



STATE OF WASHINGTON
DEPARTMENT OF HEALTH

August 27, 2012

CERTIFIED MAIL #7011 1570 0002 7808 8119

Cindy Cross
Valley Terrace Operations, LLC
3570 Keith Street, Northwest
Cleveland, Tennessee 37312

Dear Ms. Cross:

We have completed review of your July 11, 2012, request submitted by Valley Terrace Operaitons, LLC to replace Life Care Center of Puyallup to a new site in Puyallup, within Pierce County. Enclosed is Replacement Authorization #075 for that project.

Replacement Authorization #075 is valid for two years. The project must begin during this time. If there is substantial and continuing progress, we may extend the authorization for one six month period. For an extension, you must submit an extension request at least 120 days before the expiration date. 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

Cindy Cross
Valley Terrace Operations, LLC
RA #075
August 27, 2012
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:

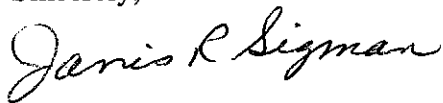
Adjudicative Service Unit
Mail Stop 47879
Olympia, WA 98504-7879

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.

Replacement Authorization #075 is issued to:

Existing Licensee: Valley Terrace Operations, LLC
Current Facility Name: Life Care Center of Puyallup
Current Facility Address: 511 – 10th Avenue Southeast
Puyallup, Washington 98372
Current County Location: Pierce
Current Number of Licensed Beds: 202 licensed and zero banked

Replacement Facility Information

Replacement Facility Licensee: Valley Terrace Operations, LLC
Replacement Facility Name: Life Care Center of South Hill
Replacement Facility Address: 2508 – 7th Street Southeast
Puyallup, Washington 98374
Replacement Facility County Location: Pierce
Replacement Facility Number of Beds: 100
Capital Expenditure of Project: \$25,000,000

Description of Approved Project

Valley Terrace Operations, LLC is the existing licensee of Life Care Center of Puyallup. Currently Life Care Center of Puyallup is licensed for 202 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 Replacement Authorization approves the partial replacement of Life Care Center of Puyallup at a new site in Puyallup, within Pierce County. The new facility will be known as Life Care Center of South Hill and will have 100 skilled nursing beds.

At project completion, Life Care Center of Puyallup will operate 102 skilled nursing beds at the 511 – 10th Avenue Southeast location. Life Care Center of South Hill will operate 100 skilled nursing beds at 2508 – 7th Street Southeast in Puyallup.

Valley Terrace Medical Investors, LLC is the building owner of Life Care Center of Puyallup and provided written approval of the partial replacement of Life Care Center of Puyallup.

This Replacement Authorization is effective from August 27, 2012, through August 27, 2014, unless extended, withdrawn, suspended, or revoked in accordance with applicable sections of the Certificate of Need law and regulations.

Date Issued: August 27, 2012

A handwritten signature in cursive script that reads "Janis R. Sigman".

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

This Replacement Authorization is not transferable.