



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

March 11, 2014

Tyler L. Arnold
171 17th Street NW, Suite 2100
Atlanta, GA 30363-1031

No Review

Business: Brookdale Senior Living Inc.
Project Description: Merger of a subsidiary of Brookdale Senior Living, Inc. into Emeritus Corporation which owns the following facilities:
Henderson: FID# 944350 Emeritus at Heritage Lodge (ACH)
Henderson: FID# 970216 Emeritus at Pine Park (HC)
Guilford: FID# 970071 Emeritus at Greensboro (ACH)
Iredell: FID# 001199 Emeritus at Churchill (ACH)
Mecklenburg: FID# 970632 Emeritus at South Park (ACH)
Cumberland: FID# 970113 Emeritus at Eastover (ACH)
Wayne: FID# 970014 Emeritus at the Pines of Goldsboro (ACH)

Mecklenburg

Dear Mr. Arnold:

The Certificate of Need Section (CON Section) received your letter of February 25, 2014, regarding the above referenced proposal. Based on the CON law **in effect on the date of this response to your request**, the proposal described in your correspondence is not governed by, and therefore, does not currently require a certificate of need. However, please note that if the CON law is subsequently amended such that the above referenced proposal would require a certificate of need, this determination does not authorize you to proceed to develop the above referenced proposal when the new law becomes effective.

Moreover, you need to contact the Adult Care Licensure Section and the Acute and Home Care Licensure and Certification Section of the Division of Health Service Regulation to determine if they have any requirements for development of the proposed project.

It should be noted that this determination is binding only for the facts represented by you. Consequently, if changes are made in the project or in the facts provided in your correspondence referenced above, a new determination as to whether a certificate of need is required would need to be made by the Certificate of Need Section. Changes in a project include, but are not limited



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

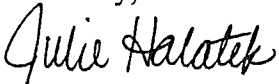


Tyler L. Arnold
March 11, 2014
Page 2

to: (1) increases in the capital cost; (2) acquisition of medical equipment not included in the original cost estimate; (3) modifications in the design of the project; (4) change in location; and (5) any increase in the number of square feet to be constructed.

Please contact the CON Section if you have any questions. Also, in all future correspondence you should reference the Facility I.D. # (FID) if the facility is licensed.

Sincerely,



Julie Halatek
Project Analyst



Martha J. Frisone, Interim Chief
Certificate of Need Section

cc: Medical Facilities Planning Branch, DHR
Acute and Home Care Licensure and Certification Section, DHR
Adult Care Licensure Section, DHR

**Arnall
Golden
Gregory LLP**

Julie

Received by
the CCNY Division
FEB 26 2014

Tyler L. Arnold
171 17th Street NW, Suite 2100
Atlanta, Georgia 30363-1031
Direct phone: 404.873.8746
Direct fax: 404.873.8747
E-mail: tyler.arnold@agg.com
www.agg.com

February 25, 2014

VIA FEDERAL EXPRESS

Ms. Martha Frisone, Interim Chief
State of North Carolina Department of Health and Human Services
Division of Health Service Regulation
Certificate of Need Section
809 Ruggles Drive
Raleigh, North Carolina 27603

Re: Merger of Emeritus Corporation/Brookdale Senior Living Inc.

Dear Mr. Frisone:

This letter is to notify you of a merger involving our client, Brookdale Senior Living Inc. (“Brookdale”), and Emeritus Corporation (“Emeritus”), a corporation that owns the facilities listed on the diagram/facility list attached as Attachment A (the “Facilities”). Specifically, the merger involves a subsidiary of Brookdale being merged into Emeritus, which will result in Brookdale and public shareholders becoming the ultimate owners of Emeritus and the Facilities.

The merger will not change the operators of the Facilities, and there will be no change to the operators as licensees. The operators will continue to exist and their federal tax identification numbers will not change. To the extent the operators hold Medicare/Medicaid provider agreements, such agreements will remain in place. Other than changes resulting in the ordinary course of business, there is no current intention to replace the staff for the Facilities, and none of the Facilities’ day-to-day operations should be impacted.

For your reference, we have enclosed a diagram/facility list as Attachment A that illustrates the relationship between the entities involved in the merger. The merger is expected to close on or about July 1, 2014.

It is our understanding that this merger will not constitute a change of ownership that would require new certificates of need, that no additional filings are required prior to the merger taking place, and that the Facilities’ existing certificates of need will not be impacted by the merger, and that we may proceed as scheduled. We will provide post-closing notice to your office once the merger occurs. **We respectfully request a letter or email acknowledgment from your office confirming our understanding.**

For your convenience, I have enclosed a stamped, self-addressed envelope and a copy of this letter for your signature in the space provided below indicating confirmation of our understanding, as stated above.

Thank you for your attention to this matter. If you have any questions, please do not hesitate to contact me at 404-873-8746 or tyler.arnold@agg.com.

Sincerely,



Tyler L. Arnold

**State of North Carolina Department of Health and Human Services
Division of Health Service Regulation
Certificate of Need Section**

Signature: _____

Printed Name: _____

Title: _____

Date: _____

Enclosures

cc: Anna F. C. Munoz, Esq.
Ms. Sue Coppola
Ms. Ana de la Cerda
Hedy S. Rubinger, Esq.