March 5, 2014

Gerald J. Boyle, Consultant Services
1217 Pond Street
Cary, North Carolina 27511

Exempt from Review
Facility: Ridgewood Rehabilitation Center, LLC
Project Description: Construct new replacement facility at 1624 Highland Drive, Washington, NC
County: Beaufort
FID #: 070685

Dear Mr. Boyle:

In response to your letter of September 10, 2013, the above referenced proposal is exempt from certificate of need review in accordance with N.C.G.S 131E-184(e). Therefore, you may proceed to offer, develop or establish the above referenced project without a certificate of need.

However, you need to contact the Construction and Nursing Home Licensure and Certification Sections of the Division of Health Service Regulation to determine if they have any requirements for development of the proposed project.

It should be noted that this determination is binding only for the facts represented by you. Consequently, if changes are made in the project or in the facts provided in your correspondence referenced above, a new determination as to whether a certificate of need is required would need to be made by the Certificate of Need Section. Changes in a project include, but are not limited to: (1) increases in the capital cost; (2) acquisition of medical equipment not included in the original cost estimate; (3) modifications in the design of the project; (4) change in location; and (5) any increase in the number of square feet to be constructed.

If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,

Jane Rhoe-Jones
Project Analyst

cc: Construction Section, DHSR
Nursing Home Licensure and Certification Section, DHSR

Certificate of Need Section
www.ncdhhs.gov
Telephone: 919-855-3873 • Fax: 919-733-8139
Location: Edgerton Building • 809 Ruggles Drive • Raleigh, NC 27603
Mailing Address: 2704 Mail Service Center •Raleigh, NC 27699-2704
An Equal Opportunity/ Affirmative Action Employer
Appendix D: North Carolina Certificate of Need Statute

(14) The applicant shall demonstrate that the proposed health services accommodate the clinical needs of health professional training programs in the area, as applicable.

(15) through (18) Repealed.

(18a) The applicant shall demonstrate the expected effects of the proposed services on competition in the proposed service area, including how any enhanced competition will have a positive impact upon the cost effectiveness, quality, and access to the services proposed; and in the case of applications for services where competition between providers will not have a favorable impact on cost effectiveness, quality, and access to the services proposed, the applicant shall demonstrate that its application is for a service on which competition will not have a favorable impact.

(19) Repealed.

(20) An applicant already involved in the provision of health services shall provide evidence that quality care has been provided in the past.

(21) Repealed.

(b) The Department is authorized to adopt rules for the review of particular types of applications that will be used in addition to those criteria outlined in subsection (a) of this section and may vary according to the purpose for which a particular review is being conducted or the type of health service reviewed. No such rule adopted by the Department shall require an academic medical center teaching hospital, as defined by the State Medical Facilities Plan, to demonstrate that any facility or service at another hospital is being appropriately utilized in order for that academic medical center teaching hospital to be approved for the issuance of a certificate of need to develop any similar facility or service.

(c) Repealed.

§ 131E-184. Exemptions from review.

(a) Except as provided in subsection (b), the Department shall exempt from certificate of need review a new institutional health service if it receives prior written notice from the entity proposing the new institutional health service, which notice includes an explanation of why the new institutional health service is required, for any of the following:

(1) To eliminate or prevent imminent safety hazards as defined in federal, State, or local fire, building, or life safety codes or regulations.

(1a) To comply with State licensure standards.

(1b) To comply with accreditation or certification standards which must be met to receive reimbursement under Title XVIII of the Social Security Act or payments under a State plan for medical assistance approved under Title XIX of that act.

(2) Repealed.

(3) To provide data processing equipment.

(4) To provide parking, heating or cooling systems, elevators, or other basic plant or mechanical improvements, unless these activities are integral portions of a project that involves the construction of a new health service facility or portion thereof and that is subject to certificate of need review.

(5) To replace or repair facilities destroyed or damaged by accident or natural disaster.

(6) To provide any nonhealth service facility or service.

(7) To provide replacement equipment.

(8) To acquire an existing health service facility, including equipment owned by the health service facility at the time of acquisition.
Appendix D: North Carolina Certificate of Need Statute

(9) To develop or acquire a physician office building regardless of cost, unless a new institutional health service other than defined in G.S. 131E-176(16)b. is offered or developed in the building.

(b) Those portions of a proposed project which are not proposed for one or more of the purposes under subsection (a) of this section are subject to certificate of need review, if these non-exempt portions of the project are new institutional health services under G.S. 131E-176(16).

(c) The Department shall exempt from certificate of need review any conversion of existing acute care beds to psychiatric beds provided:

(1) The hospital proposing the conversion has executed a contract with the Department's Division of Mental Health, Developmental Disabilities, and Substance Abuse Services and/or one or more of the Area Mental Health, Developmental Disabilities, and Substance Abuse Authorities to provide psychiatric beds to patients referred by the contracting agency or agencies; and

(2) The total number of beds to be converted shall not be more than twice the number of beds for which the contract pursuant to subdivision (1) of this subsection shall provide.

(d) In accordance with, and subject to the limitations of G.S. 148-19.1, the Department shall exempt from certificate of need review the construction and operation of a new chemical dependency or substance abuse facility for the purpose of providing inpatient chemical dependency or substance abuse services solely to inmates of the Department of Correction. If an inpatient chemical dependency or substance abuse facility provides services both to inmates of the Department of Correction and to members of the general public, only the portion of the facility that serves inmates shall be exempt from certificate of need review.

(e) The Department shall exempt from certificate of need review a capital expenditure that exceeds the two million dollar ($2,000,000) threshold set forth in G.S. 131E-176(16)b. if all of the following conditions are met:

(1) The proposed capital expenditure would:
   a. Be used solely for the purpose of renovating, replacing on the same site, or expanding an existing:
      1. Nursing home facility,
      2. Adult care home facility, or
      3. Intermediate care facility for the mentally retarded; and
   b. Not result in a change in bed capacity, as defined in G.S. 131E-176(5), or the addition of a health service facility or any other new institutional health service other than that allowed in G.S. 131E-176(16)b.

(2) The entity proposing to incur the capital expenditure provides prior written notice to the Department, which notice includes documentation that demonstrates that the proposed capital expenditure would be used for one or more of the following purposes:
   a. Conversion of semiprivate resident rooms to private rooms.
   b. Providing innovative, homelike residential dining spaces, such as cafes, kitchenettes, or private dining areas to accommodate residents and their families or visitors.
   c. Renovating, replacing, or expanding residential living or common areas to improve the quality of life of residents.

(f) The Department shall exempt from certificate of need review the purchase of any replacement equipment that exceeds the two million dollar ($2,000,000) threshold set forth in G.S. 131E-176(22) [sic, should be (22a)] if all of the following conditions are met:

(1) The equipment being replaced is located on the main campus.

(2) The Department has previously issued a certificate of need for the equipment being replaced. This subdivision does not apply if a certificate of need was
Appendix D: North Carolina Certificate of Need Statute

not required at the time the equipment being replaced was initially purchased by the licensed health service facility.

(3) The licensed health service facility proposing to purchase the replacement equipment shall provide prior written notice to the Department, along with supporting documentation to demonstrate that it meets the exemption criteria of this subsection.

(g) The Department shall exempt from certificate of need review any capital expenditure that exceeds the two million dollar ($2,000,000) threshold set forth in G.S. 131E-176(16b), if all of the following conditions are met:

(1) The sole purpose of the capital expenditure is to renovate, replace on the same site, or expand the entirety or a portion of an existing health service facility that is located on the main campus.

(2) The capital expenditure does not result in (i) a change in bed capacity as defined in G.S. 131E-176(5) or (ii) the addition of a health service facility or any other new institutional health service facility or any other new institutional health service other than that allowed in G.S. 131E-176(16b).

(3) The licensed health service facility proposing to incur the capital expenditure shall provide prior written notice to the Department along with supporting documentation to demonstrate that it meets the exemption criteria of this subsection.

§ 131E-185. Review process.

(a) Repealed.

(a1) Except as provided in subsection (c) of this section, there shall be a time limit of 90 days for review of the applications, beginning on the day established by rule as the day on which applications for the particular service in the service area shall begin review.

(1) Any person may file written comments and exhibits concerning a proposal under review with the Department, not later than 30 days after the date on which the application begins review. These written comments may include:

a. Facts relating to the service area proposed in the application;

b. Facts relating to the representations made by the applicant in its application, and its ability to perform or fulfill the representations made;

c. Discussion and argument regarding whether, in light of the material contained in the application and other relevant factual material, the application complies with relevant review criteria, plans, and standards.

(2) No more than 20 days from the conclusion of the written comment period, the Department shall ensure that a public hearing is conducted at a place within the appropriate service area if one or more of the following circumstances apply; the review to be conducted is competitive; the proponent proposes to spend five million dollars ($5,000,000) or more; a written request for a public hearing is received before the end of the written comment period from an affected party as defined in G.S. 131E-188(c); or the agency determines that a hearing is in the public interest. At such public hearing oral arguments may be made regarding the application or applications under review; and this public hearing shall include the following:

a. An opportunity for the proponent of each application under review to respond to the written comments submitted to the Department about its application;

b. An opportunity for any person, except one of the proponents, to comment on the applications under review;

c. An opportunity for a representative of the Department, or such other person or persons who are designated by the Department to conduct the hearing, to
September 10, 2013

Mr. Craig R. Smith
Chief, CON Section
2704 Mail Service Center
Raleigh, NC 27699-2704

Re:  Ridgewood Rehabilitation Center, LLC
1624 Highland Drive
Washington, N.C. 27889

Dear Mr. Smith

Ridgewood Rehabilitation Center, LLC hereby provides notice pursuant to N.C.G.S. 131-184-(e) that it will incur a capital expenditure to construct a new replacement nursing facility.

As indicated in the attached documentation from the owner, Ridgewood is proposing the replacement facility in order to improve the quality of patient care for its residents. The capital expenditure will be used solely to replace the existing facility on the same site and there will be no change in the bed capacity or the addition of any new health services. The owner will utilize the capital expenditure to convert semi-private to private rooms (6 to 12) and create a neighborhood design concept. Drawings for these renovations are also attached. There will be no change in the bed compliment (150 beds) for the replacement facility.

Please let us know if you have any questions regarding this notice.

Very truly yours,

Gerald J. Boyle

Encl.
Dear Gerry,

Please be advised that Ridgewood Rehabilitation Center will have a total of 12 private rooms coupled with a neighborhood design for its new replacement facility. Drawings for the new building are enclosed and have been submitted to the Construction Section for review. There will be no change in the bed compliment (150 beds) for the replacement facility.

Sigmund Lefkovitz
August 9, 2013

Mark Bell, Architect,
DHSR Construction Section
1800 Umstead Drive
Raleigh, NC 27603

Re: Project No. NH-2062-MB/JB
Ridgewood Living and Rehabilitation Center
1624 Highland Drive,
Washington, NC, 27889

Dear Mr. Bell:

Thank you for the letter dated, March 13, 2013. Please find attached two signed and sealed sets of Architectural plans. Structural, Mechanical, Plumbing and Electrical working drawings shall follow soon. Now, here is an item by item reply to your review comments:

1. Complied.
2. Complied.
3. Revised plans revert to conventional layout with wider corridor.
4. Complied, the stairs in the midsection of the building are for staff use only and are no longer part of the exiting components.
5. Complied, all exit access corridors provide access to minimum two exits. Exit access corridors will be constructed in accordance with NFPA 101 Section 18.3.6.2. Any proposed furniture shall strictly comply with NFPA 101 Section 18.2.3.4(5).
6. Complied.
7. Complied.
8. Complied.
9. Complied.
10. Complied.
11. Complied.
12. Complied.
13. Complied.
14. Complied please see Sheet A9 Detail
15. Complied.
16. Complied please refer to floor plans Sheet A9.2 Detail I.
17. Complied.
18. Complied.
19. Complied.
20. Complied.
22. Complied.
23. Complied.
24. Complied.
25. Complied, see detailed Typical Two Bed Layout Sheet A14.

Thank you for your attention in this matter.

Very Truly Yours,

[Signature]

Ralph F. Schwartz, NCARB
c/o FEI ARCHITECTS, P.C.

c: Timothy A. Morrison, PE with one set of drawings
   S. Lefkovitz
   G. Lefkovitz
   F. Isaac

Encl
RIDGECWOOD LIVING AND REHABILITATION CENTER

**2012 APPENDIX E**
**BUILDING CODE SUMMARY**
**FOR ALL COMMERCIAL PROJECTS**
**(Including Hotels and Commercial Buildings)**

### DESIGN DATA

**Structural Data**
- **Material:** Steel
- **Use Class:** Local
- **Deemed Load:** 20 kips
- **Framing Class:** B
- **High Risk Category:** No
- **Seismic Category:** 0

**Sizing Calculations**

### PLUMBING FIXTURES REQUIREMENTS

<table>
<thead>
<tr>
<th>Description</th>
<th>Model</th>
<th>Plate Size</th>
<th>GPM</th>
<th>Fixtures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bath</td>
<td>1</td>
<td>12-Inch</td>
<td>2.5</td>
<td>10</td>
</tr>
<tr>
<td>Lavatory</td>
<td>1</td>
<td>12-Inch</td>
<td>2.5</td>
<td>20</td>
</tr>
<tr>
<td>Toilet</td>
<td>1</td>
<td>12-Inch</td>
<td>2.5</td>
<td>20</td>
</tr>
</tbody>
</table>

### SPECIAL APPROVALS

- **Classroom Lift:** Yes
- **Healthcare:** Yes
- **Special Uses:** No

### LIFE SAFETY SYSTEMS

**Lighting:**
- **Code:** NFPA 70

**Fire Protection Requirements**
- **Fire Alarm System:** Yes
- **Sprinkler System:** Yes

### MECHANICAL SYSTEMS SUMMARY

**Mechanical Systems:**
- **Heating:** Gas
- **Ventilation:** Yes
- **Sprinkler System:** Yes

### ELECTRICAL SYSTEMS SUMMARY

**Electrical Systems:**
- **Generators:** Yes
- **Lighting:** Yes
- **Emergency Lighting:** Yes

### SUMMARY

**Approved:** Yes

**Notes:**
- All systems meet respective codes and standards.
- Final designs are reviewed and approved by local authorities.
- Construction started on [insert date].

---

### DRAWING INDEX SHEET

**BUILDING CODES**

**Sheet A1.1**

**164 Highland Boulevard, Washington, NC 27809**

**RALEIGH F. SCHWARTZ ARCHITECT**

---

**RIDGECWOOD LIVING AND REHABILITATION CENTER: NEW 3 STORY BUILDING**
60 TOTAL NURSING BEDS THIS FLOOR
MAXIMUM TRAVEL DISTANCE TO EXIT DOOR IN
STAIR ENCLOSURE = 107'-0"
DISTANCE BETWEEN EXIT DOORS = 232'-6"

32 NURSING BEDS THIS SMOKE COMPARTMENT
AREA = 10,811 SF

28 NURSING BEDS THIS SMOKE COMPARTMENT
AREA = 6,292 SF

SMOKE WALL TO EXTERIOR WALL 143" - 0"
MAXIMUM TRAVEL DISTANCE TO STAIR EXIT ENCLOSURE OR SMOKE DOOR = 86'-0"
MAXIMUM TRAVEL DISTANCE TO STAIR EXIT ENCLOSURE OR SMOKE DOOR = 107'-0"

SECOND FLOOR LIFE SAFETY PLAN
60 BED AT 2ND FLOOR
SCALE 1" = 1'-0"
60 TOTAL NURSING BEDS THIS FLOOR
MAXIMUM TRAVEL DISTANCE TO EXIT DOOR IN
STAIR ENCLOSURE = 61'-0" DECK ABOVE

DISTANCE BETWEEN EXIT DOORS = 232'-6"

32 NURSING BEDS THIS SMOKE COMPARTMENT
AREA = 10,611 SF

28 NURSING BEDS THIS SMOKE COMPARTMENT
AREA = 6,292 SF

THIRD FLOOR LIFE SAFETY PLAN
69 BED AT 2ND FLOOR
SCALE 1/8" = 1'-0"

SMOKE WALL TO EXTERIOR WALL, 8'-6"
MAXIMUM TRAVEL DISTANCE TO STAIR EXIT ENCLOSURE OR SMOKE DOOR = 86'-0"

SMOKE WALL TO EXTERIOR WALL, 14'-3"
MAXIMUM TRAVEL DISTANCE TO STAIR EXIT ENCLOSURE OR SMOKE DOOR = 157'-0"
NOTE: "1/2\" AUTOMATIC CLOTHING GUARDS SHALL BE AUTOMATIC CLOTHING BY ACTUATION OF SMOKE DETECTORS OR BY LOSS OF POWER TO THE SMOKE DETECTOR THE SMOKE GUARD DEVICE. SMOKE GUARD SUMMER SHALL NOT HAVE MORE THAN 10-SECOND DELAY BEFORE THE DOOR STARTS TO CLOSE AFTER THE SMOKE DETECTION IS ACTIVATED AND IT SHALL BE TIED TO FIRE ALARM.
<table>
<thead>
<tr>
<th>ROOM NUMBERS AND LOCATION</th>
<th>FLOOR BASE</th>
<th>WALLS</th>
<th>CEILING</th>
</tr>
</thead>
<tbody>
<tr>
<td>PATIENT ROOMS</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>PATIENT BATHROOMS</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>CORRIDOR</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>HOSPITALITY THERAPY</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>SPEECH THERAPY</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>THERAPY</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>PHYSICAL THERAPY</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>CONFERENCE ROOM</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>MANAGEMENT OFFICE</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>NURSES' BATH</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>TREATMENT ROOM</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>ENGAGEMENT</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>TREATMENT ROOM</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>CLEAN UTIL</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>NURSES STATION</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>KITCHEN</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>PATIENT STORAGE &amp; CLOSET</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>DINING ROOM</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>DINING ROOM</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>DINING ROOM</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>DINING ROOM</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>ALL OTHER ROOMS NOT LISTED ABOVE</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
</tbody>
</table>