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September 14, 2010

**RECEIVED**

**Via Fax and Federal Express**

SEP 14 2010

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

**HEALTH FACILITIES &  
SERVICES REVIEW BOARD**

**Re: Certificate of need Permit Application**

Dear Mike:

With regard to the Certificate of Need Permit Application for Bloomington-Normal Healthcare Surgery Center, L.L.C. ("BNH"), Eastland Medical Plaza Surgicenter, L.L.C. ("Eastland") and Eastland Holdings, LLC., we are providing the following information in response to the email that you sent to Edward Colloton on September 10, 2010:

**Question 1:** "I am reviewing your proposal for a change of ownership and I need a copy of the appraisal that was done that you reference on page 59 of the application for permit."

**Response:** There was no appraisal conducted related to the proposed change of ownership. The parties negotiated, at arm's length, the purchase price for BNH. Subsequently, Somerset CPSs, P.C. ("Somerset") provided a fairness opinion related to the purchase price. We have included a letter from Somerset stating its opinion regarding the purchase price at p. 59 of the CON Permit Application.

**Question 2:** "My understanding is that Eastland is exchanging \$10,098,629 in cash and 282.56 Eastland units for Bloomington units. Is that correct? If that is correct I am unclear where the cash is coming from. Can you explain that?"

**Response:** You are correct in your statement that Eastland is exchanging \$10,098,629 in cash and 282.56 Eastland units for Bloomington units. The cash is coming from the following sources:

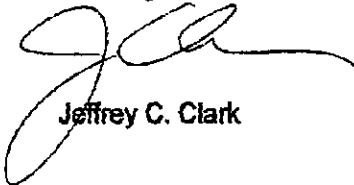
September 14, 2010

Page 2

Source of Funds	Amount
Incoming and existing Eastland Members purchase of additional Eastland units.	\$ 3,427,377
OSF Healthcare System purchase of additional Eastland Units.	\$3,702,292
Additional funding provided through existing line of credit from PNC Bank (see PNC letter on p. 60).	\$2,968,959
<b>Total</b>	<b>\$ 10,098,628</b>

If you have any questions regarding the above, or any other matter related to the application, please do not hesitate to contact us. In addition, we are happy to have a telephone conversation with representatives from Eastland and BNH present, as appropriate.

Kind regards,



Jeffrey C. Clark

JCC:ram

cc: Edward Colloton  
John Zell

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