



North Carolina Department of Health and Human Services
Division of Health Service Regulation
Office of the Director

2701 Mail Service Center • Raleigh, North Carolina 27699-2701
<http://www.ncdhhs.gov/dhsr/>

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May 10, 2013

Jo-Ann Marchica, Senior Attorney
Arent Fox, LLP
1717 K Street, NW
Washington DC 20036-5342

No Review

Facility or Business: Sunrise of Cary
Project Description: Transfer of membership interest within a parent company
County: Wake
FID #: 070629

Dear Ms. Marchica:

The Certificate of Need Section (CON Section) received your letter of April 17, 2013 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 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 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.

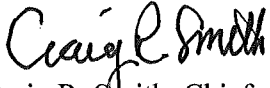
Please contact the CON Section if you have any questions. Also, in all future correspondence you should reference the Facility I.D. # (FID) if the facility is licensed.



Sincerely,



Michael J. McKillip, Project Analyst



Craig R. Smith, Chief
Certificate of Need Section

cc: Adult Care Licensure Section, DHSR

April 17, 2013



Jo-Ann Marchica

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VIA FEDEX

Ms. Barbara Ryan
Chief
NC Department of Health & Human Services
Division of Health Services Regulation
Adult Care Licensure Section
805 Biggs Drive
Raleigh, North Carolina 27603

Re: Transaction

Dear Ms. Ryan:

We are writing to notify you of a transaction involving Sunrise of Cary, an adult care home located at 1206 West Chatham Street, Cary, North Carolina 27513 (the "Facility"). The current licensed operator of the Facility is Sunrise Wake County NC Senior Living, LLC ("Licensee"). Currently, the Licensee leases the Facility from Wake County NC Senior Living Owner, LLC ("Owner"), the owner of the real property comprising the Facility. Sunrise Senior Living Management, Inc. ("SSLMI") manages the Facility pursuant to a management agreement with the Licensee.

CLPSun Two Pool One, LLC ("Pool One") is the sole member of the Licensee. CLP SL II TRS Corp. ("TRS Corp.") is the sole member of Pool One, and CLPSun Partners II, LLC ("CLP Partners") is the sole shareholder of TRS Corp. Currently, CLP Partners is jointly owned 30% by Sunrise Senior Living Investments, LLC ("SSLI") and 70% by CNL Income SL II Holding, LLC ("CNL Holding"). On or about June 1, 2013, CNL Holding will transfer its 70% membership interest in CLP Partners to SSLI, which will become the sole member of CLP Partners. SSLI is a wholly-owned subsidiary of Brewer Holdco, Inc., which is owned 100% by Health Care REIT, Inc., a publicly traded real estate investment trust.

As part of this transaction, the current lease agreement between the Licensee and Owner will terminate, and the Owner will enter into a new lease agreement with TRS Corp. TRS Corp. will in turn sublease the Facility to the Licensee, which will continue as the licensed operator of the Facility. SSLMI will continue to manage the Facility pursuant to a new management agreement with the Licensee.

RPP/592449.1

We have attached hereto flowcharts that illustrate: 1) the current structure of the Facility; and 2) the structure of the Facility following the transaction.

Please accept this letter as official notice of the transaction. If you have any questions regarding the transaction, please do not hesitate to contact me. Thank you.

Sincerely,



Jo-Ann Marchica

cc: Cynthia Rerucha, Esq.

✓ Mr. Craig Smith
Section Chief
Certificate of Need Section
809 Ruggles Drive
Dorthea Dix Campus
Raleigh, North Carolina 27603

Current Structure of the Facility

