



North Carolina Department of Health and Human Services  
Division of Health Service Regulation

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Secretary DHHS

Drexdal Pratt  
Division Director

May 10, 2013

Susan M. Hendrickson  
Dechert, LLP  
902 Carnegie Center, Suite 500  
Princeton NJ 08540-6531

**Exempt from Review – Acquisition of Facility**

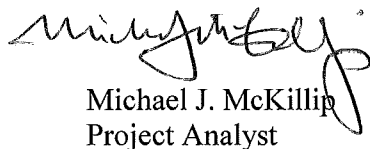
Facility: Arbor Walk  
Acquisition by: Ventas, Inc.  
County: Durham  
FID #: 070323

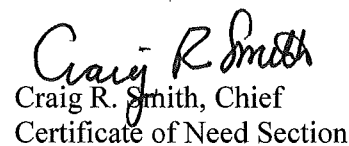
Dear Ms. Hendrickson:

In response to your letter of May 2, 2013, the above referenced proposal is exempt from certificate of need review in accordance with N.C.G.S 131E-184(a)(8). Therefore, Ventas, Inc. may proceed to acquire the above referenced health service facility without first obtaining a certificate of need. However, you need to contact 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,

  
Michael J. McKillip  
Project Analyst

  
Craig R. Smith, Chief  
Certificate of Need Section

cc: 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

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May 2, 2013

**VIA FEDERAL EXPRESS**

North Carolina Department of Health and Human Services  
Division of Health Service Regulation, Certificate of Need Section  
Department for Aging and Independent Living  
2704 Mail Service Center  
Raleigh, NC 27699-2704  
Attn: Craig Smith, Chief

**Re: Request for Exemption from Certificate of Need ("CON") Review - Arbor Walk, 5705 Fayetteville Road, Durham, North Carolina 27713 (the "Facility")**

Dear Mr. Smith:

Ventas, Inc. ("Ventas"), one of the nation's leading healthcare real estate investment trusts, through its subsidiary Ventas Healthcare Properties, Inc., has entered into an agreement with certain affiliates of Capitol Seniors Housing ("CSH"), to acquire the above-referenced Facility. Pursuant to this agreement VTR Durham, LP, a subsidiary of Ventas, will become the new owner of the land and buildings used to operate the Facility (the "Proposed Transaction"). WG Durham, LP, an affiliate of VTR Durham, LP, will be the prospective new licensee (the "Prospective Licensee") of the Facility, which after the consummation of the Proposed Transaction will be named Atria Woodlakes.

The Prospective Licensee plans to enter into a management agreement with Atria Management Company, LLC ("Atria"), one of the nation's leading providers of assisted living care services. Residents will continue to receive, and Community employees will continue to provide, industry-leading programs and services.

In connection with the Proposed Transaction, VTR Durham, LP hereby notifies you of the pending change in ownership of the Facility, and requests a letter of exemption from the CON requirements. Pursuant to Chapter 131E, Article 9, Section 131E-184(a)(8) of the North Carolina General Statutes, VTR Durham, LP is exempt from CON review because it is acquiring an existing health service facility, including equipment owned by the health service facility at the time of acquisition.

Simultaneously with this request, the Prospective Licensee is submitting a license application to the Division of Health Service Regulation, Adult Care Licensure Section. We kindly request that upon issuance of a letter of exemption, you notify the Adult Care Licensure Section of your determination.

Should you have questions or need clarification, please contact me at [susan.hendrickson@dechert.com](mailto:susan.hendrickson@dechert.com), 215-994-2359, and we will attempt to provide you with any additional information promptly. Thank you for your time and attention to this matter.

Sincerely,

  
Susan M. Hendrickson