

## **RESPONSE REQUIRED**

March 28, 2012

Mike Kahn, Vice President  
Waltonwood Cotswold, LLC  
2601 Weston Parkway, Suite 203  
Cary, NC 27513

RE: Conditional Approval/ Project I.D. # F-8762-11/ Waltonwood Cotswold, LLC, Singh Senior Living NC, LLC, and Waltonwood Meyers Park, LLC/ Develop a 125-bed adult care home facility with 27 special care unit beds by relocating 40 existing adult care beds from Charlotte Manor and developing 85 additional adult care beds provided through settlement to Waltonwood Cotswold, LLC / Mecklenberg County

FID #: 110877

Dear Mr. Kahn:

The Certificate of Need (CON) Section, Division of Health Service Regulation, Department of Health and Human Services has conditionally approved the above referenced certificate of need application. This decision was made after a review of the applications submitted for this cycle and after consideration of the Certificate of Need Law, G.S. 131E-175 et. seq. and regulations promulgated thereunder, the State Medical Facilities Plan, and other applicable information. Attached to this letter are the required findings made with respect to your application. The applicant shall not proceed with the construction, offering or development of this project until the certificate of need is issued. Further, the Department shall not issue the certificate of need until all applicable conditions of approval that can be satisfied before issuance of the certificate of need have been met pursuant to G.S. 131E-187(a). The conditions are as follows:

1. Waltonwood Cotswold, LLC (Lessor), Singh Senior NC, LLC (Lessee) and Waltonwood Meyers Park, LLC shall materially comply with all representations made in their certificate of need application.
2. Waltonwood Cotswold, LLC (Lessor), Singh Senior Living NC, LLC (Lessee) and Waltonwood Meyers Park, LLC shall relocate 40 ACH beds from Charlotte Manor to a new facility with a total of 125 total adult care beds including a 27-bed special care unit upon completion of the project.

3. For the first two years of operation following completion of the project, Waltonwood Cotswold, LLC (Lessor), Singh Senior Living NC, LLC (Lessee) and Waltonwood Meyers Park shall not increase actual private pay charges more than 5% of the projected private pay charges provided in Section X of the application without first obtaining a determination from the Certificate of Need Section that the proposed increase is in material compliance with the representations in the certificate of need application.
4. Waltonwood Cotswold, LLC (Lessor), Singh Senior Living NC, LLC (Lessee) and Waltonwood Meyers Park, LLC shall provide care to recipients of State/County Special Assistance with Medicaid for the facility and the Special Care Unit, commensurate with representations made in Section VI.2.
5. Waltonwood Cotswold, LLC (Lessor), Singh Senior Living NC, LLC (Lessee) and Waltonwood Meyers Park, LLC shall submit all patient charges and patient admissions for each source of patient payment to the CON Section at year end for each of the first three operating years following licensure of the beds in the facility.
6. Waltonwood Cotswold, LLC (Lessor), Singh Senior Living NC, LLC (Lessee) and Waltonwood Meyers Park shall acknowledge acceptance of and agree to comply with all conditions stated herein to the Certificate of Need Section, in writing prior to issuance of the certificate of need.

**Response to the above conditions should be submitted to the CON Section no later than 35 days from the date of the decision. Failure to respond within this time period may result in the CON Section making a determination not to issue a certificate of need for the project referenced above.**

The conditional approval is valid only for a capital expenditure of \$19,005,150. If a cost overrun occurs that exceeds the approved capital expenditure amount, a new certificate of need may be required as determined by G.S. 131E-176(16)(e).

The applicant should be aware that according to the Certificate of Need Law any affected person shall have thirty (30) days after the date of decision to file a petition for a contested case on this approval. Further, if you are aggrieved by the conditions of the decision you may file a petition for a contested case hearing in accordance with G.S. 150B, Article 3, as amended. This petition must be filed with the Office of Administrative Hearings, 6714 Mail Service Center, Raleigh, North Carolina 27699-6714 within thirty (30) days of the date of this decision. [Note: Effective October 1, 2009, OAH requires a filing fee with submittal of petitions for contested cases. Please direct all questions regarding this fee to OAH Clerk's Office (919-431-3000).]

G.S. 150B-23 provides that a party filing a petition must also serve a copy of the petition on all parties to the petition. Therefore, if you file a petition for a contested case hearing, you must serve a copy of the petition on the Department of Health and Human Services by mailing a copy of your petition to:

Emery Milliken

Mike Kahn  
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Department of Health and Human Services,  
Office of Legal Affairs,  
Adams Building – Room 154  
2001 Mail Service Center  
Raleigh, North Carolina, 27699-2001

It is requested that a copy of the petition also be served on the Certificate of Need Section.

The certificate of need will not be issued before the completion of this 30 day period ending April 26, 2012. If a contested case request is received within the thirty (30) day period, the certificate will not be issued until the appeal is resolved (10A NCAC 14C .0208).

The timetable for completion of the project is the timetable outlined in the certificate of need application, unless an adjustment has been made by the CON Section because the review period was extended. The timetable for this project is as follows:

Completion of Preliminary Drawings	August 1, 2012
Completion of Final Drawings and Specifications	November 1, 2012
Approval of Final Drawings and Specifications by the Construction Section, DHSR	March 1, 2013
Contract Award (Notice to Proceed)	September 1, 2012
25% Completion of Construction	March 1, 2017
50% Completion of Construction	September 1, 2017
75% Completion of Construction	March 1, 2018
Completion of Construction	September 1, 2018
Licensure of Facility	October 1, 2018

If the decision is appealed, the timetable set forth in this letter will be adjusted accordingly before the Certificate of Need is issued. Please contact us if any clarification of this decision is required.

Please refer to the Project I.D. # and Facility I.D. # (FID) in all correspondence.

Sincerely,

Paula Quirin, Project Analyst

Craig R. Smith, Chief  
Certificate of Need Section

PQ:CRS:mw

Attachment

cc: Medical Facilities Planning Section, DHSR  
Adult Care Licensure & Certification Section, DHSR

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing notice of **conditional approval** on the following person by placing a copy in an official depository of the United States Postal Service in a postage-paid, first class envelope addressed as follows:

Mike Kahn, Vice President  
Waltonwood Cotswold, LLC  
2601 Weston Parkway, Suite 203  
Cary, NC 27513

Project I.D. # F-8762-11  
FID #110877

This the 28<sup>th</sup> day of March, 2012.

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Paula Quirin  
Project Analyst