



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 17, 2015

Raynold A. Schmick, Corporate Secretary  
The Laurels of Chatham  
72 Chatham Business Drive  
Pittsboro NC 27312

**No Review**

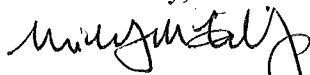
Facility: The Laurels of Chatham  
Project Description: Merger and corporate reorganization of parent entity  
County: Chatham  
FID #: 923099

Dear Mr. Schmick:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) received your letter of April 3, 2015 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.

It should be noted that this determination is binding only for the facts represented in your correspondence. 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 this office. Changes in a project include, but are not limited 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.

Sincerely,

  
Michael J. McKinip  
Project Analyst

  
Martha J. Frisone  
Assistant Chief, Certificate of Need

cc: Nursing Home Licensure and Certification Section, DHSR  
Assistant Chief, Healthcare Planning



**Healthcare Planning and Certificate of Need Section**

www.ncdhhs.gov

Telephone: 919-855-3873 • Fax: 919-733-8139

Location: Edgerton Building • 809 Ruggles Drive • Raleigh, NC 27603

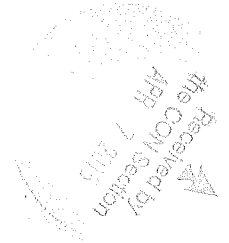
Mailing Address: 2704 Mail Service Center • Raleigh, NC 27699-2704

An Equal Opportunity/ Affirmative Action Employer





The Laurels of Chatham  
72 Chatham Business Drive  
Pittsboro, NC 27312



April 3, 2015

**Via Federal Express**

Beverly Speroff  
North Carolina Division of  
Health Service Regulation  
2711 Mail Service Center  
Raleigh, NC 27699-2711

Martha Frisone  
North Carolina Division of  
Health Service Regulation  
2704 Mail Service Center  
Raleigh, NC 27699-2704

Re: The Laurels of Chatham 425099  
Medicare Provider #34-5421  
NPI #1215982525  
Medicaid Provider #3415421

To Whom it May Concern:

Please be advised that effective April 1, 2015 (the "Effective Date"), Aviv REIT, Inc. (NYSE: AVIV) ("Aviv") merged with Omega Healthcare Investors, Inc. (NYSE: OHI) ("Omega"). Aviv is the indirect owner of the real property and improvements comprising the Facility indicated above (the "Facility"), through Aviv's subsidiary Financing VI Healthcare Property, L.L.C. ("Financing VI"). Financing VI is the direct owner and landlord of the Facility. As of the Effective Date, Aviv is now a wholly-owned subsidiary of Omega, and Aviv will cease to be a publicly traded company (the "Merger"). As a result of the Merger, the ultimate ownership of Aviv and its wholly-owned subsidiaries (including Financing VI) has changed. However, the Merger does not change the licensed operator/tenant of the Facility or modify the existing health facility lease pertaining to the Facility. Additionally, none of the management or personnel of the Facility will change as a result of the Merger.

Based upon our review of North Carolina law, it is our understanding that the Merger will not give rise to a "change of ownership" for CON, nursing home licensure, or Medicaid enrollment purposes with respect to the Facility. However, we are notifying you of the Merger as it impacts the ultimate ownership of the real property leased by the licensee of the Facility.

Should you have any questions concerning the Merger or this notice letter, please do not hesitate to contact the undersigned at (734) 332-0033 or [rschmick@schmicklawn.com](mailto:rschmick@schmicklawn.com).

Sincerely,



Raynold A. Schmick  
Corporate Secretary

cc: North Carolina Department of Health & Human Services  
CSC  
P.O. Box 300009  
Raleigh, NC 27622-8009