FOLEY & ASSOCIATES, INC.

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HAND DELIVERED

RECEIVED
JUN 02 2016
HEALTH FACILITIES & SERVICES REVIEW BOARD

June 2, 2016

Mr. Mike Constantino, Project Reviewer
Health Facilities and Services Review Board
Illinois Department of Public Health
525 West Jefferson Street, Second Floor
Springfield, Illinois 62761

Re: Project No. 16-011, Northbrook Behavioral Hospital

Dear Mr. Constantino:

Please accept the corrected May 26, 2016 letter in response to an additional information request dated May 20, 2016. Specifically, now enclosed is the letter from City Bank Texas for the above referenced project. This letter was omitted in error in the response to additional information requested.

If you have any questions, please don't hesitate to contact me.

Sincerely,

John P. Kniery
Health Care Consultant

JPK/kah

Enclosure

Health Care Consulting
133 South Fourth Street, Suite 200 • Springfield, IL 62701
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CORRECTED June 02, 2016

HAND DELIVERED

May 26, 2016

Mr. Mike Constantino, Project Reviewer
Health Facilities and Services Review Board
Illinois Department of Public Health
525 West Jefferson Street, Second Floor
Springfield, Illinois 62761

Re: Project No. 16-011, Northbrook Behavioral Hospital

Dear Mr. Constantino:

Please accept the enclosed response to additional information requested in accordance with your letter dated May 20, 2016 for the above referenced project.

1. Criterion 1120.140 (b) Terms of Debt Financing needs to be addressed.

   Appended herein is a signed and notarized statement addressing this item.

2. Criterion 77 IAC 1120.130 needs to be address for US HealthVest, LLC needs to be provided. I cannot find any evidence of an A or better bond rating; and the other two con-applicants are wholly owned by US HealthVest. All of the funding is coming from US HealthVest, LLC. While the folks at US HealthVest, LLC may consider this model a long term care or ASTC model they are proposing a licensed 100 bed hospital in the State of Illinois.

   My apologies for any confusion on this issue. US HealthVest, LLC has always considered this project a hospital project. The point was to elude to the issue that unlike traditional hospital projects there is an operating entity (Licensee) and an ownership entity (entity with the ground lease and control of the assets). This format is more similar to the organizational style of Long-Term Care and ASTC projects than traditional hospitals. This is a common organization structure for projects by for-profit entities.

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US HealthVest, LLC is the parent as you pointed out. This entity is providing the cash for the project. In further documentation of this, please refer to the bank letter enclosed documenting current cash levels of this entity. As a co-Applicant, these funds are internal resources and allow this applicant to be entitled to criterion 77 IAC Section 1120.130(a) Financial Viability Waiver: "The applicant is NOT required to submit financial viability ratios if all project capital expenditures, including capital expended through a lease, are completely funded through internal resources (cash, securities or received pledges); " The rule goes on to say that such sources must be available when project is deemed complete and it is the Applicant's contention that the audited statements as provided and as previously explained did document the ability to fully fund this project.

We respect you and your position and have complied as quickly as possible to the items that we understand. Moreover, it is not our intent to be obstinate or difficult but rather in reviewing the rules we feel that we have complied and continue to do so in a way that affords the project to meet the financial viability waiver. If there is something you are looking for that has not been provided we look forward to working with you through that and the applicable rules.

We look forward to our project being considered by the Board at its upcoming June 21, 2016 meeting and addressing any questions they might have regarding our project. In the meantime, should you have any questions, please don't hesitate to contact me.

Sincerely,

John P. Kniery
Health Care Consultant

ENCLOSURE

c: Martina Sze, Executive Vice President
James Cha, Chief Financial Officer
Mark Silberman, Attorney at Law

US HealthVest

May 24, 2016

Ms. Courtney Avery
Administrator
Illinois Health Facilities and Services Review Board
525 W. Jefferson Street, Second Floor
Springfield, Illinois 62761

RE: Certificate of Need Application for **V Covington, LLC**; conditions of debt financing

Dear Ms. Avery:

B. Conditions of Debt Financing

This criterion is applicable only to projects that involve debt financing. The applicant shall document that the conditions of debt financing are reasonable by submitting a notarized statement signed by an authorized representative that attests to the following, as applicable:

1. That the selected form of debt financing for the project will be at the lowest net cost available;

2. That the selected form of debt financing will not be at the lowest net cost available, but is more advantageous due to such terms as prepayment privileges, no required mortgage, access to additional indebtedness, term (years), financing costs and other factors;

3. That the project involves (in total or in part) the leasing of equipment or facilities and that the expenses incurred with leasing a facility or equipment are less costly than constructing a new facility or purchasing new equipment.

Respectfully,

Board Member or Officer
James Cha
Chief Financial Officer

Board Member or Officer

Notarization:
Subscribed and sworn to before me
this 24 day of May, 2016

Signature of Notary

Seal

BROOKE E. SIMONS
NOTARY PUBLIC
NO. 01SI6340875
QUALIFIED IN
NEW YORK COUNTY
COMM. EXP.
04-25-2020
STATE OF NEW YORK

Notarization:
Subscribed and sworn to before me
this ____ day of _____

Signature of Notary

Seal

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915-833-0267 main
915-833-9571 fax

May 16, 2016

Mr. James Cha, CFO
U.S. HealthVest LLC
32 East 57th Street 17th floor
New York City, NY 10022

Dear Mr. Cha,

Per your request, I am providing you with an aggregate balance of the 10 depository accounts which are in the name of US HealthVest or in the name of a subsidiary. The aggregate deposit balance of these accounts as of May 13, 2016, was $27,326,184. Should you need any other information please don't hesitate to call.

Sincerely,

Robert D. Kotarski
President – El Paso Branches