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  

December 19, 2014  

Tobias Kleitman  
2352 Main Street, Suite 201  
Concord, MA 01742  

Exempt from Review – Acquisition of Facility  
Facility: Ridge Crest Retirement  
Type of Facility: Adult Care Home  
Acquisition by: AGI Acquisitions, LLC  
County: Surry  
FID #: 971016  

Dear Mr. Kleitman:  

In response to your letter of December 16, 2014, the above referenced proposal is exempt from certificate 
of need review in accordance with G.S 131E-184(a)(8). Therefore, AGI Acquisitions, LLC may proceed 
to acquire the above referenced health service facility without first obtaining a certificate of need.  
However, you need to contact Adult Care Licensure Section of the Division of Health Service Regulation 
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,  

Kim Randolph  
Project Analyst  

Martha J. Frisone  
Martha J. Frisone, Interim Chief  
Certificate of Need Section  

cc: Medical Facilities Planning Branch, DHSR  
Adult Care Licensure Section, DHSR  

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
AGI ACQUISITIONS, LLC
 c/o TVPX
 2352 Main Street, Suite 201
 Concord, MA 01742

December 16, 2014

VIA E-MAIL

Ms. Kim Randolph
Certificate of Need Section
Division of Health Service Regulation
North Carolina Department of Health and Human Services
2704 Mail Service Center (27699-2704)
809 Ruggles Drive
Raleigh, North Carolina 27603
E-mail: kimberly.randolph@dhhs.nc.gov

Re: Request for Exemption Pursuant to N.C.G.S. § 131E-184(a)(8) - Acquisition of Existing Health Service Facilities (RidgeCrest Retirement- Facility I.D. No. 971016)

Dear Ms. Randolph:

On December 1, 2014, NHI-REIT of Seaside, LLC (“NHI”), which is a wholly owned subsidiary of National Health Investors, Inc., a real estate investment trust (NYSE: NHI), entered into an Asset Purchase Agreement dated December 1, 2014 with Senior Living Communities, LLC (“SLC”) and certain of its wholly owned subsidiaries, including Ridgecrest Retirement, LLC (“Ridgecrest LLC”), pursuant to which NHI agreed to acquire, among other things, the land, buildings and fixed assets (excluding vehicles and leased equipment) (the “Real Estate”) relating to an existing health service facility: a 28-bed adult care home known as “RidgeCrest Retirement” (License No. HAL-086-010) located at 1000 Ridgecrest Lane in Mount Airy, North Carolina. To facilitate a possible Section 1031 exchange, NHI intends to assign its right to acquire the Real Estate to AGI Acquisitions, LLC (“Buyer”), a Delaware limited liability company. The closing of this acquisition is expected to occur on December 17, 2014, or as soon as possible thereafter, but in no event later than December 31, 2014.

Ridgecrest LLC is the licensed operator of the adult care home, which Ridgecrest LLC operates pursuant to a sublease of the Real Estate from its parent, SLC. SLC leases the Real Estate from Health Care REIT, Inc. (NYSE: HCN), a real estate investment trust, and its subsidiary, HCR North Carolina Properties III, Limited Partnership (collectively, the “Existing Landlord”). Upon the closing of the acquisition, the Existing Landlord will convey the Real Estate to the Buyer, the Buyer will lease the Real Estate to NHI, NHI will sublease the Real Estate to SLC, SLC will sublease the Real Estate to Ridgecrest LLC and Ridgecrest LLC will continue to be the licensed operator of the adult care home. Within 180 days after the acquisition closes, the Buyer is expected to merge with and into NHI, with NHI as the surviving entity, which will make NHI the owner of the Real Estate by operation of law.

The adult care home is a “health service facility” as defined in N.C.G.S. § 131E-176(9b). N.C.G.S. § 131E-184(a)(8) provides that, upon receiving prior written notice, the Certificate of Need Section shall exempt from certificate of need review the acquisition of “an existing health service facility, including equipment owned by the health service facility at the time of acquisition.”
The purpose of this letter is to provide the prior written notice of the acquisition of the Ridgecrest adult care home required under N.C.G.S. § 131E-184(a)(8). The Buyer hereby requests that you issue a letter confirming that the acquisition of this existing health service facility by the Buyer is exempt from certificate of need review pursuant to N.C.G.S. § 131E-184(a)(8).

Thank you in advance for your prompt consideration of this request.

Very truly yours,

AGI ACQUISITIONS, LLC

By: TVPEAT, Inc.
Managing Member

By: Tobias Kleitman
President