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**THE NEXT GENERATION OF COMMUNITY HOSPITAL HAS ARRIVED -
NORTH VALLEY CELEBRATES THE OPENING OF ITS REPLACEMENT FACILITY**

SPRINGFIELD, PA and WHITEFISH, MT: (March 22, 2007) - With the completion of construction, North Valley Hospital's replacement facility opened to patients today. This historic project, financed with an FHA insured mortgage loan obtained by InnoVative Capital, the hospital's financial advisor and FHA mortgage banker, represents the first necessary provider critical access hospital relocation project to be funded through HUD's Mortgage Insurance Program and one of the largest and most ambitious CAH projects ever constructed.

North Valley Hospital, a community-based nonprofit corporation, has operated as an acute care hospital in Whitefish, Montana since 1947. On November 1, 2003, NVH became certified as a necessary-provider CAH, after InnoVative Capital and QHR, the hospital's management company, explained to NVH's board the impact cost-based reimbursement would have on the financial feasibility of its proposed \$30 million project.

Even with the benefits of cost-based reimbursement, with its modest cash position, North Valley Hospital required the low interest rates and high leverage provided by the FHA Section 242 Program. As its FHA banker, InnoVative Capital structured an FHA 242 insured, 27-year, fixed rate loan, which would combine construction and permanent funding into one seamless loan.

However, the development of CMS' regulations concerning CAH relocation projects delayed the issuance of HUD's insurance commitment, and required the procurement of bank borrowed funds to begin site preparation in advance of the fast approaching winter. With help from its legislators, the support of its neighboring hospital, and a site located well within the new CMS guidelines, NVH's relocation project was approved by CMS, in October 2005. By December 2005, NVH's FHA Insured Mortgage Loan was funded and construction began.

"With the many unforeseen challenges and obstacles that had to be overcome along the way, this project would not have become a reality without the expertise and tireless efforts of InnoVative Capital and the other members of the project team," stated Craig Aasved, CEO of North Valley Hospital, "most importantly, the end result is simply fantastic."

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The new hospital replaces NVH's 35-year old facility, which had become antiquated and extremely inefficient. While renovating the old facility was an option under consideration, it proved impractical. NVH's replacement facility is located on a major transportation artery, greatly enhancing patient access. The new hospital is on 45 acres, which provides additional space for a medical office village, currently under development, for the medical staff. The new building, which consists of 73,000 square feet and 25 acute care beds, was designed consistent with the Planetree philosophy of personalizing and demystifying the healthcare experience for patients and their families, which has been adopted by NVH.

"We could not be more pleased to have assisted North Valley and the Whitefish community in realizing their dream of a new hospital, which has already served as a catalyst for economic development," stated Alan Richman, President and CEO of InnoVative Capital. "This certainly was an extremely complicated financing, but that makes the satisfaction of our success even sweeter," continued Mr. Richman.

InnoVative Capital, an FHA-licensed mortgage banking company and healthcare financial advisory firm, specializes in capital project financing for rural, community and critical access hospitals utilizing the FHA 242 Mortgage Insurance Program, tax-exempt bonds, USDA, and equity financing strategies. InnoVative Capital provides cost effective and expedient access to the capital markets for real estate backed transactions, as well as mergers and acquisitions representation and turnaround support. In its capacity as an FHA lender/mortgagee, InnoVative Capital manages the FHA 242 Mortgage Insurance process between the hospital 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 nationwide with hospitals that vary in size from very small rural facilities to very large urban tertiary care providers.

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