

CHARLES H. FOLEY & ASSOCIATES INC.

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HAND DELIVERED

October 9, 2012

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

RECEIVED

OCT 09 2012

**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

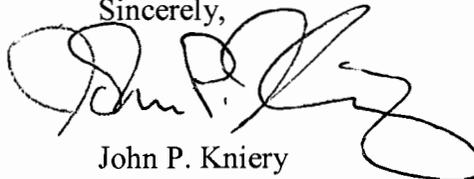
Re: Project Number **12-062** Wauconda
Healthcare and Rehabilitation Centre.

Dear Mr. Constantino:

Please accept this correspondence as the above referenced Applicant's response addressing your issue of who Lancaster is; and should or should not they be a co-Applicant? JP Morgan has resubmitted a letter (ENCLOSED) for your review to attempt to clarify the issue that their original letter, submitted on page 250 of the CON application, created.

If you should have any questions or concerns, please do not hesitate to contact me.
Thanks.

Sincerely,



John P. Kniery
Health Care Consultant

ENCLOSURE

C: Laura Zung
Charles Sheets



Health Care Consulting

J.P.Morgan

Amy Welzer
Managing Director

October 8, 2012

To Whom It May Concern:

J.P. Morgan has been asked to clarify its letter of May 24, 2012 regarding the financial resources of Wauconda Healthcare and Rehabilitation Center, LLC, ("Wauconda Healthcare") Wauconda Associates, LLC ("Wauconda Associates") and its owners. Our letter of May 24, 2012 referred to Lancaster Health Group ("Lancaster") generically. Lancaster is a management company and does not own any of the funds. The accounts held by J.P. Morgan are owned by Wauconda Healthcare, Wauconda Associates and the ownership group of Laurence Zung, Ronald Zung and the Estate of Cynthia Chow ("Ownership Group"), Lancaster simply invests the funds on behalf of the Ownership Group. Therefore, to clarify, Wauconda Healthcare, Wauconda Associates and the Ownership Group have sufficient cash and securities in excess of \$10,000,000 to fund their commitment for the construction of the 57 bed addition to Wauconda Healthcare. In addition, as stated in our prior letter, they will have more than sufficient cash and securities to fund the operations for 3 years.

I apologize for any confusion in my earlier letter. Should you have any questions please do not hesitate to contact me.

Sincerely,



Amy Welzer

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