



STATE OF WASHINGTON
DEPARTMENT OF HEALTH
PO Box 47852 • Olympia, Washington 98504-7852

November 28, 2018

CERTIFIED MAIL # 7014 2120 0002 7589 9155

Michael J. Miller, CFO and Assistant Manager
Evergreen Kitsap, LLC
C/O EmpRes Healthcare Management, LLC
4601 NE 77th Avenue, Suite 300
Vancouver, WA 98662

RE: Certificate of Need Application #18-28

Dear Mr. Miller:

Enclosed is Certificate of Need #1753 issued to Evergreen Kitsap, LLC to unbank 10 beds banked under the full facility closure provisions of Revised Code of Washington 70.38.115(13)(b). The 10 beds will be added to existing capacity at Northwoods Lodge in Silverdale within Kitsap County.

The certificate is not an approval for any other local, federal, or state statutes, rules, or regulations. Such a project may also need Department of Health approval for a construction plan and facility licensing or certification, as well as other federal or local jurisdiction permits.

The Certificate of Need is valid for two years. The project must begin during this time. If there is substantial and continuing progress, we may extend the certificate for one six month period. For an extension, you must submit an extension request at least 120 days before the expiration. You cannot begin a project after the expiration date.

This decision may be appealed. The appeal options are listed below.

Appeal Option 1:

Any person with standing may request a public hearing to reconsider this decision. The request must state the specific reasons for reconsideration in accordance with Washington Administrative Code 246-310-560. A reconsideration request must be received within 28 calendar days from the date of the decision at one of the following addresses:

Mailing Address:
Department of Health
Certificate of Need Program
Mail Stop 47852
Olympia, WA 98504-7852

Physical Address:
Department of Health
Certificate of Need Program
111 Israel Road SE
Tumwater, WA 98501

Michael J Miller, CFO and Assistant Manager
Certificate of Need App #18-28
November 28, 2018
Page 2 of 2

Appeal Option 2:

Any person with standing may request an adjudicative proceeding to contest this decision within 28 calendar days from the date of this letter. The notice of appeal must be filed according to the provisions of Revised Code of Washington 34.05 and Washington Administrative Code 246-310-610. A request for an adjudicative proceeding must be received within the 28 days at one of the following addresses:

Mailing Address:

Department of Health
Adjudicative Service Unit
Mail Stop 47879
Olympia, WA 98504-7879

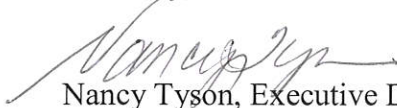
Physical Address

Department of Health
Adjudicative Service Unit
111 Israel Road SE
Tumwater, WA 98501

We monitor projects until completed or the expiration date, whichever occurs last. We do this with quarterly progress reports. At least 30 days before the report's due date, you will receive a form to complete and return.

If you have any questions, please contact Janis Sigman, Manager of the Certificate of Need Program at (360) 236-2955.

Sincerely,



Nancy Tyson, Executive Director
Health Facilities and Certificate of Need
Community Health Systems

Enclosure



This Certificate is granted under the authority of RCW 70.38. Issuance of this Certificate does not constitute approval under any other local, federal or state statute, implementing rules and regulations. Examples where additional approval may be necessary include, but are not limited to, construction plan approval through the Construction Review Unit of the Department of Health, facility licensing/certification through the Department of Social and Health Services or Department of Health, and other federal or local jurisdiction permits.

Certificate of Need #1753 is issued to:

Applicant's Legal Name: Evergreen Kitsap, LLC
Applicant's Address: 4601 NE 77th Avenue, Suite 300
Vancouver, WA 98662
Facility Type Nursing Home
Project Type Nursing Home
Facility Name: Northwoods Lodge
Facility Address: 2321 NW Schold Place
Silverdale, WA 98383

**ISSUANCE OF THIS CERTIFICATE OF NEED IS BASED ON THE DEPARTMENT'S
RECORD AND EVALUATION DATED OCTOBER 24, 2018 (CN APP # 18-25)**

Project Description

Evergreen Kitsap, LLC is approved to add 10 nursing home beds to Northwoods Lodge located in Kitsap County by converting 10 beds banked under the full facility closure provisions of Revised Code of Washington 70.38.115(13)(b). At project completion, the number of licensed beds at Northwood Lodge will increase from 47 to 57 and Santé Operations, LLC will continue to manage Northwoods Lodge.

Service Area

Kitsap King County

Conditions

The conditions are identified on page 2 of this certificate

Approved Capital Expenditure

The approved capital expenditure for this project is \$310,000.

This Certificate authorizes commencement of the project from November 28, 2018 to November 28, 2020 unless extended, withdrawn, suspended, or revoked in accordance with applicable sections of the Certificate of Need law and regulations.

Date Certificate Issued: November 28, 2018

A handwritten signature in black ink, appearing to read "Nancy Tyson", written over a horizontal line.

Nancy Tyson, Executive Director
Health Facilities and Certificate of Need
Washington State Department of Health

This Certificate is not transferable

Certificate of Need #1753

Page Two

Conditions

1. Evergreen Kitsap, LLC agrees with the project description as stated above. Evergreen Kitsap, LLC further agrees that any change to the project as described in the project description is a new project that requires a new Certificate of Need.
2. Northwoods Lodge must maintain Medicare and Medicaid certification throughout the life of the facility, regardless of ownership.
3. Northwoods Lodge and any subsequent owners of the nursing home must not develop any policies or practices that preclude admission of patients based on payer source.