



OFFICE OF HOUSING

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-8000

Jeff Jones
Vice President
Walker & Dunlop
7161 Bishop Road, Ste. 200
Plano, TX 75024

RE: Meadows Medical Center, North Las Vegas, Nevada
Section 242 Mortgage Insurance Preliminary Review

Dear Mr. Jones:

The U.S. Department of Housing and Urban Development (HUD) has undertaken a Preliminary Review of the information you provided for Meadows Medical Center in North Las Vegas, Nevada. The purpose of the Preliminary Review is to identify any obvious factors that would cause an application to be rejected before the potential applicant expends resources to prepare an application and before HUD expends resources to review it. The Preliminary Review focuses on statutory eligibility, market need, financial strength, and any other known factors that have the potential to cause an application to be rejected.

HUD's review identified no problems that would prevent us from proceeding to the next step in the process, a pre-application meeting. The pre-application meeting is an opportunity for the potential applicant to summarize the proposed project, for HUD to summarize the application process, and for issues that could affect the eligibility or underwriting of the proposed loan to be identified and discussed. The following items should be discussed in detail at the pre-application meeting:

1. The sources and availability of the \$67 million in cash reserves for the project
2. A full description of the mortgagor entity and management agreement with Surgical Development Partners.
3. If physician owned, the hospital's ability to obtain from legal counsel, a letter opining on the hospital's compliance with Stark and Anti-kickback laws and regulations.

Following the meeting, HUD may (1) invite you to submit an application or (2) identify issues that must be resolved before an application will be accepted for processing.

Please note that HUD's participation in a pre-application meeting shall in no way be construed as an indication that a subsequent application will be approved.

If a complete application is not received by HUD within one year following the date of this letter, please be advised that another Preliminary Review may be required, at HUD's discretion, before the application process may proceed.

HUD-242

Ms. Andrea G. Phillips has been assigned as your Account Executive for this project. In this position, Ms. Phillips will lead the team that will review the application for mortgage insurance, should it be forthcoming. Please contact Ms. Phillips at (202) 402-4765, or Andrea.G.Phillips@hud.gov, if you have any questions or to schedule a pre-application meeting.

Sincerely,



Charles Y. Davis, Ph.D., FACHE
Asset Management Officer
Office of Insured Health Care Facilities

cc: Roger E. Miller, HUD/OIHCF
Kelly Gil, HUD OGC
Andrea G. Phillips/HUD/OIHCF
Barry Flynn/HUD/OIHCF