

**FOR IMMEDIATE RELEASE**

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**INNOVATIVE CAPITAL ANNOUNCES ITS FIRST FHA 232 COMMITMENT FOR SKILLED NURSING FACILITY IN TEXAS**

**SAN ANTONIO, TX:** (March 15, 2002) -- InnoVative Capital LLC is pleased to announce that the US Department of Housing and Urban Development (HUD) has issued a HUD 232 Mortgage Insurance Commitment for Stone Oaks Care Center ("Stone Oaks"). The mortgage insurance commitment, in the amount of \$7.3 million, will be used to finance the construction of a 150-bed skilled nursing facility in San Antonio, Texas.

According to Alan P. Richman, InnoVative Capital's President & CEO, "as skilled nursing is an important component of our corporate mission which is to provide financing for quality health related facilities nationwide across the entire continuum of care, we hope the success of this Texas transaction is a harbinger of things to come for our clients."

Funding for the loan to Stone Oaks will be provided through a GNMA collateralized direct loan. The loan is expected close on April 15, 2002 and construction will be completed by June, 2003.

InnoVative Capital, an FHA-licensed mortgage banking company and HUD-approved MAP Lender, specializes in constructing structured financing solutions utilizing the FHA 232 Mortgage Insurance Program and other FHA financing strategies. InnoVative Capital provides cost effective and expedient access to the capital markets for real estate backed transactions, with specific emphasis on senior living facilities and acute care hospitals.

In its capacity as the MAP Lender, InnoVative Capital manages the FHA 232 Mortgage Insurance process between the skilled nursing facility, and HUD while formulating funding sources through the use of taxable and tax-exempt bonds, GNMA collateralized direct loans, and commercial bank credit facilities. InnoVative Capital LLC has engagements with skilled nursing and assisted living facilities nationwide as well as Critical Access Hospitals, community hospitals; tertiary care urban providers, and health systems.

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