



December 21, 2015

Cynthia Coffman, Esq.
Attorney General of the State of Colorado
Ralph L. Carr Colorado Judicial Center
1300 Broadway, 10th Floor
Denver, Colorado 80203

Re: Total Community Options, Inc.'s (InnovAge) Conversion Plan

Dear Attorney General Coffman:

I wish to correct a confusing statement of fact in my oral presentation at the public hearing on Thursday, Dec. 17. I only became aware of this very recently when I heard the tape of my comments made at the time.

In discussing the valuation, and the purchase price, I may have misstated the effect of the "excess cash" of \$47.3 million on InnovAge's FY 2015 balance sheet upon the proposed conversion.

The Correct Statement should have been:

"Whatever valuation is found to be the "fair market value" for the proposed transaction, (unless the Attorney General makes adjustments) that full amount (as adjusted by necessary and appropriate closing adjustments) will be paid over to the entity or entities designated by the Attorney General to receive the proceeds of the conversion transaction.

However, the Purchaser will receive, as part of the transaction, immediate access to the \$47.3 million of excess cash belonging to InnovAge.

This aspect has the effect of reducing the net purchase price by \$47.3 million.

Thus if the VMG updated valuation of \$213 million is used, that amount would be paid over to the Recipient of the Proceeds, but the Purchaser will pay a net purchase price of \$166 million. If Mr. Levitt's minimum valuation of \$303 million is used (plus the fair market value of InnovAge's real estate), that amount would be paid over to the Recipient of the Proceeds, but the Purchaser will pay a net purchase price of \$256 million (plus the fair market value of InnovAge's real estate)."

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Respectfully submitted,

s/Edwin S. Kahn

Edwin S. Kahn, Esq.
Cooperating Attorney

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