



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**
Division of Health Service Regulation

ROY COOPER • Governor
MANDY COHEN, MD, MPH • Secretary
MARK PAYNE • Director

July 11, 2018

Charles C. Trefzger, Jr.
P.O. Box 2568
Hickory, NC 28603-2568

No Review

Record #: 2646
Facility Name: Reidsville House
FIC #: 100970
Business Name: Reidsville Health Holdings, LLC and
Reidsville Property Holdings, LLC
Business #: 1529 and
2590
Project Description: Change in indirect ownership – Regional Housing & Community Services
Corporation now 100% member of both LLCs
County: Rockingham

Dear Mr. Trefzger:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) received your letter of June 29, 2018 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.

However, you need to contact the Agency's Adult Care Licensure Section 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 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

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH SERVICE REGULATION

HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION

LOCATION: 809 Ruggles Drive, Edgerton Building, Raleigh, NC 27603
MAILING ADDRESS: 2704 Mail Service Center, Raleigh, NC 27699-2704
www.ncdhs.gov/dhsr/ • TEL: 919-855-3873

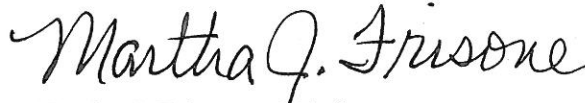
original cost estimate; (3) modifications in the design of the project; (4) change in location; and (5) any increase in the number of square feet to be constructed.

Please contact 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,



Celia C. Inman
Project Analyst



Martha J. Frisone, Chief
Healthcare Planning and Certificate of Need Section

cc: Construction Section, DHSR
Adult Care Licensure Section, DHSR
Amy Craddock, Assistant Chief, Healthcare Planning, DHSR

***Reidsville Health Holdings, LLC &
Reidsville Property Holdings, LLC***

***Post Office Box 2568
Hickory, North Carolina 28603-2568***

June 29, 2018

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



Re: Request for Non-Withdrawal of Certificate of Need for Project ID #G-8600-10 by Reidsville Property Holdings, LLC and Reidsville Health Holdings, LLC for Reidsville House, Facility ID #100970

Dear Ms. Frisone:

I am writing on behalf of Reidsville Property Holdings, LLC (“Lessor”) and Reidsville Health Holdings, LLC (“Lessee”), North Carolina limited liability companies with their principal place of business located at 400 Second Avenue NW, Hickory, North Carolina 28601. Lessor and Lessee are currently developing Project ID #G-8600-10 (the “Project”), which involves the construction of Reidsville House in Rockingham County, North Carolina (the “Facility”). The Project’s certificate of need was issued to Lessor and Lessee on March 29, 2011.

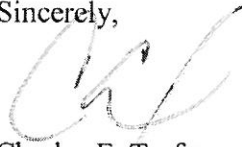
Lessor has obtained financing and, as part of the terms of the financing, the corporate structure of Lessor and Lessee will change. Please refer to the attached Exhibit A that shows the current corporate structure, as well as the new corporate structure after the finance transaction is complete. Other than the changes reflected in Exhibit A, no other changes are contemplated.

Parties to the Project believe it is in the best interests of the community for the transaction to take place. Lessor and Lessee will continue to act as Lessor and Lessee, respectively. The proposed change only relates to the entity that ultimately holds the ownership interests in the Lessor and Lessee. No transfer of the certificate of need is contemplated by this transaction. The financing will provide the Project with the capital necessary to develop the Facility.

In accordance with N.C. Gen. Stat. § 131E-189(c), I intend for this letter to serve as prior written notice to the Agency of the proposed transaction by which the corporate structure of the Lessor and Lessee is changing. Furthermore, I request that the Agency find good cause for the proposed ownership change and conclude that the Project’s certificate of need will not be withdrawn as a result of such change.

Should you need additional information in order to make a decision on this matter, please do not hesitate to contact me directly.

Sincerely,

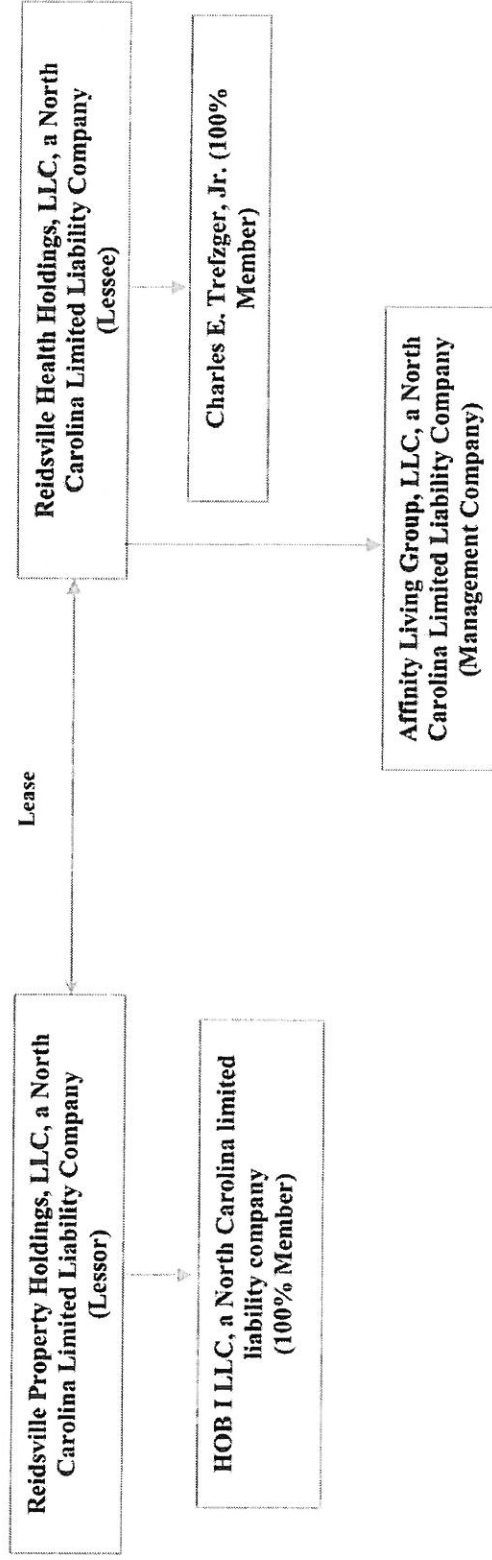
A handwritten signature in black ink, appearing to read 'C. Trefzger, Jr.', written over a faint, light-colored signature line.

Charles E. Trefzger, Jr.
Authorized Representative
Reidsville Health Holdings, LLC
Reidsville Property Holdings, LLC

Exhibit A:
Proposed Changes to Corporate Structure

EXHIBIT A

**Reidsville House
Current Corporate Structure**



Reidsville House Proposed New Corporate Structure

