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

April 11, 2013

Marcus C. Hewitt  
P.O. Box 1000  
Raleigh NC 27602

Exempt from Review – Acquisition of Facility
Facility: Trotters Bluff ICF/IID
Acquisition by: Scioto Properties SP-15, LLC
County: Wake
FID #: 945339

Dear Mr. Hewitt:

In response to your letter of March 28, 2013, the above referenced proposal is exempt from certificate of need review in accordance with N.C.G.S 131E-184(a)(8). Therefore, Scioto Properties SP-15, LLC may proceed to acquire the above referenced health service facility without first obtaining a certificate of need. However, you need to contact the Mental Health Licensure and Certification Section of the Division of Health Service Regulation to obtain instructions for changing ownership of the existing facility. Note that pursuant to N.C.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,

Michael J. McKillip  
Project Analyst

Craig R. Smith, Chief  
Certificate of Need Section

cc: Mental Health Licensure and Certification 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
March 28, 2013

Via Hand-Delivery
Mr. Craig Smith, Chief
Certificate of Need Section
Division of Health Service Regulation
Department of Health and Human Services
809 Ruggles Drive
Raleigh, NC 27603

Re: Exemption from Review/Acquisition of Existing Intermediate Care Facilities for Individuals with Intellectual Disabilities/Change of Ownership with No Change in Licensee

Dear Mr. Smith:

Pursuant to N.C. Gen. Stat. § 131E-184(a)(8), this letter provides prior written notice that Scioto Properties SP-15 LLC ("Purchaser") intends to acquire by purchase the existing Intermediate Care Facilities for Individuals with Intellectual Disabilities listed on Exhibit A hereto (the "Facilities").

Each of the Facilities is currently operated by and licensed to Community Innovations, Inc. Each of the Facilities is currently owned by Housing Innovations, Inc., which is a wholly-owned subsidiary of Community Innovations, Inc. After the acquisition, the ownership of the facilities will pass to Purchaser, but Community Innovations, Inc. will continue to be the operator and licensee of the Facilities through an agreement with the Purchaser.

Because the acquisition of the Facilities constitutes the acquisition of existing health service facilities, the acquisition is exempt from CON review upon prior written notice, pursuant to N.C. Gen. Stat. § 131E-184(a). In addition, the acquisition of the existing facilities would not result in the construction, development or establishment of any new health service facility, and would therefore not constitute a new institutional health service under N.C. Gen. Stat. § 131E-176(16).

If you need additional information, please contact us. Thank you for your assistance.

Sincerely,

[Signature]

Marcus C. Hewitt
EXHIBIT A

Owner: Housing Innovations, Inc.
Operator: Community Innovations, Inc.

<table>
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<tr>
<th>Facility Name</th>
<th>Address</th>
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