



Washington State Department of Health

BB 20-07

FOR DEPARTMENT USE ONLY
RECEIVED Date Stamp Here
JAN 13 2020
Fee Received: _____
Check #: CERTIFICATE OF NEED PROGRAM DEPARTMENT OF HEALTH
Initials _____

NURSING HOME ALTERNATIVE USE BED BANKING NOTICE

The following information will be used to evaluate the conformance of the project with all applicable review criteria contained in Revised Code of Washington (RCW) 70.38.111 and Washington Administrative Code (WAC) 246-310-395.

Alternate Use Bed Banking notices must be submitted with a fee in accordance with WAC 246-310-990 and the completed invoice on page 2 of this form.

This notice is made for Nursing Home Bed Banking for Alternative Use in accordance with provisions in RCW 70.38 and WAC 246-310-395, rules and regulations adopted by the Washington State Department of Health. I hereby certify that the statements made in this notice are correct to the best of my knowledge and belief.

Avonmore Olympic Rehab of Sequim
Name of the Nursing Home (facility)

Heather Jeffers
Name of the facility's Licensee

Heather Jeffers
Print Name of person making the request

360-582-3924
Telephone Number

Administrator
Title of person making the request

ADMINISTRATOR
Relationship to licensee

I understand that any evasion or suppression of material facts, misrepresentation, false statements or misleading statements regarding any of the information contained in this notice shall be grounds for actions under the provisions of WAC 246-310-500 and forfeiture of the beds.

[Signature]
Signature of Licensee

12/18/19
Date

Address: 1000 S 54th Ave
Sequim, WA 98382

Invoice for Submission of Alternate Use Bed Banking Notice

1. This form must be accompanied by a check payable to: *The Department of Health* for the review fee as identified below.
2. Complete the following prior to submission for review:

REVIEW FEE: \$ 770⁰⁰ (Refer to Fee Schedule)
APPLICANT NAME: SEQUIM REHABILITATION, LLC d/b/a Antmore REHAB of SEQUIM
DATE OF SUBMISSION: 12/20/19 CHECK NUMBER: 00212331

4. Mail **ORIGINAL**, signed notice and payment to:

Physical Address:

**Department of Health
Certificate of Need Program
310 Israel Road
Tumwater, Washington 98501**

To mail overnight, UPS or FedEx:

**Department of Health
Certificate of Need Program
P O Box 47852
Olympia, Washington 98504-7852**

Room number	Current # of beds (before bed banking)	# of beds to bank	Purpose of proposed bed banking	# of beds remaining in room (if any)
101	2	1	enhance quality – convert to pvt room	1
103	2	1	enhance quality – convert to pvt room	1
105	2	1	enhance quality – convert to pvt room	1
106	2	1	enhance quality – convert to pvt room	1
107	2	1	enhance quality – convert to pvt room	1
108	2	1	enhance quality – convert to pvt room	1
109	2	1	enhance quality – convert to pvt room	1
110	2	1	enhance quality – convert to pvt room	1
111	2	1	enhance quality – convert to pvt room	1
112	2	1	enhance quality – convert to pvt room	1
113	2	1	enhance quality – convert to pvt room	1
114	2	1	enhance quality – convert to pvt room	1
115	2	1	enhance quality – convert to pvt room	1
116	2	1	enhance quality – convert to pvt room	1
117	2	2	enhance quality – activityspace	0
120	2	2	enhance quality – private mtg space	0
121	2	1	enhance quality – convert to pvt room	1
122	2	1	enhance quality – convert to pvt room	1
123	2	1	enhance quality – convert to pvt room	1
124	2	1	enhance quality – convert to pvt room	1
125	2	1	enhance quality – convert to pvt room	1
126	2	1	enhance quality – convert to pvt room	1
127	2	1	enhance quality – convert to pvt room	1
129	2	1	enhance quality – convert to pvt room	1
130	2	1	enhance quality – convert to pvt room	1
201	2	1	enhance quality – convert to pvt room	1
207	2	1	enhance quality – convert to pvt room	1
212	2	2	enhance quality – private mtg space	0
311	2	2	enhance quality – examroom	0
315	2	1	enhance quality – convert to pvt room	1
318	2	1	enhance quality – convert to pvt room	1

TOTAL: 35

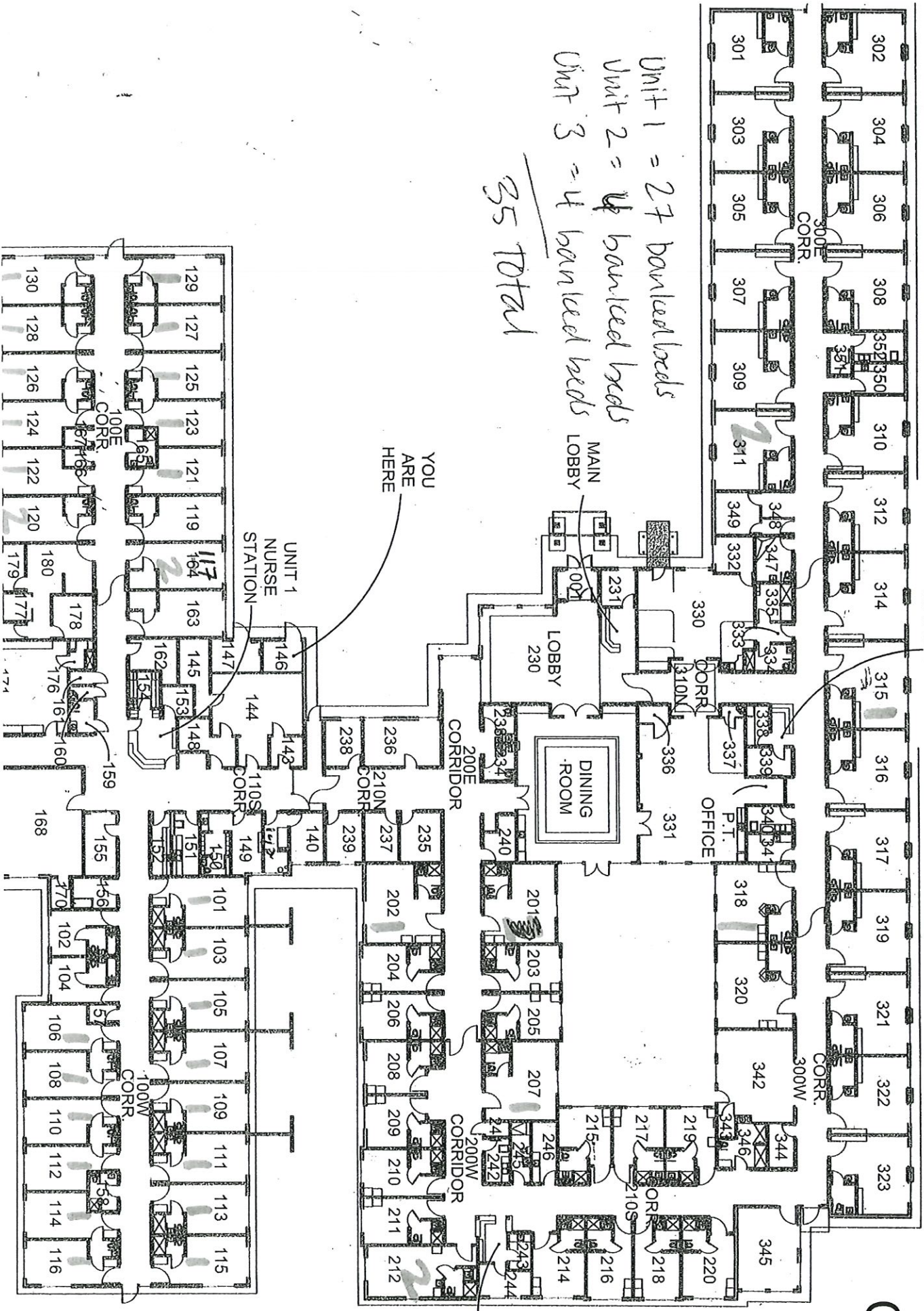
F
CON
RC

UNIT 3
NURSE
STATION

UNIT 2
NURSE
STATION

Unit 1 = 27 banked beds
Unit 2 = 4 banked beds
Unit 3 = 4 banked beds
35 Total

YOU
ARE
HERE



6. Is the existing licensee the building owner? _____ Yes No. (If yes, go to question 8)

7. Does the building owner have a secured interest in the nursing home bed rights? Yes _____ No. In the event the existing nursing home licensee is not the building owner, the licensee shall provide:

- a) If the building owner has a secured interest in the bed rights, an **original** written statement signed by the building owner indicating the building owner's approval of the bed reduction,
- OR**
- b) If the building owner does not have a secured interest in the bed rights, a copy of the notice sent to the building owner by the licensee informing the building owner of the planned bed reduction.

8. Proposed Timetables for Project Implementation. Fill in those fields appropriate to this project.

Activity	Date
Funds necessary to undertake the project obtained	NA
Preliminary drawings submitted to Department of Health's Consultation and Construction Review program	
Final drawings and specifications submitted to Department of Health's Consultation and Construction Review program	
Construction contract awarded	
50% of construction completed (based on dollar value of the construction contract awarded)	
Construction Completed	
Licensure Approval Obtained	
Facility Operating-serving residents	

NOTE: If the above table does not identify correct project events in the change from nursing home beds to the proposed alternate use, please provide a listing of those project events with the projected completion dates. This information is used when evaluating future extension requests.

By submitting this request, the licensee reserves the rights to convert the banked beds back to nursing home care within the same nursing facility provided that the facility has remained in continuous operation, the facility has not been purchased or leased and has otherwise continued to qualify for bed banking. I further understand the initial time period for the bed banking is four years. Prior to the end of the four years, I must either convert the beds back to nursing home care as outlined in WAC 246-310-395 or request an extension as outlined in WAC 246-310-580 for one an additional four year period.

To effectuate this banking, the licensee must proceed with de-licensing the beds with the Department of Social and Health Services (DSHS). The Department of Health will bank the eligible beds as of the effective date of the license modification from DSHS.

**FIRST AMENDMENT TO
THIRD AMENDED AND RESTATED MASTER LEASE AGREEMENT**

THIS FIRST AMENDMENT TO THIRD AMENDED AND RESTATED MASTER LEASE AGREEMENT (this "**Amendment**") is made as of December 20, 2019, by and among (a) those entities identified as "Landlord" on the signature pages attached hereto (individually and collectively, "**Landlord**"), and (b) those entities identified as "Tenant" on the signature pages attached hereto (together with their permitted successors and assigns, individually and collectively, "**Tenant**").

RECITALS

A. Landlord and Tenant are parties to that certain Third Amended and Restated Master Lease Agreement dated February 28, 2017 (the "**Lease**"). All initially capitalized terms used and not otherwise defined herein shall have the meanings given such terms in the Lease.

B. Pursuant to (i) that certain Amended and Restated Guaranty of Lease dated February 28, 2017, executed by Avamere Group, LLC, an Oregon limited liability company ("**Avamere**"), in favor of Landlord (the "**Corporate Guaranty**"), (ii) that certain Amended and Restated Guaranty of Lease dated August 7, 2015, executed by K. Richard Miller, Jr. ("**Miller**"), in favor of Landlord (the "**Miller Guaranty**"), and (iii) that certain Amended and Restated Guaranty of Lease dated August 7, 2015, executed by Richard Dillon ("**Dillon**", and collectively with Avamere and Miller, "**Guarantor**"), in favor of Landlord (the "**Dillon Guaranty**" and collectively with the Corporate Guaranty and the Miller Guaranty, the "**Guaranty**"), Guarantor guaranteed to Landlord the obligations of Tenant under the Lease.

C. Tenant has requested, and Landlord has approved, the reduction of a combined total of seventy-six (76) licensed beds from four (4) Facilities located in the State of Washington, which Facilities are identified herein (collectively, the "**Licensed Bed Reduction**").

D. Landlord and Tenant now desire to amend the Lease to provide for the Licensed Bed Reduction, all upon the terms and conditions set forth below.

AGREEMENT

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

1. Summary. Pursuant to Tenant's Licensed Bed Reduction, the following chart is incorporated herein to clearly summarize (i) the Facilities to be affected by this Amendment, and (ii) the total number of licensed beds to be reduced at each such Facility:

Facility	Current Beds	Proposed Beds	Total Reduction
Avamere Olympic Rehab. of Sequim	125	90	35
St. Francis of Bellingham	120	105	15
Richmond Beach Rehab.	140	131	9
Avamere Heritage Rehab. of Tacoma	89	81	8

2. Amendment. Schedule 7.1.13 of the Lease is hereby deleted in its entirety and replaced with a revised version of Schedule 7.1.13, a copy of which is attached hereto as Exhibit A, which shows

the Licensed Bed Capacity and Actual Bed Capacity numbers for each Facility, as such numbers are reduced by this Amendment.

3. Reaffirmation of Lease. Tenant and Landlord each hereby acknowledges and reaffirms its obligations under the Lease, as amended hereby, and all other documents executed by such party in connection therewith.

4. Effect of Amendment. Except as specifically amended pursuant to the terms of this Amendment, the terms and conditions of the Lease shall remain unmodified and in full force and effect. In the event of any inconsistencies between the terms of this Amendment and any terms of the Lease, the terms of this Amendment shall govern and prevail.

5. Incorporation of Prior Agreements; Amendments. This Amendment contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Amendment, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose. No provision of this Amendment may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors in interest.

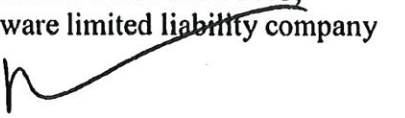
6. Counterparts; Electronic Delivery. This Amendment may be executed in counterparts, each of which will constitute an original, but all of which, when taken together, will constitute but one agreement. Executed copies hereof may be delivered by facsimile, email or other electronic means and upon receipt will be deemed originals and binding upon the parties hereto, regardless of whether originals are delivered thereafter.

[Signatures begin on next page]

IN WITNESS WHEREOF, this Amendment has been executed by Landlord and Tenant as of the date first written above.

LANDLORD:


CCP BELLINGHAM 1501 LLC,
CCP RIVERPARK 1502 LLC,
CCP OLYMPIC 1503 LLC,
CCP LEBANON 1504 LLC,
CCP CRESTVIEW 1505 LLC,
CCP KING CITY 1506 LLC,
CCP HILLSBORO 1507 LLC,
CCP JUNCTION CITY 1508 LLC,
CCP EUGENE 1509 LLC,
CCP COOS BAY 1510 LLC,
CCP TWIN OAKS 1511 LLC,
CCP TACOMA 1512 LLC,
CCP CLACKAMAS 1513 LLC,
CCP TACOMA 1515 LLC,
CCP THREE FOUNTAINS 1525 LLC,
CCP KEIZER 1526 LLC,
CCP PEARL KRUSE 1527 LLC,
CCP RICHMOND BEACH 1500 LLC,
CCP NEWPORT 1528 LLC,
CCP MOUNTAIN VIEW 1529 LLC,
CCP MEDFORD 0453 LLC,
CCP BELLINGHAM 0158 LLC,
CCP QUEEN ANNE 0462 LLC,
CCP MALLEY 0859 LLC,
CCP BRIGHTON 0873 LLC,
CCP BOISE 0216 LLC,
CCP SUNNYSIDE 0452 LLC,
CCP CASCADE PARK 7360 LLC, and
CCP TACOMA PEARL 1532 LLC,
each a Delaware limited liability company

By: 
Name: Talya Nevo-Hacohen
Title: Executive Vice President,
Chief Investment Officer
and Treasurer


[Signatures continue on next page]

TENANT:


RIVERPARK OPERATIONS, LLC,
SEQUIM REHABILITATION, LLC,
LEBANON CARE CENTER, LLC,
CRESTVIEW OPERATIONS, LLC,
KING CITY REHAB, LLC,
JUNCTION CITY REHABILITATION, LLC,
EUGENE REHABILITATION, LLC,
COOS BAY REHABILITATION, LLC,
TWIN OAKS REHAB, LLC,
CLACKAMAS REHABILITATION, LLC,
WATERFORD OPERATIONS, LLC,
KEIZER CAMPUS OPERATIONS, LLC,
AV AMERE LAKE OSWEGO OPERATIONS
INVESTORS, LLC,
RICHMOND BEACH REHAB, LLC,
NEWPORT REHABILITATION, LLC,
MEDFORD OPERATIONS, LLC,
MOUNTAIN VIEW REHAB, LLC, and
SUNNYSIDE OPERATIONS, LLC,
each an Oregon limited liability company

By:  DocuSigned by:
84B90EDF88E74BF...
Name: K. Richard Miller, Jr.
Title: Manager

PECKHAM-MILLER, INC.,
an Oregon corporation

By:  DocuSigned by:
84B90EDF88E74BF...
Name: K. Richard Miller, Jr.
Title: President


NORTHGLENN OPERATIONS, LLC, and
BRIGHTON OPERATIONS, LLC,
each a Colorado limited liability company

By:  DocuSigned by:
84B90EDF88E74BF...
Name: K. Richard Miller, Jr.
Title: Manager

ST. FRANCIS OPERATIONS, LLC,
HERITAGE REHAB, LLC,
GEORGIAN REHAB, LLC,
TACOMA REHAB, LLC,
VANCOUVER OPERATIONS, LLC,
BELLINGHAM OPERATIONS, LLC, and
SEATTLE OPERATIONS, LLC,
each a Washington limited liability company

By:  DocuSigned by:
84B90EDF88E74BF...
Name: K. Richard Miller, Jr.
Title: Manager

BOISE OPERATIONS, LLC,
an Idaho limited liability company


By:  DocuSigned by:
84B90EDF88E74BF...
Name: K. Richard Miller, Jr.
Title: Manager


ACKNOWLEDGEMENT AND REAFFIRMATION OF GUARANTOR

The undersigned (i) hereby acknowledge the terms and conditions of this Amendment, and (ii) hereby acknowledge and agrees that the Guaranty to which it or he is a party remains in full force and effect and that its or his obligations under such Guaranty shall apply to the applicable duties, liabilities and other obligations of Tenant under the Lease, as amended by this Amendment. Although Guarantor has been informed of the terms of this Amendment, Guarantor understands and agrees that Landlord has no duty to so notify it or to seek this or any future acknowledgment, consent or reaffirmation, and nothing contained herein shall create or imply any such duty as to any transactions, past or future.

IN WITNESS WHEREOF, the undersigned has executed this Acknowledgement and Reaffirmation of Guarantor effective as of the date of this Amendment.

AVAMERE GROUP, LLC,
an Oregon limited liability company

By: 
Name: K. Richard Miller, Jr.
Title: Manager


K. Richard Miller, Jr.,
an individual

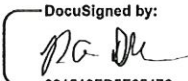

Richard Dillon,
an individual

EXHIBIT A

REVISED SCHEDULE 17.1.13

[See attached.]

SCHEDULE 17.1.13**Actual Bed Capacity and Licensed Bed Capacity**

<u>Facility</u>	<u>Type</u>	<u>Licensed</u>	<u>Available</u>
Bellingham Health Care & Rehab Center	9601 - SNF Beds	84	84
Boise Health and Rehabilitation Center	9601 - SNF Beds	111	81
Brighton Garden Care Center	9601 - SNF Beds	108	108
Avamere Rehab. of Clackamas	9601 - SNF Beds	87	55
Avamere Rehab. of Coos Bay	9601 - SNF Beds	92	60
Avamere Crestview of Portland	9601 - SNF Beds	127	95
Avamere Rehab. of Eugene	9601 - SNF Beds	92	92
Avamere New Bel Air	9601 - SNF Beds	60	60
Avamere Heritage Rehab. of Tacoma	9601 - SNF Beds	81	65
Avamere Rehab. of Junction City	9601 - SNF Beds	53	53
Avamere Court at Keizer	9601 - SNF Beds	69	69
Avamere Court at Keizer	9602 - ALF Units	50	50
Avamere Court at Keizer	9603 - ILF		96
Avamere Court at Keizer	9604 - RCF Beds	63	0
Avamere Rehab. of King City	9601 - SNF Beds	148	88
Avamere Rehab. of Lebanon	9601 - SNF Beds	84	84
North Glenn - Malley	9601 - SNF Beds	162	162
Avamere Rehab of Oregon City	9601 - SNF Beds	95	68
Avamere Rehab of Newport	9601 - SNF Beds	52	52
The Pearl at Kruse Way	9601 - SNF Beds	45	45
The Pearl at Kruse Way	9604 - RCF Beds	31	31
Queen Anne Healthcare	9601 - SNF Beds	120	120
Richmond Beach Rehab	9601 - SNF Beds	131	131
Avamere Riverpark of Eugene	9601 - SNF Beds	119	119
Medford Rehab & Healthcare Center	9601 - SNF Beds	91	91
Avamere Olympic Rehab. Of Sequim	9601 - SNF Beds	90	82
St. Francis of Bellingham	9601 - SNF Beds	105	103
Sunnyside Care Center	9601 - SNF Beds	88	88
Avamere Skilled Nursing of Tacoma	9601 - SNF Beds	102	102
Avamere Twin Oaks of Sweet Home	9601 - SNF Beds	41	41
Avamere at Three Fountains/Waterford	9601 - SNF Beds	117	117
Avamere at Three Fountains/Waterford	9602 - ALF Units	68	68
Avamere at Three Fountains/Waterford	9604 - RCF Beds	20	15
Cascade Park Care Center	9601 - SNF Beds	88	88
Avamere Rehab. of Hillsboro	9601 - SNF Beds	87	86