



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 #1349RE is issued to:

Legal Name of Applicant: Extendicare Homes, Inc.
Address of Applicant: 111 West Michigan Street Milwaukee, WI 53203
Type of Service: Skilled Nursing Home Facility
Facility Name: South Hill Nursing and Rehabilitation
Facility Address: 4500 block of South Freya Street , Spokane WA 99223

ISSUANCE OF THIS CERTIFICATE OF NEED IS BASED ON THE DEPARTMENT'S RECORDS AND EVALUATION OF June 29, 2007 (CN App #07-04)

Description/Services To Be Provided:

This certificate approves the establishment of 120 beds nursing home facility in Spokane, within Spokane County, contingent on Extendicare Homes, Inc.'s July 19, 2007, agreement to the terms stated in the attachment.

Service Area
Spokane County

Terms

Please see the attached

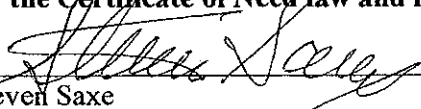
Approved Capital Expenditure Breakdown

Item	EXPENDITURE
Land purchase, site preparation, construction, equipments, engineering and fees.	\$12,063,639
Supervision, site inspections , building equipments, sales taxes, legal cost and permits	\$1,936,361
Total	\$14,000,000

The approved capital expenditure for this project is \$14, 000, 000

This Extended Certificate of Need is effective from July 20, 2009, to January 20, 2010, unless extended, withdrawn, suspended, or revoked in accordance with applicable sections of the Certificate of Need law and regulations.

Date Extended Certificate Issued: March 18, 2009


Steven Saxe
Director, Facilities and Services Licensing

This Certificate is not transferable.



Attachment to Certificate of Need #1349RE issued to Extencicare Homes, Inc.

TERMS:

1. *Voluntarily relinquish the rights to the remaining 4 banked beds from the original 124 beds.*
2. *Voluntarily relinquish the rights to 4 additional banked beds at Franklin Hill Rehabilitation Center.*
3. *EHI must identify the 17 patient rooms at Franklin Hill Rehabilitation Center where bed reduction from 3 to 2 beds need to occur.*
4. *EHI must submit to the department a letter relinquishing rights to 17 banked beds at Fir Lane Terrace, Inc. a wholly owned subsidiary of EHI.*
5. *Prior to commencing this project, the applicant must provide to the department for review and approval an executed copy of the purchase and sale to the proposed site located at the Southeast Corner of 44th and Freya Street (AKA 4500 block of S. Freya Street Spokane, WA 99223).*
6. *Prior to commencing this project, the applicant must provide a letter from the appropriate municipal authority indicating the final site review has been completed and the proposed project is properly zoned for the anticipated use and scope of the project.*
7. *Prior to providing services, Extencicare Homes, Inc must provide to the department copy of the executed Medical Director's agreement and the details of the Director of Nursing Services roles, responsibilities and the compensation of each position. The executed agreements shall be consistent with the draft agreements and information provided within the application and must identify the compensation for each position. The agreement is subject to review and approval by the department.*
8. *Prior to providing skilled nursing services, Extencicare Homes, Inc shall provide to the department for review and approval, a list of all contracted ancillary services and copies of all executed contracts or agreements with the providers of all ancillary services.*
9. *Prior to providing skilled nursing services, Extencicare Homes, Inc shall provide to the department for review and approval, executed transfer agreements with Spokane County hospitals, home care agencies, hospice agencies and other medical providers.*
10. *Prior to providing nursing services, EHI shall provide to the department, for review and approval, the names and credential numbers of the project's Medical Director and the Director of Nursing Services.*