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July 7, 2017

**VIA EMAIL ([donna.jerry@vermont.gov](mailto:donna.jerry@vermont.gov))**  
**FIRST CLASS MAIL (original and one copy)**

Donna Jerry  
Senior Health Policy Analyst  
Green Mountain Care Board  
89 Main Street  
Montpelier, Vermont 05620-3601

**Purchase of Kindred Transitional Care and Rehabilitation - Birchwood Terrace**

Dear Ms. Jerry:

This firm represents BIRCHWOOD OPERATIONS LLC and BIRCHWOOD PROP LLC (the "Applicants"), both Vermont limited liability companies. The Applicants are submitting this letter acknowledging the Green Mountain Care Board's certificate of need jurisdiction over the Applicants' proposed purchase of Kindred Transitional Care and Rehabilitation - Birchwood Terrace ("Birchwood"), as detailed herein.

Birchwood, a skilled nursing facility, is located at 43 Starr Farm Road in the City of Burlington, Chittenden County, Vermont, and has 144 licensed beds, which includes a 50-bed Alzheimers special care unit.

On June 30, 2017, Kindred Healthcare Operations, Inc. ("Kindred"), a Delaware corporation, entered into an Asset Purchase Agreement ("APA") with BM Eagle Holdings, LLC ("Eagle Holdings"), a Delaware limited liability company, wherein Kindred agreed to sell (or transfer the relevant leasehold interest in) the real property and assets comprising approximately ninety-six (96) skilled nursing facilities and assisted living facilities (the "Facilities") throughout the United States to Eagle Holdings. The APA identified the closing date anticipated with regard to Birchwood as September 30, 2017.

Kindred owns directly or indirectly all of the outstanding equity interests of Kindred Nursing Centers East, LLC (also "Kindred"), a Delaware limited liability company, that owns or operates Birchwood, along with several other out-of-state facilities included in the APA.

As part of the APA, Eagle Holdings will purchase Birchwood from Kindred. Kindred also has a 50% partnership interest in Starr Farm Partnership ("Starr Farm"), a Vermont partnership that owns Kindred Starr Farm Nursing Home. The Applicants anticipate separately notifying the Green Mountain Care Board of their intent to purchase Starr Farm.

Ventas Realty, Limited Partnership, a Delaware limited partnership, holds an existing ground leasehold interest in Birchwood which will be conveyed to the Applicants at closing.

Eagle Holdings and BIRCHWOOD PROP LLC entered into an Assignment and Assumption Agreement dated June 30, 2017 wherein Eagle Holdings agreed to assign to BIRCHWOOD PROP LLC all of its right, title and interest in and to the APA solely with respect to Birchwood and Starr Farm.

On June 30, 2017, Kindred and BIRCHWOOD OPERATIONS LLC and E&R Operations LLC, a New York limited liability company (BIRCHWOOD OPERATIONS LLC's guarantor) also entered into an Operations Transfer and Surrender Agreement to divest Kindred of the operations or management of Birchwood and all its interests in the tangible and intangible property and related other interests relating to the operation and/or management of Birchwood.

The Applicants acknowledge that the proposed project described above is subject to the Green Mountain Care Board's jurisdiction under 18 V.S.A. § 9434 and are providing preliminary information to commence the certificate of need application process. Specifically, the Applicants acknowledge that this is a new health care project in that it is the purchase of a health care facility for which the capital cost exceeds \$1,500,000.00.

If there is any additional information that would be helpful to you prior to sending the application packet, please do not hesitate to let me know.

Thank you for your time on the telephone today discussing the application format, and thank you in advance for your assistance going forward.

Sincerely,



Shireen T. Hart