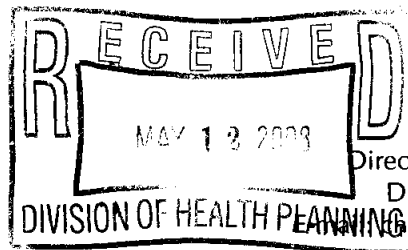


**Arnall  
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May 9, 2008

Clyde L. Reese III  
General Counsel  
Department of Community Health  
2 Peachtree Street, N.W., 40th Floor  
Atlanta, GA 30303-3159

Re: Senate Bill 433 Capital Expenditures Thresholds

Dear Clyde:

As you know, this firm represents the A.G. Rhodes Home, Inc. ("A.G. Rhodes"). The A.G. Rhodes nursing home on Boulevard plans a capital improvement project that will exceed the current threshold but will be significantly below the threshold of \$2,500,000 effective on July 1, 2008 under recently passed Senate Bill 433. A.G. Rhodes does not plan to commence the project until after July 1, 2008. There will not be any new services or new beds added to the home.

It is my reading of the Senate Bill 433 that there is no requirement that A.G. Rhodes file a Letter of Non-reviewability or a determination request. It appears also, of course, that after July 1 the project will not fall within the definition of a new institutional health service. Can you please confirm that my reading of the statute is correct, i.e., that the project will be exempt from CON review and that no LNR will be required?

Thank you for your attention to this. We will, of course, be happy to file an LNR or determination request if DCH feels that we should.

Sincerely,

ARNALL GOLDEN GREGORY LLP

  
Charles L. Gregory

CLG:dae  
cc: Harve Bauguess