



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

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

July 10, 2018

Charles Trefzger
P.O. Box 2586
Hickory, NC 28603-2568

No Review

Record #: 2650
Facility Name: Senter's Rest Home
FID #: 921084
Business Name: HP 6 Fuquay-Varina Health Investors, LLC
Business #: 2205
Project Description: Change in corporate structure
County: Harnett

Dear Mr. Trefzger:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) received your letter of June 28, 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 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.

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

HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION

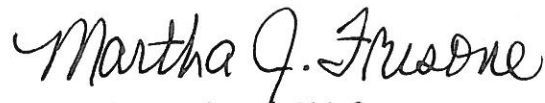
LOCATION: 809 Ruggles Drive, Edgerton Building, Raleigh, NC 27603
MAILING ADDRESS: 2704 Mail Service Center, Raleigh, NC 27699-2704
www.ncdhhs.gov/dhsr/ • TEL: 919-855-3873

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

Sincerely,



Tanya S. Rupp
Project Analyst



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

cc: Adult Care Licensure Section, DHR
Melinda Boyette, Administrative Specialist I, Healthcare Planning, DHR

***Fuquay-Varina Health Holdings, LLC &
HP6 Fuquay-Varina Health Investors, LLC***

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

June 28, 2018

Martha Frisone, Chief
Certificate of Need Section
Division of Health Service Regulation
Department of Health & Human Services
2704 Mail Service Center
Raleigh, NC 27699-2704



Re: **Letter of Material Compliance** *NR id 2650*
Fuquay-Varina Health Holdings, LLC & HP6 Fuquay-Varina Health Investors, LLC, and
Senter's Rest Home (Harnett County) – HAL-043-024 – 50 Adult Care Home Beds
921684

Dear Ms. Frisone:

I am writing on behalf of Fuquay-Varina Health Holdings, LLC (“Tenant”) and HP6 Fuquay-Varina Health Investors, LLC (“Landlord”), North Carolina limited liability companies with their principal place of business located at 400 Second Avenue NW, Hickory, North Carolina 28601-4993. Tenant holds the license to operate the adult care home known as “Senter’s Rest Home,” located at 40 Rawls Club Road, Fuquay-Varina, North Carolina 27526-8031 (the “Facility”). The Facility has a licensed capacity of 50 adult care home beds (“ACH Beds”). Landlord owns the real estate and building in which the Facility is located. Landlord leases said premises to Tenant. The Facility is “grandfathered in” for purposes of certificate of need (“CON”) law in the State of North Carolina.

Landlord is currently in the process of refinancing its debt for the Facility. As part of the refinance transaction, the corporate structure of Landlord and Tenant will change. Please refer to the attached Exhibit A that shows the current corporate structure, as well as the proposed new corporate structure after the refinance transaction is complete.

Parties to the transaction believe it is in the best interests of the community for the proposed transaction to take place. The parties have successfully developed, financed, and managed assisted living facilities in North Carolina and other states for many years. Landlord and Tenant will continue to act as Landlord and Tenant, respectively. The proposed change only relates to the entities that ultimately hold the ownership interests of the Landlord and Tenant. No transfer of the CON or relocation of any ACH Beds is contemplated by this transaction. The transaction will provide the Facility with the capital necessary to make capital expenditures and improvements in the future.

Pursuant to 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 outlined in Exhibit A. Tenant will continue to

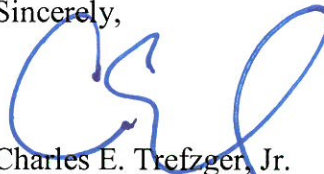
operate the Facility in accordance with the provisions of N.C. Gen. Stat. § 131D *et seq.* and 10A NCAC 13F *et seq.* In addition, following the change of ownership of Landlord and Tenant, the service provided at the Facility will be consistent with any and all applicable conditions and restrictions that the Agency has placed on the CON for the Facility.

CONCLUSION

Based on the foregoing information, I respectfully request that the Agency confirm that the proposed change in the corporate structure of Landlord and Tenant, as outlined in Exhibit A, is in material compliance the Facility's CON. Please advise if the Agency needs additional information to assist in its consideration of this request.

I thank you in advance for your consideration of this request.

Sincerely,

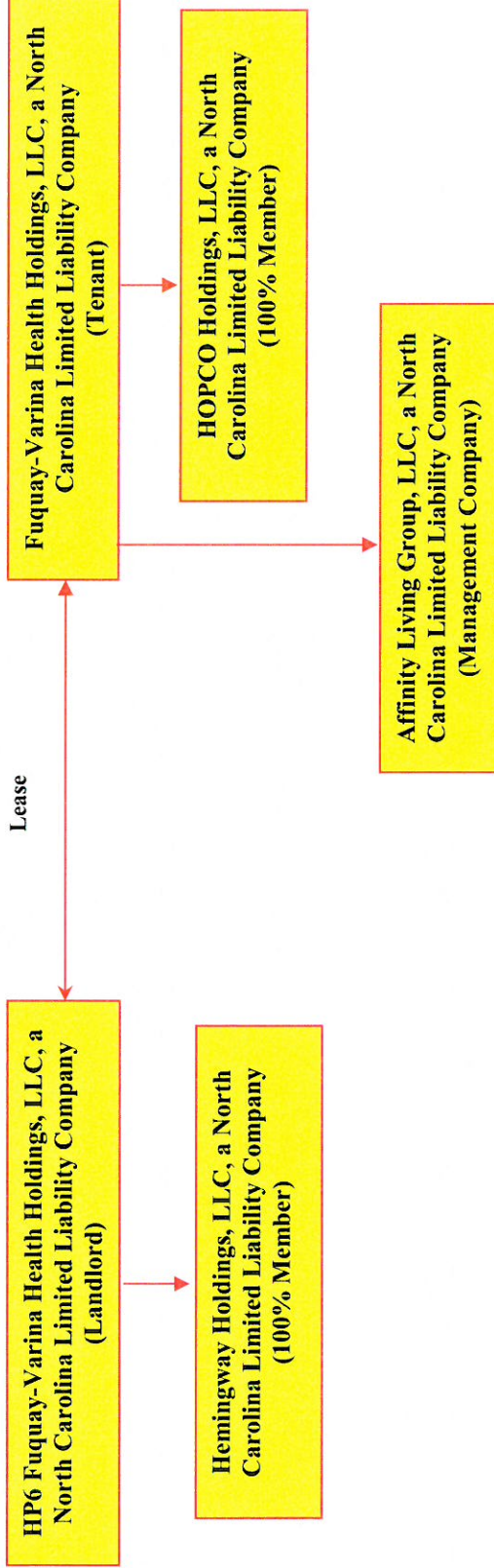
A handwritten signature in blue ink, appearing to read 'C. Trefzger, Jr.', with a large, stylized flourish extending to the right.

Charles E. Trefzger, Jr.
Authorized Representative
Fuquay-Varina Health Holdings, LLC.
HP6 Fuquay-Varina Health Investors, LLC

Exhibit A:
Proposed Changes to Corporate Structure

EXHIBIT A

**Senter's Rest Home
Current Corporate Structure**



Senter's Rest Home Proposed New Corporate Structure

