



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

May 21, 2015

Charles E. Trefzger, Jr.
P.O. Box 2568
Hickory, NC 28603-2568

Exempt from Review – Acquisition of Facility

Facility: Somerset Court at University Place
Type of Facility: Adult Care Home
Acquisition by: University SIP 2, LLC
County: Forsyth
FID #: 991125

Dear Mr. Trefzger:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) determined that based on your letters of March 20, 2015 and May 13, 2015, the above referenced proposal is exempt from certificate of need review in accordance with G.S 131E-184(a)(8). Therefore, University SIP 2, LLC may proceed to acquire the above referenced health service facility without first obtaining a certificate of need. However, you need to contact the Agency's Adult Care Licensure Section 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,

Celia C. Inman
Project Analyst

Martha J. Frisone,
Assistant Chief, Certificate of Need

cc: Construction Section, DHSR
Adult Care Licensure Section, DHSR
Assistant Chief, Healthcare Planning



Healthcare Planning and Certificate of Need Section

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

An Equal Opportunity/ Affirmative Action Employer



JFC Meridian Opco – Winston-Salem, LLC

Post Office Box 2568

Hickory, North Carolina 28603-2568

May 13, 2015

FIRST CLASS MAIL

Ms. Martha J. Frisone, Interim Section Chief
Certificate of Need Section
Division of Health Service Regulation
Department of Health & Human Services
2704 Mail Center Service
Raleigh, NC 27499-2704

MAY 13 2015
UNIVERSITY PLACE
FORSYTH COUNTY, NC

Re: Notice of Exempt Transfer of Operations and Property Ownership of Somerset Court at University Place, a 60-bed adult care home located at 1635 East 5th Street, Winston-Salem, Forsyth County, North Carolina (FID# 991125)

Dear Ms. Frisone:

In my previous letter dated March 20, 2015 (copy attached), I notified you that the operations for Somerset Court at University Place (the "Facility") will be transferred to a new operator through the proposed transaction. To clarify, Salem Senior Housing, Inc. ("Current Operator") will transfer operations of the Facility to JFC Meridian Opco - Winston-Salem, LLC ("New Operator"); JFC SIP 2, LLC ("Member") will be the sole member of the New Operator; and HOB I LLC ("Manager") will be the manager of Member. The New Operator will also enter into a management contract with Meridian Senior Living, LLC.

To further clarify, the Facility's real property and its improvements will also be transferred to a new property owner. Upon the closing of the proposed transaction, NCAL-Winston-Salem, Inc. ("Current Owner") will transfer ownership of the real property and its improvements to University SIP 2, LLC ("New Owner"). Member will be the sole member of the New Owner.

We have not received a letter of acknowledgement from the Certificate of Need Section based upon our previous request to confirm that the proposed transaction between the Current Operator and the New Operator is exempt from review under Section 131E-184(a)(8) of the North Carolina General Statutes, and want further assurance from you that the proposed transaction between the Current Owner and the New Owner would also be exempt from review under Section 131E-184(a)(8) of the North Carolina General Statutes.

If you require additional information to consider this request, please contact us at the number below at your earliest convenience. We thank you for your consideration of this request.

Sincerely,



Charles E. Trefzger, Jr.
Manager

Enclosure

JFC Meridian Opco – Winston-Salem, LLC

Post Office Box 2568

Hickory, North Carolina 28603-2568

March 20, 2015

FIRST CLASS MAIL

Ms. Martha J. Frisone, Interim Section Chief
Certificate of Need Section
Division of Health Service Regulation
Department of Health & Human Services
2704 Mail Center Service
Raleigh, NC 27499-2704

Re: No Review Notice for Somerset Court at University Place, a 60-bed adult care home located at 1635 East 5th Street, Winston-Salem, Forsyth County, North Carolina (FID# 991125)

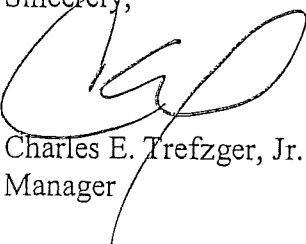
Dear Ms. Frisone:

This letter is to notify you that NCAL-Winston-Salem, Inc., the current Licensee of the Winston-Salem (Forsyth County) facility, currently known as Somerset Court at University Place (hereafter "the Facility"), will be relinquishing its license. JFC Meridian Opco – Winston-Salem, LLC, is currently completing the licensure application necessary to become the new Licensee. Subsequent to this transaction, the Facility will continue to operate under the name Somerset Court at University Place.

The purpose of this letter is to provide prior notice of this change, which does not fall under the purview of certificate of need ("CON") review. Although N.C. Gen. Stat. § 131E-184 does not explicitly exempt a change of licensee from review, it has been the opinion of the Certificate of Need Section ("the Agency") that such changes are not subject to review, garnering a "no-review" status.

Based on the foregoing information, we hereby request the Agency's confirmation that the proposal described above does not require CON review. If you require additional information to consider this request, please contact us at the number below as soon as possible. We thank you for your consideration of this request.

Sincerely,


Charles E. Trefzger, Jr.
Manager