



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

Pat McCrory
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Secretary DHHS

Drexdal Pratt
Division Director

January 15, 2014

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 December 27, 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.



Certificate of Need Section

www.ncdhhs.gov

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

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

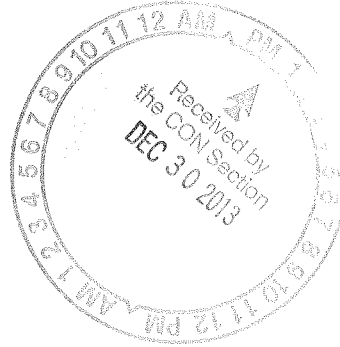
Mailing Address: 2704 Mail Service Center • Raleigh, NC 27699-2704

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File

December 27, 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").

HCRI Sun Two Pool One, LLC ("Pool One") is the sole member of the Licensee. HCRI SL II TRS Corp. ("TRS Corp.") is the sole member of Pool One. HCRI Sun Partners II, LLC ("HCRI Partners") is the sole shareholder of TRS Corp. and an indirect wholly-owned subsidiary of Health Care REIT, Inc. ("HCR"), a publicly traded company. On or about December 30, 2013, HCRI Partners will transfer its 100% ownership interest in TRS Corp. to HCRI/SRZ Master OpCp, LLC, another wholly-owned subsidiary of HCR. There will be no other changes to the ownership of the Licensee or to the day to day operations of the Facility as a result of this transaction. HCR will remain as the ultimate parent company of the Licensee.

We have attached hereto flowcharts that illustrate: 1) the current organizational structure of the Licensee; and 2) the organizational structure of the Licensee 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,

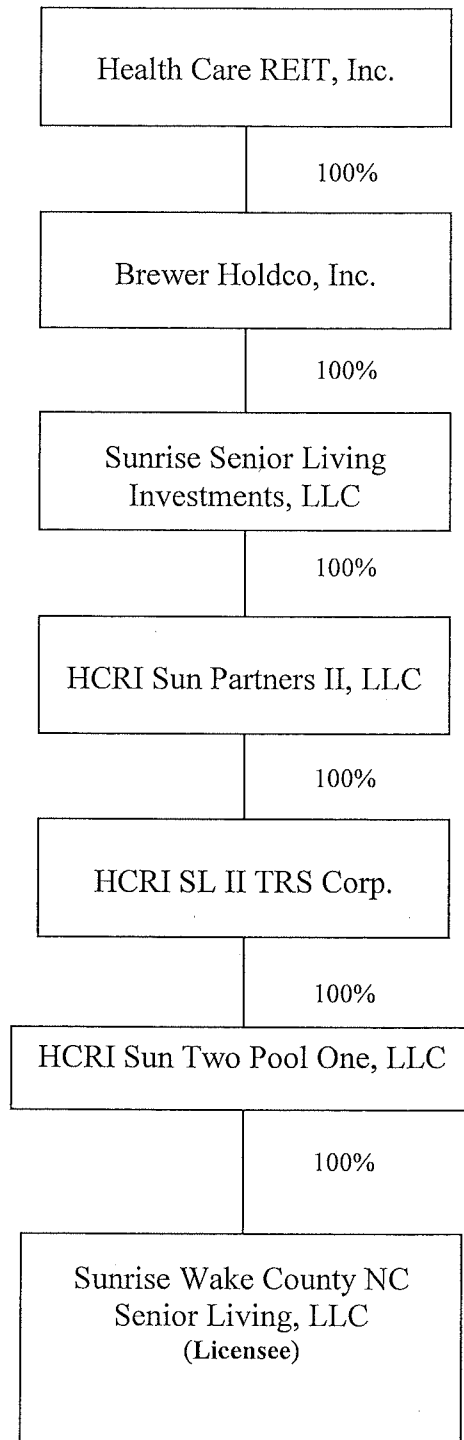


Jo-Ann Marchica

cc: Cynthia Rerucha, Esq.

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

Current Organizational Structure of the Licensee



Organizational Structure of the Licensee Following the Restructuring

