

John P. Doyle Jr.  
jdoyle@preti.com  
207.791.3208

December 10, 2013

**VIA US MAIL AND E-MAIL**

Phyllis Powell  
Assistant Director Medical Facilities Division  
State of Maine | Department of Health and  
Human Services  
State House Station #11  
41 Anthony Avenue  
Augusta, ME 04333

Larry D. Carbonneau  
Program Manager, Certificate of Need  
Division of Licensing & Regulatory Services  
Department of Health and Human Services  
State House Station #11  
41 Anthony Avenue  
Augusta, ME 04333

**RE: Indirect Interest Transfers - Genesis HealthCare (“Genesis”)**

Dear Ms. Powell and Mr. Carbonneau,

Genesis HealthCare (“Genesis”) and its 11 Maine operating entities thank you for providing prior guidance and clearance with respect to the Genesis restructurings that have occurred over the past several years. By way of example, I am attaching my letter of September 23, 2011 and Ms. Powell’s letter received November 17, 2011 in which you granted a “Not Subject to Review” (“NSTR”) ruling with respect to a recent restructuring. By email of February 27, 2012, Mr. Carbonneau confirmed that a conversion of Genesis HealthCare of Maine, Inc. to Genesis HealthCare of Maine, LLC likewise did not require approval (also attached).

The purpose of this letter is to request an NSTR for a series of proposed indirect interest transfers involving the 11 Maine nursing facility operating entities listed in Exhibit A (the “Facilities”), which will result in certain new indirect investor entities and shareholders several levels above the Facilities (the “Interest Transfers”). The Interest Transfers will occur in multiple stages over a period of time with the initial interest transfer to take place in connection with a public offering on the Toronto Stock Exchange. We expect that the initial stage of the Interest Transfers will result in a change of approximately 30 to 42 percent of the current indirect investors and shareholders. Following the initial stage, there will likely be subsequent stages, which will result in a change of greater than 50 percent of the indirect investors. The Interest Transfers are scheduled to begin on or about March 1, 2014.

As reflected in the enclosed diagram, Exhibit B, and as further detailed below, there will be no change to the Facilities who will continue to be the licensees and no change to the intermediate entities. The Interest Transfers will take place multiple levels above the Facilities in the corporate structure. The operating entities’ federal tax identification numbers will not change. In addition, there will be no change to the Facilities’ day-to-day operations as a result of the Interest Transfers.

PRETI FLAHERTY

Phyllis Powell  
Larry D. Carbonneau  
December 10, 2013  
Page 2

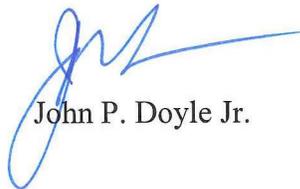
Likewise, the Interest Transfers will have no impact on the MaineCare Medicaid reimbursement of the facilities. There will be no change to the 11 Maine operating entities for the facilities and no change to the individuals who oversee the operations of the facilities. The operational structure on which you based your letter we received on November 17, 2011 will remain intact and unchanged, retaining the following elements:

- The 11 Maine operating entities will remain the same as initially approved under the original CON.
- The parent entity of the 11 Maine operating entities, Genesis HealthCare of Maine, Inc. ("Genesis of Maine"), will continue to hold the membership interests of the 11 Maine operating entities.

Note that the officers/directors of the 11 Maine operating entities will not change as a result of the Interest Transfers.

In conclusion, we request that you issue a NSTR ruling for these proposed changes to the ultimate investors. I will be in touch shortly to confirm receipt of this filing and determine what further questions you may have. Thank you for your attention to this matter.

Sincerely,



John P. Doyle Jr.

JPD:kms

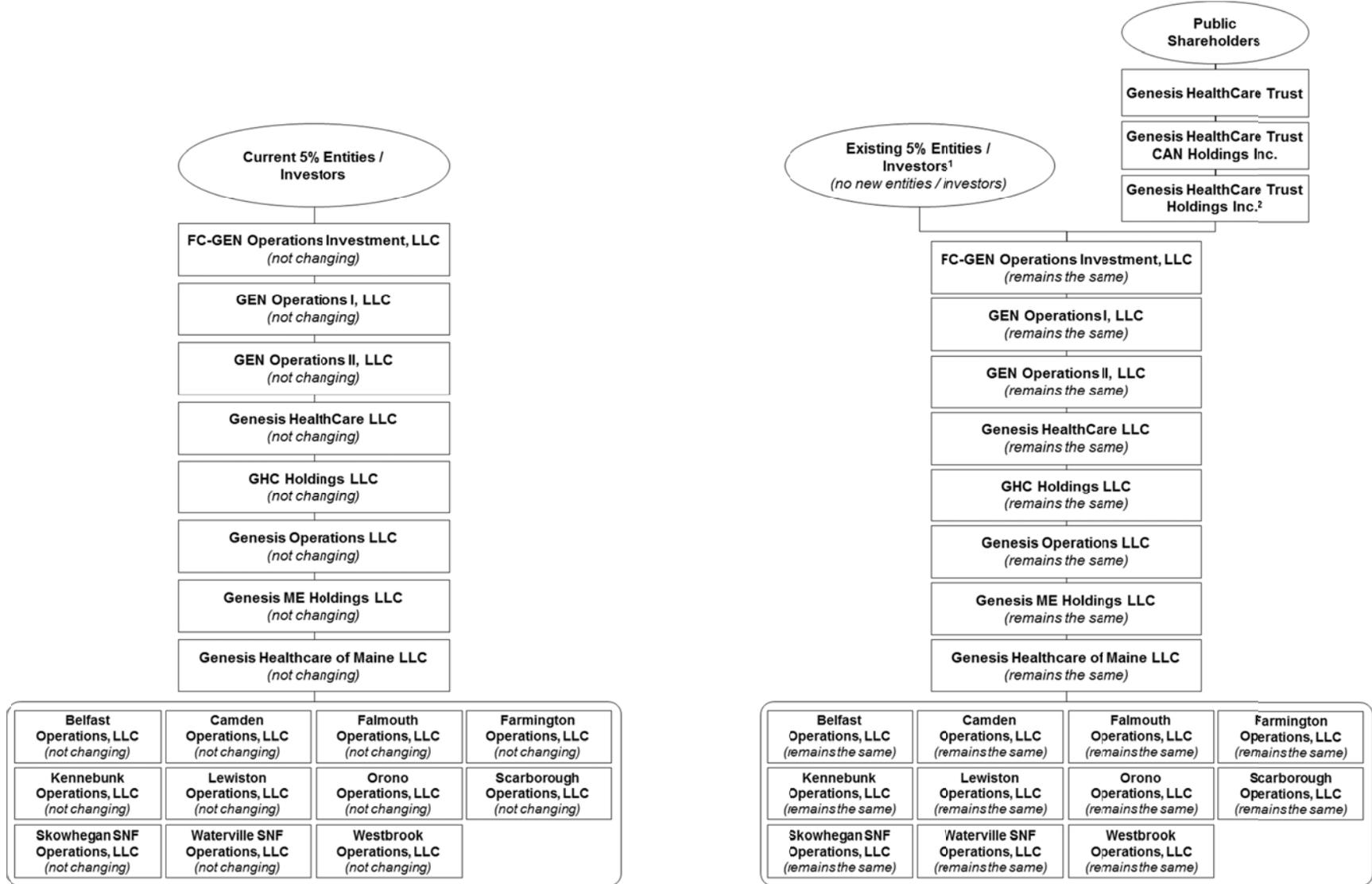
Attachments

cc: Teresa Salamon, Esq.  
Hedy Rubinger, Esq.

**EXHIBIT A**

<b>Facility Name and Address</b>	<b>Facility Operator</b>	<b>Facility Type</b>
Cedar Ridge Center 23 Cedar Ridge Drive Skowhegan, ME 04976-4160	Skowhegan SNF Operations, LLC	SNF
Harbor Hill Center 2 Footbridge Road Belfast, ME 04915-7206	Belfast Operations, LLC	SNF/ALF
Marshwood Center 33 Roger Street Lewiston, ME 04240-3328	Lewiston Operations, LLC	SNF
Oak Grove Center 27 Cool Street Waterville, ME 04901-5221	Waterville SNF Operations, LLC	SNF
Orono Commons 117 Bennoch Road Orono, ME 04473-3620	Orono Operations, LLC	SNF/ALF
Pine Point Center 67 Pine Point Road Scarborough, ME 04074-8813	Scarborough Operations, LLC	SNF
River Ridge Center 3 Brazier Lane Kennebunk, ME 04043-6924	Kennebunk Operations, LLC	SNF/ALF
Sandy River Center 119 Livermore Falls Road Farmington, ME 04938-6241	Farmington Operations, LLC	SNF/ALF
Sedgewood Commons 22 Northbrook Drive Falmouth, ME 04105-1318	Falmouth Operations, LLC	SNF/ALF
Springbrook Center 300 Spring Street Westbrook, ME 04092-3915	Westbrook Operations, LLC	SNF
Windward Gardens 105 Mechanic Street Camden, ME 04843-1811	Camden Operations, LLC	SNF/ALF

## EXHIBIT B



- 1 - These entities and investors will have an approximate 58% to 70% indirect ownership interest after the initial stage. This ownership interest will decrease with subsequent stages and these entities and investors will cease to be part of the structure when Genesis HealthCare Trust Holdings Inc. obtains a 100% indirect interest.
- 2 - This entity will hold an approximate 30% to 42% indirect ownership interest after the initial stage. This interest will likely increase with subsequent stages and this entity will ultimately have a greater than 50% and up to 100% indirect ownership interest.

This diagram presents the Interest Transfers in generalized terms.  
Please let us know if you would like additional information regarding the Interest Transfers.

John P. Doyle Jr.  
jdoyle@preti.com  
Direct Dial: 207.791.3208

September 23, 2011

Phyllis Powell, CONU Manager  
Maine Department of  
Health & Human Services  
Division of Licensing & Regulatory Services  
41 Anthony Avenue  
State House Station 11  
Augusta, ME 04333-0011

**RE: Corporate Structure Modifications / Genesis HealthCare (“Genesis”)**

Dear Phyllis:

This follows my letter of April 14, 2011 in which I reported that as of April 1, 2011 the remaining steps of the approved Genesis restructuring were implemented and complete. Thank you again for your help throughout that process. I am now writing to request a Not Subject To Review (“NSTR”) determination for proposed modifications, which are expected to occur on or about November 1, 2011.

The proposed modifications include: 1) changes to certain investors and ownership percentages at the investor level of the organizational structure; 2) changes to intermediate parent entities within the organization; and 3) changes to selected officers and directors of certain parent entities.

Specifically, there will be a change in the investor owners of FC-GEN Operations Investment, LLC (“FC-GEN Ops”). Currently, the immediate investors of FC-GEN Ops are JER-GAZ-1, LLC, JER-GAZ-2, LLC (collectively “JER”), and FC Investors XI, LLC. The proposed modifications contemplate investors on the FC Investors XI, LLC side acquiring the ownership interests currently held by JER and directly owning 100% of FC-GEN Ops. The proposed modifications also contemplate converting Genesis HealthCare of Maine, Inc. to a limited liability company (i.e., Genesis HealthCare of Maine, LLC), which has already been approved by the CONU in prior approvals, and moving Genesis HealthCare of Maine, LLC and the 11 operating entities directly under GHC Holdings LLC, an entity that is already an indirect parent of these entities.

For your reference, we have attached before and after diagrams and ownership information reflecting the proposed modifications, including the proposed officers and directors of the parent entities.

**Preti Flaherty Beliveau & Pachios LLP** Attorneys at Law

Mailing address: P.O. Box 9546 | Portland, ME 04112-9546 | TEL 207.791.3000 | FAX 207.791.3111 | One City Center | Portland, ME 04101  
2623671.1

September 23, 2011

Phyllis Powell

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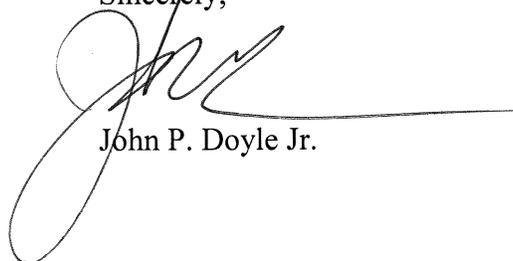
These proposed modifications will have no impact on the operations or the MaineCare Medicaid reimbursement of the facilities. There will be no change to the 11 Maine operating entities for the facilities and no change to the individuals who oversee the operations of the facilities. Moreover, the proposed structure continues to retain the following:

- The 11 Maine operating entities will remain the same as initially approved under the original CON.
- The parent entity of the 11 Maine operating entities, Genesis HealthCare of Maine, Inc. (“Genesis of Maine”), will continue to hold the membership interests of the 11 Maine operating entities. However, Genesis of Maine will be changing its corporate form through conversion and become a limited liability company (i.e., Genesis HealthCare of Maine, LLC). Following the conversion, Genesis of Maine will continue in its current capacity and retain its corporate officers/directors.
- The following individuals will continue as officers/directors of the 11 Maine operating entities:
  - George V. Hager, Jr. (Director, Chief Executive Officer, Assistant Treasurer, and Assistant Secretary);
  - Robert A. Reitz (Director, Executive Vice President, and Chief Operating Officer);
  - Thomas DiVittorio (Chief Financial Officer, Treasurer, and Assistant Secretary);
  - Richard P. Blinn (Executive Vice President – Northeast Area); and
  - Michael S. Sherman (Senior Vice President, Secretary and Assistant Treasurer).
- The Andover, Massachusetts and Portland, Maine satellite offices will continue to be maintained.

These modifications are driven by the proposed withdrawal of certain investors (discussed above), certain corporate and tax reasons, and to allow for a more efficient and practical operating organizational structure.

In conclusion, we request that you issue a NSTR approval. I will be in touch shortly to confirm receipt of this filing and determine what further questions you may have. Thank you for your attention to this matter.

Sincerely,



John P. Doyle Jr.

PRETI FLAHERTY

September 23, 2011

Phyllis Powell

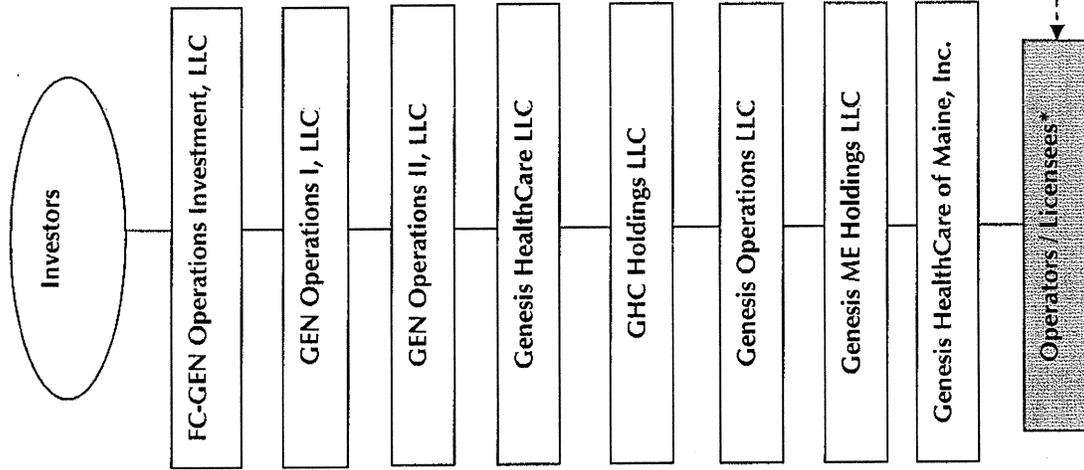
Page 3

JPD:mtv

Attachments

Cc: Larry Carbonneau  
Christina Firth  
Kathryn Kovach  
Michael Sherman, Esq.  
Beth Hungate-Noland, Esq.  
Hedy Rubinger, Esq.  
Keith Mauriello, Esq.

**CURRENT STRUCTURE  
MAINE NURSING FACILITIES  
AND ASSISTED LIVING FACILITIES**



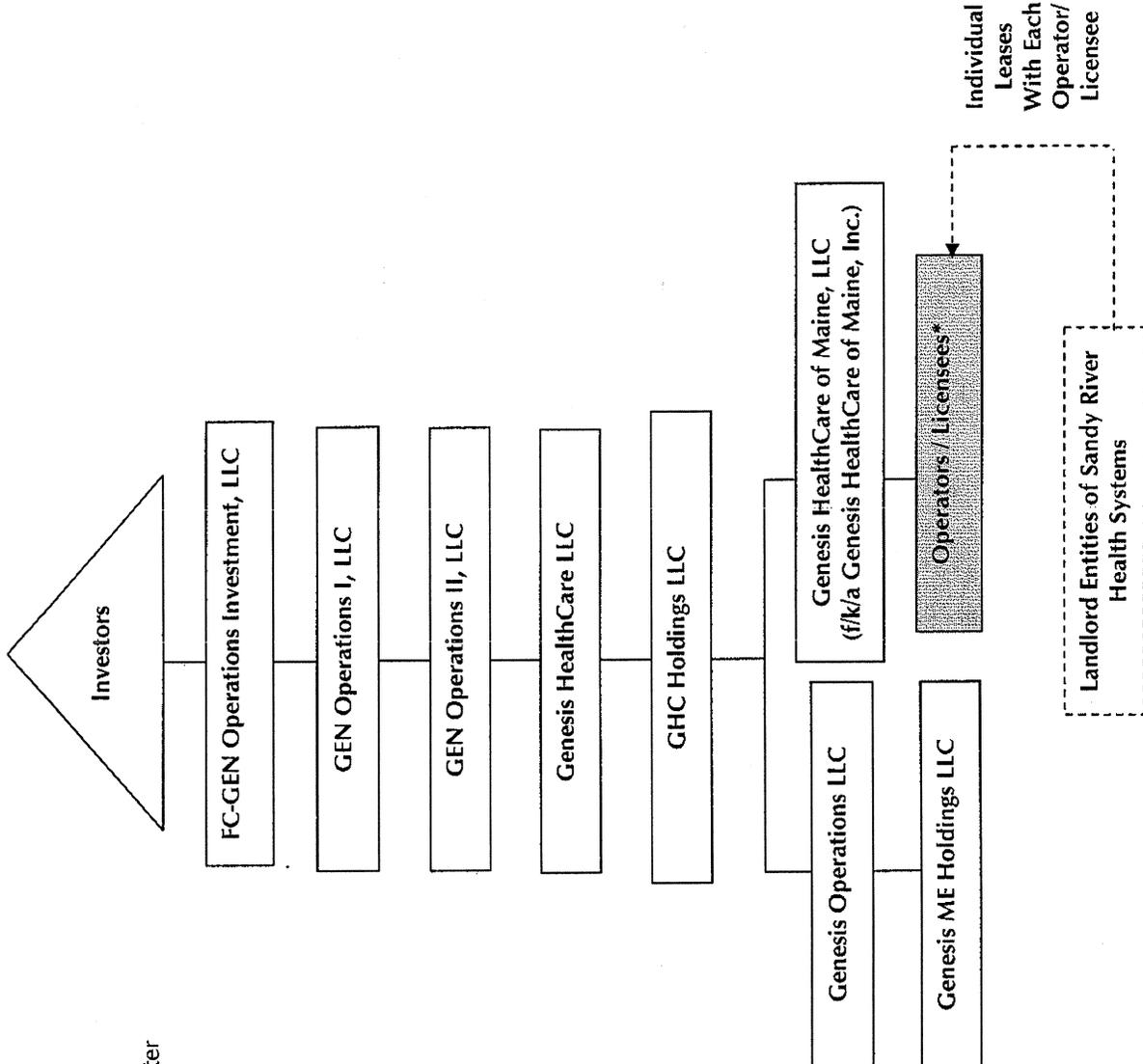
2623717

Individual Leases  
With Each  
Operator/Licensee

**\* - Operators / Licensees:**

1. Skowhegan SNF Operations, LLC d/b/a Cedar Ridge Center
2. Belfast Operations, LLC d/b/a Harbor Hill Center
3. Lewiston Operations, LLC d/b/a Marshwood Center
4. Waterville SNF Operations, LLC d/b/a Oak Grove Center
5. Orono Operations, LLC d/b/a Orono Commons
6. Scarborough Operations, LLC d/b/a Pine Point Center
7. Kennebunk Operations, LLC d/b/a RiverRidge Center
8. Farmington Operations, LLC d/b/a Sandy River Center
9. Falmouth Operations, LLC d/b/a Sedgewood Commons
10. Westbrook Operations, LLC d/b/a Springbrook Center
11. Camden Operations, LLC d/b/a Windward Gardens

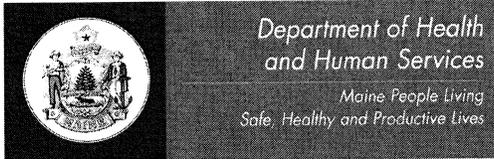
**PROPOSED STRUCTURE  
MAINE NURSING FACILITIES  
AND ASSISTED LIVING FACILITIES**



**\* – Operators / Licensees:**

1. Skowhegan SNF Operations, LLC d/b/a Cedar Ridge Center
2. Belfast Operations, LLC d/b/a Harbor Hill Center
3. Lewiston Operations, LLC d/b/a Marshwood Center
4. Waterville SNF Operations, LLC d/b/a Oak Grove Center
5. Orono Operations, LLC d/b/a Orono Commons
6. Scarborough Operations, LLC d/b/a Pine Point Center
7. Kennebunk Operations, LLC d/b/a RiverRidge Center
8. Farmington Operations, LLC d/b/a Sandy River Center
9. Falmouth Operations, LLC d/b/a Sedgewood Commons
10. Westbrook Operations, LLC d/b/a Springbrook Center
11. Camden Operations, LLC d/b/a Windward Gardens

Undated Letter Received 11/17/11



Paul R. LePage, Governor

Mary C. Mayhew, Commissioner

Department of Health and Human Services  
Licensing and Regulatory Services  
41 Anthony Avenue  
11 State House Station  
Augusta, Maine 04333-0011  
Tel. (207) 287-9300; Fax (207) 287-9307  
Toll Free (800) 791-4080; TTY (800) 606-0215

John P. Doyle, Jr., Esq.  
Preti Flaherty  
One City Center  
Portland, ME 04101

**RE: Corporate Structure Modifications/Genesis HealthCare ("Genesis")**

Dear Mr. Doyle:

This letter is in response to your letter of September 23, 2011. We also acknowledge your letter of April 14, 2011 in which you reported that the remaining steps of the approved restructuring had been completed as of April 1, 2011.

Your September 23 letter outlined certain corporate structure modifications to the organizational structure of Genesis including: 1) changes to certain investors and ownership percentages at the investor level of the organizational structure; 2) changes to intermediate parent entities within the organization; and 3) changes to selected officers and directors of certain parent entities. You also stated that the modifications contemplate converting Genesis HealthCare of Maine, Inc. to a limited liability company (i.e., Genesis HealthCare of Maine, LLC), which has already been approved by the CONU.

Based on the information provided, we have determined the proposed modifications set forth in your September 23, 2011 letter **do not require CON review and approval**. We note that the proposed modifications will have no impact on operations or the MaineCare reimbursement of the facilities, there will be no change to the 11 Genesis Maine operating entities and no change to the individuals who oversee the operations of the facilities.

We thank you for continuing to provide the CONU with this further update. Please feel free to contact us again regarding future changes.

Sincerely,

Phyllis Powell  
Director, CON

Cc: file  
Carbonneau

-----Original Message-----

From: Doyle, John P., Jr.  
Sent: Monday, February 27, 2012 9:55 AM  
To: Carbonneau, Larry; Powell, Phyllis  
Cc: Sherman, Michael; Hungate-Noland, Beth; Keith.Mauriello@AGG.com;  
Rubinger, Hedy S.; Stauffer, Eric P.; Doyle, John P., Jr.  
Subject: RE: Genesis Maine Facilities and One more clarification

Larry

Thank you for prompt and favorable reply

John P. Doyle Jr. | Chair, Health Law Practice Group PretiFlaherty One City  
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207.699.8269 | F 207.791.3111 jdoyle@preti.com | www.preti.com  
<<http://www.preti.com>>

From: Carbonneau, Larry [mailto:Larry.Carbonneau@maine.gov]  
Sent: Monday, February 27, 2012 9:22 AM  
To: Doyle, John P., Jr.; Powell, Phyllis  
Cc: Sherman, Michael; Hungate-Noland, Beth; Keith.Mauriello@AGG.com;  
Rubinger, Hedy S.; Stauffer, Eric P.  
Subject: RE: Genesis Maine Facilities and One more clarification

Mr. Doyle,

Thank you for continuing to keep us informed of the changes and actions on the Genesis of Maine front. As to the latest clarification we acknowledge receipt of the clarification and once again note that no other action will be taken regarding the subject.

From: Doyle, John P., Jr. [mailto:jdoyle@preti.com]  
Sent: Monday, February 27, 2012 8:56 AM  
To: Powell, Phyllis; Carbonneau, Larry  
Cc: Doyle, John P., Jr.; Sherman, Michael; Hungate-Noland, Beth; Keith A. Mauriello (Keith.Mauriello@AGG.com); Rubinger, Hedy S.; Stauffer, Eric P.  
Subject: FW: Genesis Maine Facilities and One more clarification

Phyllis and Larry,

Thank you again for approvals and clarifications regarding Genesis restructuring and HUD/Master leases following approval letter of December 12 responding to our request of December 9, 2011 - attached - and for emails attached of January 12 and January 6.

I am sharing one more clarification - in the December 9 letter, I indicated in the second paragraph that the restructuring would involve, among other steps "(1) the conversion of Genesis HealthCare of Maine, Inc. to Genesis HealthCare of Maine, LLC".

I am now informed that this change may occur either through conversion, as disclosed, or by merging Genesis HealthCare of Maine, Inc. into Genesis

HealthCare of Maine, LLC. Also, Genesis HealthCare of Maine, LLC will be a Maine LLC. Per your letter of December 12, it remains the case that "there will be no change to the 11 Maine Genesis operating entities and no change to the individuals who oversee the operations of these facilities".

We trust this further clarification in no way affects the December 12 NSTR from a CON standpoint and there is nothing further needed for license purposes as well. An email confirmation would be much appreciated. I am at a seminar on long-term care in Phoenix but will be checking emails etc.

Thank you for your help and guidance throughout.

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