



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

Pat McCrory  
Governor

Aldona Z. Wos, M.D.  
Ambassador (Ret.)  
Secretary DHHS

Drexdal Pratt  
Division Director

July 26, 2013

Douglas J. Abell, Esquire  
CURO Health Services  
491 Williamson Road  
Suite 204  
Mooresville, NC 28117

**No Review**

Facility or Business: Community Home Care & Hospice, LLC d/b/a Community Home Care and Hospice

Project Description: Relocation of the existing services from the leased space at 206 Forest Hills Road, NW to new leased space at 2841 Daisy Lane, Suite E, in Wilson

County: Wilson

FID #: 020174

Dear Mr. Abell:

The Certificate of Need Section (CON Section) received your letter(s) of July 9, 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 Acute and Home Care Licensure and Certification Sections 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

**Certificate of Need Section**

[www.ncdhhs.gov](http://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



Mr. Abell  
July 24, 2013  
Page 2

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.

Please contact the CON Section if you have any questions. Also, in all future correspondence you should reference the Facility I.D. # (FID) if the facility is licensed.

Sincerely,



Bernetta Thorne-Williams, Project Analyst



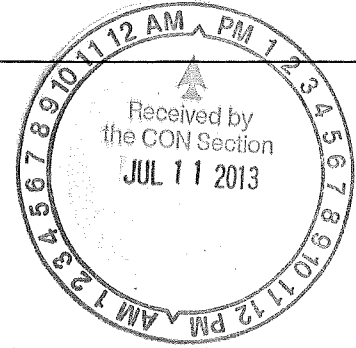
Craig R. Smith, Chief  
Certificate of Need Section

cc: Medical Facilities Planning Section, DHSR  
Acute and Home Care Licensure and Certification Section, DHSR



*Bennett*

FID# 020174  
Project F.D.#  
L-6554-02



July 9, 2013

**VIA FEDERAL EXPRESS**

Mr. Craig Smith, 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 Community Home Care & Hospice, LLC, d/b/a Community Home Care and Hospice (License Numbers: HOS 2241; HC 3436) (Wilson County/Health Service Area VI)

Dear Mr. Smith:

Pursuant to N.C. Gen. Stat. § 131E-184(a), we are writing to notify you that the above-identified hospice agency, currently located at 206 Forest Hills Road, NW, Wilson, NC 27896-1624 (the "Current Location"), will be relocating its office to 2841 Daisy Lane, Suite E, Wilson, NC 27896-6948 (the "New Location"), effective August 1, 2013. The Current Location is operated under license numbers HOS 2241 and HC 3436. Attached for your review is a copy of the lease for the New Location. See Exhibit A. The Certificate of Need for the establishment of this hospice agency, dated August 8, 2002, is enclosed as Exhibit B.

This relocation is being made as a result of the Current Location landlord's breach of the existing lease by failing to adequately maintain the leased space. The New Location is located approximately 0.79 miles and approximately two 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 August 1, 2013. 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 (704) 662-1771 or via email at [dabell@curohs.com](mailto:dabell@curohs.com). You may also contact either Ross Sallade at (919) 329-3875 or via email at [ross.sallade@nelsonmullins.com](mailto:ross.sallade@nelsonmullins.com) or Freddie Zufelt at (919) 329-3819 or via email at [freddie.zufelt@nelsonmullins.com](mailto:freddie.zufelt@nelsonmullins.com). We appreciate your consideration of this matter.

Sincerely Yours,

A handwritten signature in black ink, appearing to read "D. J. Abell". The signature is fluid and cursive, with the first name "D." and last name "Abell" clearly distinguishable.

Douglas J. Abell, Esq.  
General Counsel

Enclosures

# STATE OF NORTH CAROLINA

Wilson Co.

Department of Health and Human Services  
Division of Facility Services

## CERTIFICATE OF NEED

for

Project Identification Number L-6554-02  
FID# 020174

ISSUED TO: **Community Health, Inc.**  
**d/b/a Community Home Care & Hospice**  
**600 Tiffany Blvd., Suite F**  
**Rocky Mount, NC 27804**

Pursuant to N.C. Gen. Stat. § 131E-175, et. seq., the North Carolina Department of Health and Human Services hereby authorizes the person or persons named above (the "certificate holder") to develop the certificate of need project identified above. The certificate holder shall develop the project in a manner consistent with the representations in the project application and with the conditions contained herein and shall make good faith efforts to meet the timetable contained herein. The certificate holder shall not exceed the maximum capital expenditure amount specified herein during the development of this project, except as provided by N.C. Gen. Stat. § 131E-176(16)e. The certificate holder shall not transfer or assign this certificate to any other person except as provided in N.C. Gen. Stat. § 131E-189(c). This certificate is valid only for the scope, physical location, and person(s) described herein. The Department may withdraw this certificate pursuant to N.C. Gen. Stat. § 131E-189 for any of the reasons provided in that law.

SCOPE: **Community Health, Inc. shall establish a hospice home care agency in Wilson County**

CONDITIONS: **See Reverse Side**

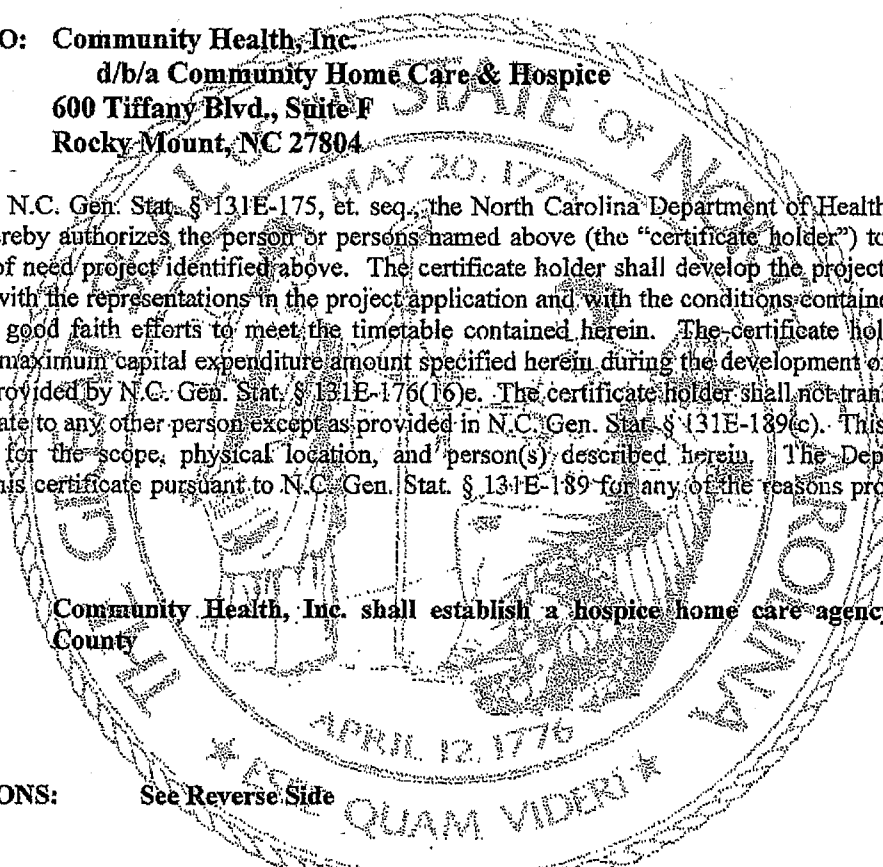
PHYSICAL LOCATION: **Community Home Care & Hospice**  
**3715 Airport Rd., Wilson, NC 27896**

MAXIMUM CAPITAL EXPENDITURE: **\$16,400**

TIMETABLE: **See Reverse Side**

FIRST PROGRESS REPORT DUE: **December 15, 2002**

This certificate is effective as of the 8th day of August, 2002.

  
*Lee C. Hoffmann*  
\_\_\_\_\_  
Chief, Certificate of Need Section  
Division of Facility Services

**Conditions**

**Project I.D. # P-6554-02**

**Community Health, Inc. d/b/a Community Home Care & Hospice**

1. Community Health, Inc. d/b/a Community Home Care & Hospice shall materially comply with all representations made in the certificate of need application and the supplemental information received by the Certificate of Need Section on July 19, 2002 and July 22, 2002.
2. Community Health, Inc. d/b/a Community Home Care & Hospice shall develop no more than one licensed hospice agency in Wilson County.

**Timetable**

**Community Health, Inc. d/b/a Community Home Care & Hospice**

**PROJECT I.D. # P-6554-02**

- |                                    |                  |
|------------------------------------|------------------|
| 1. Recruitment of Core Staff ..... | October 15, 2002 |
| 2. Licensure of Hospice .....      | December 2, 2002 |
| 3. Offering of Service .....       | December 2, 2002 |
| 4. Certification of Hospice .....  | February 3, 2003 |

EXHIBIT A

**LEASE AGREEMENT**

**LANDLORD:** R. Michael Eatmon

**TENANT:** Community Home Care & Hospice, Inc.

**DATE:** \_\_\_\_\_, 2013

**SUITE:** E

**PREMISES:** 2841 Daisy Lane  
Wilson, North Carolina

## LEASE AGREEMENT

THIS LEASE AGREEMENT ("Lease") is made as of the \_\_\_\_\_ day of \_\_\_\_\_, 2013 (the "Effective Date"), by and between R. MICHAEL EATMON, an individual resident of the state of North Carolina doing business as Eatmon Management ("Landlord"), and COMMUNITY HOME CARE & HOSPICE, INC., a Delaware corporation ("Tenant").

### 1. PREMISES.

- (a) **Premises.** Landlord leases to Tenant, and Tenant leases from Landlord, upon the terms and conditions contained in this Lease, commercial office space consisting of approximately 2,000 square feet of exclusive space, being all of Suite E (the "Premises") of the building located at 2841 Daisy Lane, Wilson, North Carolina 27896 (the "Building"). The Building is situated on the land (the "Land") further described on Exhibit "A" attached hereto. The Building and the Land shall be collectively referred to as the "Property." Landlord expressly agrees, and the parties hereto understand, that the Premises as described and diagrammed in Exhibit "B" is to be exclusively used by Tenant throughout the Term of the Lease.
- (b) **Common Areas.** Tenant shall have the non-exclusive right to use all portions of the Property intended for common use, including all areas external to the Building, as common areas (the "Common Areas"). Tenant shall enjoy and use the Common Areas equally with other tenants with rights to the Property.
- (c) **Parking Lot.** Tenant has the non-exclusive right to use the parking lot situated on the Land (the "Lot").

### 2. TERM OF LEASE; TERMINATION.

- (a) **Term.** The term of this Lease is five years, commencing on July 1, 2013 (the "Commencement Date"), and terminating on June 30, 2018 (the "Term"). Upon termination of this Lease for any reason during the first year of the Term, the parties shall not enter into a new agreement covering the subject matter of this Lease with compensation terms that differ in any respect from those set forth in this Lease until more than one year after the Commencement Date has passed.
- (b) **Early Termination.** Tenant may terminate this Lease with or without cause effective on or after the third anniversary of the Commencement Date by giving Landlord notice of Tenant's intent to terminate at least three months prior to the effective date of termination (the "Early Termination Option"). If Tenant exercises the Early Termination Option, then Tenant shall, within 30 days after the effective date of termination, pay Landlord the unamortized portion of the cost of any real estate commissions paid for by Landlord in connection with the execution of this Lease, which amount shall be amortized without interest on a straight-line basis over the Term.



### 3. RENT.

- (a) **Basic Rent.** Tenant shall pay to Landlord monthly rent of [REDACTED] ("Basic Rent"), in advance and without demand, on the first day of each month during the Term.
- (b) **Payment.** Tenant shall deliver all payments of Basic Rent and any additional rent (collectively, "Rent") to Landlord at the address set forth in Paragraph 15 herein or, upon notice to Tenant, at another location. If the Basic Rent is not paid by Tenant within (10) days after tenant's receipt of notice from Landlord that such installment of Basic Rent was not paid, then Tenant agrees to pay the late charge of Five Dollars (\$5.00) per each additional day thereafter until the past due installment is paid in full. Any late fee assessed against Tenant as set forth herein shall be used to compensate Landlord for additional administrative costs, expenses and as liquidated damages caused by the late payment.
- (c) **Management.** Tenant and Landlord acknowledge that to the extent that Tenant engages a third party to act as a property manager to perform its maintenance obligations under Paragraph 11 of this Lease (the "Property Manager"), such Property Manager shall not perform any obligations that are the responsibility of the Landlord hereunder. If applicable, Tenant shall be responsible for paying a management fee earned by the Property Manager and any costs associated with the work performed by the Property Manager on behalf of Tenant, in amounts and in a manner mutually agreed to from time to time by the Tenant and Property Manager.

### 4. USE AND OCCUPANCY OF THE PREMISES.

- (a) The Premises may be occupied only for commercial (non-residential) purposes and may be used as professional offices and for related purposes. No other use shall be permitted without the prior consent in writing of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. Landlord represents and warrants to Tenant that, pursuant to applicable law (including local rules, regulations and ordinances), the Premises can be used as professional offices and for related purposes. Landlord shall not take any action to alter or amend, or voluntarily permit the alteration or amendment of, the certificate of occupancy in such a way that the Premises will no longer be allowed to be used for the permitted use set forth in this Paragraph 4(a).
- (b) Tenant's use and occupancy of the Premises shall be in conformance with all applicable federal, state and local rules, regulations, laws and ordinances now in force or that may be enacted in the future. Tenant shall not store any flammable, hazardous, or toxic substances or engage in any activity on or about the Premises which activities or substances expose Tenant, Landlord, or others to an unreasonable risk of injury, loss or damage.

### 5. LANDLORD'S WORK.

On or before the Commencement Date, Landlord shall, in a good and workmanlike manner and

at its cost and expense, perform touch-up painting, as needed, in the interior of the Premises.

**6. DESTRUCTION OF PREMISES.**

Tenant shall notify Landlord as soon as possible of any casualty loss in or about the Premises and Tenant shall promptly notify Landlord of any circumstance or condition in or about the Premises that Tenant has actual knowledge of and which threatens the Premises, the Property or the safety of Tenant, Landlord or others. If the Premises is partially or completely destroyed by fire or other casualty, Tenant shall have the right and option to (a) continue to occupy the habitable portion, if any, of the Premises, or (b) terminate this Lease and receive an immediate return of all sums prepaid by Tenant through the date of transfer of possession to Landlord. Tenant shall not have the option of terminating this Lease if the loss was the result of the negligence of Tenant, Tenant's employees or business invitees and Landlord restores the Premises within ninety (90) days of the said damage. Rent shall be proportionately abated based on the usable portion of the Premises, Building and/or Lot (in Landlord and Tenant's reasonable opinions) until such time as the Premises, Building and/or Lot are fully restored to the condition existing immediately prior to such casualty.

**7. INSURANCE.**

Landlord shall insure the Building with a broad form fire and extended coverage insurance policy at full replacement value of the Building. Tenant shall insure Tenant's personal property in or about the Premises.

Landlord and Tenant shall maintain commercial general liability insurance coverage of not less than One Million Dollars (\$1,000,000.00) per occurrence and One Million Dollars (\$1,000,000.00) in the aggregate, insuring against injury or death to persons occurring in or about the Premises or on the Property. Landlord and Tenant shall name the other on all policies of insurance obtained regarding the Premises, each as their interest may appear. Landlord and Tenant shall each give the other at least ten (10) days' prior notice of the cancellation of any such policies. Landlord and Tenant shall be entitled to a certificate of insurance no later than ten (10) days after the expiration date of the then existing policies, together with evidence that the premiums have been prepaid for the full term of the policies.

Notwithstanding anything in this Lease to the contrary, Landlord and Tenant hereby waive and release each other of and from any and all rights of recovery, claims, actions or causes of action against each other, their agents, officers, representatives, employees, servants, contractors and invitees for any loss or damage that may occur to the Premises, improvements or fixtures therein or thereon, or any personal property within the Premises, from any cause whatsoever, to the extent insured against under the terms of the policies required hereunder, regardless of cause or origin, including the negligence of Landlord or Tenant or their agents, officers, representatives, servants, employees, contractors or invitees.

Landlord and Tenant shall cause each insurance policy required under this Lease to provide that the insurance company waives all right of recovery by way of subrogation against either party in connection with any damage covered by such policy.

**8. SUBLETTING AND ASSIGNMENTS.**

Tenant may not assign or sublet this Lease without the prior consent of Landlord (which consent shall not be unreasonably withheld, conditioned or delayed); except that Tenant may assign its rights and obligations under this Lease without Landlord's prior consent (a) to an entity that controls, is controlled by or is under common control with Tenant, (b) to an entity into which Tenant merges or (c) to the purchaser of all or substantially all of the assets of Tenant. A change in the ownership or control of Tenant shall not be deemed an assignment of this Lease.

**9. RELIEF OF LANDLORD FROM LIABILITY.**

Tenant releases Landlord from liability for any personal injury or damage to property of Tenant, Tenant's employees or business invitees not arising from the negligence or intentional acts of Landlord or Landlord's agents, contractors or employees.

**10. INDEMNIFICATION.**

Tenant shall indemnify, hold harmless and defend Landlord, at Tenant's expense, from and against any and all actions, claims, demands and expenses (including, without limitation, reasonable attorneys' fees and costs) to the extent relating to or arising from, directly or indirectly: (i) the gross negligence or willful misconduct of Tenant or Tenant's employees, agents or invitees; and (ii) any failure on the part of Tenant to perform any of the agreements, terms, covenants or conditions of this Lease required to be performed by Tenant hereunder.

**11. MAINTENANCE OF PREMISES.**

Tenant shall use due care in the use of the Premises and all heating, ventilating and air conditioning systems within the Premises.

Landlord shall maintain in good order and repair, including making any necessary repairs and replacements of, the Common Areas, roof, outside walls, the HVAC and mechanical systems, and other structural parts of the Building, the Lot, driveways and sidewalks, trees and shrubs, the sewer, water pipes and other plumbing matters, the electrical wiring, all other items that are capital in nature and all other items not specifically designated to Tenant under this Lease.

Tenant's obligations for maintenance shall include: interior lighting, painting and decorating, floor coverings, and maintenance of voice and data communications lines and equipment.

Tenant, after obtaining Landlord's consent (which consent shall not be unreasonably withheld, conditioned or delayed), shall also have the right to make nonstructural alterations and improvements to the Premises, as long as such alterations and improvements are performed in compliance with all applicable laws and at Tenant's sole cost.

**12. RIGHT OF ENTRY.**

Landlord, Landlord's agent and persons authorized by Landlord shall have the right, after reasonable prior notice to Tenant, to enter the Premises at all reasonable times to inspect, perform maintenance, do repairs and show the Premises to prospective purchasers or during the

last six (6) months of the Term to prospective tenants; provided that in no event shall such access rights unreasonably interfere with Tenant's use of the Premises.

**13. UTILITIES; REAL ESTATE TAXES.**

- (a) **Utilities.** The following charges for utilities and services supplied to the Premises shall be paid directly by Tenant: cable, telephone, water (if separately metered), electric (if separately metered), natural gas (if separately metered and applicable). Landlord shall pay all other utilities to the Premises.
- (b) **Taxes.** Landlord shall pay all real estate taxes assessed against Landlord, the Building or Land.

**14. REMEDIES.**

The parties acknowledge and agree that time is of the essence and if Tenant shall fail to pay the Rent when due, or if Tenant shall breach any other term or condition of this Lease, then Landlord after the applicable notice and cure period shall have the right and option to pursue any remedy available under applicable laws.

Notwithstanding anything herein to the contrary, Landlord cannot exercise any of its remedies contained in this Lease (other than the assessment of a late charge on Basic Rent as set forth in Paragraph 3(b)) unless: (a) any monetary default remains uncured and such failure continues for a period of ten (10) business days after notice from Landlord to Tenant; or (b) any non-monetary default remains uncured for a period of thirty (30) calendar days after notice from Landlord to Tenant (or such longer time period if reasonably required to cure such non-monetary default and Tenant has commenced curing the default within the said thirty (30) calendar day period). To be effective, any default notice provided by Landlord hereunder must conspicuously state that it is a notice of default.

All remedies contained in this Lease shall be cumulative and concurrent. If Landlord shall pursue any remedy, it shall not be deemed to be a waiver of the right to seek any other remedy that may exist. Either party shall have the right to require strict compliance with the terms and conditions of this Lease without having insisted upon strict compliance at any time during the Term of this Lease. Any conduct which is inconsistent with the right to insist upon strict compliance shall not be a waiver of the right to insist upon strict compliance in the future, shall not create a custom, and shall not modify the terms and conditions of this Lease.

Landlord shall use its commercially reasonable efforts to mitigate its damages in the event that Tenant breaches this Lease.

**15. NOTICES.**

Any notice, consent, or other communication required or permitted to be given under this Lease must be in writing and shall be effectively given or delivered if hand delivered to the addresses for Landlord and Tenant stated below or if sent by certified, registered or Post Office Express United States Mail, return receipt requested, or FedEx or another nationally recognized overnight courier to said addresses. Any notice mailed shall be deemed to have been given upon the earlier

of (a) receipt or refusal thereof, or (b) three days after depositing the same in the U.S. Mail as aforesaid or the next business day after deposit with a nationally recognized overnight courier. Notice effected by hand delivery shall be deemed to have been given at the time of actual delivery. Either party shall have the right to change its address to which notices shall thereafter be sent and the party to whose attention such notice shall be directed by giving the other party notice thereof in accordance with the provisions of this Paragraph.

Landlord: R. Michael Eatmon  
d/b/a Eatmon Management  
3301 Nash Street North, Suite E  
Wilson, NC 27896

Tenant: Community Home Care & Hospice, Inc.  
2841-E Daisy Lane  
Wilson, North Carolina 27896  
Attn. Director of Operations

With a copy to: Curo Health Services, LLC  
491 Williamson Road, Suite 204  
 Mooresville, NC 28117  
Attn. Douglas J. Abell, General Counsel

#### 16. LANDLORD'S COVENANT.

As of the Commencement Date, Landlord represents and warrants to Tenant that all leases, subleases and other occupancy agreements currently existing with respect to the Premises are terminated and of no further force and effect.

#### 17. SURRENDER

Upon termination of this Lease for any cause, Tenant shall peaceably surrender possession of the Premises to Landlord in as good order and repair as upon the Commencement Date, excepting casualty, reasonable wear and tear, and items required to be maintained or repaired by Landlord pursuant to this Lease. Tenant shall notify Landlord of any repairs or the need for repairs within the Building of which Tenant has actual knowledge. Trade fixtures and equipment that Tenant installs in or on the Premises shall not be deemed a part of the Premises and Tenant may remove those trade fixtures and equipment any time during the Term or upon the termination of this Lease. Tenant shall, at its expense, repair any damages to the Premises caused by its removal of said property.

#### 18. MISCELLANEOUS.

- (a) **Security Deposit.** Tenant shall pay Landlord, with its first payment of Basic Rent, [REDACTED] to be held by Landlord as security for Tenant's performance of its obligations under this Lease. Landlord shall return the unapplied portion of the security deposit to Tenant within 30 days after the expiration or earlier termination of this Lease.

- (b) **Eminent Domain.** If all or any part of the Premises or the Building shall be condemned under the government's power of eminent domain, this Lease shall terminate as to the portion taken and the Rent due hereunder shall be proportionately abated based on the square footage taken pursuant to such power of eminent domain. Notwithstanding anything herein to the contrary, in the event that a material portion of the Premises, Common Area (including, without limitation, the Lot) or Building is taken, Tenant shall have the right to terminate this Lease on notice to Landlord, which termination shall be effective as of the date of the taking. Landlord shall not be liable to Tenant for any claims by Tenant for loss of use of all or any portion of the Premises (or the Building) or because this Lease has been terminated. Landlord shall give Tenant prompt notice of any proposed eminent domain proceeding.
- (c) **Binding Effect, Amendments, Choice of Law.** This Lease shall be binding upon the heirs, executors, personal representatives, successors and assigns of the parties hereto. All rights and remedies of Landlord and Tenant under this Lease shall be cumulative and none shall exclude any other rights or remedies allowed by law. This Lease is declared to be a contract, and all of the terms hereof, and all disputes between the parties arising out of or relating to this Lease, shall be construed according to and governed by the laws of the state where the Property is situated. This Lease may not be altered, changed or amended, except by an instrument in writing executed by all parties hereto, subject to all applicable laws.
- (d) **Consents and Approvals.** Tenant warrants that all consents or approvals required of third parties for the execution, delivery and performance of this Lease have been obtained and that Tenant has the right and authority to enter into and perform its covenants contained in this Lease. Landlord warrants that all consents or approvals required of third parties for the execution, delivery and performance of this Lease have been obtained and that Landlord has the right and authority to enter into and perform its covenants contained in this Lease.
- (e) **Severability.** If any term or provision of this Lease, or the application thereof to any person or circumstance, shall to any extent be invalid or unenforceable, the remainder of this Lease, or the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each provision of this Lease shall be valid and shall be enforceable to the extent permitted by law.
- (f) **Exhibits and Schedules.** This Lease includes all of the Exhibits and Schedules attached hereto. The terms and conditions included in the attached Exhibits and Schedules, if any, are part of this Lease.
- (g) **Real Estate Broker.** Each party hereto warrants and represents to the other that other than Mohr Partners, Inc., who Landlord has agreed to pay \$4,875 in connection with the execution of this Lease, no real estate broker or salesman has been involved in the negotiation or execution of this Lease, and each party agrees to indemnify and hold the other harmless from and against any and all claims of

any other real estate broker or salesman that arise from the acts of the indemnifying party or its representatives.

- (h) **Compliance.** The parties acknowledge and agree that the remuneration set forth herein has been negotiated in an arm's-length transaction and represents the fair market value and has not been determined in a manner which takes into account the volume or value of referrals or business, if any, that may otherwise be generated between the parties or their employees or contractors. Nothing contained in this Lease shall be construed in any manner as an obligation or inducement to the making of any patient referrals or to generate any other business. Furthermore, the Premises does not exceed that which is reasonably necessary to accomplish the commercially reasonable business purpose of Tenant.
- (i) **Change of Law.** In the event that any governmental or nongovernmental agency, or any court or administrative tribunal passes, issues or promulgates any new, or change to any existing, law, rule, regulation, standard, interpretation, order, decision or judgment (individually or collectively, "Legal Event"), which a party (the "Noticing Party") reasonably believes (a) materially and adversely effects either party's licensure, accreditation, certification, or ability to refer, to accept any referral, to present a bill or claim, or to receive payment or reimbursement from any governmental or non-governmental payor, or (b) indicates a Legal Event with which the Noticing Party desires further compliance, then, in either event, the Noticing Party may give the other party thirty (30) days prior notice of its intent to propose an amendment or its intent to terminate this Lease. The Noticing Party may propose an amendment to this Lease to take into account the Legal Event, and, if accepted by the other party prior to the end of the thirty (30) day notice period, this Lease shall be amended as of the date of such acceptance and if not amended shall automatically terminate.
- (j) **Quiet Enjoyment.** Landlord covenants and warrants that it has the full right and lawful authority to enter into this Lease for the Term; that Landlord is lawfully seized of the Premises and has good title thereto, free and clear of all tenancies and encumbrances; and that Tenant shall have quiet and peaceable possession of the Premises during the Term.
- (k) **Signage.** Tenant shall have the right, at Tenant's sole cost and expense, to install signage on the façade of the Building provided such signage is in accordance with all applicable laws and ordinances.
- (l) **ADA Compliance.** Notwithstanding anything to the contrary in this Lease, Landlord shall, at Landlord's own cost and expense, cause the structure of the Premises to comply in all material respects with the Americans with Disabilities Act of 1990, as now or hereafter amended, and the rules and regulations from time to time promulgated thereunder (hereinafter collectively referred to as the "Act"). Landlord hereby agrees to defend, indemnify and hold Tenant harmless from and against any and all claims, demands, actions, damages, fines, judgments, penalties, costs (including attorney's and consultant's fees) liabilities and losses

resulting from Landlord's failure to comply with the Act in accordance with this Paragraph 18(l). Tenant shall notify Landlord of any failure to comply with the Act as required under this Lease to the extent Tenant has knowledge of the same. The provisions of this paragraph shall survive the expiration or other termination of this Lease.

- (m) **Force Majeure.** Neither party will be responsible for delays resulting from causes beyond the reasonable control of such party, including fire, explosion, flood, war, strike, terrorism acts, or riot, provided that the nonperforming party uses commercially reasonable efforts to avoid or remove such causes of nonperformance and continues performance under this Lease with reasonable dispatch whenever such causes are removed.
- (n) **Waiver.** No party shall be deemed to have waived compliance by another party of any provision of this Lease unless such waiver is contained in a written instrument signed by the waiving party and no waiver that may be given by a party will be applicable except in the specific instance for which it is given
- (o) **Construction and Interpretation.** Both parties acknowledge and agree that each party has had the benefit of competent, independent legal counsel and other advisors, and that each party has had an equal right to negotiate the terms and participate in the drafting of this Lease. If any ambiguity or question of intent or interpretation arises, no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Lease.
- (p) **Counterparts.** This Lease may be executed in one or more counterparts, each of which shall be deemed to be an original copy of this Lease and all of which, when taken together, shall be deemed to constitute one and the same agreement. Executed versions of this Lease may be delivered by the parties via facsimile transmission or email, either or both of which shall constitute delivery of an original.
- (q) **Entire Agreement.** This Lease embodies the entire agreement and understanding of the parties related to its subject matter and supersedes all prior proposals, understandings, agreements, correspondence, arrangements and contemporaneous oral agreements relating to subject matter of this Lease. No representation, promise, inducement or statement of intention has been made by any party that has not been embodied in this Lease.
- (r) **Holding Over.** Should Tenant hold over at the Premises after termination of this Lease, by lapse of time or otherwise, Tenant shall be a tenant from month to month, at the same rental and under the same terms and conditions in force at the expiration of this Lease, except as otherwise notified by Landlord.
- (s) **Landlord W-9.** Landlord shall execute and deliver to Tenant an Internal Revenue Service form W-9 on the Effective Date.



- (t) **Information for Tenant Insurance.** Schedule 1 to this Lease contains certain information about the Premises and Building that Tenant needs in order to obtain the insurance required by this Lease.
- (u) **Memorandum of Lease.** Landlord shall execute, acknowledge and record, within a reasonable period of time after Tenant's request, a Memorandum of Lease summarizing the basic information in this Lease. The Memorandum shall be in a form and substance that is acceptable to Tenant in its reasonable discretion.

[Signature page follows]

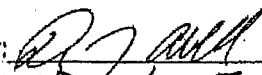
IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the date first set forth above.

LANDLORD:

  
R. MICHAEL EATMON, an individual

TENANT:

COMMUNITY HOME CARE & HOSPICE,  
INC., a Delaware corporation

By:   
Name: Douglas S. Abert  
Title: General Counsel

**Exhibit A**

**Legal Description**

Being all of Lot No. 16 as shown on a map entitled "Recombination Plat, Canterbury Village, Property of A & D Properties, LLC", which map is recorded in Plat Book 27, Page 245, Wilson County Registry. See also that deed dated August 18, 1999 from A & D Properties, LLC to R. Michael Eatmon and wife, Deborah M. Eatmon, recorded in Book 1734, page 263, Wilson County Registry. Having a postal enumeration of 2841 Daisy Lane, Wilson, North Carolina. Parcel ID# 3713720068.

**Exhibit B**  
**Depiction of the Premises**  
**[See Attached]**

**Exhibit C**  
**Executed Landlord W-9**  
[See Attached]

**Schedule 1**

**Premises and Building Information for Tenant Insurance**

Building Construction:	Brick
Building Age:	Built in 1999
Number of Stories in Building:	One
Premises Square Footage:	2,000
Description of Fire Protection Systems at Building and Premises (e.g., sprinklers, smoke/fire alarms):	Smoke detectors and inspected fire extinguishers on Premises in accordance with Wilson Fire Department codes and regulations

# STATE OF NORTH CAROLINA

Wilson Co.  
EXHIBIT B

Department of Health and Human Services  
Division of Facility Services

## CERTIFICATE OF NEED

for

Project Identification Number L-6554-02

FID# 020174

ISSUED TO: **Community Health, Inc.**  
d/b/a **Community Home Care & Hospice**  
**600 Tiffany Blvd., Suite F**  
**Rocky Mount, NC 27804**

Pursuant to N.C. Gen. Stat. § 131E-175, et. seq., the North Carolina Department of Health and Human Services hereby authorizes the person or persons named above (the "certificate holder") to develop the certificate of need project identified above. The certificate holder shall develop the project in a manner consistent with the representations in the project application and with the conditions contained herein and shall make good faith efforts to meet the timetable contained herein. The certificate holder shall not exceed the maximum capital expenditure amount specified herein during the development of this project, except as provided by N.C. Gen. Stat. § 131E-176(16)e. The certificate holder shall not transfer or assign this certificate to any other person except as provided in N.C. Gen. Stat. § 131E-189(c). This certificate is valid only for the scope, physical location, and person(s) described herein. The Department may withdraw this certificate pursuant to N.C. Gen. Stat. § 131E-189 for any of the reasons provided in that law.

SCOPE: **Community Health, Inc. shall establish a hospice home care agency in Wilson County**

CONDITIONS: **See Reverse Side**

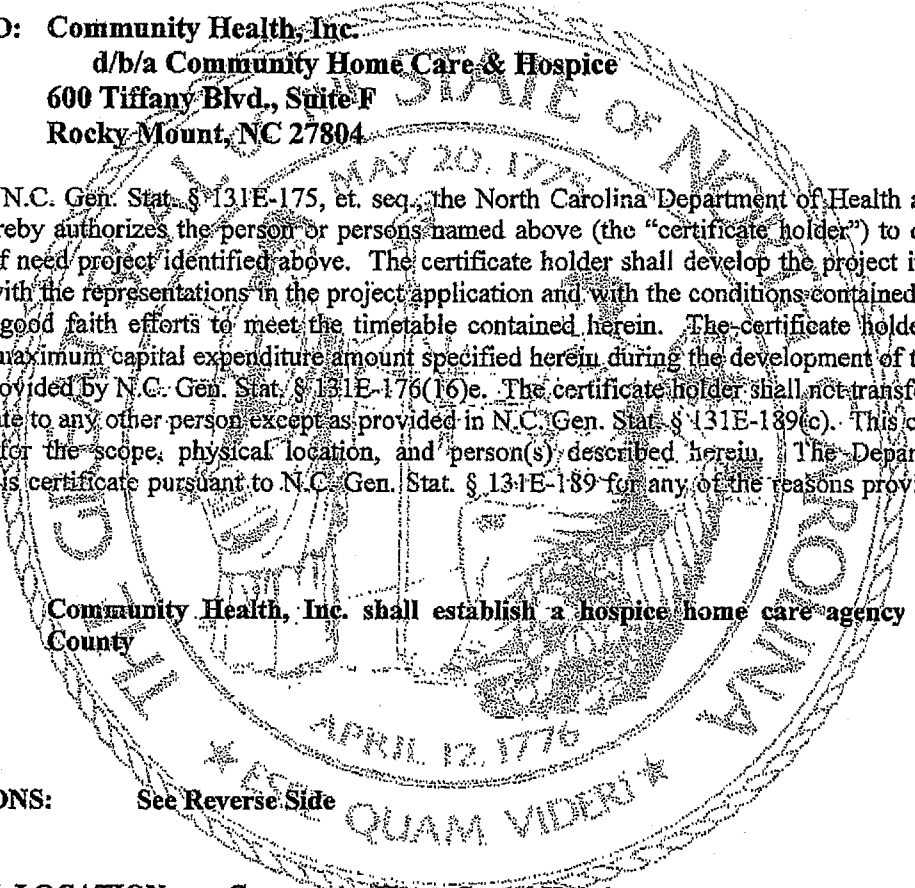
PHYSICAL LOCATION: **Community Home Care & Hospice**  
**3715 Airport Rd., Wilson, NC 27896**

MAXIMUM CAPITAL EXPENDITURE: **\$16,400**

TIMETABLE: **See Reverse Side**

FIRST PROGRESS REPORT DUE: **December 15, 2002**

This certificate is effective as of the 8th day of August, 2002.

  
*Lee B. Hoffmann*  
\_\_\_\_\_  
Chief, Certificate of Need Section  
Division of Facility Services

**Conditions**

**Project I.D. # P-6554-02**

**Community Health, Inc. d/b/a Community Home Care & Hospice**

1. Community Health, Inc. d/b/a Community Home Care & Hospice shall materially comply with all representations made in the certificate of need application and the supplemental information received by the Certificate of Need Section on July 19, 2002 and July 22, 2002.
2. Community Health, Inc. d/b/a Community Home Care & Hospice shall develop no more than one licensed hospice agency in Wilson County.

**Timetable**

**Community Health, Inc. d/b/a Community Home Care & Hospice**

**PROJECT I.D. # P-6554-02**

- |                                    |                  |
|------------------------------------|------------------|
| 1. Recruitment of Core Staff ..... | October 15, 2002 |
| 2. Licensure of Hospice .....      | December 2, 2002 |
| 3. Offering of Service .....       | December 2, 2002 |
| 4. Certification of Hospice .....  | February 3, 2003 |