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**INNOVATIVE CAPITAL CLOSES \$85 MILLION HUD 242 MORTGAGE FINANCING  
FOR MEADOWS REGIONAL MEDICAL CENTER'S NEW HOSPITAL  
"FIRST GEORGIA HOSPITAL TO RECEIVE FHA SECTION 242 INSURED LOAN"**

**SPRINGFIELD, PA AND VIDALIA, GA: (June 30, 2009)** - InnoVative Capital, LLC, a HUD-licensed FHA mortgage lender and healthcare financial advisory firm, has closed an \$84.76 million FHA 242 insured mortgage loan for Meadows Regional Medical Center. Backed by Ginnie Mae securities, the fixed rate loan combines construction and permanent financing within a 25-year term.

To facilitate a cost-effective borrowing rate and access to debt financing in an increasingly credit conscious lending environment, InnoVative Capital obtained FHA Section 242 Hospital Mortgage Insurance from the U.S. Department of Housing and Urban Development ("HUD"), which provides borrowers with the backing of the full faith and credit of the U.S. Treasury. "The security provided by FHA 242 mortgage insurance was instrumental in assuring InnoVative Capital and Meadows that funding for the project loan would never be in doubt and a much-deserved replacement hospital would become a reality," said Alan P. Richman, InnoVative Capital's President and CEO.

The proceeds of Meadows' FHA 242 loan will fund the replacement of a 45-year old "landlocked" facility with its new "state-of-the-art" 195,000 square foot hospital to be located on the major transportation artery and growth corridor of Vidalia. Meadows' new hospital will have 65 acute care beds, including: 32 medical/surgical, 8 ICU, 12 PCU, and 13 LDRP/PP beds.

Located in Vidalia, Toombs County, Georgia, 100 miles west of Savannah, Meadows serves the 28,000 residents of Toombs County, including the 17,000 residents of Vidalia. With a market share in excess of 60%, Meadows dominates hospital care in its service area. An award winning hospital, in 2009, Meadows was recognized by Thompson Reuters as one of the Top 100 U.S. Hospitals in the Category of Small Community Hospitals. This is the third time within the last four years that Meadows has earned this prestigious distinction.

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“The goal of Meadows is to deliver the best hospital experience possible for the residents of Vidalia and its neighbors,” said Alan Kent, CEO of Meadows. “The construction of our new FHA 242 financed hospital, with its modern technology and enhanced facilities, plus our growing roster of physicians will expand the scope and quality of healthcare for generations to come,” added Kent. “As our banker and advisor, InnoVative Capital’s judgment was on target before, and throughout, the FHA process. InnoVative Capital’s financial metrics right-sized our project, so we never exceeded our debt capacity limits and afterwards, they financed our FHA 242 insured mortgage loan without a hitch. By educating our Board and the Hospital Authority, InnoVative Capital built a trust that was essential in expediting key decisions,” concluded Kent.

“Our client presented us with some distinct challenges in meeting both FHA guidelines and Georgia statutes, which we identified and addressed upfront,” said Richman. “We needed to rework their existing hospital lease and restructure the ownership of their real property being mortgaged for the financing. After executing these changes, Meadows’ goal to become the first Georgia hospital to receive an FHA 242 mortgage insurance commitment was within sight.” Richman added, “with the support of account executives at HUD’s Office of Insured Health Care Facilities, and a strong project team led by owner’s representative American Health Facilities Development the financing became a reality, when a Ginnie Mae collateralized loan funded Meadows’ first project disbursement on June 30, 2009. Richman concluded, “the collaboration between the Board and staff of Meadows and particularly its CEO, Alan Kent, and CFO, John Cornell, led to our favorable outcome, which I believe was never in question throughout the HUD application process.”

### **About InnoVative Capital**

**InnoVative Capital, LLC**, a HUD licensed FHA mortgage bank and financial advisory firm, specializes in the development and funding of major capital projects for rural, community and critical access hospitals. InnoVative Capital originates and underwrites hospital loans guaranteed by FHA 242 Mortgage Insurance through the issuance of tax-exempt debt, Build America Bonds, and Ginnie Mae collateralized mortgage loans. With HUD, USDA, commercial lending, and equity, InnoVative Capital finances capital projects for hospitals, assisted living facilities, nursing homes and medical real estate properties across the United States. As mortgage banker, InnoVative Capital has financed over \$250 million in FHA 242 loans for new hospitals in Georgia, Texas, Idaho, Montana, Alabama and Colorado. Building upon a reputation for client-specific, creative financing solutions, InnoVative Capital is pleased to presently represent community hospitals in Tennessee, Georgia, Wisconsin, Mississippi, California, Pennsylvania and West Virginia with over \$300 million in active FHA 242 engagements.

InnoVative Capital is pleased to announce that as of July 1, 2009, it will begin accepting hospital applications for debt refinancing under HUD’s newly approved FHA Section 242/223(f) debt refinancing guidelines.

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