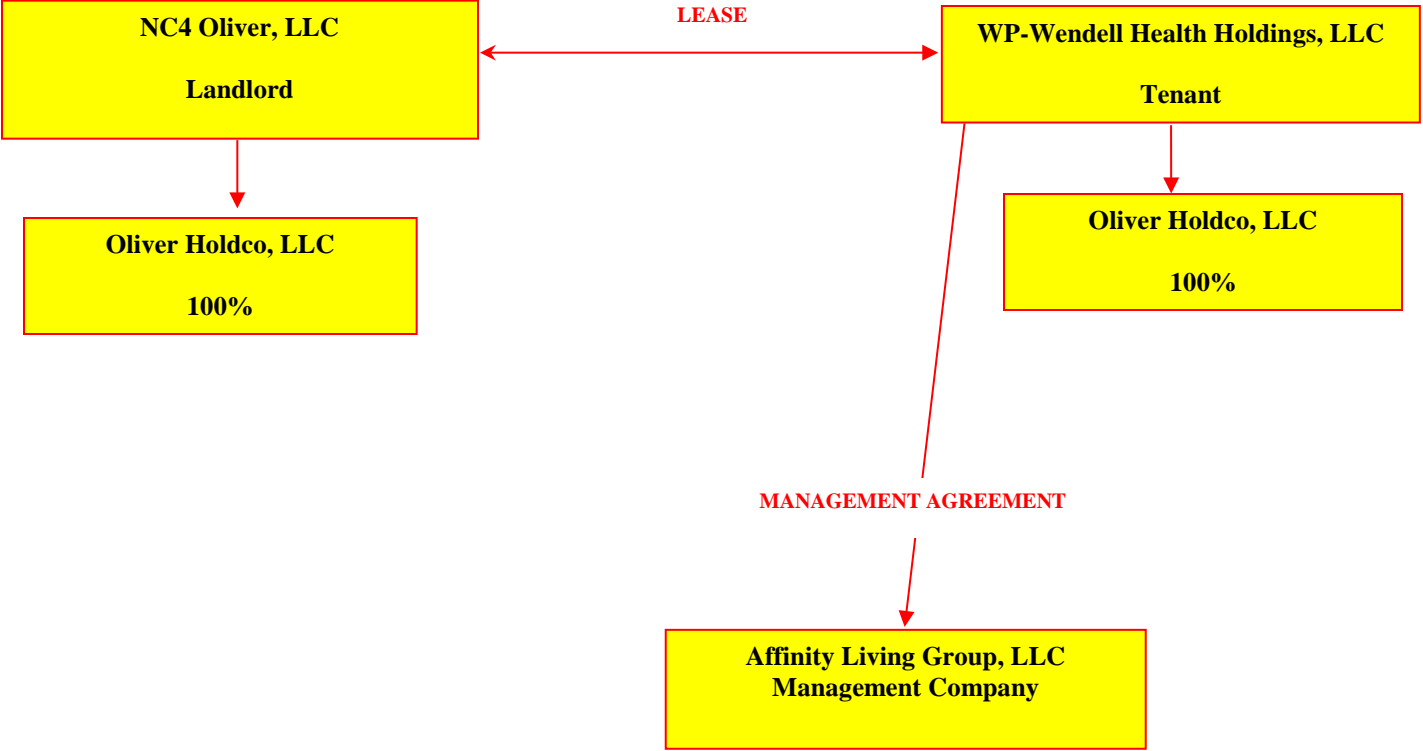
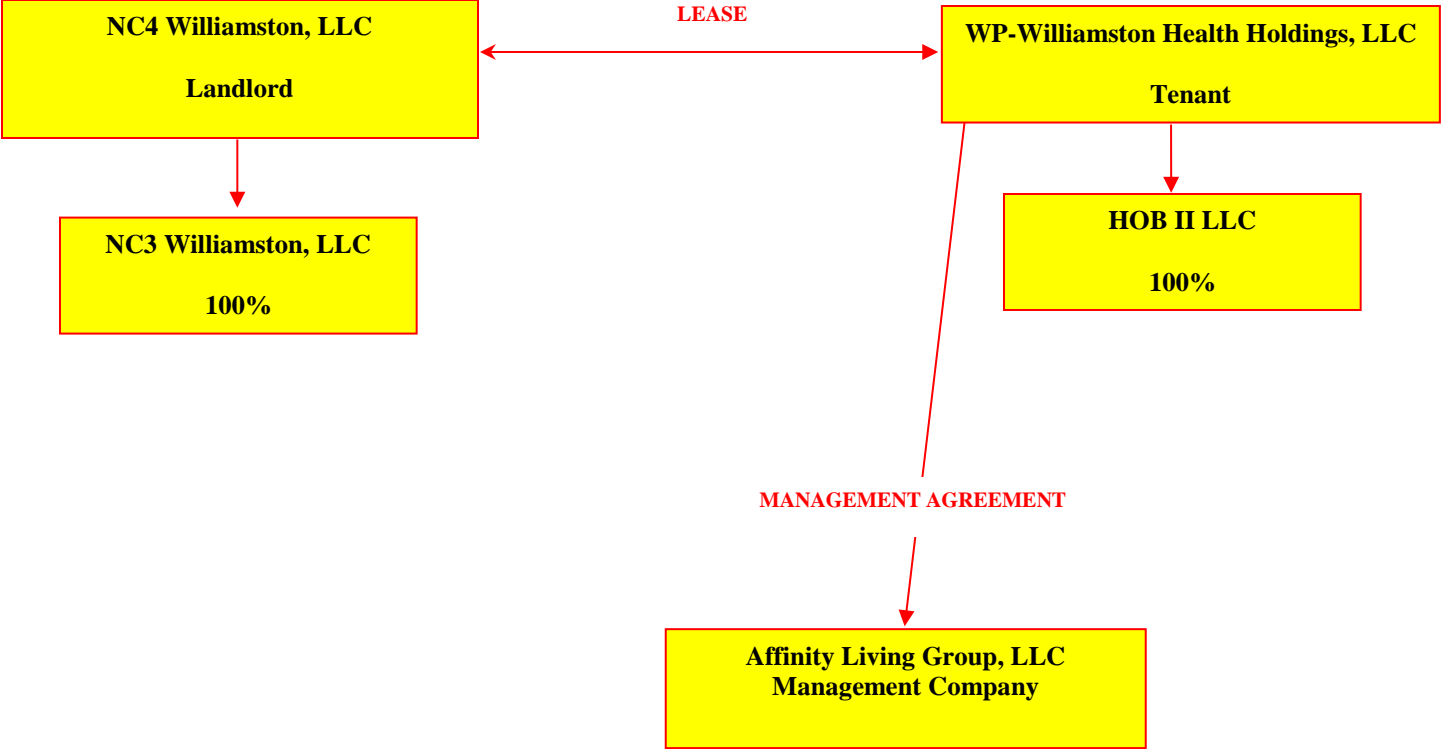


EXHIBIT F

**Williamston House
Current Corporate Structure**



**Williamston House
Proposed New Corporate Structure**

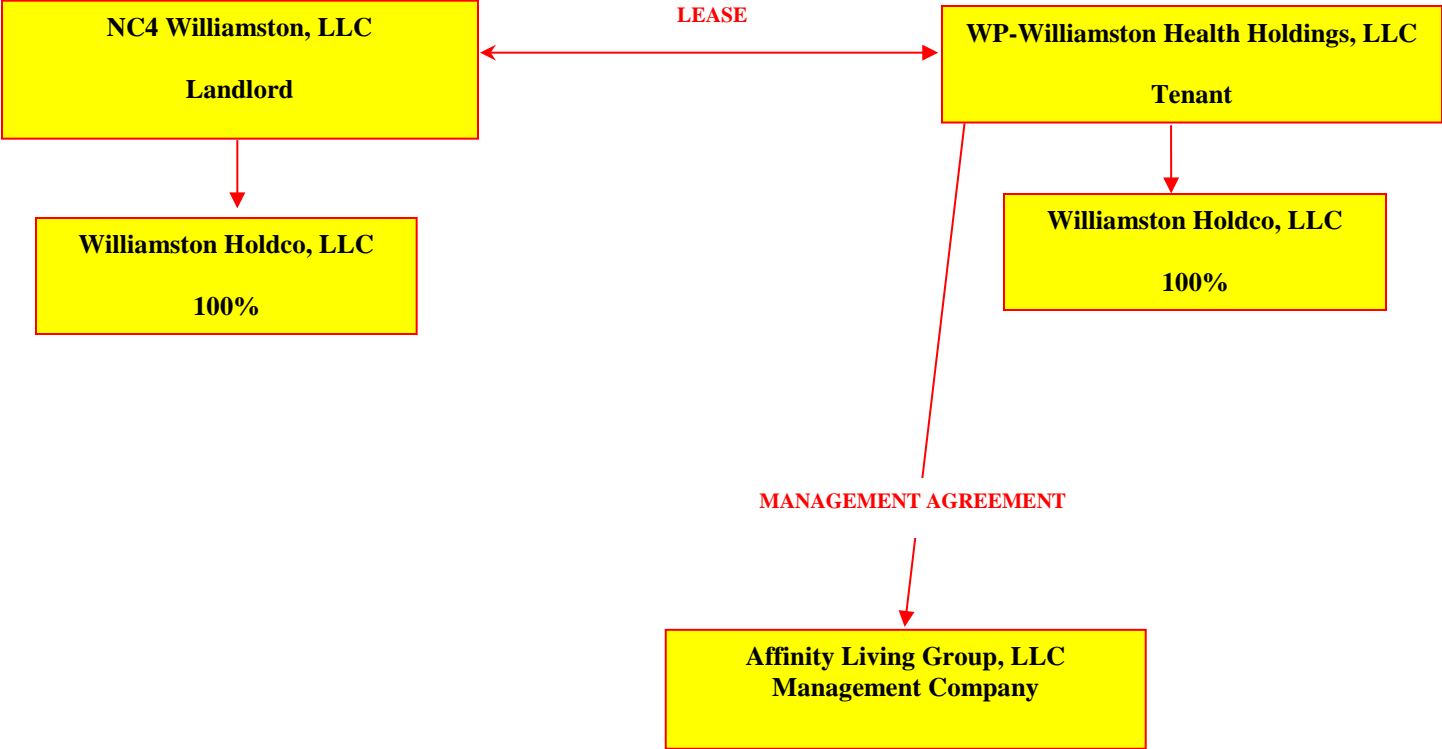
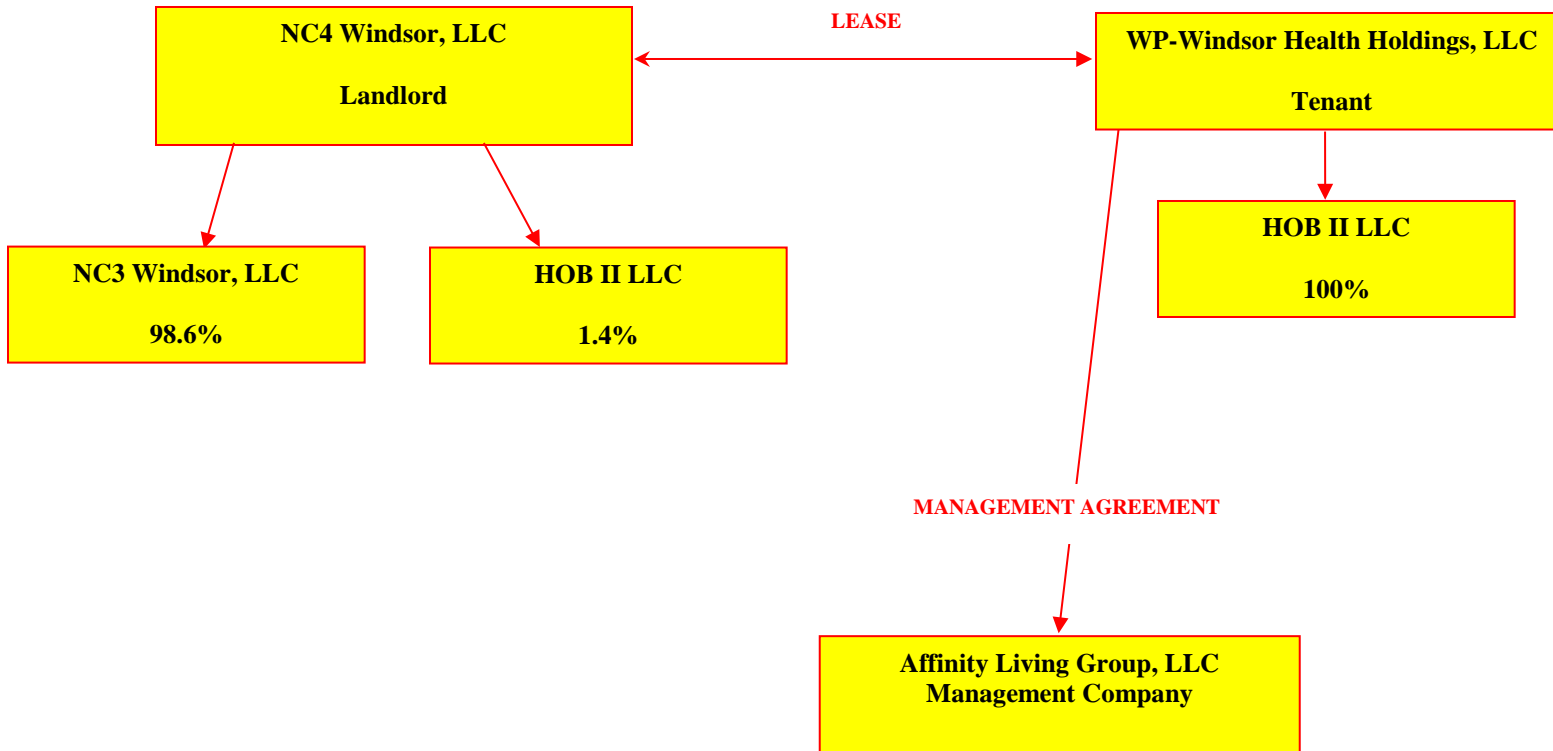


EXHIBIT G

**Windsor House
Current Corporate Structure**



**Windsor House
Proposed New Corporate Structure**

