



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

Pat McCrory
Governor

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Ambassador (Ret.)
Secretary DHHS

Drexdal Pratt
Division Director

March 12, 2015

Linda Darden
Hospice & Palliative CareCenter
101 Hospice Lane
Winston-Salem, NC 27103

No Review

Facility or Business: Hospice and Palliative CareCenter
Project Description: Relocate existing facility within the same county
County: Stokes
FID #: 060020

Dear Ms. Darden:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) received your letter of February 20, 2015 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 Agency's Acute and Home Care Licensure and Certification Section to determine if it have any requirements for development of the proposed project.

It should be noted that this determination is binding only for the facts represented in your correspondence. 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 this office. 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.



Healthcare Planning and 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

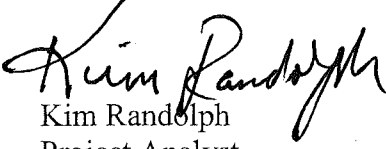
An Equal Opportunity/ Affirmative Action Employer

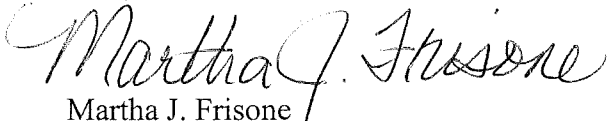


Linda Darden
March 12, 2013
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Please contact this office if you have any questions. Also, in all future correspondence you should reference the Facility ID # (FID) if the facility is licensed.

Sincerely,


Kim Randolph
Project Analyst


Martha J. Frisone
Assistant Chief, Certificate of Need

cc: Acute and Home Care Licensure and Certification Section, DHSR
Assistant Chief, Healthcare Planning

February 20, 2015

VIA FEDERAL EXPRESS

Ms. Martha Frisone, Chief
Certificate of Need Section
Division of Health Service Regulation
North Carolina Department of Health and Human Services
2704 Mail Service Center
Raleigh, North Carolina 27699-2704



Re: Site Relocation for Hospice & Palliative CareCenter (License Number: HOS 3295;
Facility ID: 060020 (Stokes County/Health Service Area II))

Dear Mrs. Frisone:


Pursuant to N.C. Gen. Stat. § 131E-184(a), we are writing to notify you that the above-identified hospice agency, currently located at 235 North Main Street, P.O. Box 863, Walnut Cove, North Carolina, 27052 (the "Current Location"), will be relocating its office to 810 South Main Street, Suite 105, Walnut Cove, North Carolina, 27052 (the "New Location"), effective March 2, 2015. The Current Location is operated under license number HOS3295. Attached for your review is a redacted copy of the lease for the New Location.

This relocation is being made as a result of needing expanded and upgraded space. The New Location is located approximately two (2) miles and approximately three (3) minutes from the Current Location. As such, both the Current Location and the New Location are within the original service area of the hospice agency. This relocation does not involve any activities that would implicate the definition of "new institutional health service" as that term is defined in N.C. Gen. Stat. § 131E-176(16).

The relocation is scheduled to occur on March 2, 2015. In advance of that date, we would appreciate your written confirmation that the proposed relocation does not require a CON.

Thank you for your time, and if you have any questions or need additional information, please do not hesitate to contact me at (336) 331-1283 or via email at Linda.Darden@hospicecarecenter.org. You may also contact Ross Sallade at (919) 329-3875 or via email at ross.sallade@nelsonmullins.com. We appreciate your consideration of this matter.

Sincerely Yours,


Linda W. Darden, MHA, CPA
President/CEO

Enclosure

cc: Ross E. Sallade, Esq.



Hospice & Palliative
CARECENTER

NORTH CAROLINA)
)
STOKES COUNTY)

COMMERCIAL LEASE AGREEMENT

THIS LEASE AGREEMENT made and entered into this the 24th day of October, 2013, by and between JAMES T. PEELE and wife, MELISSA PEELE, of Stokes County, North Carolina, hereinafter referred to as Lessors, and HOSPICE & PALLIATIVE CARE CENTER, of Stokes County, North Carolina, hereinafter referred to as Lessee;

WITNESSETH:

WHEREAS, the Lessors are seized of certain property located within the County of Stokes, State of North Carolina, and more particularly described as follows:

810 S. MAIN STREET, SUITE 105
WALNUT COVE, NC 27052

WHEREAS, the Lessors desire to lease said property to the Lessee for a period of time as outlined below upon the following terms and conditions as contained herein this Lease; and

WHEREAS, the Lessee desires to lease the above stated property from the Lessors upon the following terms and conditions as contained within this Lease;

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein this Lease Agreement, the parties, both the Lessors and Lessee, do hereby agree to the following terms and conditions as follows:

1. TERM OF LEASE.

The term of this Lease is for a period of three (3) years and shall commence on the 1st day of December, 2013, and shall end on the 31st day of December, 2016.

2. RENT.

A security deposit of [REDACTED] is to be paid prior to entry of this lease. Lessors will keep this deposit in a separate account and held until lease terminates.

The total rent for the three-year term of this Lease shall be [REDACTED] per year, payable as follows: [REDACTED] payable on the 1st day of December, 2013, and a like amount payable on the 1st day of each calendar month thereafter with the last monthly payment being due and payable on the 1st day of December, 2016. There will be a \$25.00 late fee on rent paid after the fifteenth (15th) of the month in which it is due. All rent payments shall be paid to the Lessors at the following address: 483 Sam Fulk Rd.
Pilot mtn., NC 27041

3. OPTION TO RENEW.

The Lessee shall have the right and option to renew this Lease for an additional term of three (3) years at such rent and upon such terms and conditions as listed below; provided, however, the Lessee shall give written notice of its desire not to renew the Lease or to renew or to extend the term hereof at least ninety (90) days prior to the end of the leased term. The first term renewal of three (3) years shall be a one-year term total rent of [REDACTED] payable monthly in the amount of [REDACTED]. A second term renewal shall be a term of three (3) years for up to a total of twelve (12) years and rent will be negotiated on renewals with a guaranteed maximum increase of no more than eight percent (8%).

4. USE OF PREMISES.

The leased premises are to be used and occupied by Lessee in the general operation of business. If the Lessee desires to use the property for any other business or purpose substantially different in nature, it shall first receive the written permission of the Lessors, which shall not be unreasonably withheld.

5. UTILITIES.

The Lessee hereby agrees that he shall be responsible for all utilities including water, gas, electric, telephone, heat and other services delivered to the premises.

6. SIGNS.

The Lessee shall have the right to place signs or other advertising devices, electrical or non-electrical, on the premises. Said signs or other advertising devices as are installed shall not structurally weaken the leased premises, shall be installed in a first-class, workmanlike manner and at the expense of the Lessee. Upon termination of this Lease, as herein provided, the Lessee shall at its own expense remove all such signs and advertising devices, repair any damages to the building caused by the installation or removal of such signs or advertising devices. The Lessee agrees that all signs so installed shall meet all requirements of applicable laws and ordinances, provided, however, that no signs or advertisement of any kind or type shall be painted on the walls or roof of said premises.

7. FIXTURES.

Any and all improvements made to the premises during the term hereof shall belong to the Lessors, except such trade fixtures of the Lessee which may be removed without damage to the property. Any improvements or additions proposed to be made by the Lessee must first be acknowledged and agreed to by the Lessors in writing.

8. CARE, MAINTENANCE AND REPAIRS.

A. The Lessee acknowledges by the execution of this Lease that the premises are in good order and repair after installation of new HVAC and electrical.

B. The Lessors shall maintain and keep in a good state of repair at their expense the roof, structural walls and foundation of the leased premises.

C. The Lessee shall maintain and keep in a good state of repair at its own expense all other parts and portions of the leased premises. The Lessee further shall at all times keep the premises in a neat and orderly condition keeping the entranceway and any access free and clear from rubbish, trash or other debris.

9. SURRENDER OF PREMISES.

The Lessee agrees to surrender the premises at the end of the original term or any extended term or terms in as good a condition and repair as when received or upon the completion of any improvements or alterations, ordinary wear and tear excepted. It is understood and agreed by the parties hereto that so-called trade fixtures used by the Lessee in its business and attached to the premises shall not be considered as alterations, and the Lessee shall have the right to remove the same upon the termination of this Lease. Lessee further agrees to repair any damage caused to the interior or exterior of said premises by removing such trade fixtures.

10. INDEMNIFICATION OF LESSORS.

The Lessors shall not be responsible or liable for any damage or injury to the Lessee or to any other person including any Lessee agent or employee of the Lessee or further to any property for any damage or injury occurring on the leased property or any part thereof, and the Lessee furthermore shall indemnify, protect and save harmless the Lessors from and against any and all claims, liabilities, damages or losses, and loss or expense of any sort or nature to any person, firm or corporation which may arise or grow out of the use or occupancy of the leased premises by the Lessee or out of any intentional or negligent act or omission of the Lessee, its agents, servant, employees, invitees or licensees; provided, however, the Lessors shall indemnify the Lessee for any damage or injury caused by the Lessors.

11. INSURANCE.

A. Fire Insurance. The Lessors agrees to maintain a normal fire insurance policy on the leased premises. However, all other insurance on any personal property contained within the leased premises shall be maintained by the Lessee.

B. Liability Insurance. The Lessee shall at all times during the term of this Lease, and at no cost to the Lessors, maintain and provide general liability insurance covering the leased premises for the benefit and protection of both the Lessors and the Lessee in any amount not less than \$100,000.00 for injury to any one person and not less than \$300,000.00 for injury to more than one person arising out of any one accident or occurrence, and for damage to property in an amount not less than \$50,000.00. A copy of said insurance policy or policies with all riders thereto shall be delivered by the Lessee to

the Lessors, together with proof of payment of the premiums due thereon, within ten (10) days after execution of this Lease and within renewal of such policy or policies and proof of payment thereafter during the term of this Lease.

Any certificate of insurance provided to the Lessors shall provide for a ten day written notice of to the Lessors in the event of cancellation or of material change of coverage. To the maximum extent permitted by insurance policies which may be owned by the Lessors or the Lessee, the Lessee and Lessors, for the benefit of each other, waive any and all rights of subrogation which might otherwise exist.

12. CASUALTY DAMAGE.

In the event the building on the leased premises shall be damaged or destroyed by fire or other unavoidable casualty during the term of this Lease so that the same cannot be reasonably be rendered fit for the business of the Lessee within sixty (60) days thereafter, then the Lessors or the Lessee shall have the right to cancel said Lease and the Lessors shall refund to the Lessee any unearned rent paid in advance. It is understood and agreed between the parties that if either desires to cancel the Lease under the provisions of this paragraph, they shall give the other notice, within ten (10) days after said fire or other unavoidable casualty, of their desire to cancel the same. In the event the building on the premises can be repaired within sixty (60) days, the Lessors shall make such repairs and the rent shall abate correspondingly to the time during which said building is unfit for the use of the Lessee. In the event the leased premises shall be damaged or destroyed by fire or other unavoidable casualty occurring on or after the beginning date of this lease, and said damage shall render more than twenty-five percent of the leased premises unfit for the use of the Lessee in its normal business operations, then the Lessors, upon the giving of at lease ninety (90) days' notice in writing to the Lessee, which notice shall be given within ten (10) days following the occurrence of the casualty, shall terminate the term and the tenancy of the Lessee hereunder effective upon the expiration of such ninety (90) days.

13. CONDEMNATION.

If the leased premises or such portion thereof is unfit in the opinion of the Lessee, the rent shall abate correspondingly during that time in which the building is unfit for the purposes leased, shall be taken for public or quasi-public use or condemned by any power or authority having the right to take the same by condemnation, eminent domain or otherwise. This Lease shall automatically terminate as of the date when such authority actually takes said property and the rent shall be paid only to the date of such taking. The Lessors shall refund to the Lessee all rent paid in advance beyond the date of taking.

If only a portion of said leased premises shall be taken for public or quasi-public use or condemned by any power or authority having the right to take the same by condemnation, eminent domain or otherwise and in the Lessee's opinion the premises can still be used for the purposes leased, then there shall be an equitable adjustment of the rental consideration as provided for in Paragraph 2 of this Lease. The Lessee shall notify the Lessors within thirty (30) days after notice of the intended taking of said property whether it desires to terminate the Lease or not. If the Lessee does not terminate the Lease then the rent shall abate proportionately to such period as the Lessee cannot use the premises for the purpose leased.

18. TAXES

The Lessors shall be responsible for any and all ad valorem taxes upon the property as enumerated herein. The Lessee shall be responsible for any and all personal property taxes imposed by any governmental agency upon the personal property of the Lessee.

19. COMMON AREA MAINTENANCE ("CAM")

The Lessee shall pay to the Lessors, in addition to monthly rent, the sum of \$100.00 monthly through the first three-year term for common area maintenance. At the end of the first twelve (12) months, or first calendar year, and each period thereafter, the Lessors will tally the actual CAM for that period and shall either reimburse to the Lessee for any overpayment or shall present a statement for additional fees due. This process shall continue during any further lease terms and renewals.

20. RIGHT OF ENTRY.

The Lessee agrees that the Lessors shall have the right to enter upon the premises under supervision at any time for the purpose of examining the same and to exhibit the premises to prospective purchasers and that no such entry shall render the Lessors liable to any claim or causes of action of loss of or damages to the property by reason thereof nor in any manner affect the obligations and covenants of this Lease. Lessors shall have right to enter upon the premises unsupervised only in the event of a true emergency. (Note: This is due to HIPAA and protecting patient information.)

21. ENTIRE AGREEMENT.

This Lease Agreement embodies the entire agreement between the Lessors and the Lessee and shall not be modified, changed or altered in any respect, except in writing duly signed by both parties. It is further understood that this Agreement shall inure to the benefit of the parties hereto, their successors or heirs.

All compensation awarded for such taking, as set forth in the two preceding paragraphs, of the premises or any part thereof shall belong to and be the property of the Lessors except that the Lessee shall be entitled to receive from such award the value of the unamortized improvements, prorated over the term, which were placed upon the premises by the Lessee under the terms and conditions of this Lease.

14. INSOLVENCY.

In the event that a Receiver shall be appointed to take over the business for the Lessee or in the event the Lessee shall make a general assignment for the benefit of creditors of the Lessee shall take or suffer any action under insolvency or bankruptcy, the same shall constitute a breach of this Lease by the Lessee.

15. ABANDONMENT OF PREMISES.

The Lessee hereby agrees that it shall not vacate or abandon the premises at any time during the term of this Lease and should the Lessee abandon or vacate the premises or be dispossessed by process of law or otherwise, any personal property belonging to the Lessee left upon the premises shall be deemed to be abandoned at the option of the Lessors.

16. REMEDIES OF LESSORS UPON DEFAULT.

A. Should the Lessee fail to pay the rent or any part thereof within ten (10) days following the date the same becomes due, violate any other term and condition of this Lease, file or have filed against it any proceeding under the Federal Bankruptcy laws or laws relating to creditors' rights of the State of North Carolina, or be unable to pay its current debts, the Lessors shall have the right, at their option, to re-enter the leased premises and terminate this Lease; such re-entry shall not bar the right of recovery for rent or damages for breach of this Lease. In no event shall the unexpired portion of the term of this Lease be an asset of the Lessee to be administered in any bankruptcy or insolvency proceedings on its behalf.

B. In the event of any breach of this Lease by the Lessee, the Lessors in addition to any other rights and remedies which they may have shall have the immediate right of re-entry and may remove all persons and property from the premises. Such property may be moved and stored by the Lessors and such expense incurred herein shall be borne by the Lessee.

17. ASSIGNMENT AND SUB-LETTING.

This Lease Agreement may not be assigned nor the premises sub-let without the express written approval of the Lessors. In the event this Lease is assigned or the premises sub-let, the Assignee or Sub-lessee shall be bound by all the covenants, agreements and provisions herein contained and, furthermore, in the event of such assignment or sub-letting, the Lessee herein shall continue and remain bound for the fulfillment and performance of all the covenants, agreements and provisions herein contained to be kept and performed by the Lessee.