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December 30, 2010

Phyllis Powell, Assistant Director, Planning, Development and Quality
Division of Licensing & Regulatory Services
Maine Department of Health and Human Services
41 Anthony Avenue
11 State House Station
Augusta, ME 04333-0011

Re: Down East Health System corporate restructuring

Dear Phyllis:

Enclosed are copies of corporate filings that we are making on behalf of Down East Health System ("DEHS"), Down East Health Trust ("DEHT"), Sunrise Nursing Care ("Sunrise"), and Down East Community Hospital ("DECH"). As I outlined in an earlier voicemail message to you, this transaction is intended to simplify the current corporate structure, without affecting any services, facilities, or capital expenditures.

DEHS is currently the parent corporation of three nonprofit subsidiaries: DECH, Sunrise, and DEHT. This restructuring will result in both DEHS and DEHT merging into DECH, leaving DECH as the surviving corporation, and Sunrise becoming a subsidiary of DECH rather than DEHS. Thus, the resulting corporate system will consist of DECH and Sunrise, with DECH being the parent corporation and Sunrise being the subsidiary, effective January 1, 2011.

This corporate restructuring will not involve any capital expenditures, and will not change any health care facilities or services. Further, it does not involve any "transfer of ownership" within the meaning of the Maine Certificate of Need Act, 22 M.R.S.A. § 329(1). Accordingly, it is our understanding that this corporate restructuring is not subject to Certificate of Need review. I am requesting that your office confirm that understanding.

If you should have any questions or require any additional information, please do not hesitate to contact me. I thank you for your attention to this matter.

Very truly yours,

Benjamin P. Townsend

Encl.

cc (w/encl/): Janine A. Raquet, Assistant Attorney General