

**OFFICE OF INSURANCE REGULATION****MICHAEL YAWORSKY**
COMMISSIONER

IN THE MATTER OF:

CASE NO.: 319449-23-CO

Consolidated Application for a
Provisional Certificate of Authority
and a Certificate of Authority
to EMERSON LAKES, LLC

CONSENT ORDER

THIS CAUSE came on for consideration upon the filing by EMERSON LAKES, LLC ("APPLICANT"), with the FLORIDA OFFICE OF INSURANCE REGULATION ("OFFICE") of a consolidated application for the issuance of a Provisional Certificate of Authority and a Certificate of Authority to APPLICANT as a Continuing Care Retirement Community ("CCRC"), pursuant to Section 651.0215, Florida Statutes ("Application"). After a complete review of the entire record, and upon consideration thereof, and being otherwise fully advised in the premises, the OFFICE hereby finds as follows:

1. The OFFICE has jurisdiction over the subject matter and the parties herein.
2. APPLICANT has applied for and, subject to the present and continuing satisfaction of the requirements, terms, and conditions established herein, has satisfactorily met all of the conditions precedent to the granting to it of a Provisional Certificate of Authority and a Certificate of Authority pursuant to Section 651.0215, Florida Statutes.
3. APPLICANT is a Maryland limited liability company.
4. APPLICANT's ownership is as disclosed in the Application, but includes ERICKSON LIVING HOLDINGS, LLC ("ERICKSON").

5. If the OFFICE determines that any individual for whom APPLICANT or ERICKSON is required to submit background information as part of this Application is unacceptable under the Florida Insurance Code, APPLICANT or ERICKSON shall remove or cause the removal of said person within 30 days of notice from the OFFICE and replace them with a person or persons acceptable to the OFFICE or shall undertake such other corrective action as directed by the OFFICE. Failure to act would constitute an immediate serious danger to the public and the OFFICE may take administrative action as it deems appropriate upon the Certificate of Authority of APPLICANT without further proceedings, pursuant to Sections 120.569(2)(n) and 120.60(6), Florida Statutes.

6. Subsequent to the issuance of this Consent Order, any change in APPLICANT's management shall be subject to the provisions of Section 651.043, Florida Statutes. This Section requires, among other things, that APPLICANT notify the OFFICE in writing or electronically of any change in management within 10 business days and provide to the OFFICE the information required by Section 651.022(2), Florida Statutes, as well as a copy of the written management contract, if applicable.

7. The OFFICE has relied upon the representations found in the Plan of Operations and supporting documents that APPLICANT has submitted with the Application. Written approval must be secured from the OFFICE prior to any material deviation from said Plan of Operations.

8. APPLICANT has filed a feasibility study with the Application upon which the OFFICE has relied. APPLICANT acknowledges that any material deviations from the projections as outlined in the feasibility study submitted with the Application may result in the OFFICE requiring APPLICANT to obtain and submit a new or revised feasibility study and supplemental actuarial information. Such feasibility study shall be prepared in accordance with Section 651.023(1)(b), Florida Statutes.

9. APPLICANT and ERICKSON acknowledge that failure to keep current and fulfill the marketing or financial projections forecast in the feasibility study submitted with the Application or any supplemental feasibility study submitted to the OFFICE, whether new, amended, or updated, may represent a hazardous or injurious transaction, method, or practice pursuant to Rule 69O-193.033(5), Florida Administrative Code.

10. APPLICANT understands that it shall comply with Rule 69O-193.030, Florida Administrative Code, and submit to the OFFICE an amended or updated feasibility study when an extraordinary or unusual change occurs, within 60 days of such change.

11. APPLICANT has submitted various escrow agreements with the Application. Upon execution of this Consent Order, the form of the submitted escrow agreements is hereby approved. APPLICANT shall ensure that its escrow agreements fully comply with Section 651.033, Florida Statutes, and obtain the prior written approval of the OFFICE before making any change to its escrow agreements or executing new escrow agreements. APPLICANT agrees that the OFFICE may require APPLICANT to deposit with the Department of Financial Services' Bureau of Collateral Management funds required to be escrowed upon the withdrawal of an approved escrow agent or upon the inability of the OFFICE to approve an escrow agreement with respect to APPLICANT, until such time that a new escrow agent or agreement is approved by the OFFICE.

12. APPLICANT agrees to provide its construction loan to the OFFICE for review and approval prior to execution.

13. With respect to any new financing, additional financing, or refinancing, APPLICANT shall comply with the provisions of Section 651.0215, Florida Statutes.

14. APPLICANT and ERICKSON acknowledge that any financing shall not encumber the operating reserve account, the renewal and replacement reserve account, the entrance fee escrow account, any reservation deposits, or any wait list deposits.

15. APPLICANT acknowledges that a Provisional Certificate of Authority or a Certificate of Authority are not fungible assets and cannot be transferred to another entity. APPLICANT acknowledges that a creditor may not be granted a security interest in a Provisional Certificate of Authority or a Certificate of Authority.

16. APPLICANT and ERICKSON acknowledge that any acquisition of APPLICANT or interest therein is subject to the provisions of Sections 628.4615 and 651.024, Florida Statutes, and requires the prior written approval of the OFFICE.

17. APPLICANT shall not offer continuing care contracts for sale in Florida until APPLICANT has filed its forms with the OFFICE as required and such filings have been approved in writing by the OFFICE, pursuant to Section 651.055, Florida Statutes. APPLICANT acknowledges that contracts for continuing care and amendments thereto shall be submitted to the OFFICE for approval prior to use pursuant to Section 651.055, Florida Statutes, and must conform to the requirements of Chapter 651, Florida Statutes.

18. APPLICANT acknowledges that pursuant to Section 651.061(1), Florida Statutes, it may only terminate a continuing care contract for just cause. APPLICANT affirms that it shall not terminate a residency agreement due to a resident's inability to pay monthly maintenance fees until the entire unearned entrance fee, plus, when applicable, any Medicare benefits under Title XVIII of the Social Security Act, or third-party insurance benefits received, is earned by the facility, pursuant to Section 651.061(2), Florida Statutes. APPLICANT affirms that for this purpose, the unearned portion shall be the difference between all amounts paid in by the resident and the cost of caring for the resident based upon the per capita cost to the facility. APPLICANT

acknowledges that should the entrance fee be exhausted within 90 days of the date of failure to pay, the facility may not require the resident to leave before 90 days from the date of failure to pay, during which time the resident shall continue to pay the facility a reduced fee based on the resident's current income.

19. APPLICANT acknowledges that any entity that it contracts with for the provision of insurance coverage shall be authorized, made eligible, or registered with the OFFICE as appropriate, unless otherwise approved in writing by the OFFICE.

20. Pursuant to Section 651.091(4), Florida Statutes, APPLICANT shall submit to the OFFICE all disclosure documents prior to use, including the resident handbook.

21. Within 30 business days from the date of the execution of this Consent Order APPLICANT shall submit executed copies of its escrow agreements bearing APPLICANT's assigned Florida Company Code and bank account numbers to the OFFICE.

22. APPLICANT shall timely submit reports and financial statements to the OFFICE via the OFFICE's Regulatory Electronic Filing System ("REFS"). APPLICANT represents that its fiscal year end is December 31. As such, annually on or before May 1, APPLICANT shall submit to the OFFICE an annual report including audited financial statements pursuant to Section 651.026, Florida Statutes. APPLICANT shall also submit periodic financial statements to the OFFICE via REFS on a quarterly basis, pursuant to Section 651.0261, Florida Statutes, and, if required, monthly statements pursuant Rule 690-193.005, Florida Administrative Code. Any quarterly statement due to be filed with the OFFICE is in addition to any monthly statement required for the same period. Quarterly statements are due on or before the 45th day following the period ending date. Monthly statements are due on or before the 25th day of the month following the period ending date.

23. APPLICANT agrees that it shall submit monthly statements for a period of 1 year once the facility has become operational. After the submission of the 12th monthly statement APPLICANT may request to be taken off monthly reporting. Such request will be evaluated pursuant to Rule 69O-193.005, Florida Administrative Code.

24. Notwithstanding the provisions of Section 651.013, Florida Statutes, APPLICANT agrees to fully comply with and be bound by the provisions of Section 624.318, Florida Statutes. APPLICANT acknowledges that failure to comply with an investigation or examination by the OFFICE pursuant to Sections 624.316, 624.318, or 651.105, Florida Statutes, is grounds for the suspension or revocation of APPLICANT's Provisional Certificate of Authority and Certificate of Authority and may be grounds to petition for the appointment of a receiver.

25. APPLICANT and ERICKSON affirm and represent that all information, explanations, representations, statements, and documents provided to the OFFICE in connection with this Application, including all attachments and supplements thereto, are true and correct and fully describe all transactions, agreements, ownership structures, understandings, and control with regard to the licensure and future operations of APPLICANT. APPLICANT and ERICKSON further agree and affirm that said information, explanations, representations, statements, and documents, including all attachments and supplements thereto, are material to the issuance of this Consent Order and have been relied upon by the OFFICE in its determination to enter into this Consent Order.

26. Any deadlines, reporting requirements, other provisions, or requirements set forth in this Consent Order may be altered or terminated by written approval of the OFFICE. Such approval must be requested in writing prior to any proposed deviation from the terms of this Consent Order.

27. APPLICANT and ERICKSON affirm that all requirements set forth herein are material to the issuance of this Consent Order.

28. APPLICANT and ERICKSON expressly waive a hearing in this matter, the making of findings of fact and conclusions of law by the OFFICE, and all further and other proceedings herein to which they may be entitled by law or rules of the OFFICE. APPLICANT and ERICKSON hereby knowingly and voluntarily waive all rights to challenge or to contest this Consent Order, in any forum available to them, now or in the future, including the right to any administrative proceeding, state or federal court action, or any appeal.

29. Each party to this action shall bear its own costs and fees.

30. APPLICANT and ERICKSON agree that, upon execution of this Consent Order, failure to adhere to one or more of the terms and conditions contained herein may result, without further proceedings, in the OFFICE suspending, revoking, or taking other administrative action as it deems appropriate upon the APPLICANT's Certificate of Authority, pursuant to Sections 120.569(2)(n) and 120.60(6), Florida Statutes.


31. The parties agree that this Consent Order shall be deemed to be executed when the OFFICE has signed and docketed a copy of this Consent Order bearing the signatures of the authorized representatives of APPLICANT and ERICKSON.

WHEREFORE, subject to the terms and conditions set forth above, the FLORIDA OFFICE OF INSURANCE REGULATION hereby approves the Application for issuance of a Provisional Certificate of Authority and a Certificate of Authority to EMERSON LAKES, LLC.

FURTHER, all terms and conditions contained herein are hereby ORDERED.

DONE and ORDERED this 4th day of December, 2023.




Mike Yaworsky, Commissioner
Office of Insurance Regulation

By execution hereof EMERSON LAKES, LLC, consents to entry of this Consent Order, agrees without reservation to all of the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that they have the authority to bind EMERSON LAKES, LLC, to the terms and conditions of this Consent Order.

EMERSON LAKES, LLC

By: *Christian Sweetser*

Print Name: Christian Sweetser

Title: CFO

Date: 11/30/23

STATE OF Maryland

COUNTY OF Baltimore

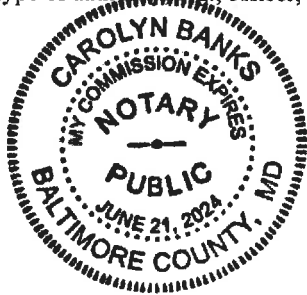
The foregoing instrument was acknowledged before me by means of physical presence

or online notarization, this 30th day of November 2023 by Christian Sweetser
(name of person)

as CFO for Emerson Lakes, LLC

(type of authority, e.g., officer, trustee, attorney in fact)

(company name)



Carolyn Marie Banks
(Signature of the Notary)

Carolyn Marie Banks
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known OR Produced Identification _____

Type of Identification Produced _____

My Commission Expires: 06/21/2024

By execution hereof ERICKSON LIVING HOLDINGS, LLC, consents to entry of this Consent Order, agrees without reservation to all of the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that they have the authority to bind EMERSON LAKES, LLC, to the terms and conditions of this Consent Order.

ERICKSON LIVING HOLDINGS, LLC

By: *Christian Sweetser*

Print Name: Christian Sweetser

Title: CFO

Date: 11/30/23

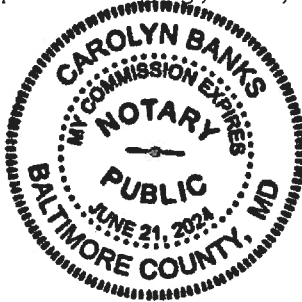
STATE OF Maryland

COUNTY OF Baltimore

The foregoing instrument was acknowledged before me by means of physical presence

or online notarization, this 30th day of November 2023, by Christian Sweetser
(name of person)

as CFO for Erickson Living Holdings, LLC
(type of authority: e.g., officer, trustee, attorney in fact) (company name)



Carolyn Marie Banks
(Signature of the Notary)

Carolyn Marie Banks
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known OR Produced Identification _____

Type of Identification Produced _____

My Commission Expires: 06/21/2024

COPIES FURNISHED TO:

LYNN GORDON, DIRECTOR, REGULATORY AFFAIRS

Erickson Senior Living
701 Maiden Choice Ln
Catonsville, MD 21228
Email: lynn.gordon@erickson.com

ALAN BUTLER, CEO/PRESIDENT

Emerson Lakes, LLC
701 Maiden Choice Ln.
Catonsville, MD 21228
Email: alan.butler@erickson.com

CAROLYN MORGAN, DIRECTOR

Life and Health Financial Oversight
Florida Office of Insurance Regulation
200 East Gaines Street
Tallahassee, FL 32399

JASON REYNOLDS, FINANCIAL ADMINISTRATOR

Life & Health Financial Oversight
Florida Office of Insurance Regulation
200 East Gaines Street
Tallahassee, FL 32399

ALEX KITSOS, FINANCIAL CONTROL ANALYST

Life & Health Financial Oversight
Florida Office of Insurance Regulation
200 East Gaines Street
Tallahassee, FL 32399

JENNIFER A. MILAM, ASSISTANT GENERAL COUNSEL

Florida Office of Insurance Regulation
200 East Gaines Street
Tallahassee, FL 32399
Phone: 850-413-4281
Email: jennifer.milam@flair.com