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ATTORNEYS AT LAW
321 NORTH CLARK STREET, SUITE 2800
CHICAGO, IL 60610 4764
312.832.4500 TEL
312.832.4700 FAX
www.foley.com

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WRITER'S DIRECT LINE
312.832.4375
egreen@foley.com EMAIL

CLIENT/MATTER NUMBER
048544-0201

VIA EMAIL

Mr. Michael Constantino
Supervisor, Project Review Section
Illinois Health Facilities and Services
Review Board
525 West Jefferson Street, Second Floor
Springfield, Illinois 62761-0001

HEALTH FACILITIES &
SERVICES REVIEW BOARD

MAR 14 2010

RECEIVED

Re: Trinity Health Corporation - Loyola University Health System

Dear Mr. Constantino:

As you know, we are counsel to Trinity Health Corporation ("Trinity"). As you also know, we filed four Certificate of Exemption Applications (the "COE Applications") last week relating to the proposed transaction (the "Transaction") between Trinity and Loyola University of Chicago (the "University"), whereby Trinity will replace the University as the sole member of Loyola University Health System.

In order to provide additional guidance to the Illinois Health Facilities & Services Review Board on the anticipated acquisition price for, and the anticipated fair market value of, the specific facilities covered by the COE Applications, please consider the following supplement to Explanatory Notes 11 and 12 in the COE Applications.

Explanatory Note 11
Anticipated Acquisition Price

The anticipated acquisition price for Loyola University Health System ("LUHS") in this Transaction is approximately \$175,000,000, which is based on the historical book value of LUHS. Please note that LUHS includes Foster G. McGaw Hospital - Loyola University Medical Center ("LUMC"), Gottlieb Memorial Hospital d/b/a Loyola University Health System at Gottlieb Memorial Hospital ("Gottlieb"), Loyola University Medical Center Outpatient Dialysis Center (the "Dialysis Center"), and Loyola University Medical Center d/b/a Loyola University Ambulatory Surgery Center (the "Surgery Center"), as well as LUMC's interests in 28 ambulatory practice sites and 2 long term care hospitals (as described and referenced in Section 3 of the COE Applications). The anticipated acquisition price for this Transaction is subject to adjustment depending on the magnitude of the liabilities that have to be assumed by Trinity.

The anticipated acquisition price for LUMC is \$117,594,269. The anticipated acquisition price for Gottlieb is \$23,415,220. The anticipated acquisition price for the Dialysis Center is \$1,348,701. The anticipated acquisition price for the Surgery Center is \$2,444,836. The

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anticipated acquisition price for the various centers and interests not covered by the COE Applications is \$30,196,974. The aforementioned allocations were derived after reviewing the net patient revenues generated by the respective facilities, centers, and interests and then allocating the total anticipated acquisition price of \$175,000,000 for LUHS across the aforementioned facilities, centers, and interests on a pro-rata basis. It should be noted that these specific allocations may change based upon the final terms of the Transaction. Allocations for other purposes may also differ.

Explanatory Note 12
Fair Market Value

The anticipated fair market value of LUHS in this Transaction is approximately \$175,000,000, which is based on the historical book value of LUHS. Please note that LUHS includes LUMC, Gottlieb, the Dialysis Center, and the Surgery Center, as well as LUMC's interests in 28 ambulatory practice sites and 2 long term care hospitals (as described and referenced in Section 3 of the COE Applications). This fair market value calculation is subject to adjustment depending on the magnitude of the liabilities that have to be assumed by Trinity in the Transaction.

The anticipated fair market value of LUMC is \$117,594,269. The anticipated fair market value of Gottlieb is \$23,415,220. The anticipated fair market value of the Dialysis Center is \$1,348,701. The anticipated fair market value of the Surgery Center is \$2,444,836. The anticipated fair market value of the various centers and interests not covered by the COE Applications is \$30,196,974. The aforementioned allocations were derived after reviewing the net patient revenues generated by the respective facilities, centers, and interests and then allocating the total anticipated fair market value of \$175,000,000 for LUHS across the aforementioned facilities, centers, and interests on a pro-rata basis. It should be noted that these specific allocations may change based upon the final terms of the Transaction. Allocations for other purposes may also differ.



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Please feel free to contact me if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads 'Edward J. Green'.

Edward J. Green

EJG:src

Enclosures