



STATE OF WASHINGTON  
DEPARTMENT OF HEALTH

December 20, 2010

CERTIFIED MAIL #7008 1300 0000 7202 9447

Jeff Marshall, President & CEO  
Eagle Healthcare, Inc.  
12015 – 115<sup>th</sup> Avenue Northeast, #E195  
Kirkland, Washington 98034

Dear Mr. Marshall:

We have completed review of the Renovation and Replacement Authorization application submitted on behalf of Eagle Healthcare, Inc. proposing to renovate Hillcrest Manor located in Yakima County. Once the renovation of the facility is complete, Eagle Healthcare also intends to replace 14 beds from Grandview Healthcare Center also located in Yakima County, to the newly renovated Hillcrest Manor. Enclosed is Renovation Authorization (RA) #073 for the project.

The RA is not 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 RA is valid for two years during which time you must start the project. If there is substantial and continuing progress, we may extend the RA 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 two appeal options are listed below.

Appeal Option 1:

You or any interested or affected person 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

Other Than By Mail  
Department of Health  
Certificate of Need Program  
310 Israel Road SE  
Tumwater, WA 98501



Jeff Marshall, President & CEO  
Eagle Healthcare, Inc.  
RA #073  
December 20, 2010  
Page 2 of 2

Appeal Option 2:

You or any affected 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:

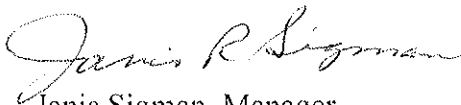
Adjudicative Service Unit  
Mail Stop 47879  
Olympia, WA 98504-7879

Other Than By Mail

Adjudicative Clerk Office  
310 Israel Road SE, Building 6  
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 me at (360) 236-2955.

Sincerely,



Janis Sigman, Manager  
Certificate of Need Program  
Office of Certification and Technical Support

Enclosure

cc: Department of Social and Health Services  
Department of Health, Construction Review Services



In accordance with RCW 70.38 and implementing rules and regulations, 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.

**Renovation and Replacement Authorization #073 is issued to:**

**Existing Licensee:** Eagle Healthcare, Inc.  
**Current Facility Name:** Hillcrest Manor  
**Current Facility Address:** 721 Otis Avenue, Sunnyside, Washington 98944  
**Current County Location:** Yakima  
**Current Number of Licensed Beds:** 66 licensed and zero banked

**Renovated Facility Information**

**Renovated Facility Licensee:** Eagle Healthcare, Inc.  
**Renovated Facility Name:** Hillcrest Manor  
**Renovated Facility Address:** 721 Otis Avenue, Sunnyside, Washington 98944  
**Renovated Facility County Location:** Yakima  
**Renovated Facility Number of Beds:** 80 licensed and zero banked  
66 from Hillcrest Manor, and  
14 from Grandview Healthcare Center  
**Capital Expenditure of Project:** \$3,945,182

**Description of Approved Project**

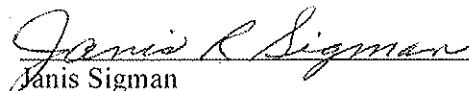
Eagle Healthcare, Inc. is the existing licensee of Hillcrest Manor located in Sunnyside within Yakima County. Eagle Healthcare, Inc. is also the existing licensee of Grandview Healthcare Center located at 912 Hillcrest Avenue in Grandview within Yakima County. KB Northwest Associates, LLC is the building owner of both Hillcrest Manor and Grandview Healthcare Center.

Hillcrest Manor is licensed for 66 skilled nursing beds and has zero beds banked under the alternate use section of Revised Code of Washington 70.38.111(8) and Washington Administrative Code 246-310-395. Grandview Healthcare Center is licensed for 60 skilled nursing beds and has zero beds banked under the alternate use section of Revised Code of Washington 70.38.111(8) and Washington Administrative Code 246-310-395.

This Authorization approves the renovation of Hillcrest Manor at the existing location. The building owner—KB Northwest Associates, LLC—concurs with the renovation project. The renovated facility will continue to be known as Hillcrest Manor. This Authorization also approves the replacement of 14 skilled nursing beds from Grandview Healthcare Center to the newly renovated Hillcrest Manor. The building owner—KB Northwest Associates, LLC—concurs with the replacement of 14 beds. At project completion, the maximum number of beds at Hillcrest Manor is 80; the maximum number of beds at Grandview Healthcare Center is 46.

This Renovation and Replacement Authorization is effective from December 20, 2010, through December 20, 2012, unless extended, withdrawn, suspended, or revoked in accordance with applicable sections of the Certificate of Need law and regulations.

**Date Issued:** December 20, 2010

  
Janis Sigman  
Manager, Certificate of Need Program  
Office of Certification and Technical Support

**This Renovation Authorization is not transferable.**