March 22, 2013

Laurie H. Stallings, Executive Director
Cypress Glen Retirement Community
100 Hickory Street
Greenville, NC 27858

Exempt from Review – Acquisition of Facility
Facility: Cypress Glen Retirement Community
Acquisition by: United Methodist Retirement Home, Inc.
County: Pitt
FID #: 923131

Dear Ms. Stallings:

In response to your letter of March 7, 2013 the above referenced proposal is exempt from certificate of need review in accordance with N.C.G.S 131E-184(a)(8). Therefore, United Methodist Retirement Home, Inc. may proceed to acquire the above referenced health service facility without first obtaining a certificate of need. However, you need to contact the Nursing Home Licensure and Certification Section and the 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 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,

[Signature]
Lene Rho-Jones
Project Analyst

[Signature]
Craig R. Smith, Chief
Certificate of Need Section

cc: Nursing Home Licensure and Certification Section, 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
March 7, 2013

Mr. Craig R. Smith, Chief
Certificate of Need Section
Division of Health Service Regulation
2704 Mail Service Center
Raleigh, NC 27699-2704

Cypress Glen Retirement Community FID# - 923131

Dear Mr. Smith,

Cypress Glen Retirement Community is planning to merge into The United Methodist Retirement Home, Incorporated ("UMRH"). For this reason, I am writing to you to request an "Exempt from Review Determination." I am requesting this exemption based on the following facts.

➢ In 1988, UMRH, doing business as Cypress Glen Retirement Community, filed a CON application for 10 nursing facility beds and 13 home-for-the-aged beds, which was approved. In 1995, UMRH, doing business as Cypress Glen Retirement Community, filed another CON application for an additional 20 nursing facility beds and 17 home-for-the-aged beds, which was approved.

➢ UMRH owned and operated the Cypress Glen community until December 1996, when it conveyed it to Cypress Glen Retirement Community (the "Corporation"). The Corporation was created in 1996 in order to assume ownership and operation of the Cypress Glen community and to permit the permanent financing of an expansion program at the Cypress Glen community (the "1996 Expansion Program"). UMRH has managed the Corporation and the Cypress Glen community since its conveyance of the Cypress Glen community to the Corporation.

➢ The 1996 Expansion Program consisted of (1) a 60 bed health care center, containing 30 adult care home beds and 30 nursing care beds, which opened in May 1996; (2) 16 residential cottages (built in two stages); and (3) an apartment building containing 30 independent living units, which was completed and opened in April 1998.

➢ In 2004, the Corporation filed a CON application to relocate 12 open adult care home beds to develop a Memory Care Cottage for care of residents with Alzheimer's and related dementia, and another application to add 12 closed adult care home beds to replace the 12 beds that were being relocated. These applications were approved.
UMRH and the Corporation are each governed separately by a Board of Trustees. Currently, both Boards of Trustees are elected in the same manner. All of UMRH’s Trustees are the same Trustees for the Corporation. There are no members for either the Corporation or UMRH.

The respective Boards of Trustees for both the Corporation and UMRH have determined that it is now in the best interest of the Corporation and UMRH to merge. The Corporation intends to merge with and into UMRH, and the separate corporate existence of Cypress Glen Retirement Community will cease. UMRH will continue as the surviving corporation in the merger. Upon the effectiveness of the merger, all property, rights, privileges, immunities, powers, licenses and authority of the Corporation shall vest in UMRH as the surviving corporation, and all debts, liabilities, obligations, restrictions and duties of the Corporation shall become the debts, liabilities, obligations, restrictions and duties of UMRH as the surviving corporation.

Upon completion of the merger, the same Trustees will continue to govern the operations of UMRH. There will be no material change in the day-to-day operations of the Cypress Glen community after the merger. The management staff will remain the same.

In summary, UMRH previously owned and operated the Cypress Glen community. The only reason Cypress Glen was spun off into a separate corporation was to permit the permanent financing of an expansion program at the Cypress Glen community to proceed without being adversely affected by interim financing problems and construction delays UMRH was experiencing with respect to construction at one of its other retirement communities. UMRH has managed the Corporation and the Cypress Glen community since it was transferred to a separate corporation. All of the Trustees of the Corporation are also the same Trustees of UMRH.

I look forward to your favorable reply. Should you require additional information, please do not hesitate to contact me at (252) 830-0036.

Sincerely,

Laurie H. Stallings
Executive Director

cc:  Jonathan Erickson, UMRH Corporate Executive Director
     Karen Boeckholt Johnston, Senior Compliance Analyst