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16-012

February 24, 2016

Via Federal Express

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Mr. Michael Constantino
Illinois Health Facilities and Services Review
Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

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FEB 25 2016

HEALTH FACILITIES &
SERVICES REVIEW BOARD

**Re: Transitional Care of Lake County
Supplemental Information**

Dear Mr. Constantino:

This office represents Transitional Care of Lake County, LLC and IH Mundelein Owner, LLC (collectively, the "Applicants"). In that capacity, we are submitting additional information for the Transitional Care of Lake County certificate of need ("CON") application. Based upon correspondence with George Roate on February 23, 2016, it has come to our attention that each limited liability company identified as an applicant/co-applicant on a CON application must identify all parties with ownership interest, regardless of percentage, or operational capacity/responsibility for the project. For your review, we have attached a Disclosure of Ownership Interests and Organizational Charts for Transitional Care of Lake County, LLC and IH Mundelein Owner, LLC.

Thank you for your assistance on this matter. If you have any questions or need any additional information regarding Transitional Care of Lake County, please feel free to contact me.

Sincerely,

Anne M. Cooper

Attachments

cc: Mr. Juan Morado Jr

Section I, Identification, General Information, and Certification
Operating Identity/Licensee

Transitional Care of Lake County, LLC Ownership Disclosure

Transitional Care of Lake County, LLC

- IHOP JV OpCo, LLC – 95%
- Lockwood Investments, LLC – 5%

Lockwood Investments, LLC

- David Weiss – 50%
- Jeff Cook – 50%

IHOP JV OpCo, LLC

- OnPointe Health Development, LLC – 90%
- Innovative Health, LLC – 10%

OnPointe Health Development, LLC

- Jerry Williamson – 51%
- Horace Winchester – 49%

Innovative Health, LLC

- Brian Cloch – 45%
- Brad Haber – 45%
- Kurt Read – 10%

IH Mundelein Owner, LLC Ownership Disclosure

IH Mundelein Owner, LLC

- IHOP JV, LLC – 95%
- Lockwood Investments, LLC – 5%

Lockwood Investments, LLC

- David Weiss – 50%
- Jeff Cook – 50%

IHOP JV, LLC

- OnPointe Health Development, LLC – 90%
- Innovative Health, LLC – 10%

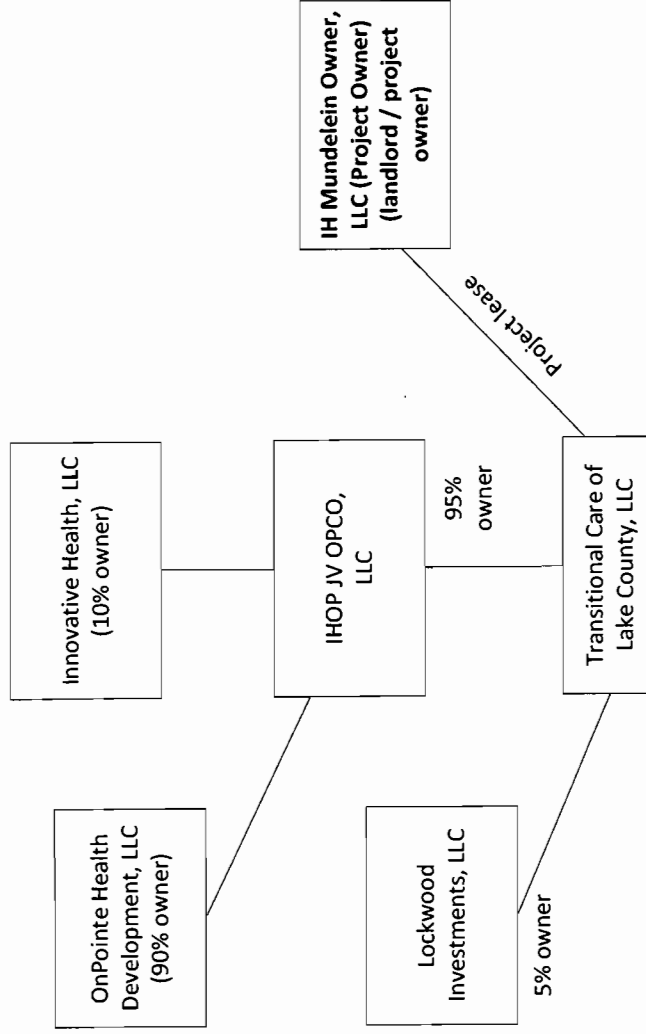
OnPointe Health Development, LLC

- Jerry Williamson – 51%
- Horace Winchester – 49%

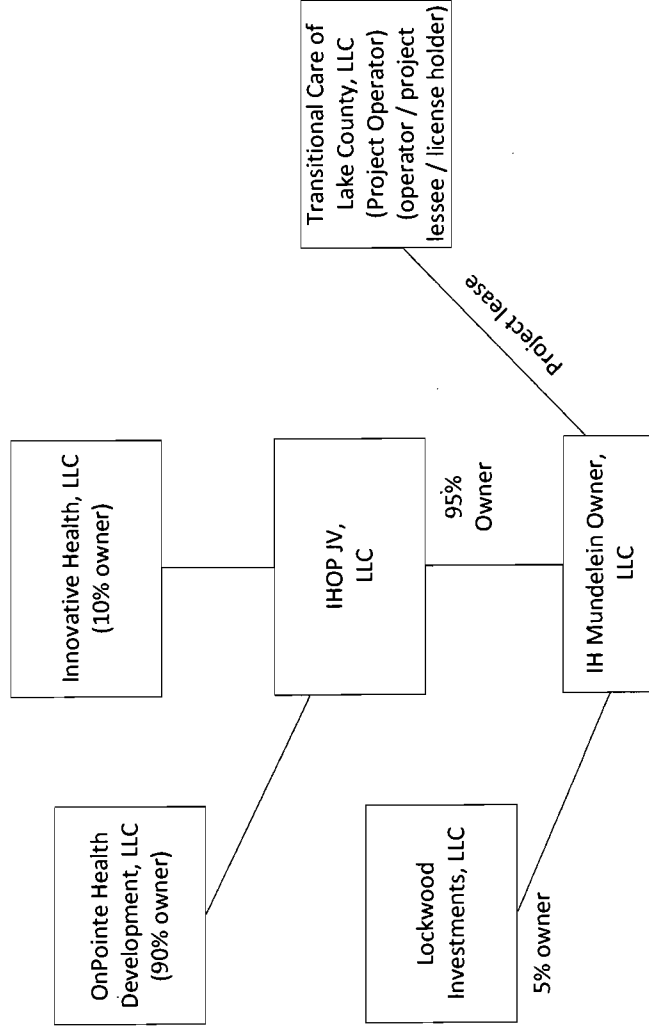
Innovative Health, LLC

- Brian Cloch – 45%
- Brad Haber – 45%
- Kurt Read – 10%

TRANSITIONAL CARE OF LAKE COUNTY
 ORGANIZATIONAL CHART FOR
 TRANSITIONAL CARE OF LAKE COUNTY, LLC
 (PROJECT OPERATOR)



TRANSITIONAL CARE OF LAKE COUNTY
 ORGANIZATIONAL CHART FOR
 IH MUNDELEIN OWNER, LLC (PROJECT
 OWNER)



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February 24, 2016

Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, IL 62761
Attn: Mr. Michael Constantino

Dear Mr. Constantino:

As you are aware, I am the attorney who formed the structure for the Transitional Care of Lake County project (the "Project"). You have asked me to clarify the ownership, management and control of the various legal entities involved in the Project. Among the entities that we organized in connection with the Project are IH Mundelein Owner, LLC (the "Owner") and Transitional Care of Lake County, LLC (the "Operator") as well as certain of their affiliates.

The Operator is 95% owned by IHOP JV OPCO, LLC (the "Operator Joint Venture"). The Owner is 95% owned by IHOP JV, LLC (the "Owner Joint Venture"). The Operator Joint Venture is the managing member of the Operator and the Owner Joint Venture is the managing member of the Owner. Innovative Health, LLC ("IH") is the manager of each of the Operator Joint Venture and Owner Joint Venture, respectively. Brad Haber and Brian Cloch are each 45% owners and co-managers of IH, control all of the voting rights in IH, and are authorized to act as Manager for the Owner and the Operator as well.

Lockwood Investments, LLC ("Lockwood") owns the remaining 5% of the Operator and the Owner, respectively. As a minority member in the Owner and the Operator, Lockwood has very limited voting rights with no rights to participate in the day-to-day business and management of either the Owner or the Operator. That role is reserved for Brad Haber and Brian Cloch as managers for IH. OnPointe Health Development, LLC is a majority member of the Operator Joint Venture and Owner Joint Venture (and in turn, the majority indirect owner of each of the Operator and the Owner); provided, however, that it does not manage the Operator Joint Venture, Owner Joint Venture, the Operator or the Owner. In general, Brad Haber and Brian Cloch, as managers of IH, are authorized, all without any further act, vote or approval of any other member, on behalf of the Operator Joint Venture, Owner Joint Venture, Operator and Owner to: (i) acquire the property for the Project pursuant to the purchase and sale agreement, (ii) execute, deliver and perform all duties and obligations contained in any loan documents issued in connection with financing for the property, and all documents, instruments and agreements as are required as contemplated by any authorized loans, and (iii) to operate the Project. Brad Haber and Brian Cloch, as managers of IH, manage the day-to-day affairs of the Operator and Owner, in a prudent and business-like manner and are required to devote as much time to the Operator and Owner's affairs as is reasonably necessary for the conduct of such affairs.

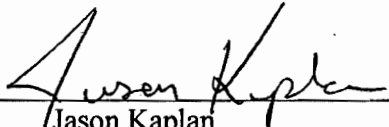
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If you have questions or require additional information, please do not hesitate to contact the undersigned at (312) 207-2455.

Very truly yours,

REED SMITH LLP

By


Jason Kaplan

cc: Mr. Juan Morado
Bradley S. Haber
Brian Cloch