April 1, 2015

Israel Nachfolger, CEO

Pinnacle Group of Hudson Valley, Ltd

3 Villa Lane

Monsey, NY 10952

**RE: Acquisition of Control – Victorian Villa Rehabilitation and Living Center**

Dear Mr. Nachfolger:

This correspondence responds to yours dated March 31, 2015 in which Pinnacle Group of Hudson Valley, Ltd in New York proposes to merge Victorian Villa Rehabilitation and Living Center, Canton, Maine.

Based on the information you provided, the Department of Health and Human Services has determined that the proposal as written is subject to review. The applicable reason(s) this is a covered project are indicated below:

This project is a transfer of ownership or acquisition of control of a health care facility.

This project is an acquisition of major medical equipment where the expenditure exceeds $3,379,550.

This project is a new health service where either:

Capital expenditures do exceed $3,168,328 or,

Third year annual expenditures do exceed $1,056,109.

This project is a new health care facility where:

Capital expenditure do exceed $5,280,547 for a nursing facility or

Capital expenditures do exceed $3,168,328 for other covered facilities.

The total capital costs associated with the project do exceed:

$5,280,547 for nursing facilities.

$10,561,095 for hospitals or other covered facilities.

The project is an increase in a licensed bed category or in the case of hospitals greater than a 10% increase.

We have scheduled a Technical Assistance meeting for April 14, 2015 from 9:30-10:30; if you are unable to attend this meeting please contact Katie Wade at 287-9215.

Sincerely,

Larry Carbonneau, CPA

Senior Health Care Financial Analyst

cc: File