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RECEIVED

Via U.S. Mail and Email (juan.morado2@illinois.gov)

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

**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

Dear Mr. Morado:

As you are aware, I am the attorney who formed the structure for the Transitional Care of Lisle 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 Lisle Owner, LLC (the "Owner") and IH Lisle Opco, LLC (the "Operator") as well as certain of their affiliates.

The Operator is 90.1% owned by IHOP JV OPCO, LLC (the "Operator Joint Venture"). The Owner is 90.1% 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 9.9% 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.

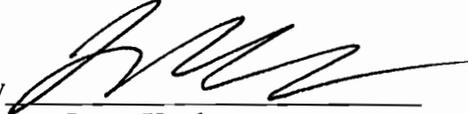
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If you have questions or require additional information, please do not hesitate to contact the undersigned at (312) 207-2455.

Very truly yours,

REED SMITH LLP

By



Jason Kaplan

cc: Bradley S. Haber (by email)
Brian Cloch (by email)