North Shore LIJ
North Shore-Long Island Jewish Health System

Strategic Planning and Program
Development, 145 Community Drive
Great Neck, NY 11021
Tel (516) 465 8070
Fax (516) 465 8179

June 23, 2011

Keith McCarthy, Acting Director
Bureau of Project Management
New York State Department of Health
433 River Street, Suite 303
Troy, NY 12180-2299

Re: North Shore Long Island Jewish Health System
Lenox Hill Hospital (LHH), New York County: Full Review Submittal

- Certify the Center for Comprehensive Care Hospital Division (of Lenox Hill Hospital) at 30 Seventh Avenue, New York, NY 10011
- Perform commensurate renovation

Dear Keith,

Enclosed is the referenced Full Review CON which is being submitted electronically through NYSECON. The original document will be overnighted to you today, inclusive of the $2,000 check to cover the processing fee, and 11X17 signed and sealed drawings which complete fulfillment of Schedule 6, Architectural Submission.

This project proposes to certify the Center for Comprehensive Care Hospital Division (Center) at 30 Seventh Avenue, New York, NY 10011. The facility will operate as a division of Lenox Hill Hospital and be known as the Center for Comprehensive Care (Center). It will be located in the heart of Greenwich Village in a historic landmarked building, the National Maritime Building, also known as the O'Toole Pavilion, which is across the street from where the former St. Vincent's Catholic Medical Center hospital (SVCMC) operated.

SVCMC was a valued health care provider in the community for 160 years until it closed its doors on April 30, 2010. NSLIJ is proposing to develop a new hybrid model of care which incorporates the emergency access and ambulatory surgery elements of a community hospital, with specialized diagnostic and treatment services. This new model of care is bound to its community through information technology and an inter-operable health record so it can serve as the "new front door" to community access and coordination of health services.

The following hospital services are proposed:

- Emergency Department
- Two Medical Surgical Beds transferred from LHH current licensed medical/surgical beds (to support clinical decision making, stabilization, and transfer of patients requiring inpatient care)
- Diagnostic Radiology
  - MRI
  - CT Scanner
  - Radiography
  - Ultrasound
  - Mammography
- Ambulatory Surgery – Multi Specialty
- Clinical Laboratory
- Ambulance

The Center will initially utilize the Cellar, 1st, 3rd, 5th and 6th floors. Additionally, the 2nd and 4th floors include code required life safety scope, including sprinklers and egress lighting. The programmed space encompasses approximately 140,844 square feet. The remainder of space on floors 2 and 4 will be reserved for physician practices and additional uses not yet determined at this time, in order to consider and potentially incorporate recommendations of the West Village Community Health Needs Assessment Study. This study is currently being conducted with the input of a broad range of community perspectives.

All services proposed for the Center will be made available to patients without regard to insurance status and, for those without insurance, the North Shore-LIJ financial assistance plan will be offered (on a sliding fee scale for those households with income up to 500% of the Federal poverty limit). As the Hospital Division of Lenox Hill Hospital, the Emergency Department services delivered at the Center will utilize Lenox Hill Hospital's same high quality standards. The Center will provide emergency medical care that is efficient, readily accessible and linked to a continuum of care to anyone, regardless of insurance status or ability to pay.

The total project cost inclusive of fees, is $125,689,500. Construction is anticipated to commence February, 2012 and complete in November, 2013. There will be no disruption to patient care as the building is unoccupied. The site is easily accessible through all modes of public transportation.

If you have any questions, please contact me at 516.465.8018 or by e-mail at aherman@nshs.edu. Thanks very much.

Sincerely,

Adele N. Herman
AVP, Strategic Planning

C: Frank Danza, NSLIJHS/LHH
Brad Frazee, BAEFP, DOH
Jerrold Hirsch, Ph.D., NSLIJHS
Deborah Schiff, NSLIJHS
Robert Schmidt, DOH
Joe Weiner, NSLIJHS

Summary of Attachments

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Schedule 1 Part A - General Information - All Applicants

Lenox Hill Hospital: Certify the Center for Comprehensive Care Hospital Division (of Lenox Hill Hospital) at 30 Seventh Avenue, New York, NY 10011

Main Site	MAIN SITE PFI	TYPE OF FACILITY	MAIN SITE NAME	
	1450	Hospital	Lenox Hill Hospital	
	STREET & NUMBER			
	100 East 77th Street			
	CITY		COUNTY	ZIP
	New York, NY		New York	10021

Project Site	PROJECT SITE PFI	TYPE OF FACILITY	PROJECT SITE NAME	
	TBD	Hospital Division	Center for Comprehensive Care Hospital Division	
	STREET & NUMBER			
	30 Seventh Avenue			
	CITY		COUNTY	ZIP
	New York, NY		New York	10011

Operator Information	OPERATING CERTIFICATE NUMBER	TYPE OF FACILITY	LEGAL ENTITY THAT WILL OPERATE OF THE FACILITY (or proposed operator)	
	7002017H	Voluntary Corporation	Lenox Hill Hospital	
	STREET & NUMBER			
	100 East 77th Street			
	CITY		COUNTY	ZIP
	New York, NY		New York	10021

		Title of Attachment:
Is the applicant an existing facility? If yes, attach a photocopy of the resolution of partners, corporate directors, or LLC managers, as the case may be, authorizing the project.	YES ☒ NO ☐	Attachment 1A: 1
Is the applicant part of an "established article 28* network" as defined in section 401.1(j) of 10 nycrr? If yes, attach a statement that identifies the network and describes the applicant's affiliation. Attach an organizational chart, if available.	YES ☒ NO ☐	Attachment 1A:2 and 1A: 3

Type of Application: Establishment ☐ Construction ☐ Administrative ☐ Limited ☐ Full ☒

Total Project Cost:	Schedule 8B, line 10	$125,689,500
Amount of Application Fee:	Schedule 8B, line 9.1	$2,000[1]
	Schedule 8B, line 9.2	$687,500

Acknowledgement and Attestation

I hereby certify, under penalty of perjury, that I am duly authorized to subscribe and submit this application on behalf of the applicant: Lenox Hill Hospital. I further certify that the information contained in this application and its accompanying schedules and attachments are accurate, true and complete in all material respects. I acknowledge and agree that this application will be processed in accordance with the provisions of articles 28, 36 and 40 of the public health law and/or article 7 of the social services law, and implementing regulations, as the case may be.

SIGNATURE:	DATE
Michael J. Dowling	June 22, 2011
PRINT OR TYPE NAME	TITLE
Michael J. Dowling	President and CEO North Shore LIJ Health System

1 Copy of check attached as 1A: 4

Contacts:

Applicant should designate a single person to whom correspondence about this application should be addressed:

CONTACT INFORMATION			
CONTACT PERSON'S COMPANY	NAME AND TITLE OF CONTACT PERSON		
NSLIJ Health System	Adele Herman, AVP, Strategic Planning Kevan Abrahams, Senior Planner, Strategic Planning		
STREET & NUMBER			
145 Community Drive			
CITY	STATE	ZIP	
Great Neck	NY	11021	
TELEPHONE	FAX NUMBER	E-MAIL ADDRESS	
(516) 465-8018	(516) 465-8179	aherman@nshs.edu	

The applicant's lead attorney should be identified:

ATTORNEY			
NAME			
Keith Thompson			
STREET & NUMBER			
145 Community Drive			
CITY	STATE	ZIP	
Great Neck	NY	11021	
TELEPHONE	FAX NUMBER	E-MAIL ADDRESS	
516-465-8333		kthompso@nshs.edu	

If a consultant prepared the application, the consultant should be identified:

CONSULTANT		
NAME		
STREET & NUMBER		
CITY	STATE	ZIP
TELEPHONE	FAX NUMBER	E-MAIL ADDRESS

The applicant's lead accountant should be identified:

ACCOUNTANT			
NAME			
Robert Shapiro			
STREET & NUMBER			
145 Community Drive			
CITY	STATE	ZIP	
Great Neck	NY	11021	
TELEPHONE	FAX NUMBER	E-MAIL ADDRESS	
516-465-8162		bshapiro@nshs.edu	

Checklist of Schedules **Schedule 1A**

Schedule	Schedule Name	Required	Included
1	General Information forms	☒	☒
2a	Personal Qualifying Information	☐	☐
2b	Personal Financial Statement	☐	☐
2c	Not-For-Profit Director's Statement	☐	☐
3a	Basic Definitions & General Instructions For Legal Schedules	☐	☐
3b	Basic Legal Information and Documentation	☐	☐
4	Ownership Transfers Only- Additional Legal Information For All Articles	☐	☐
5	Working Capital Financing Plan (Not Applicable for Article 7)	☒	☒
6	Architectural Submission	☒	☒
7	Environmental Assessment	☒	☒
8	Project & Subproject Cost Summary	☒	☒
9	Proposed Plan For Project Financing	☒	☒
10	Space & Construction Cost Distribution	☒	☒
11	Movable Equipment	☒	☒
12a	Adult Care Facilities Program Information	☐	☐
12c	Architectural	☐	☐
12d	Project Financing or Lease	☐	☐
12e	Projected Start Up Operating Budget- (2 Years)	☐	☐
12f	Operating Budget- Adult Care Facility -Full Occupancy	☐	☐
13a	Assurances	☒	☒
13b	Staffing	☒	☒
13c	Annual Operating Costs	☒	☒
13d	Annual Operating Revenues	☒	☒
14a	Additional Legal Information Article 28 Business Corporations	☐	☐
14b	Additional Legal Information Article 28 Limited Liability Companies	☐	☐
14c	Additional Legal Information Article 28 Not for Profit Corporations	☐	☐
14d	Additional Legal Information Article 28 Limited Liability Partnerships	☐	☐
16a	Hospital Program Information	☒	☒
16b	Community Need	☒	☒
16c	Impact of CON Application - Hospital Operating Certificate	☒	☒
16d	Hospital Outpatient Departments	☒	☒
16e	Hospital Utilization/Discharge and Patient Days	☒	☒
16f	Hospital Facility Access	☐	☐
17a	Diagnostic & Treatment Center Program Information	☐	☐
17b	Community Need	☐	☐
17c	Impact of CON Application - D& TCs Operating Certificate	☐	☐
17d	D&TC Allocation of Operating Costs	☐	☐
17e	D&TC Statement of Revenue	☐	☐
4	RHCFs Only	☐	☐
18a	Residential Health Care Facility (RHCF) Program Information	☐	☐
18b	Impact of CON Application - RHCF Operating Certificate	☐	☐
18c	RHCF Space & Construction Cost Distribution	☐	☐
18d	RHCF Statement of Functional Expenses	☐	☐
18e	RHCF Analysis of Net Patient Revenue & Total Operating Revenue	☐	☐
19a	Adult Day Health Care Programs (ADHCP) Program Information	☐	☐
19b	ADHCP Services-Staffing/Program Information	☐	☐
20a	OMH Component (If Applicable)	☐	☐
20b	OASAS Component (If Applicable) -To Be Added	☐	☐
20c	OMRDD Component (If Applicable) -To Be Added	☐	☐
21a	CHHAs and LTHHCP Program Information	☐	☐
21b	Impact of CON Application - CHHAs & LTHHCP Operating Certificate	☐	☐
21d	CHHA/LTHHCP Operating Cost	☐	☐
21e	CHHA/LTHHCP Projected Operating Revenue	☐	☐
21f	CHHA/LTHHCP Projected Utilization By Payor Category	☐	☐
22a	Hospices Program Information	☐	☐
22b	Impact of CON Application - Hospices Operating Certificate	☐	☐
22d	Hospices Operating Costs	☐	☐
22e	Hospices Utilization and Revenue Estimates	☐	☐

CERTIFICATE

The undersigned, Assistant Secretary of Lenox Hill Hospital, a New York corporation (the "Corporation"), does hereby certify that annexed hereto as Attachment I is a true copy of a resolution that was unanimously adopted at a meeting of the Executive Committee of the Board of Trustees of the Corporation held on April 26, 2011, at which meeting a quorum was present and acting throughout. The undersigned does hereby further certify that such resolution has not been amended or rescinded and remains in full force and effect.

IN WITNESS WHEREOF, the undersigned has executed this Certificate and caused the seal of the Corporation to be affixed hereto this 27th day of April, 2011.

Harry E. Gindi
Assistant Secretary

(SEAL)

#14541

Resolution adopted by the
Executive Committee of the Board of Trustees of Lenox Hill Hospital

RESOLVED, that (i) each of the Chief Executive Officer; Chief Operating Officer; Senior Vice President, Strategic Planning; and Executive Director of the Corporation's facility under Article 28 of the Public Health Law (each, an "Authorized Officer") is hereby authorized to subscribe and submit Certificate of Need applications in the name and on behalf of the Corporation and to take all such other and further actions that shall be necessary or appropriate in connection therewith; and (ii) the filing with the New York State Department of Health of a Certificate of Need application which has been subscribed by an Authorized Officer shall constitute approval of the undertaking or project described therein by the Executive Committee of the Board of Trustees of the Corporation.

Current Organization Chart
North Shore-Long Island Jewish Health System, Inc.
April 1, 2011
Not-for-Profit Corporation
Division
Proposed
North Shore – Long Island Jewish Health System, Inc.
North Shore – Long Island Jewish Health Care, Inc.
Staten Island University Hospital
Hospice Care Network
Obligated Group
Glen Cove Hospital
North Shore University Hospital
North Shore University Hospital - Stern Ctr for Extended Care & Rehab
Forest Hills Hospital
Plainview Hospital
Long Island Jewish Medical Center
Lenox Hill Hospital
Southside Hospital
Franklin Hospital
Huntington Hospital
Center For Comp. Care
Orzac Ctr for Extended Care & Rehab
Franklin Hospital CHHA
Franklin Hospital LTHHCP
Cohen Children's Medical Center
The Zucker Hillside Hospital
Long Island Jewish Hospital
Long Island Jewish CHHA
Syosset Hospital
North Shore CHHA

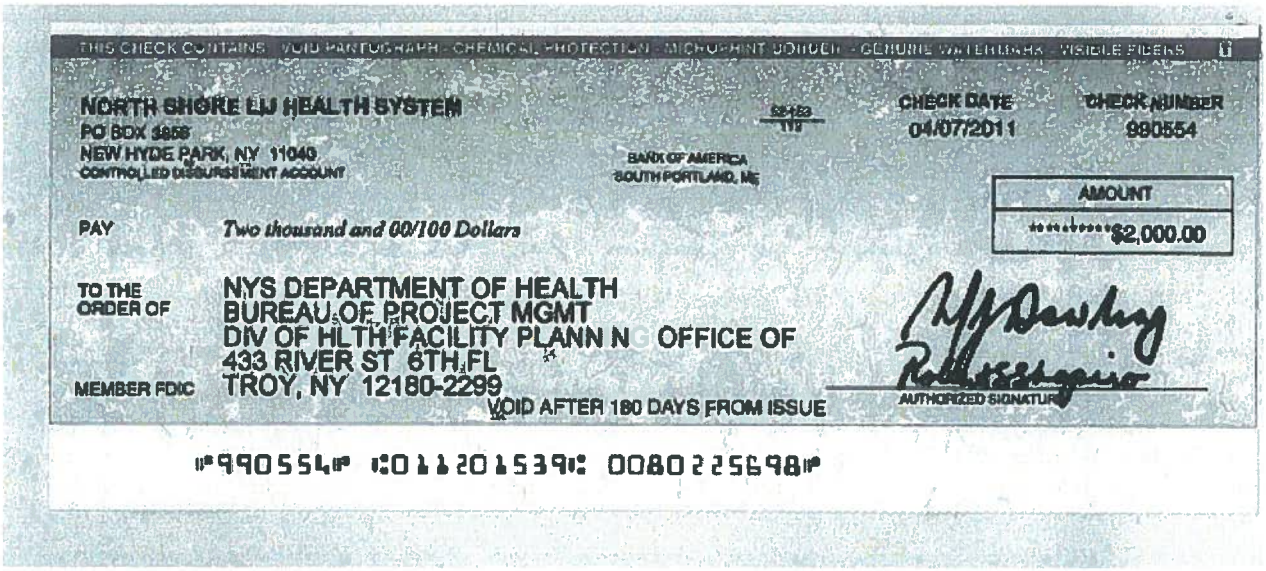
NETWORK DESCRIPTION AND APPLICANT AFFILIATION
(Revised June, 2011)

The North Shore-Long Island Jewish Health System (the "Health System") is an integrated healthcare delivery network serving the residents of the greater New York Metropolitan Area. North Shore-Long Island Jewish Health System, Inc. ('NS-LIJHS") is the ultimate sole corporate member of the entities within the Health System.

The Health System includes the following licensed providers: North Shore University Hospital, including Syosset Hospital ("NSUH"), Long Island Jewish Medical Center ("LIJ"), Glen Cove Hospital ("Glen Cove"), Plainview Hospital ('Plainview") , Forest Hills Hospital ("Forest Hills"), North Shore University Hospital Stern Family Center for Extended Care and Rehabilitation ('CECR"), Franklin Hospital ("Franklin"), Southside Hospital, Staten Island University Hospital ("SIUH"), Lenox Hill Hospital (LHH), and Huntington Hospital and Hospice Care Network; all are licensed under Article 28 of the Public Health Law ("PHL"), except for Hospice Care Network which is licensed under Article 44 of the PHL. NSUH, LIJ and Franklin are also licensed under Article 36 of the PHL to operate certified home health agencies, and SIUH also operates a hospice licensed under Article 44 of the PHL.

NSUH, LIJ, Plainview, Forest Hills, Glen Cove and CECR are part of an Obligated Group for financing purposes. North Shore-Long Island Jewish Health Care, Inc. ("HCI"), whose sole corporate member is NS-LIJHS, is the sole corporate member of each of the entities in the Obligated Group. HCI is an established Article 28 entity and is an Active Parent for the members of the Obligated Group. The Active Parent relationship has two components, as set forth in the establishment documentation. The first component relates to HCI's authority regarding the assets and liabilities of the members of the Obligated Group in order for them to carry out their financial obligations as part of the Obligated Group. The second component is authority for delegation by the entities in the Obligated Group of additional decision-making authority to HCI.

Approval of CON application 102453E was granted at the June 16, 2011 meeting of the Public Health and Health Planning Council to authorize the addition of Franklin Hospital, Huntington Hospital, Lenox Hill Hospital, Southside Hospital and Staten Island University Hospital (North and South) to the NSLIJ Obligated Group.



THIS CHECK CONTAINS VOID PANTOGRAPH, CHEMICAL PROTECTION, MICROPRINT BORDER, GENUINE WATERMARK, VISIBLE FIBERS

NORTH SHORE LIJ HEALTH SYSTEM
PO BOX 3858
NEW HYDE PARK, NY 11040
CONTROLLED DISBURSEMENT ACCOUNT

BANK OF AMERICA
SOUTH PORTLAND, ME

CHECK DATE: 04/07/2011
CHECK NUMBER: 990554

AMOUNT: $2,000.00

PAY: *Two thousand and 00/100 Dollars*

TO THE ORDER OF:
NYS DEPARTMENT OF HEALTH
BUREAU OF PROJECT MGMT
DIV OF HLTH FACILITY PLANN N OFFICE OF
433 RIVER ST 6TH FL
TROY, NY 12180-2299

MEMBER FDIC

VOID AFTER 180 DAYS FROM ISSUE

AUTHORIZED SIGNATURE

⑈990554⑈ ⑆011201539⑆ 00802256 98⑈

Schedule 1 Part B - Abbreviated Executive Summary

Instructions:
In the space below, i.e., no more than one page, provide a succinct overview of your proposal. This may be done in bullet format. The purpose of the Abbreviated Executive Summary (AES) is to give the reviewer a conceptual understanding of the proposal. The AES should summarize the key elements of the proposed project. Details will be contained in the appropriate schedules of the application.

North Shore-LIJ
Lenox Hill Hospital: Center for Comprehensive Care Hospital Division

This project proposes to certify the Center for Comprehensive Care Hospital Division (Center) at 30 Seventh Avenue, New York, NY 10011. The facility will operate as a division of Lenox Hill Hospital and be known as the Center for Comprehensive Care (Center). It will be located in the heart of Greenwich Village in a historic landmarked building, the National Maritime Building (also known as O'Toole Pavilion), which is across the street from where the former St. Vincent's Catholic Medical Center hospital (SVCMC) operated.

SVCMC was a valued health care provider in the community for 160 years until it closed its doors on April 30, 2010. NSLIJ is proposing to develop a new hybrid model of care which incorporates the emergency access and ambulatory surgery elements of a community hospital, with specialized diagnostic and treatment services. This new model of care is bound to its community through information technology and an inter-operable health record so it can serve as the "new front door" to community access and coordination of health services.

The following hospital services are proposed:

- Emergency Department
- Two Medical Surgical Beds transferred from LHH current licensed medical/surgical beds (to support clinical decision making, stabilization, and transfer of patients requiring inpatient care)
- Diagnostic Radiology
    - MRI
    - CT Scanner
    - Radiography
    - Ultrasound
    - Mammography
- Ambulatory Surgery – Multi Specialty
- Clinical Laboratory
- Ambulance

The Center will initially utilize the Cellar, 1st, 3rd, 5th and 6th floors. Additionally, the 2nd and 4th floors include code required life safety scope, including sprinklers and egress lighting. The programmed space encompasses approximately 140,844 square feet. The remainder of space on floors 2 and 4 will be reserved for physician practices and additional uses not yet determined at this time, in order to consider and potentially incorporate some recommendations of the West Village Community Health Needs Assessment Study. This study is currently being conducted with the input of a broad range of community perspectives.

All services proposed for the Center will be made available to patients without regard to insurance status and, for those without insurance, the North Shore-LIJ financial assistance plan will be offered (on a sliding fee scale for those households with income up to 500% of the Federal poverty limit). As the Hospital Division of Lenox Hill Hospital, the Emergency Department services delivered at the Center will utilize Lenox Hill Hospital's same high quality standards. The Center will provide emergency medical care that is efficient, readily accessible and linked to a continuum of care to anyone, regardless of insurance status or ability to pay.

The total project cost inclusive of fees is $125,689,500. Construction is anticipated to commence February, 2012 and complete in November, 2013. There will be no disruption to patient care as the building is unoccupied. The site is easily accessible through all modes of public transportation.

Proposal Overview

The North Shore-LIJ Health System (North Shore-LIJ), the nation's second largest non-profit secular health system, cares for people at every stage of life through its comprehensive continuum of care which includes 14 hospitals, long-term care facilities, home care, hospice and more than 200 ambulatory care centers throughout the New York metropolitan region. North Shore-LIJ's hospitals, seven of which are located in New York City, and long-term care facilities operate over 5,600 beds, employ more than 10,000 nurses and have affiliations with more than 9,000 physicians. Its workforce of about 43,000 is the ninth-largest in New York City. In addition to its hospitals, North Shore-LIJ's care continuum includes the largest hospital-based ambulance and emergency management response system in the United States. North Shore-LIJ is the largest health system provider in New York State and in the competitive New York metropolitan region.

North Shore-LIJ proposes to build a community-based health care facility which will provide a new hybrid model of care which incorporates the emergency access and ambulatory surgery elements of a community hospital, with specialized diagnostic and treatment services. This new model of care is bound to its community through information technology and an inter-operable health record so it can serve as the "new front door" to community access and coordination of health services.

The facility will operate as a division of Lenox Hill Hospital and be known as the Center for Comprehensive Care (Center). It will be located in the heart of Greenwich Village in an historic landmarked building, the O'Toole Pavilion (also known as the National Maritime Building), which is across the street from where the former St. Vincent Catholic Medical Center hospital (SVCMC) operated for over 160 years.

Services Available at the Center for Comprehensive Care

In developing the program for the Center, North Shore-LIJ sought to provide community access to emergency care, a need which has been repeatedly identified by any person or group who was affected by the closure of the hospital. The Center is an innovative solution to the health care dilemma facing residents of the West Village and surrounding neighborhoods that have been without a nearby Emergency Department and other health care services since the closure of St. Vincent's Hospital in April, 2010.

North Shore-LIJ recognizes that the concept of a freestanding emergency department is new to metropolitan New York and, frankly, many community members never considered the possibility of accessing emergency care outside of a hospital setting. However, in the intervening year, no plan to reestablish the closed hospital has materialized. When the historic demand and utilization of St. Vincent's emergency department by the surrounding community is considered along with distance/travel time to other emergency departments and the general emergency department overcrowding and lengthy city-wide waiting times, these factors combine to support the development of the Center, which will demonstrate this model's approach and value to communities impacted by hospital closures.

The project proposes renovation of nearly 161,000 gross square feet of the NYC landmarked Maritime Building at a cost of approximately $125 million. Major program elements of the Center would include:

- The first Freestanding Emergency Department in the New York metropolitan area, providing 24/7 care - accessible by ambulance or on a walk-in basis, including provision of a Clinical Decision Unit. The Center will provide the community with critical access to emergency care with shorter wait times than currently available in the city's hospital-based emergency rooms.
- Two Medical Surgical Beds (to support clinical decision making, stabilization, and transfer of patients requiring inpatient care transferred from the current licensed LHH medical/surgical beds).
- A full-service Imaging Center featuring digital x-ray, computed tomography (CT), mammography, magnetic resonance imaging (MRI) and ultrasound, services needed by area health providers for diagnosis and patient treatment.
- An ambulatory surgery facility focusing on interventional treatments for the sick and elderly.
- Laboratory services to assist in the diagnosis of disease and assessment of health status.

All services will be made available to patients without regard to insurance status and, for those without insurance, financial assistance will be offered by North Shore-LIJ on a sliding fee scale for those households with income up to 500% of the Federal poverty limit. North Shore-LIJ is proud of the fact that its financial assistance program is recognized as one of the most progressive programs of its type among New York State hospitals and across the nation.

A portion of the facility will be reserved for physician practices and additional uses not yet determined at this time, in order to consider and potentially incorporate some recommendations of the West Village Community Health Needs Assessment Study. This study is currently being conducted with the input of a broad range of community perspectives and is discussed in more detail below.

Upon DOH approval, the Center would be licensed as a hospital, as a Division of Lenox Hill Hospital (Lenox Hill) and will operate a small number of beds which will be allocated from the existing licensed bed complement of Lenox Hill. Through Lenox Hill and its clinical leadership, North Shore-LIJ will oversee and be accountable for all the care and services delivered at the proposed Center. To ensure success, the new Freestanding Emergency Department will draw on the collective knowledge of North Shore-LIJ's 200 emergency physicians, more than 350 EMS personnel and approximately 2,000 Emergency Department (ED) staff, who have gained their experience operating 14 Emergency Departments that treat more than 600,000 people and transport about 88,000 patients annually.

The Maritime Building was made available to North Shore-LIJ as part of the St. Vincent's bankruptcy settlement. In April 2011 an agreement was ratified by the Southern District Bankruptcy Court which approved the sale of St. Vincent's Hospital property to the Rudin Organization for residential development. In order to address the need for health care services by the communities impacted by the closure, the court also approved the conveyance of the 160,886 square-foot landmark O'Toole Building (also known as the National Maritime Building) to North Shore-LIJ. This building is located on the former St. Vincent's campus on the west side of 7th Avenue between 12th and 13th Streets. North Shore-LIJ was able to acquire this building and property at no cost from the St. Vincent's Board of Trustees in furtherance of St. Vincent's charitable mission to its neighboring communities and recognition of the Health System's commitment to provide emergency care and related services as outlined in this CON application. The communities originally served by St. Vincent's before its closure will continue to be served by North Shore-LIJ. Concurrent with the filing of this CON application, North Shore-LIJ is proceeding to secure the necessary zoning, land use and historic preservation approvals for the project. A copy of the court order approving the transaction appears in Attachment 1B: 1.

The Closure of St. Vincent's

In the review of this project it is important to understand recent events which led to the bankruptcy and closure of St. Vincent's and how access to health care and other services has changed for the communities who had historically relied upon St. Vincent's.

For most of its history, St. Vincent's was an independent hospital evolving and growing in response to the needs of its community as advances in science, medicine and technology shaped the organization and delivery of health services. As one of New York's first and oldest Catholic sponsored hospital, St. Vincent's was regarded as the tertiary referral hospital providing access to patients from other Catholic sponsored hospitals in Brooklyn, Queens, Staten Island and the Bronx, to specialized services such as open heart surgery. Additionally, St. Vincent's served as the primary teaching site for New York Medical College which was similarly sponsored by the Archdiocese of New York. As such, St. Vincent's reputation for quality and excellence and its extensive referral relationships with hospitals and generations of physicians who trained within its walls attracted patients from beyond its immediate community.

In the 1990's, under the financial strain which accompanied changes in reimbursement, the hospitals and nursing homes of the Archdiocese of New York and Brooklyn and Queens formed the Catholic Health Care Network. The initial plan was to engage in a full asset merger which meant the assets and liabilities of all the members would be merged, governed through a single board of directors with a single consolidated management team. For a variety of reasons, this high level of governance, management and clinical integration was not attained.

In 2009, Daniel Sulmasy, writing about the unraveling of Catholic health care in New York, in the national Catholic weekly, *America*, recounted the story of what happened next.

> **"Unable to merge completely with the hospitals of the Catholic Health Care Network, and facing mounting financial difficulties, St. Vincent's Hospital Manhattan explored a possible merger with St. Vincent's Staten Island and the hospitals of the Diocese of Brooklyn, which had been united into one network as early as the 1960's. To facilitate a bilateral structure, Cardinal O'Connor ceded full control of St. Vincent's Manhattan (owned by the Archdiocese of New York) back to the Sisters of Charity, and the merger proceeded. ... in 2000 the merger was completed and the Saint Vincent Catholic Medical Centers of New York was created."[2]**

Thus, the informal referral relationships which existed for years among St. Vincent's and its referring network of hospitals were now formalized through a full asset merger. A consolidated governance and management structure was created, overseeing a care continuum of nursing homes, home health care providers and other services.

The St. Vincent Catholic Medical Centers of NY (St. Vincent's CMC) pursued a hub and spoke model in an attempt to direct complex, high reimbursement cases from throughout the region to St. Vincent's, the network's flagship tertiary hospital. In return, the other hospitals in the network expected to benefit from advantages of scale and be subsidized through the operating surplus which was projected to be generated through collective actions.

For a variety of reasons, the benefits expected through consolidation never materialized. In 2005 St. Vincent CMC filed for bankruptcy and, in short order closed St. Joseph's Hospital in Queens and St. Mary's Hospital in Brooklyn. In the same year it transferred control of St. Vincent's Staten Island to Bayonne Medical Center. In response to a mandate from the NYS Commission on Healthcare Facilities in the 21st Century (also referred to as the "Berger Commission") it closed St. Vincent's, Midtown (formerly St. Clare's) and in 2007, it transferred sponsorship of St. John's and Mary Immaculate Hospitals in Queens to Wyckoff Hospital who formed the Caritas Health System, which was contractually committed to maintaining a referral relationship for tertiary care with St. Vincent's. (The Caritas Health System subsequently entered bankruptcy and closed both hospitals in February 28, 2009.)

In 2008, St. Vincent's emerged from bankruptcy with a plan to reduce a crushing debt burden it had amassed in forming its health system and keeping it afloat. Its plan was to sell a portion of its real estate using the proceeds to reduce its debt and finance the construction of a new hospital. However, these plans were met with vocal community opposition. Its losses continued to grow amid one of the most severe economic downturns in recent history although its redevelopment plan received local zoning and related approvals in 2009. In 2010, confronting mounting losses and a crushing debt burden, the over-leveraged institution was forced to file for bankruptcy and three weeks later, on April 30, after faithfully serving its community for over 160 years, St. Vincent's closed its doors.

The hospital was an integral part of the community healthcare system providing over 67,000 emergency room visits and was the major employer with 4,500 employees who supported local business and served patients from throughout the New York metropolitan region

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2 http://www.americamagazine.org/content/article.cfm?article_id=11513
Source: Sulmasy, Daniel. "Then There Was One: The unraveling of Catholic health care" America: The National Catholic Weekly March 16, 2009.

In 2008, as St. Vincent's began to emerge from its 2005 bankruptcy, it developed plans and had to overcome substantial community resistance to sell its existing site to the Rudin Organization and rebuild its facilities on an adjacent parcel of land, the site of the Maritime Building. During the intervening months of the 2008 financial crisis the project could not progress and St. Vincent's financial situation worsened. Throughout 2009, St. Vincent's was looking for a hospital or health system partner to avert closure. In late 2009, despite Governor Patterson establishment of a Task Force to "Save St. Vincent's" and keep it open, the hospital was forced to close.

Its closure, devastating to many on so many levels, created a vacuum or a rip in the health care delivery fabric of the community. This resulted in the Department of Health, FDNY-EMS and existing hospitals and other health providers to rapidly step in to fill the void. Their swift and focused actions attempted to mitigate and minimize the impact of the inevitable disruption so as to provide access and continuity of health care for the communities most affected by these events. In the weeks following the closure, Beth Israel assumed responsibility for an HIV/AIDS Program and Cancer Center. Mt. Sinai took over another St. Vincent's HIV/AIDS Program. The Raymond Naftali Center, VillageCare, and other primary care providers began to treat patients from St. Vincent's general medical programs. F.E.G.S stepped in to manage the outpatient mental health programs.

The DOH awarded HEAL grants to neighboring primary care centers and FQHCs such as Village Care, Institute for Family Health, Ryan Chelsea/Clinton, Ryan Nena, Callen-Lorde Health Center and Charles B. Wang Health Center to expand their hours and resources to accommodate patients whose care was disrupted by the closure. North Shore-LIJ responded to an RFP issued by DOH and Lenox Hill was selected to develop an Urgent Care Center.

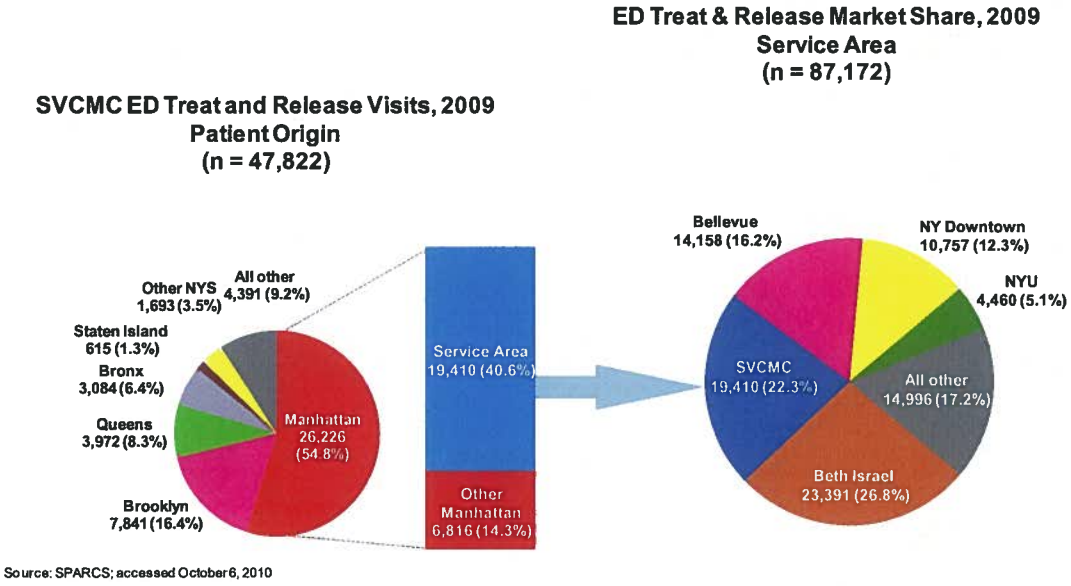
In August 2010, a number of elected officials and community leaders came together to conduct the West Village Community Health Needs Assessment (Needs Assessment). The Needs Assessment was planned to be a systematic method of identifying the health needs of the residents of the Lower West Side of Manhattan after the closure of St. Vincent's. North Shore-LIJ volunteered to make its planning resources available to the Health Needs Assessment Steering Committee (Steering Committee). North Shore-LIJ had recently reviewed relevant community health data which it used to prepare its proposal to operate an Urgent Care Center. The Steering Committee also invited faculty from the Hunter College School of Urban Public Health (Hunter College), and a community organization, Fulton Youth of the Future, to conduct a community survey to incorporate the opinions and voice of the residents into the Needs Assessment. The Hunter College survey is titled Community Health Assessment: St Vincent's Medical Center Report #1, Quantitative Survey and Qualitative Data Collection, and will be herein referred to as the Hunter College Survey Report. It is discussed in detail on pages 74 and 75, and is included as attachment 1B: 2.

The Steering Committee developed a work plan to evaluate the demographics of the community, the health status of local residents, availability of current health care resources, utilization patterns and pre- and post-closure access to care. Community health survey initiatives (e.g. leadership interviews, focus groups, on-line survey and structured discussions with community groups representing historically underserved populations) were used to complement secondary data sources and identify service needs and gaps. The goal of the study is to better meet the needs of the communities affected by the closure of St. Vincent's, determine if a hospital could be reopened or developed and be financially viable and to identify opportunities to improve the health care delivery system.

Description of Service Area

The Center's service area was defined through the work of the Community Health Assessment Study. At the outset of the study, the Steering Committee, composed of community leaders and elected officials, defined the communities they believed to be most affected by the closure of St. Vincent's. The service area contains 385,000 residents and generally includes all of Community Board 2 and portions of Community Boards 1, 3 and 4 (see Map 1 of Schedule 16B). Historically, service area residents accounted for over 106,000 emergency visits, 87,000 were treat and release and 19,410 were admitted through the emergency department. However, among treat and release visits, the overwhelming majority of patients (78%) chose to use emergency departments other than St. Vincent's while 22%, 19,410, used St. Vincent's (see Table 1).
With respect to inpatient care, a similar pattern was observed. In 2009, Service Area residents accounted for 40,915 inpatient discharges, however, only 17% or 6,800 were discharged from St. Vincent's (see Table 4).

Table 1. SVCMC ED Treat & Release Visits Patient Origin and Service Area Market Share by Hospital, 2009



Source: SPARCS; accessed October 6, 2010

A more detailed description of the Service Area and its access to care appears in response to Schedule 16B of the CON.

A New Hybrid Model of Care

North Shore-LIJ acknowledges the anger, frustration and fear expressed by some community residents with respect to the rapid closure of the hospital and the heartfelt calls to either reopen the hospital or reinvigorate plans to rebuild St. Vincent's. However, the challenges of satisfying the creditors, the recognition of the financial and operating resources required and the economic constraints imposed by health reform and budget shortfalls at both the Federal and State levels have prevented any experienced health provider in being able to put forth a financially sound proposal to reopen or build a new hospital. It is the confluence of these circumstances which shaped the proposed project; closure of a trusted and valued community resource; a community dependent on that provider for access to emergency, acute care and other important health services, proximity to inpatient providers with additional bed capacity and an ever-growing and an over burdened city-wide emergency department infrastructure relatively remote from the communities affected by the closure. These events and market forces converged to provide North Shore-LIJ with the crucible to propose a new hybrid health care facility model which combines specialized ambulatory, diagnostic and surgical treatment with the critical access a Freestanding Emergency Department can provide to communities impacted by hospital closures such as St. Vincent's.

It is well documented that many emergency departments serve as the front door access to health care for large segments of New Yorkers. Many residents utilize an emergency department because they do not have consistent access to basic primary care and specialty care providers and those that do generally can only be seen by physicians and other health providers during weekday hours with limited availability on evenings and weekends. Furthermore, when patients have to confront the sudden and serious onset of symptoms their providers typically direct them to emergency departments which possess a range of specialized diagnostic and imaging services required to rapidly diagnose and initiate treatment.
The use of Freestanding Emergency Departments in New York State and New York City was discussed in the findings of the NYS Commission on Health Care Facilities in the 21st Century, (also referred to as the Berger Commission). In its December 2006 final report the Commission described the need for a 21st century new hybrid model of care delivery and stated that:

> **"During its analysis and deliberations, the Commission repeatedly identified communities whose needs could be well served with less than a "full service" hospital but which require more than an ambulatory care center. In these areas, there tends to be a single hospital with low utilization, weak finances, and inferior quality. While such institutions may appear to be candidates for closure, they cannot be closed unless an alternative set of services remains available to community residents. To close a hospital without preserving certain services would irresponsibly leave parts of the state bereft of needed health care access.**
>
> **Most often, the services that required preservation include a combination of emergency or urgent care, ambulatory care, and to a lesser extent, ambulatory surgery, and imaging. However, today's reimbursement system makes this an unprofitable and unviable set of services. Hospitals are thus required to maintain unnecessary services for the sole purpose of cross subsidizing the necessary but money-losing services. The lack of alternatives has led to a situation in which whole hospitals must be maintained in order to deliver the smaller subset of needed services that could be provided by more focused facilities. These hospitals face structural financial challenges, and in response, may pursue unnecessary capital investments in order to expand their revenue base.**
>
> **To better align community needs and resources, the Commission recommends that the State and industry collaborate to test and develop new "hybrid" delivery models. Such hybrids would maintain features of a traditional hospital determined to be necessary while eliminating redundant and unneeded features. Creative and financially viable alternatives, such as free standing emergency rooms or community health centers with urgicare capabilities, could advance the achievement of a rightsized and restructured health care delivery system. The benefits could include enhanced access to services, less duplication, and amelioration of the economic impact of full hospital closures."[3]**

The Center for Comprehensive Care will be the innovative hybrid model of care that the Commission described as needed. It will not only replace a portion of the services which St Vincent's provided to its community but it will also serve to demonstrate the value of this model to communities which may similarly need to confront or be affected by the reality of an impending hospital closure.

Just like many community hospitals, the Center for Comprehensive Care will, through the careful development of medical protocols with FDNY-EMS, possess the ability to accept and care for patients who arrive by ambulance. However, it is expected that through North Shore-LIJ's outreach with physicians and the community, the majority of patients who will seek care will walk in to the Center. For those patients requiring inpatient care, the Center will have the facilities to stabilize and transfer patients to nearby hospitals and physicians of their choosing.

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3 A Plan to Stabilize and Strengthen New York's Health Care System, Final Report of the Commission on Health Care Facilities in the 21st Century, December 2006, p88.

A New Front Door for Communities to Access Healthcare

When seen at a traditional emergency department, the patient is typically referred and cared for within the physician network, programs and services comprising the care continuum of the hospital where the patient was treated. For many patients, the emergency department not only serves as the portal for access to inpatient services, but also provides access to the continuum of health care located outside the walls of the inpatient facility.

In this new hybrid model of care for health care access, the Center must serve as a new front door for the community. There are 5 federally qualified health centers, 7 diagnostic and treatment centers, over 80 mental health providers and over 2,700 physicians in the service area. In order to be valued, the Center must connect patients to these other key partners serving the community. It must re-invent how the community more effectively accesses that health care continuum. Thus, another distinctive feature of this model of care is the need for the North Shore-LIJ Center to facilitate access to, and connect its patients and community, to a comprehensive continuum of health care services (see Schedule 16B, Question 6, Figure 1), a role which St. Vincent's diligently assumed for over 160 years. North Shore-LIJ is particularly experienced in connecting communities to a comprehensive continuum of care, much of it managed by the Health System and significant portions provided through partnerships with other health providers and community based organizations.

The Center will blend the roles of first point of contact emergency care, community health coordination and post-discharge planning with other community-based services. A unique unifying feature of this model will be how medical information will be digitally available between the Center and providers. This will be accomplished either through a North Shore-LIJ electronic medical record, or through the use of an inter-operable technology platform currently being utilized by regional health information organizations (RHIO) which will interface with systems used by other medical providers. This Center will become the showcase for meaningful use connecting with the health care delivery system in and around the service area.

In addition, every patient seen at the Center will have the opportunity to create and manage their own personal health record through North Shore-LIJ's patient health record, a product currently in development as part of North Shore-LIJ's $400 million information technology investment across its health system which is focused on bringing together patients and their providers to create a digitally connected continuum of care.

The Health System's strategy for the Center is motivated by North Shore-LIJ's expanded commitment to evolve from managing the health of a patient to managing the health of populations across an integrated continuum of providers and care settings serving the broad geography of the New York metropolitan region (see Schedule 16B, Question 6, Figure 2). To do so effectively, information technology is a mission critical service. North Shore-LIJ expects this investment to facilitate unprecedented improvements in the efficiency and quality of care provided to communities across the metropolitan region.

The Role of Freestanding Emergency Departments

There is recognition that a freestanding emergency department is a new concept to community residents and health care providers; however, it is not a new model of care. Traditionally, this approach has been successfully used in sparsely populated or rapidly growing areas and only in the past few years has it been utilized in more densely populated areas urban areas and in response to hospital closures. In New York State there are two off-site, Freestanding Emergency Departments that are licensed as part of larger hospital systems. Mercy Hospital – Mercy Hospital Orchard Park Division is licensed with two beds and the following services: Clinical Laboratory Service; CT Scanner; Emergency Department; Medical/Surgical; Primary Medical Care O/P; Radiology – Diagnostic; and Therapy –Physical O/P and Tri-Town Regional Healthcare is licensed for 4 beds with the following services: CT Scanner; Emergency Department; Medical/Surgical; and Nuclear Medicine – Diagnostic.

Freestanding Emergency Departments have become an accepted part of communities in at least 16 states including neighboring New Jersey and Connecticut. At the end of 2008 there were 222 Freestanding Emergency Departments operating across the nation, the majority of which are affiliated with regional hospitals[4]. In some of these communities Freestanding Emergency Departments are so successful in filling a critical void in the care continuum that they establish the need and facilitate the construction of a new hospital in the communities where they are located or they replace access to essential care following the closure of a hospital. These facilities have to comply with all applicable State licensing

4 Williams, Mike and Pfeffer, Michael. Freestanding Emergency Departments: Do They Have a Role in California. California HealthCare Foundation.

standards as well as the conditions for participation promulgated by the Centers for Medicare and Medicaid Services (CMS) (42 CFR 413.65), including EMTALA provisions.

Sponsors of Freestanding Emergency Departments are focused on earning the trust and acceptance by communities in which they locate. In consulting with the physicians and management leadership of Freestanding Emergency Departments in the planning of this project we were repeatedly told of the importance of developing a comprehensive plan which focuses on working with existing providers in the area to improve coordination and provision of care. A critical function the Center assumes is to triage community residents to the most appropriate level of care and enhance the ability of all providers to better meet the healthcare needs of the community.

Another critical aspect of the Center's success will be the development of a relationship with FDNY-EMS. Many Freestanding Emergency Departments accept patients arriving via ambulance through local EMS responders. Studies of Freestanding Emergency Departments show that they typically have a lower admission rate compared to their hospital-based counterparts, in large part because they have carefully developed medical decision and triage protocols with the local EMS providers who are well aware of the capabilities and limitations of these centers. For example, patients who are acutely ill, require immediate surgical intervention, gunshot victims or those who experience motor vehicle accidents and sustain multiple internal injuries, would be triaged and transported to an appropriate facility such as a regional trauma center. In addition, clinical managers at Freestanding Emergency Departments also report that with a comprehensive education and communication program, their patients have learned to self-triage to the appropriate setting[5]. As a result, Freestanding Emergency Departments often have significantly faster throughput than do hospital-based Emergency Departments.

North Shore-LIJ has already initiated contact with FDNY EMS and begun to familiarize staff with the proposed model of care in anticipation of the development of triage criteria approved by DOH. In general, many patients express concern and frustration about long wait times and overcrowding in hospital emergency departments. This is particularly true for service area residents where emergency department overcrowding was the subject of several news accounts after the closure of St. Vincent's (see Attachment 1B:3 for related articles). The Center would play a crucial role in mitigating overcrowding in neighboring Emergency Departments generated by service area residents.

There is a body of literature which examines the acuity of cases seen in freestanding emergency departments. Nationally, freestanding emergency departments are able to see patients quicker and have a shorter visit length ranging from 70 to 105 minutes compared to an average of 192 minutes for hospital-based emergency departments. According to the 2010 Press Ganey Associates Emergency Department Pulse Report, for New York State emergency department's the average wait time is four hours and 54 minutes. Ultimately, this provision of additional emergency capacity at the Center will decrease pressure and overcrowding at neighboring emergency departments. According to a Sg2 Expert Insight report, freestanding emergency departments experienced faster turnaround time which is a primary driver for patient satisfaction[6]. Consistent with national experience, NSLIJ expects to see improved patient satisfaction for those utilizing the Center.

5 Advisory Board Company. *Freestanding ED: New Models of Urgent and Emergency Care Beyond the Hospital.*
6 Strzelczyk, Susan "Could a Freestanding ED Work for You?" Sg2 (www.sg2.com) accessed on January 20, 2011

Court Order and Related Documentation Regarding Transfer of "O'Toole Building" Site to NSLIJ

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	:	Chapter 11
SAINT VINCENTS CATHOLIC MEDICAL CENTERS OF NEW YORK, et al.,	:	Case No. 10-11963 (CGM)
Debtors.	:	Jointly Administered

ORDER (I) APPROVING THE ENTRY INTO THE AMENDED AND RESTATED CONTRACT OF SALE FOR THE REAL ESTATE AND PERSONAL PROPERTY COMPRISING THE DEBTORS' MANHATTAN CAMPUS TO RSV, LLC AND NORTH SHORE-LONG ISLAND JEWISH HEALTH CARE SYSTEM; (II) APPROVING SUCH SALE FREE AND CLEAR OF LIENS, CLAIMS, ENCUMBRANCES AND OTHER INTERESTS; (III) DIRECTING OCCUPANTS UNDER TERMINATED LEASES TO VACATE THE PROPERTY; AND (IV) GRANTING RELATED RELIEF PURSUANT TO SECTIONS 105 AND 363 OF THE BANKRUPTCY CODE

[Related Docket No. 1454, 1482, 1483, 1485, 1494, 1502, 1517, 1518, 1519, 1520, 1527, 1528, 1529, 1530, 1531, 1532, 1534]

Upon the Motion (the "**Motion**")[1] of Saint Vincents Catholic Medical Centers of New York ("**SVCMC**" or "**Seller**")[2] and certain of its affiliates, as Chapter 11 debtors and debtors in possession (each a "**Debtor**" and collectively, the "**Debtors**" or "**Sellers**") in the above-referenced Chapter 11 cases (the "**Chapter 11 Cases**") for (i) an order approving the entry into the Amended and Restated Contract of Sale ("**Amended Contract**") for the sale of the real estate and personal property commonly known as (a) the East (or Main) Campus ("**East**

[1] Unless otherwise indicated, capitalized terms used but not defined herein shall have the same meanings ascribed to them in the Motion.

[2] In addition to SVCMC, the Debtors are as follows: (i) 555 6th Avenue Apartment Operating Corporation; (ii) Bishop Francis J. Mugavero Center for Geriatric Care, Inc.; (iii) Chait Housing Development Corporation; (iv) Fort Place Housing Corporation; (v) Pax Christi Hospice, Inc.; (vi) Sisters of Charity Health Care System Nursing Home, Inc. d/b/a St. Elizabeth Ann's Health Care & Rehabilitation Center; (vii) St. Jerome's Health Services Corporation d/b/a Holy Family Home; and (viii) SVCMC Professional Registry, Inc.

Campus"), (b) the O'Toole Building ("**O'Toole Building**") and (c) property associated with the East Campus and the O'Toole Building and commonly referred to as the Triangle parcel ("**Triangle Parcel**") all located in the Greenwich Village Section of Manhattan, New York City (collectively, the "**Property**") to RSV, LLC ("**RSV**") and, with respect to the O'Toole Building and potentially the Triangle Parcel, North Shore-Long Island Jewish Health Care System ("**North Shore-LIJ**"), as designated designee of RSV (collectively, the "**Purchasers**"); (ii) approving such sale transactions free and clear of liens, claims, encumbrances and other interests; (iii) directing occupants under terminated leases to vacate the Property; and (iv) granting related relief pursuant to sections 105 and 363 of the Bankruptcy Code; and the deadline to file objections to the Motion having been set on March 23, 2011, with responses having been filed by (i) John J. Khadem, M.D.; (ii) Hillel Y. Marans, M.D. (iii) Dudley Gaffin, Alan J. Gerson, and Dr. Robert Adelman; (iv) Fulton Houses Tenants Association (v) the City of New York (the "**City**"); (vi) the MedMal Trust Monitor; and (vii) certain informal responses having been asserted by: (a) The Mount Sinai Hospital; (b) St. Luke's Roosevelt Hospital; (c) the Pension Benefit Guaranty Corporation; and (d) Kurland, Bonica & Associates, P.C. (collectively hereinafter, the "**Responses**"); and the Debtors having filed an Omnibus Reply In Further Support of the Motion on April 4, 2011 and the affidavits of Mark E. Toney, Darcy A. Stacom and Michael Dowling (collectively, the "**Affidavits**") in further support of the Motion; and the City's Response having been consensually resolved among the parties; and the informal responses of The Mount Sinai Medical Center and St. Luke's Roosevelt Hospital having been consensually resolved by a separate stipulation submitted to the Court at the hearing; and the Court having conducted a sale hearing (the "**Sale Hearing**") on April 7, 2011 to consider approval of the sale to Purchasers pursuant to the Amended Contract; and all parties in interest

having been heard, or having had the opportunity to be heard, regarding the approval of the Amended Contract and the transactions contemplated thereby; and upon the Motion and supporting documentation filed in connection therewith; and the Court having reviewed and considered the Motion, the Affidavits, and all objections, statements or responses thereto; and General Electric Capital Corporation, for itself, and TD Bank, N.A., (the "**Prepetition Agent**" or "**DIP Agent**") and the Official Committee of Unsecured Creditors (the "**Creditors' Committee**") having consented to the relief sought in the Motion; and upon the statements made at the Sale Hearing in support and in opposition; and the full record of these Chapter 11 Cases; and the Court having determined that the relief sought in the Motion is in the best interests of the Debtors, their estates and creditors, and all parties in interest and that the legal and factual bases set forth in the Motion and supported by the record including and not limited to: (i) the Motion and supporting documentation filed therewith; (ii) the Affidavits; (iii) the testimony and/or other evidence proffered or adduced at the Sale Hearing; and (iv) the representations of counsel made on the record at the Sale Hearing, establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, it is HEREBY FOUND AND DETERMINED THAT:[3]

A. Jurisdiction and Venue. The Court has subject matter jurisdiction over the Motion and the relief request therein pursuant to 28 U.S.C. § 1334 and the Standing Order of Referral of Cases to Bankruptcy Court Judges of the District Court for the Southern District of New York, dated July 19, 1984 (Ward, Acting C.J.). The Motion is a core proceeding pursuant

[3] The findings and conclusions set forth herein constitute the Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. Findings of fact shall be construed as conclusions of law and conclusions of law shall be construed as findings of fact when appropriate.

to 28 U.S.C. § 157(b); and venue is proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409.

B. Statutory Predicates. The statutory predicates for this order are sections 105(a), 363(b), 363(d), 363(f), and 541(f) of the Bankruptcy Code and Bankruptcy Rules 2002, 4001, 6004 and 6006.

C. Notice. Proper, timely, adequate and sufficient notice of the Motion and the relief requested therein, the Sale Hearing, the Sale, the entry into the Amended Contract, and related transactions described in the Amended Contract (all such transactions being collectively referred to as the "**Sale Transaction**"), has been provided in accordance with sections 102(1) and 363 of the Bankruptcy Code and Bankruptcy Rules 2002 and 6004 and such notice was good and sufficient, and appropriate under the particular circumstances. No other or further notice of the Sale Motion, the relief requested therein and all matters relating thereto, the Sale Hearing, the Sale Transaction or entry of this Order is or shall be required.

D. Opportunity to Object and Make an Offer for the Property. As evidenced by the record before the Court, the Debtors and their professionals have made all reasonable efforts to identify all potential purchasers for the Property and creditors, parties-in-interest and other entities have been afforded a reasonable opportunity to make an offer for the Property. A reasonable opportunity to object or be heard with respect to the Motion and the relief requested therein has been afforded to all interested persons and entities.

E. Compliance with General Order. As detailed herein, the Debtors have complied in all respects with General Order M-383 of the United States Bankruptcy Court for the Southern District of New York, dated November 18, 2009 establishing guidelines for the conduct of asset sales.

F. Time is of the Essence. Time is of the essence in consummating the Sale Transaction and it is in the best interests of the Debtors and their estates to sell the Property within the time constraints set forth in the Motion and the Amended Contract. The Sale Transaction must be approved and consummated in the time frame set forth in the Amended Contract in order to maximize the value of the Property for the Debtors' estates.

G. Debtors' Conduct in Maximizing Value. As demonstrated by the (i) the testimony and/or other evidence proffered or adduced at the Sale Hearing and (ii) the representations of counsel made on the record at the Sale Hearing, the Debtors' conduct in maximizing value for the Property, as set forth in the Motion, and supporting documentation filed in connection therewith, were fair, proper, and reasonably calculated to result in the maximum value received for the Property and in compliance with applicable law.

H. Corporate Authority. The Debtors have full corporate power and authority to consummate the Sale Transaction pursuant to the Amended Contract and all other documents contemplated thereby, and no consents or approvals, other than those expressly provided for in the Amended Contract, are required for the Debtors to consummate the Sale Transaction.

I. Business Justification. The Debtors have articulated good, sufficient, and sound business reasons for seeking approval of the Amended Contract and for consummating the sale of the Property outside a Chapter 11 plan pursuant to section 363(b) of the Bankruptcy Code, and it is a reasonable exercise of the Debtors' business judgment to consummate the transactions contemplated by the Amended Contract.

J. Best Interests. Approval of the Amended Contract and the consummation of the Sale Transaction are in the best interests of the Debtors, their estates, their creditors and other parties in interest.

K. Highest or Otherwise Best. The Purchasers' offer to purchase the Property, as memorialized in the Amended Contract, is the highest and otherwise best offer received for the Property to be sold. The purchase price to be paid by the Purchasers pursuant to the Amended Contract represents the results of a competitive process, and the Court hereby finds that the Amended Contract and the transactions contemplated therein are fair and reasonable and constitute exchanges of fair consideration under the Bankruptcy Code, the Bankruptcy Rules, and under the laws of the United States and any applicable state.

L. Arm's Length Transaction. The Amended Contract was negotiated, proposed and entered into by the Debtors and the Purchasers without collusion, in good faith and from arm's-length bargaining positions. The Purchasers are bona fide third-party purchasers of the Property for value and not an "insider" of any of the Debtors, as that term is defined in section 101(31) of the Bankruptcy Code. Neither the Debtors nor the Purchasers have engaged in any conduct that would cause or permit the Amended Contract or the transfer of the Property to be avoided under section 363(n) of the Bankruptcy Code. Specifically, the Purchasers have not acted in a collusive manner with any person and the purchase price was not controlled by any agreement among parties.

M. Good Faith. RSV and North Shore-LIJ are good faith purchasers of the Property within the meaning of section 363(m) of the Bankruptcy Code and, are therefore entitled to all of the protections afforded thereby. RSV and North Shore-LIJ have proceeded in good faith in all respects in connection with this proceeding in that: (i) RSV and North Short-LIJ in no way induced or caused the Chapter 11 filing of the Debtors; (ii) they have recognized that prior to the entry into the Amended Contract, the Debtors were free to deal with any other party interested in acquiring the Property; and (iii) the Purchasers have not engaged in fraudulent or

deceptive conduct in connection with their negotiations or any other aspect of the sale process; (iv) the Purchasers have not taken unfair advantage over other potential buyers of the Property; (v) the Purchasers have not controlled the outcome of the sale process; (vi) all arrangements entered into by the Purchasers in connection with the Sale Transaction have been disclosed; and (vii) all payments to be made by RSV and North Shore-LIJ pursuant to the Amended Contract or other arrangements entered into by RSV and North Shore-LIJ in connection with the Sale, if any, have been disclosed.

N. Tenancies to be Terminated. As set forth in the Motion and the testimony and/or other evidence proffered or adduced at the Sale Hearing, the Debtors have provided the Pre-Petition Occupants and Post-Petition Occupants, identified in Schedule B of the Amended Contract, with good and sufficient notice, as required under the law and terms of the respective leases, terminating their respective leases and rights of tenancy. The Debtors negotiated extensions with each of the Post-Petition Occupants which will be encompassed in separate stipulations to be filed with the Court.

O. Free and Clear. The Property constitutes property of the Seller's estate and the Seller is the sole and lawful owner of, and holds good and marketable title to the Property. The transfers of the Property to the Purchasers on the Closing Date will be a legal, valid, and effective transfer of the Property, and will vest the Purchasers, to the exclusion of all other parties, with all right, title, and interest of the Debtors in and to the Property free and clear of all liens, claims, interests, obligations, rights and encumbrances, except as otherwise specifically provided in the Amended Contract. Except as specifically provided in the Amended Contract, the Purchasers shall have no liability for any claims against the Debtors or their estates or for any liabilities or obligation of the Debtors or their estates. Accordingly, the Seller may

sell, and are selling, the Property free and clear of all liens (including but not limited to judgments, mechanics, artisans, charging, suppliers, design professionals, laborers, construction, constitutional, statutory or other liens whether asserted, unasserted, perfected or unperfected), encumbrances, pledges, mortgages, deeds of trust, security interests, claims (as defined by the Bankruptcy Code), liability under the Federal or State WARN Acts or similar law, leases, rights, tenants (including but not limited to claims or liens against tenants), occupancy rights or interests, charges, options, rights of first refusal, conditional sale or other title retention agreements, easements, servitudes, proxies, voting trusts or agreements, transfer restrictions under any agreement (collectively, the "**Interests**") and adverse claims, except as provided in the Amended Contract, because one or more of the standards set forth in section 363(f)(1) – (5) of the Bankruptcy Code has been satisfied with regard to each such Interest or adverse claim. Without limitation on the foregoing, the Purchasers shall take the Property free and clear of all leases and rights of tenancy of real property relating to the Property irrespective of any rights of the tenants under section 365(h) of the Bankruptcy Code, if any, given the expiration or termination of such tenants' or occupants' rights, and such tenants and occupants are directed to vacate the Property in accordance with paragraph 10 of this Order. Those non-debtor parties with Interests or adverse claims in or with respect to the Property who did not object, or who withdrew their objections to the Sale Transaction or the Sale Motion are deemed to have consented to the sale of the Property free and clear of those non-debtor parties' interests in the Property pursuant to section 363(f)(2) of the Bankruptcy Code. Any remaining objections filed by non-debtor parties with Interests or adverse claims are overruled. The Purchasers would not have entered into the Amended Contract, and would not consummate the Sales Transaction, thus adversely affecting the Debtors, their estates, and their creditors if the sale of the Property to the

Purchasers was not free and clear of all Interests and adverse claims of any kind or nature whatsoever, or if the Purchasers would, or in the future could, be liable for any of the Interests or adverse claims.

P. Avoidance and Successor Liability. The transfer of the Property to the Purchasers (i) does not constitute an avoidable transfer under the Bankruptcy Code or under applicable bankruptcy or nonbankruptcy law and (ii) except as specifically set forth in the Amended Contract, does not and will not subject the Purchasers to any liability whatsoever with respect to the operation of the Debtors' businesses prior to the closing of the Sale Transaction or by reason of such transfer under the laws of the United States, any state, territory, or possession thereof, or the District of Columbia, based, in whole or in part, directly or indirectly, in any theory of law or equity including, without limitation, any laws affecting antitrust, successor, transferee or vicarious liability. Without limiting the foregoing, Purchasers are not liable as a successor (i) under the Amended Contract or (ii) under any other basis for any liabilities or responsibility under Federal or State law with respect to any employee or former employee of the Debtors arising from or with respect to their termination from employment, the form, timing, or adequacy of notice they received with respect to the termination of their employment with any of the Debtors, or the lack thereof, whether under State or Federal WARN Act, or the SVCMC Pension Plan, including without limitation, for any and all claims under any provision of the Employee Retirement Income Security Act of 1974 ("**ERISA**"), including Title IV of ERISA, or under any other statute, regulation or common law principle, whether such liability or claim arose prior to the Closing Date (as defined in the Amended Contract) or arises on or after the Closing Date.

Q. No Merger or Consolidation. The Sale Transaction does not amount to a consolidation, merger, or de facto merger of the Purchasers and the Debtors and/or the Debtors' estates; there is no continuity between the Purchasers and the Debtors; there is no continuity of enterprise between the Debtors and the Purchasers; the Purchasers are not an alter ego, or a mere continuation of the Debtors or their estates, and the Purchasers do not constitute a successor to the Debtors or their estates.

R. Not-for-Profit and Tax Exempt Status. The Seller and North Shore-LIJ (i) are not-for-profit entities organized exclusively for religious, charitable or educational purposes and are exempt from Federal income tax under 501(c)(3) of the IRS Code; (ii) do not have any net earnings that inures to the benefit of any private shareholders or individuals (iii) do not substantially engage in activities that carry on propaganda or otherwise attempting to influence legislation; (iv) do not operate for the primary purpose of carrying on a trade or business for profit; and (v) are not private foundations under section 509(a) of the IRS Code. The Seller is also a tax exempt entity that is listed in The Official Catholic Directory. The Sale Transaction is in furtherance of the Debtors' religious and charitable mission.

S. Compliance with Nonbankruptcy Law. In satisfaction of section 363(d) and 541(f) of the Bankruptcy Code, the transfer of property as contemplated by the Sale Transaction complies with applicable nonbankruptcy law governing such a transfer, and specifically complies with Sections 510 and 511 of the New York Not-for-Profit Corporation Law.

T. Legal and Factual Bases. The legal and factual bases set forth in the Motion and at the Sale Hearing establish just cause for the relief granted herein.

NOW THEREFORE, IT IS HEREBY ORDERED THAT:

1. Motion. The Motion is hereby granted as provided herein.

2. Objections. All objections to the Motion and the relief requested therein that have not been withdrawn, waived or settled, and all reservations of rights included in such objections, are hereby overruled on the merits and denied.

3. Approval of the Sale Transaction. The Sale Transaction and all of the terms and conditions and transactions contemplated by the Amended Contract are hereby authorized and approved pursuant to sections 105(a), 363(b) and 363(f) of the Bankruptcy Code. Pursuant to sections 105(a), 363(b), and 363(f) of the Bankruptcy Code, the Debtors are authorized and directed to enter into the Amended Contract, to perform their obligations thereunder in accordance with the terms thereof, and to consummate the Sale Transaction pursuant to and in accordance with the terms and conditions of the Amended Contract. The Debtors are authorized and directed to execute and deliver, and empowered to perform under, consummate, and implement the Amended Contract, together with all additional instruments and documents that may be reasonably necessary or desirable to implement the Amended Contract and effectuate the provisions of this Order and the transactions approved hereby. The Debtors shall also be authorized to take such further actions as may be reasonably requested by the Purchasers for the purpose of assigning, transferring, granting, conveying and conferring to the Purchasers or reducing to possession, the Property, or as may be necessary or appropriate to the performance of the obligations as contemplated by and in accordance with the Amended Contract. Any such further actions taken by the Debtors in accordance with the preceding sentence shall be done with prior notice to the Creditors' Committee and the Prepetition Agent provided that no prior notice shall be required for immaterial or ministerial actions. The failure

to specifically include any particular provision of the Amended Contract in this Order shall not diminish or impair the efficacy of such provision, it being the intent of this Court that the Amended Contract and each and every provision, term and condition thereof be authorized and approved in their entirety.

4. Transfer of the Property. As of the closing of the Sale Transaction (the "**Closing**"), the transactions contemplated by the Amended Contract effect a legal, valid, enforceable and effective sale and transfer of the Property to the Purchasers, pursuant to the terms of the Amended Contract, and shall vest the Purchasers with all right, title, and interest of the Debtors in and to the Property.

5. Free and Clear. Except as provided for in Section 4 of the Amended Contract, the transfer of the Property shall vest the Purchasers with all right, title, and interest of the Debtors in the Property pursuant to sections 105(a) and 363(f) of the Bankruptcy Code, free and clear of any and all Interests and adverse claims, whether arising by statute, operation of law, or as imposed by agreement, understanding, law, equity or otherwise and whether arising before or after the commencement of these Chapter 11 Cases, whether known or unknown, including, but not limited to, Interests and adverse claims of or asserted by any of the creditors, vendors, employees, suppliers, or lessees of the Debtors or any other third party. Any and all such Interests and adverse claims shall attach to the net proceeds (the "**Net Proceeds**") of the Sale Transaction after taking into account the costs of the Sale (the "**Sale Costs**") and Interests satisfied by the Purchasers' title company out of the gross proceeds, for the satisfaction of governmental and/or municipal liens against the Seller which have statutory superiority (each a "**Senior Claim**") senior to the Interests held by the General Electric Capital Corporation or if such Interests are disputed, then escrowed by the Debtors, provided, that Purchasers shall take

the Property free and clear of those disputed Interests as set forth in this Order. The Sale Costs include costs directly relating to the Sale Transaction, including taxes, if any. All persons and entities asserting or holding any Interests in or with respect to the Property (whether legal or equitable, secured or unsecured, matured or unmatured, contingent or non-contingent, senior or subordinated), or adverse claims, howsoever arising, shall be forever barred, estopped, and permanently enjoined from asserting, prosecuting or otherwise pursuing such Interests or adverse claims against the Purchasers. Each and every federal, state, and local governmental agency, recording office or department and all other parties, persons or entities is hereby directed to accept this Order for recordation as conclusive evidence of the free and clear and unencumbered transfer of title to the Property conveyed to the Purchasers, and each such entity is authorized and directed to strike all recorded interests in the Property consistent with this Order. Without limitation on the foregoing and subject to paragraph 10 of this Order, Purchasers shall take the Property free and clear of all leases of real property and rights or asserted rights of tenancy relating to the Property irrespective of any rights of any tenants under section 365(h) of the Bankruptcy Code, if any, and such tenants shall be required to vacate the leased premises.

6. Surrender of Property. All entities who are presently, or who as of the Closing may be, in possession of some or all of the Property hereby are directed to surrender possession of the Property to the Purchasers as of the Closing. On the Closing and subject to the Interests attaching to the proceeds of the Sale as provided for in this Order, each of the Debtors' creditors is authorized and directed to execute such documents and take all other actions as may be reasonably necessary to release its Interests in the Property, if any, as such Interests may have been recorded or may otherwise exist. Purchasers shall have standing to enforce this Order, including the right to compel any remaining tenants or occupants of the Property to vacate the

Property pursuant to Paragraph 10 of this Order. If any person or entity that has filed financing statements, mortgages, mechanics' liens, *lis pendens*, or other documents or agreements evidencing an Interest in the Property shall not have delivered to the Debtors prior to the Closing, in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction, or other releases of all Interests which the person or entity has with respect to the Property, then (i) the Debtors are authorized to execute at Closing, and within two (2) business days thereafter, file such statements, instruments, releases, and other documents on behalf of the person or entity with respect to the Property, and (ii) the Purchasers are authorized to file, register, or otherwise record a certified copy of this Order, which, once filed, registered, or otherwise recorded, shall constitute conclusive evidence of the release of all Interests in the Property of any kind or nature whatsoever.

7. New York City Liens. To the extent not satisfied upon the closing of the Sale Transaction, the Debtors shall pay to the City, out of gross proceeds of the sale, such valid amounts due and owing as of the closing of the Sale Transaction (the "**New York City Payment**") for unpaid water and sewer charges and real estate taxes and related charges in connection with the transfer of the Property due as of the Closing; provided, however, that such payment by the Debtors shall not constitute an admission of any liability by the Debtors or serve as precedent for future sale transactions in these Chapter 11 Cases.

8. Good Faith. The Sale Transaction has been undertaken by the Debtors, RSV and North Shore-LIJ at arms'- length, without collusion, and RSV and North Shore-LIJ will acquire the Property pursuant to the Amended Contract in good faith, under section 363(m) of the Bankruptcy Code, and are, and shall be entitled to all of the protections in accordance therewith. The consideration provided by the Purchasers for the Property under the Amended

Contract is fair and reasonable, and the Sale may not be avoided or be the basis for an award of monetary damages under section 363(n) of the Bankruptcy Code. The sale of the Property and the consideration provided by the Purchasers shall be deemed for all purposes to constitute a transfer for reasonably equivalent value and fair consideration under the Bankruptcy Code and any other applicable law. RSV and North Shore-LIJ are hereby granted and are entitled to all of the protections provided to a good faith purchaser under section 363(m) of the Bankruptcy Code. The reversal or modification on appeal of the authorization provided herein to consummate the Sale Transaction shall not affect the validity of the Sale Transaction, unless such authorization is duly stayed pending such appeal. No governmental unit or regulatory authority may revoke or suspend any right, license, trademark or other permission relating to the use of the Property sold, transferred or conveyed to the Purchasers on account of the filing or pendency of the Chapter 11 Cases or the consummation of the Sale Transaction.

9. Required Permits. The Debtors are hereby authorized and directed to assign all state and federal licenses and permits used in connection with the Property to the Purchasers in accordance with the terms of the Amended Contract. No governmental unit or regulatory authority may revoke or suspend any right, license, trademark, or other permission relating to the use of the Property sold, transferred, or conveyed to the Purchasers on account of the filing or pendency of the Chapter 11 Cases or the consummation of the Sale Transaction.

10. Further Hearings on Tenancies and Other Occupants. A pre-trial status conference is hereby scheduled for May 19, 2011 regarding the status of the Pre-Petition Occupants. A hearing is also scheduled for September 1, 2011, if required, for the entry of a further order compelling the Post-Petition Occupants to vacate the Property and the issuance of applicable writs associated therewith.

11. Release of Claims Under Original Contract. The releases set forth in Section 25 of the Amended Contract are hereby approved.

12. Modifications. The Amended Contract and any related agreements, documents, or other instruments may be modified, amended, or supplemented by the parties thereto, in a writing signed by both parties, and in accordance with the terms thereof, without further order of this Court; provided that any such modification, amendment or supplement does not have a material adverse effect on the Debtors' estates and provided, further, that no such modifications, amendments, or supplements may be made except following two business days advance notice to (i) General Electric Capital Corporation, as Agent for itself, and TD Bank, N.A., c/o Winston & Strawn LLP, 200 Park Avenue, New York, New York, 10166-4193, Attn: David Neier, Esq.; and Winston & Strawn LLP, 101 California Street, San Francisco, CA 94111-5802 Attn: Randy Rogers, Esq.; and (ii) the Creditors' Committee, c/o Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, New York, NY 10036 (Attn: David H. Botter, Esq., Sarah Link Schultz, Esq.) with an opportunity to object to such modification, amendment or supplement. If a written objection to any such modification, amendment or supplement is served on the Debtors (with a copy to Purchasers) during this two business day objection period (which service may be delivered by electronic mail) and the parties are unable to reach a consensual resolution; the Debtors or Purchasers may seek an Order from this Court on an expedited basis approving such modification, amendment or supplement.

13. No Successor Liability. The Purchasers are not a "successor" to, or alter ego of, the Debtors or their estates by reason of any theory of law or equity, and, the Purchasers shall not assume, nor be deemed to assume, or in any way be responsible for any liability or obligation of any of the Debtors and/or their estates with respect to the Property or otherwise,

including, but not limited to, under any bulk sales law, doctrine or theory of successor liability, or similar theory or basis of liability except as expressly provided in the Amended Contract. Neither the purchase of the Property by the Purchasers nor the fact that the Purchasers or any of their affiliates may have used or contracted with the Seller regarding any of the Property will cause the Purchasers or any of their affiliates to be deemed a successor in any respect to the Debtors' business or any liability derived therefrom within the meaning of any foreign, federal, state or local revenue, pension, ERISA, tax, labor, employment (including, but not limited to, State or Federal WARN Act), environmental, or other law, rule or regulation (including, without limitation, filing requirements under any such laws, rules or regulations), or under any products liability law or doctrine with respect to the Debtors' liability under such law, rule or regulation or doctrine. Without limiting the foregoing, the Purchasers are not liable as a successor (i) under the Amended Contract or (ii) under any other basis for any liabilities or responsibility with respect to the SVCMC Pension Plan, including without limitation, for any and all claims under any provision of ERISA, including Title IV of ERISA, or under any other statute, regulation or common law principle, whether such liability or claim arose prior to the Closing Date (as defined in the Amended Contract) or arises on or after the Closing Date.

14. Binding Order. This Order and the Amended Contract shall be binding upon and govern the acts of all persons and entities, including, without limitation, the Debtors and the Purchasers, their respective successors, and permitted assigns, including, without limitation, any Chapter 11 trustee hereinafter appointed for the Debtors' estate or any trustee appointed in a Chapter 7 case if this case is converted from Chapter 11, and all creditors of any of the Debtors (whether known or unknown). Nothing contained in any chapter 11 plan confirmed in the Chapter 11 Cases or the order confirming any such chapter 11 plan shall

conflict with, negate or be contrary to or inconsistent with the provisions of the Amended Contract.

15. Non-Severability. The provisions of this Order are non-severable and mutually dependent.

16. Use of Sale Proceeds. Except as otherwise provided for in this Order or a Chapter 11 Plan that has been confirmed by an order of this Court and as to which the effective date has occurred, or as agreed to by the Prepetition Agent, upon Closing, the Debtors are authorized and directed to remit the Net Proceeds to the Prepetition Agent on account of the Prepetition Obligations to the extent necessary to satisfy the Prepetition Obligations in full. An amount equal to the amount of all allowed Prior Permitted Senior Liens (as that term is defined in the DIP Order) shall be either paid to the holders thereof or set aside for later payment. The remainder of the Net Proceeds shall be remitted to the DIP Agent on account of the DIP Obligations unless otherwise provided in the DIP Credit Facility; provided, that, if the DIP Obligations shall have been paid in full at the time of the Closing Date, such excess Net Proceeds shall be remitted in accordance with terms of any replacement DIP financing obtained by the Debtors or, in the absence of such financing, retained by the Debtors.

17. Retention of Jurisdiction. This Court shall retain exclusive jurisdiction on all matters pertaining to the relief granted herein, including to interpret, implement, and enforce the terms and provisions of this Order and the Amended Contract, adjudicate any dispute relating to the Sale Transaction or the proceeds thereof, and enforce the Order, ***subject to the conference scheduled on May 19, 2011,*** to require that tenants immediately vacate the premises as required by this Order and the Amended Contract.

Dated: New York, New York
April 11, 2011

/s/ Cecelia G. Morris
THE HONORABLE CECELIA G. MORRIS
UNITED STATES BANKRUPTCY JUDGE

ANNEX 1
Purchase and Sale Contract

AMENDED AND RESTATED CONTRACT OF SALE

THIS AMENDED AND RESTATED CONTRACT OF SALE (this "**Agreement**"), made as of March 9, 2011, between SAINT VINCENTS CATHOLIC MEDICAL CENTERS OF NEW YORK, a New York not-for-profit corporation, having an office at 450 West 33rd Street, 12th Floor, New York, New York 10001 ("**Seller**"), and RSV, LLC, a Delaware limited liability company, having an office at 345 Park Avenue, New York, New York, 10154 ("**Purchaser**").

WITNESSETH:

WHEREAS, Seller and Purchaser entered into that certain Contract of Sale (the "**Original Agreement**") dated as of December 31, 2007 with respect to the Property (as defined below) pursuant to that certain June 7, 2007 Order of the United States Bankruptcy Court Approving a Memorandum of Understanding Between SVCMC and Rudin Development LLC Regarding SVCMC's Manhattan Hospital and Related Real Estate (the "**June 7, 2007 Order**");

WHEREAS, Seller and Purchaser wish to amend and restate the Original Agreement in its entirety in order to fully resolve and settle all claims, rights and obligations of both parties in connection with the Original Agreement;

NOW THEREFORE, in consideration of Ten Dollars ($10.00) paid in hand, the mutual covenants and the promises contained herein (the receipt and sufficiency of which are hereby acknowledged), the parties hereto, intending to be legally bound, agree as follows:

1. Agreement to Sell and Purchase.

1.1 Seller agrees to sell and convey to Purchaser, and Purchaser agrees to purchase from Seller, upon the terms and conditions hereinafter contained, (a) those certain lots, pieces or parcels of land located at (i) 1 Seventh Avenue, 133 West 11th Street, 143 West 11th Street, 148 West 12th Street, 158 West 12th Street, 170 West 12th Street (collectively, the "**East Campus**"), (ii) 76 Greenwich Avenue (the "**Triangle Site**"), and (iii) 20 Seventh Avenue (the "**O'Toole Building**") in the City of New York, County of New York and State of New York, as more particularly bounded and described in Schedule A attached hereto and made a part hereof (the "**Land**"), together with all right, title and interest of Seller in and to (i) the buildings erected thereon (collectively, the "**Buildings**") and any and all other fixtures and improvements erected thereon (the Building and such other fixtures and improvements being hereinafter collectively referred to as the "**Improvements**"), (ii) the land lying in the bed of any street, highway, road or avenue, opened or proposed, public or private, in front of or adjoining the Land, to the center line thereof, (iii) any tenements, hereditaments, rights of way, appendages, appurtenances, easements, sidewalks, alleys, gores or strips of land adjoining or appurtenant to the Land or any portion thereof and used in conjunction therewith, and (iv) any award or payment made or to be made in lieu of any of the foregoing or any portion thereof and any unpaid award for damage to the Land or any of the Improvements by reason of change of grade or closing of any street, road or avenue (the Land, the Improvements, and the other rights and interests enumerated in this clause (a) being collectively referred to as the "**Real Property**"), (b) except as set forth in Section 8.1.3 below, all right, title and interest of Seller in and to all fixtures, machinery, tangible personal

property and equipment (excluding furniture, furnishings, equipment and other personal property of tenants or occupants under Leases (as hereinafter defined)) used in connection with or attached or appurtenant to or at or upon all or any portion of the Real Property on the date hereof, including, without limitation, such fire protection, heating, plumbing, electrical and air conditioning systems as now exist thereat, (c) all right, title and interest of Seller in and to all transferable guaranties or warranties issued in connection with the Real Property, (d) all right, title and interest of Seller in and to all development rights, air rights, transferable approvals, permits and licenses, if any, held solely for use in connection with all or any portion of the Real Property and (e) all right, title and interest of Seller in and to all plans and specifications relating to the Real Property, if any (the items described in the foregoing clauses (b), (c), (d) and (e) are collectively referred to herein as the "**Personal Property**").

All of the above enumerated property, rights and interests to be sold to Purchaser pursuant to this Agreement are hereinafter collectively referred to as the "**Property**."

2. Purchase Price; Deposit.

2.1 The purchase price for the Property shall be Two Hundred Sixty Million and 00/100 Dollars ($260,000,000.00) (the "**Purchase Price**"), subject to apportionment as provided in Section 6 below.

2.2 Purchaser shall pay the Purchase Price as follows:

2.2.1 The sum of Twenty Two Million and 00/100 Dollars ($22,000,000), upon the signing of this Agreement by federal funds wire transfer of immediately available funds to an account (the "**Escrow Account**") maintained by **Kramer Levin Naftalis & Frankel LLP** ("**Escrow Agent**") at such bank or banks as shall be designated by Seller or Escrow Agent, (such amount, together with any interest earned thereon, is referred to as the "**Down Payment**"). The Down Payment shall be held by Escrow Agent and disbursed in accordance with the terms and conditions of this Agreement. Any interest earned on the Down Payment shall be paid to the same party entitled to payment of the Down Payment hereunder (as and when such party is entitled to the Down Payment).

2.2.2 Subject to Section 2.3 below, the Down Payment and the balance of the Purchase Price shall be paid to Seller on the Closing Date, subject to Section 7.3 below and apportionment as provided in Section 6 below, simultaneously with the delivery of the Deed, by federal funds wire transfer of immediately available funds to an account at such bank or banks as shall be designated by Seller by notice to Purchaser at least one (1) Business Day prior to the Closing Date.

2.3 Prior to the Closing, the Down Payment shall be handled as follows:

2.3.1 Except as expressly provided herein to the contrary, the Down Payment shall become non-refundable on the date this Agreement is signed. Notwithstanding the foregoing, in the event the Bankruptcy Court (as defined below) does not issue the Sale Order (as defined below) in the time frame required herein, then this Agreement shall automatically terminate and the Down Payment shall be promptly returned to Purchaser. In all

cases in this Agreement where the Down Payment is to be returned to Purchaser, the amount of the Down Payment to be returned to Purchaser shall be reduced by the costs and expenses for which Purchaser is responsible pursuant to Section 21.1.4 hereof to the extent the same have not been paid by Purchaser, with the amount of such costs and expenses incurred by Seller to be paid to Seller using the remaining portion of the Down Payment.

3. Closing.

3.1 Subject to the provisions of Section 9.2, the closing of the transaction contemplated hereby (the "**Closing**") shall occur at 10:00 A.M. (New York time) on or before September 30, 2011 (the "**Closing Date**"), at the offices of Seller's counsel, (or at Purchaser's request, with notice to Seller's attorneys at least three (3) days prior to the Closing Date, at the offices of Purchaser's lender or such lender's attorneys, provided such offices are located in Manhattan), **Time Being of the Essence** as to Purchaser's obligation to close in accordance herewith on or before the Closing Date.

4. Exceptions to Title; Title Matters.

4.1 The Property is to be sold and shall be conveyed, and Purchaser agrees to purchase the Property, subject only to the following matters (collectively, the "**Permitted Exceptions**"):

4.1.1 All liens for unpaid real estate taxes not yet due and payable, and water and sewer charges, assessments and vault charges that are not due and payable as of the Closing Date and that are allocable to the period following the Closing Date, as hereinafter provided.

4.1.2 All present and future zoning, building, environmental and other laws, ordinances, codes, restrictions and regulations of all governmental authorities having jurisdiction with respect to the Property, including, without limitation, landmark designations and all zoning variances and special exceptions, if any (collectively, "**Laws and Regulations**").

4.1.3 Any state of facts (collectively, "**Facts**") shown on those certain surveys of (i) the Triangle Site dated January 21, 1987, made by Earl B. Lovell - S.P. Belcher, Inc. and last updated by same by visual examination on November 19, 2007 (and to any Facts such survey, if brought to date, would show), (ii) the O'Toole Building dated November 26, 1962, made by Chas. J. Dearing and last updated by visual examination by Earl B. Lovell – S.P. Belcher, Inc. on May 30, 2007 (and to any Facts such survey, if brought to date, would show), (iii) the East Campus dated October 21, 1976, - November 29, 1976, made by Earl B. Lovell - S.P. Belcher, Inc. and last updated by same by visual examination on May 30, 2007 (and to any Facts such survey, if brought to date, would show), and for the location of possession along westerly and southerly record lines of the East Campus dated September 30, 1987, made by Earl B. Lovell - S.P. Belcher, Inc. and last updated by same by visual examination on May 30, 2007 (and to any Facts such survey, if brought to date, would show), and (iv) any Facts that would be shown on or by a current accurate survey of the East Campus.

4.1.4 All notes or notices of or violations of building, fire, sanitary, environmental, housing and any other Laws and Regulations of any nature whether or not noted or issued at the date hereof or at the Closing Date (collectively, "**Violations**"), provided that Seller shall be responsible for the payment of all fines and penalties which may be assessed prior to the Closing Date by the applicable governmental agency or department having jurisdiction with respect to any Violation ("**Fines**") or, in the alternative, Seller shall be entitled to place an amount of proceeds from the Purchase Price reasonably acceptable to Purchaser in an escrow reasonably acceptable to Purchaser and Seller to cover the cost of any Fines which Seller disputes. Seller shall have access to the escrow to pay the Fines as and when requested by Seller. For the avoidance of doubt, in no event shall Seller have any obligation to cure, remediate or discharge any Violation (including any Violation that becomes of record after the date hereof) or the underlying condition affecting the Property to which the same relates.

4.1.5 Minor variations between tax lot lines and lines of record title, provided same do not render title unmarketable.

4.1.6 The following documents of record:

(a) Regulatory Agreement dated July 23, 1980 between St. Vincent's Hospital and Medical Center of New York and Secretary of Housing and Urban Development and recorded in the Office of the New York City Register, New York County, on July 28, 1980 in Reel 532 page 59;

(b) Amendment to Regulatory Agreement dated September 19, 1984 by and between St. Vincent's Hospital and Medical Center of New York and Secretary of Housing and Urban Development and recorded in the Office of the New York City Register, New York County, on September 24, 1984 in Reel 834 page 123;

(c) Second Regulatory Agreement Modification Agreement dated as of July 17, 1991 by and between St. Vincent's Hospital and Medical Center of New York and U.S. Department of Housing and Urban Development, acting by and through the Federal Housing Commissioner and recorded in the Office of the New York City Register, New York County, on July 17, 1991 in Reel 1797 page 2304;

(d) Third Regulatory Agreement Modification Agreement dated as of August 17, 1995 by and between St. Vincent's Hospital and Medical Center of New York and U.S. Department of Housing and Urban Development, acting by and through the Federal Housing Commissioner and recorded in the Office of the New York City Register, New York County, on August 17, 1991 in Reel 2234 page 1568;

(e) Fourth Regulatory Agreement Modification Agreement dated as of November 7, 1997 by and between St. Vincent's Hospital and Medical Center of New York and The Secretary of Housing and Urban Development, acting by and through the Federal Housing Commissioner and recorded in the Office of the New York City Register, New York County, on August 26, 1998 in Reel 2687 page 896;

(f) Amended and Restated Regulatory Agreement Modification Agreement dated August 23, 2000 by and between Saint Vincents Catholic Medical Centers of New York and The Secretary of Housing and Urban Development, acting by and through the Federal Housing Commissioner, and recorded in the Office of the New York City Register, New York County, on June 7, 2005 under CRFN 2005000331728;

(g) Regulatory Agreement Modification Agreement dated as of October 15, 2004 by and between Saint Vincents Catholic Medical Centers of New York and The Secretary of Housing and Urban Development, acting by and through the Federal Housing Commissioner, and recorded in the Office of the New York City Register, New York County, on March 18, 2005 under CRFN 2005000159288;

(h) Memorandum of Agreement evidencing contract of sale and right of first offer dated as of December 31, 2007 made by and between Saint Vincents Catholic Medical Centers of New York d/b/a Saint Vincent Catholic Medical Centers and RSV, LLC and recorded in the Office of the New York City Register, New York County, on January 9, 2008 under CRFN 2008000009935;

(i) Terms, conditions, restrictions, obligations, easements set forth in Revocable Consent Agreement dated August 31, 2009 between NYC Department of Transportation and the NYC Department of Information, Technology and Telecommunications and Saint Vincents Catholic Medical Centers of New York and recorded in the Office of the New York City Register, New York County, on October 8, 2009 under CRFN 2009000329027;

(j) Railroad stairway consent set forth in Indenture dated June 8, 1916 made by Rhinelander Real Estate Company and recorded on June 20, 1916 in Section 2 Libel 247 cp. 284; and

(k) Consent & Waiver dated November 23, 1976 and recorded in the Office of the New York City Register, New York County, on December 28, 1976 in Reel 387 page 119.

4.1.7 Typical easements for utilities and similar customary recorded agreements entered into subsequent to the date hereof to which Purchaser has consented (such consent not to be unreasonably delayed, conditioned or withheld).

4.1.8 The matters, including the standard conditions and exclusions to coverage, contained in the pro forma title insurance policy attached hereto as Exhibit A.

4.1.9 Any exception raised by the Title Company on the basis that the Sale Order is, or may be, subject to appeal.

4.1.10 Any exception raised by the Title Company on the basis that Pre-Petition Occupants (as defined below) may occupy the O'Toole Building as of the Closing.

4.1.11 Intentionally omitted.

4.1.12 Encroachments of improvements on adjoining properties upon the Real Property and encroachments of Improvements comprising part of the Real Property on adjoining properties and streets.

4.1.13 Intentionally omitted.

4.1.14 Intentionally omitted.

4.1.15 Any other matter (whether now existing or hereafter arising) that the Title Company may raise as (or which matter otherwise is) an exception to title, provided that (i) the Title Company will omit such exception from the Title Policy (or except such exception from the Title Policy with insurance against collection out of or enforcement against the Property, so long as such insurance is reasonably acceptable to Purchaser's lender) without imposition of additional payment or premium, or (ii) such exception is not a lien (unless created by Purchaser) and does not create a Material Adverse Effect (as defined below).

4.2 Title Report. Purchaser is in receipt of a current Commitment for Title Insurance (together with any updates thereto heretofore received, the "**Title Report**") issued by New York Land Services, as agent of Commonwealth Land Title Insurance Company (the "**Title Company**") (such Title Report bearing an effective date of February 7, 2011), and committing to issue an Owner's Policy of Title Insurance (a copy of the pro forma title insurance policy to be issued by the Title Company is annexed hereto as Exhibit A). Purchaser shall instruct the Title Company in writing to furnish copies of all title continuations and updates of the Title Report and/or the surveys to Seller and its attorneys at their addresses which are set forth in Section 15 hereof. Purchaser shall, in any event, not more than five (5) Business Days after receiving any such title continuation or update, or one (1) Business Day after the scheduled Closing (if such update is received on the scheduled Closing Date), whichever is earlier (the "**Objection Date**"), forward a true copy thereof to Seller's attorneys, together with a written statement specifying any exception to title set forth therein and first appearing of record subsequent to the effective date of the Title Report that are not Permitted Exceptions (such matters being hereinafter called "**Unpermitted Exceptions**"), subject to which Purchaser is unwilling to accept title. The failure of Purchaser to so deliver a true copy of such title continuation or update together with such written statement on or before the Objection Date shall be deemed an irrevocable waiver of Purchaser's right to object to any such Unpermitted Exception.

4.3 Intentionally Deleted.

4.4 Inability to Convey. If Seller is unable to convey to Purchaser title to the Property subject to and in accordance with the provisions of this Agreement as a result of any Unpermitted Exception to which Purchaser has objected in accordance with Section 4.2 above, Seller shall be entitled, upon written notice delivered to Purchaser by the later of the scheduled Closing Date or one (1) Business Day after receipt of Purchaser's objection as set forth in Section 4.2 above, to reasonable adjournments of the scheduled Closing Date one or more times for a period not to exceed ninety (90) days in the aggregate inclusive of all adjournments to enable Seller to convey title to the Property in accordance with this Agreement. If Seller does not so elect to adjourn the Closing, or if at the adjourned date Seller is unable to convey title subject to and in accordance with the provisions of this Agreement as a result of an Unpermitted

Exception to which Purchaser has objected in accordance with Section 4.2 above, Purchaser shall be entitled to terminate this Agreement by written notice to Seller delivered on or promptly after the date scheduled for the Closing, in which event Purchaser shall be entitled to a prompt return of the Down Payment. Upon such return, this Agreement shall thereupon be deemed terminated and of no further effect, and neither party hereto shall have any obligations to the other hereunder or by reason hereof, except for the provisions hereof that expressly survive termination of this Agreement. If Seller elects to adjourn the Closing as provided above, this Agreement shall remain in effect for the period or periods of adjournment in accordance with its terms. Notwithstanding anything to the contrary contained in this Agreement, Seller shall not be required to take or bring any action or proceeding or any other steps to remove any defect in or objection to title or to expend any moneys therefor, nor shall Purchaser have any right of action against Seller therefor, at law or in equity, except that Seller shall, on or prior to the Closing, pay, discharge or remove of record or cause to be paid, discharged or removed of record at Seller's sole cost and expense (a) the Existing Mortgages (if not assigned pursuant to Section 19 hereof) and (b) all other mortgages and liens encumbering the Property (including, but not limited to, judgments and federal, state and municipal tax liens, but excluding water and sewer charges that are subject to apportionment in accordance with Section 6 hereof and Permitted Exceptions) that are in liquidated amounts, and may be satisfied solely by the payment of money (including the preparation or filing of appropriate satisfaction instruments in connection therewith). The foregoing shall in no event require Seller to expend sums to discharge or remove of record any liens or encumbrances caused by or resulting from any act or omission of Purchaser. In the event that the Sale Order is insufficient for the Title Company to omit any item which is an Unpermitted Exception from the Title Policy, and an amended, modified or supplemental order would be sufficient, Seller shall use commercially reasonable efforts to seek such amended, modified or supplemental order.

4.5 The term "**Material Adverse Effect**", as used in this Article 4, means a title defect which is not permitted in Sections 4.1.1 through 4.1.14 hereof or clause (i) of Section 4.1.15 hereof, which is not a lien and which shall, with reasonable certainty, prevent the Purchaser from consummation of any material component of the redevelopment of the East Campus into a luxury mixed use residential development (the "**Development**"), or would materially and adversely affect such Development. Any adverse effect, to be material, must increase the cost of, or decrease the value of, the Development by at least $1,000,000. For purposes of clarification, the status of zoning or any land use matters or any approvals for use of the O'Toole Building as a health care facility shall in no event be deemed a "Material Adverse Effect" and shall not be something to which Purchaser may object.

4.6 Notwithstanding anything in Section 4.4 above to the contrary, Purchaser may accept such title as Seller can convey, without reduction of the Purchase Price or any credit or allowance on account thereof or any claim against Seller, provided Purchaser makes such election on or before the later of the Objection Date or one (1) Business Day after Seller advises Purchaser that it is unwilling or unable to cure such Unpermitted Exception (and failure by Purchaser to timely provide notice of such election shall be deemed Purchaser's election to accept title as aforesaid). Subject to Section 10.2 hereof, the delivery of the Deed (as hereinafter defined) by Seller shall be deemed to be full performance of, and discharge of, every agreement

and obligation on Seller's part to be performed under this Agreement, except for such matters which are expressly stated to survive the Closing hereunder.

4.7 The amount of any unpaid water and sewer charges that Seller is obligated to pay and discharge may, at the option of Seller, be paid by Purchaser out of the balance of the Purchase Price, if bills therefor with any interest and penalties thereon figured to said date are furnished to or obtained by the Title Company at the Closing and the Title Company omits same as an exception to the Title Policy (as hereinafter defined) at no additional payment or premium to Purchaser.

4.8 If the Property shall, at the time of the Closing, be subject to any liens (such as for judgments or franchise, license or other similar taxes), encumbrances or other title exceptions which are not Permitted Exceptions, the same shall not be deemed an objection to title provided that, at the time of the Closing, either (a) Seller delivers certified or bank checks at the Closing in the amount required to satisfy the same and delivers to Purchaser and/or the Title Company at the Closing instruments in recordable form (and otherwise in form reasonably satisfactory to the Title Company in order to omit same as an exception to the Title Policy) sufficient to satisfy and discharge of record such liens and encumbrances, together with payment of the cost of recording or filing such instruments, or (b) the Title Company will omit same from the Title Policy. For purposes of clarification, without limitation of the definition of "Permitted Exceptions", the existence of any liens that attach to proceeds of the sale of the Property shall be Permitted Exceptions so long as such liens are not recorded in the land records against the Property and are omitted from the Title Policy.

5. As Is.

5.1 Except as set forth in Section 4, Section 7.1 and Section 17.4 of this Agreement to the contrary, Purchaser is expressly purchasing the Property in its existing condition **"AS IS, WHERE IS, AND WITH ALL FAULTS"** with respect to all facts, circumstances, conditions and defects, and, Seller has no obligation to determine or correct any such facts, circumstances, conditions or defects or to compensate Purchaser for same. Seller has specifically bargained for the assumption by Purchaser of all responsibility to investigate the Property and any and all matters relating thereto, including, without limitation, the Laws and Regulations, Facts, the Leases and Violations (but subject to Seller's obligations provided for herein) and of all risk of adverse conditions and has structured the Purchase Price and other terms of this Agreement in consideration thereof. Purchaser has undertaken all such investigations of the Property and any and all matters relating thereto, including, without limitation, the Laws and Regulations, Facts, the Leases and Violations as Purchaser deems necessary or appropriate under the circumstances and based upon same, Purchaser is and will be relying strictly and solely upon such inspections and examinations and the advice and counsel of its own consultants, agents, legal counsel and officers.

5.2 Seller hereby disclaims all warranties of any kind or nature whatsoever (including, without limitation, warranties of habitability and fitness for particular purposes), whether expressed or implied including, without limitation, except as set forth in Section 7.1 of this Agreement to the contrary, warranties with respect to the Property. Except as is expressly set forth in Section 7.1 of this Agreement to the contrary, Purchaser acknowledges that it is not

relying upon any representation of any kind or nature made by Seller, Broker (as hereinafter defined) or any of the Seller Creditor Parties (as hereinafter defined), or any of their respective direct or indirect members, partners, shareholders, officers, directors, employees or agents (collectively, the "**Seller Related Parties**") with respect to the Property, and that, in fact, except as expressly set forth in Section 7.1 of this Agreement to the contrary, no such representations were made. To the extent required to be operative, the disclaimers and warranties contained herein are "conspicuous" disclaimers for purposes of any applicable law, rule, regulation or order. The term "**Seller Creditor Parties**" means, collectively, (x) the Existing Mortgagee (as defined below) and (y) the Official Committee of Unsecured Creditors and, in each case, their respective representatives, attorneys and advisors.

5.3 Seller makes no representation or warranty with respect to the presence of Hazardous Materials on, above or beneath the Land (or any parcel in proximity thereto) or in any water on or under the Property, and Purchaser hereby acknowledges that the Property has operated as a full service hospital and, accordingly, certain Hazardous Materials were used in connection therewith. The Closing hereunder shall be deemed to constitute an express waiver of Purchaser's right to cause Seller to be joined in any action brought under any Environmental Laws (as hereinafter defined). As used herein, the term "**Hazardous Materials**" shall mean (a) those substances included within the definitions of any one or more of the terms "hazardous materials", "hazardous wastes", "hazardous substances", "industrial wastes", and "toxic pollutants", as such terms are defined under the Environmental Laws, or any of them, (b) petroleum and petroleum products, including, without limitation, crude oil and any fractions thereof, (c) natural gas, synthetic gas and any mixtures thereof, (d) asbestos and or any material which contains any hydrated mineral silicate, including, without limitation, chrysotile, amosite, crocidolite, tremolite, anthophylite and/or actinolite, whether friable or non-friable, (e) polychlorinated biphenyl ("**PCBs**") or PCB-containing materials or fluids, (f) radon, (g) any other hazardous or radioactive substance, material, pollutant, contaminant or waste, and (h) any other substance with respect to which any Environmental Law or governmental authority requires environmental investigation, monitoring or remediation. As used herein, the term "**Environmental Laws**" shall mean all federal, state and local laws, statutes, ordinances and regulations, now or hereafter in effect, in each case as amended or supplemented from time to time, including, without limitation, all applicable judicial or administrative orders, applicable consent decrees and binding judgments relating to the regulation and protection of human health, safety, the environment and natural resources (including, without limitation, ambient air, surface, water, groundwater, wetlands, land surface or subsurface strata, wildlife, aquatic species and vegetation), including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. §§ 9601 et seq.), the Hazardous Material Transportation Act, as amended (49 U.S.C. §§ 1801 et seq.), the Federal Insecticide, Fungicide, and Rodenticide Act, as amended (7 U.S.C. §§ 136 et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. §§ 6901 et seq.), the Toxic Substances Control Act, as amended (15 U.S.C. §§ 2601 et seq.), the Clean Air Act, as amended (42 U.S.C. §§ 7401 et seq.), the Federal Water Pollution Control Act, as amended (33 U.S.C. §§ 1251 et seq.), the Occupational Safety and Health Act, as amended (29 U.S.C. §§ 651 et seq.), the Safe Drinking Water Act, as amended (42 U.S.C. §§ 300f et seq.), any state or local counterpart or equivalent of any of the foregoing, and any federal, state or local transfer of ownership notification or approval statutes.

5.4 Except for Seller's representations, warranties and covenants contained in Section 7.1 of this Agreement, Purchaser shall rely solely upon Purchaser's own knowledge of the Property based on its investigation of the Property and its own inspection of the Property in determining any and all matters relating to the Property, including without limitation, the Property's physical, structural and environmental condition and all zoning and land use matters. Except to the extent set forth in Section 7.3 and Section 13 of this Agreement, Purchaser releases Seller, the Seller Related Parties and their respective successors and assigns from and against any and all claims that Purchaser or any party related to or affiliated with Purchaser (each, a "**Purchaser Related Party**") has or may have arising from or related to any matter or thing related to or in connection with the Property, including the documents and information referred to herein, any construction defects, errors or omissions in the design or construction and any environmental conditions and, except to the extent set forth in Section 7.3 and Section 13 of this Agreement to the contrary, neither Purchaser nor any Purchaser Related Party shall look to Seller, the Seller Related Parties or their respective successors and assigns in connection with the foregoing for any redress or relief. This release shall be given full force and effect according to each of its express terms and provisions, including those relating to unknown and unsuspected claims, damages and causes of action. To the extent required to be operative, the disclaimers and warranties contained herein are "conspicuous" disclaimers for purposes of any applicable law, rule, regulation or order.

5.5 Purchaser, and its agents and representatives, from time to time prior to the Closing and during regular business hours, upon at least two (2) Business Days' prior written notice to Seller, may enter the Property for the limited purpose of performing visual surveys of the Property, provided that Purchaser has obtained Seller's prior written consent (which may not be unreasonably withheld or conditioned or delayed); it being agreed and understood that Purchaser shall have no rights or remedies under this Agreement as a result of any such surveys or any findings in connection therewith. Purchaser shall (a) at all times enter the Property and perform any surveys thereon in compliance with all applicable law, any conditions imposed by any insurance policy then in effect with respect to the Property (to the extent Seller advises Purchaser of such conditions) and the terms of the Leases, and otherwise in a manner so as not to cause damage, loss, cost or expense to Seller, (b) exercise reasonable care at all times that Purchaser shall be present upon the Property, (c) not engage in any activities that would violate the provisions of any permit or license pertaining to the Property that is of public record or otherwise known to Purchaser, (d) except as provided in Section 5.5.2, make no invasive or active inspections or examinations of the Property, (e) keep the Property free and clear of any mechanic's liens or materialman's liens, and (f) with respect to any environmental matters discovered in the course of such inspection, shall not contact any governmental authority having jurisdiction over the Property, in each case without Seller's express written consent. Seller shall have the right to have a representative of Seller accompany Purchaser during any such entry upon the Property (and, so long as Seller makes such representative available on reasonable notice from Purchaser, Purchaser shall not enter upon the Property in any case without being accompanied by such a representative of Seller). For purposes of clarification, Purchaser's right to enter upon and survey the Property shall have no effect on Purchaser's obligations under this Agreement (including, without limitation, Purchaser's obligation to close title to the Property as provided herein) regardless of any results of such access.

5.5.1 Purchaser hereby agrees to indemnify, defend and hold Seller and all other Seller Related Parties harmless from and against any and all actual liability, loss, cost, judgment, claim, damage or expense (including, without limitation, reasonable attorneys fees and expenses), resulting from the entry upon the Property by Purchaser and its employees, agents, consultants, contractors and advisors, except to the extent resulting from the gross negligence or willful misconduct of Seller, its agents, employees or other representatives. Purchaser does, however, take the risk for any existing condition at the Property, known or unknown, except as set forth below.

5.5.2 Other than reasonable testing approved by Seller (such approval not to be unreasonably withheld) conducted in connection with follow-up environmental testing and obtaining permits and estimates for demolition, Purchaser shall not, and shall not permit its employees, consultants, engineers and agents to conduct any soil tests or sampling or any boring, digging, drilling or any other physical intrusion (of any nature) of the Property and/or any of the Improvements. Seller's approval of any testing shall be subject to its receipt and reasonable approval of (i) a specific plan showing the location of the proposed testing, the specific tests to be undertaken and the company performing such tests, and (ii) any and all permits required for such testing. All testing and work in connection therewith shall be performed in compliance with all local, state and federal laws, rules and regulations.

(a) Prior to, during and after the testing and any work in connection therewith, Purchaser shall take any and all safety measures which are necessary to prevent injury to persons or property resulting from or in any way connected with such testing or work.

(b) Purchaser shall be solely responsible for any and all damage arising out of or related to any tests it performs including, without limitation, removal, encapsulation or other required remediation of any and all Hazardous Materials uncovered or disturbed by such testing, or for any reason required to be remediated. All such work shall be done by properly licensed environmental experts, at Purchaser's sole cost and expense, and in compliance with all laws, rules, regulations and insurance requirements.

(c) Seller shall have no liability for any existing, discovered, known or unknown defect in the Property or any Hazardous Materials thereon, it being understood that any testing or other inspections by Purchaser or its consultants or agents are completely at the risk and expense of Purchaser.

(d) Purchaser shall promptly remove and properly dispose of all samples, substances and materials extracted from or generated at the Property and shall remove all equipment and materials used or generated during its testing.

(e) In the event the Closing fails to occur for any reason, Purchaser shall promptly restore the Property to the condition existing immediately prior to its testing, at Purchaser's sole cost and expense, and with contractors reasonably acceptable to Seller. In the event that Purchaser is entitled to a return of the Down Payment hereunder, an amount equal to 125% of the amount reasonably estimated by Seller to restore the Property to such condition (the "**Testing Escrow**") shall be withheld from the Down Payment until such restoration is complete. Purchaser may use amounts from the Testing Escrow from time to time in order to satisfy its

obligations under this Section 5.5.2(e), subject to reasonable disbursement conditions agreed to by Purchaser and Seller. After all of Purchaser's obligations under this Section 5.5.2(e) have been satisfied, and if Purchaser was otherwise entitled to a return of the Down Payment hereunder, any remaining Testing Escrow amounts shall be returned to Purchaser.

5.5.3 As a condition precedent to entering the Property in connection with this Section 5.5, Purchaser, or its agents that enter the Property, shall maintain or cause to be maintained, at Purchaser's sole cost and expense, a policy of comprehensive general public liability and property damage insurance in each case in an amount equal to no less than $5,000,000, by an insurer or syndicate of insurers reasonably acceptable to Seller and rated at least A-:VIII by the latest edition of A.M. Best Ratings. Such insurance shall name Seller as an additional insured. Purchaser shall deliver evidence of such insurance coverage to Seller prior to entry upon the Property and proof of continued coverage prior to any subsequent entry upon the Property.

5.6 The provisions of this Section 5 shall survive the Closing or the earlier termination of this Agreement and shall not be deemed to have merged into any of the documents executed or delivered at the Closing.

6. Apportionments.

6.1 At the Closing, the following items shall be apportioned between the parties as of 11:59 PM on the day preceding the Closing Date. Any errors in the apportionments pursuant to this Section 6 shall be corrected by appropriate readjustment between Seller and Purchaser after the Closing, provided that notice of any such error, with supporting calculations, shall be given by Purchaser to Seller or by Seller to Purchaser, as the case may be, no later than ninety (90) days after the Closing. Except as otherwise specifically provided for herein, all apportionments (to the extent applicable) shall be made in the manner recommended by the Customs in Respect to Title Closings of the Real Estate Board of New York, Inc. (it being understood the East Campus is vacant except with respect to that certain lease to St. Vincents Employee Federal Credit Union, as set forth on Schedule B annexed hereto (the "**Credit Union Lease**")), and there shall be no other apportionments. The items to be apportioned are:

6.1.1 Holdover or other rents from any Pre-Petition Occupants including, without limitation, reimbursements for operating expenses (it being understood the foregoing it not intended to vitiate the provisions hereof concerning the rejection of Leases).

6.1.2 Any charges or fees for transferable licenses and permits for the Property.

6.1.3 Fuel, if any, then stored at the Property on the basis of Seller's last cost therefor, including sales tax, as evidenced by a written current statement of Seller's fuel oil supplier, which statement shall be conclusive as to quantity and cost.

6.1.4 Real estate taxes for the current fiscal year for the O'Toole Building.

6.1.5 All other items customarily apportioned in connection with sales of properties substantially similar to the Property in the State and City of New York, to the extent applicable (it being understood the East Campus is vacant except with respect to the Credit Union Lease).

6.2 At or before the Closing, Seller shall, if commercially reasonable to do so, close its utility accounts (including without limitation, telephone, steam, electricity and gas) and request the return of deposits, if any, deposited by Seller in connection with all such utility accounts directly from the utilities. In such event there shall be no apportionment of charges by such utilities nor of any deposits deposited by Seller with the utilities. If, however, Seller is unable to effect closure of all or some of its utilities, such utility or utilities shall be apportioned based on the last meter reading and the number of days in the current billing cycle.

6.3 If there are water meters on the Property, Seller shall endeavor to furnish readings to a date not more than thirty (30) days prior to the Closing Date, and the unfixed meter charges and the unfixed sewer rents, if any, based thereon for the intervening time shall be apportioned on the basis of such last readings. If Seller fails or is unable to obtain such readings, the Closing shall nevertheless proceed and the parties shall apportion the meter charges and sewer rents on the basis of the last readings and bills received by Seller.

6.4 Seller shall not be required or entitled to assign any policies of insurance in respect of the Property to Purchaser; Purchaser shall be responsible for obtaining its own insurance as of the Closing Date, and no adjustment shall be made for any insurance premiums.

6.5 The Property (other than the O'Toole Building) is currently exempt from the payment of any real estate taxes and assessments and, accordingly, there shall be no apportionment on account thereof. Purchaser acknowledges and agrees that Seller shall have no liability whatsoever for payment of any and all real estate taxes and assessments which may become due in respect of the Property at any time following the Closing Date.

6.6 Seller shall use good faith efforts to cause any security or similar deposits made by Seller under any recorded agreements listed on Exhibit A to be returned to Seller, and Purchaser shall reasonably cooperate with Seller in Seller's efforts prior and subsequent to Closing.

6.7 The provisions of this Section 6 shall survive the Closing; provided, however, that any re-prorations or reapportionments shall be made as and when required under Section 6.1 above.

7. Representations and Warranties of the Parties; Certain Covenants.

7.1 Seller hereby represents and warrants to Purchaser that the following are true and correct in all material respects as of the date hereof:

7.1.1 Seller is a not-for-profit corporation duly formed and in good standing under the laws of the State of New York and, upon entry of the Sale Order and the AG Approval (as defined below), will have the requisite power and authority to enter into and to

perform the terms of this Agreement. Upon entry of the Sale Order by the Bankruptcy Court, and receipt of such AG Approval, Seller will not be subject to any law, order, decree, restriction or agreement which prohibits or would be violated by this Agreement or the consummation of the transactions contemplated hereby. The execution and delivery of this Agreement and, upon entry of the Sale Order by the Bankruptcy Court and receipt of such AG Approval, the consummation of the transaction contemplated hereby have been duly authorized by all requisite action of Seller. This Agreement constitutes, and each document and instrument contemplated hereby to be executed and delivered by Seller, when fully executed and delivered, subject to entry of the Sale Order by the Bankruptcy Court and receipt of such AG Approval, shall constitute the legal, valid and binding obligation of Seller enforceable against Seller in accordance with its respective terms.

7.1.2 Neither the execution, delivery and performance of this Agreement nor the consummation of the transactions contemplated hereby is prohibited by, or requires Seller to obtain any consent, authorization, approval or registration (other than approval by the Bankruptcy Court and the AG Approval) under, any law, statute, rule, regulation, judgment, order, writ, injunction or decree that is binding upon Seller.

7.1.3 Seller is not a "foreign person" within the meaning of Section 1445 of the Internal Revenue Code 1986, as amended, or any regulations promulgated thereunder (collectively, the "**Code**").

7.1.4 The only leases and occupancy agreements affecting the Property as of the date hereof and other persons occupying the Property are set forth on Schedule B attached hereto (such leases, agreements and other occupancies, the "**Leases**"), and true and complete copies of any leases and occupancy agreements have been delivered to Purchaser, to the extent in Seller's possession. At the Closing, pursuant to the Sale Order, the Property shall be delivered in its then as-is condition, with (x) the Triangle Site and the East Campus to be delivered vacant, free and clear of any Leases and tenancies, and (y) the O'Toole Building to be delivered vacant, free and clear of any Leases and tenancies, except that, subject to the provisions of Section 10.2.7, the O'Toole Building may be delivered with some or all of those occupants listed on Schedule B hereto that are designated thereon as "**Pre-Petition Occupants**" still in occupancy.

7.1.5 Seller agrees that, pursuant to the Sale Order, Purchaser shall not acquire the Property subject to any service, maintenance, management, leasing and other contracts or other agreements in connection with, affecting, or otherwise relating to, any of the Property.

7.1.6 Seller has not received written notice of any pending or threatened condemnation or eminent domain proceedings that would affect the Property in any material way.

7.1.7 Seller is not, and will not become, a person or entity with whom United States persons or entities are restricted or prohibited from doing business under regulations of the Office of Foreign Asset Control ("**OFAC**") of the Department of the Treasury (including those named on OFAC's specially designated and blocked persons list) or under any

statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action and is not and will not engage in any dealings or transactions or be otherwise associated with such persons or entities.

7.1.8 The execution and delivery of this Agreement and all related documents and the performance of its obligations hereunder and thereunder by Seller do not and will not conflict with or result in a breach of or constitute a default under any of the terms, conditions or provisions of any agreement or instrument to which Seller is a party or by which Seller is bound or any law, rule, judgment, writ, injunction, order or decree applicable to Seller or the Property, or result in the creation or imposition of any lien on any of its assets or property (including, without limitation, the Property), which would affect the ability of Seller to perform its obligations under this Agreement.

7.1.9 No portion of the Property has been leased for residential purposes.

7.1.10 Seller has not received written notice of the pendency of any action, suit, legal proceeding or other proceeding against Seller in any court or before any arbitrator of any kind or before or by any governmental body, which, if determined adversely to Seller, would materially adversely affect Seller's ability to consummate the transactions contemplated by this Agreement.

7.1.11 The Property is not a "plan asset" as defined in the Employment Retirement Income Security Act of 1974, as amended ("**ERISA**") and the sale of the Property by Seller is not a "prohibited transaction" under ERISA.

7.1.12 At the Closing, the Property shall be delivered free of Seller's employees. Purchaser will not have any obligations or liabilities with respect to employees of Seller, except for any actions or inactions taken by Purchaser with respect to such employees after the Closing.

7.2 Purchaser hereby represents and warrants to Seller that the following are true and correct in all material respects on the date hereof:

7.2.1 Purchaser is a limited liability company duly formed and in good standing under the laws of the State of Delaware and has the requisite power and authority to enter into and to perform the terms of this Agreement. The execution and delivery of this Agreement and consummation of the transaction contemplated hereby have been duly authorized by all requisite action of Purchaser. Purchaser is not subject to any law, order, decree, restriction, or agreement which prohibits or would be violated by this Agreement or the consummation of the transactions contemplated hereby. This Agreement constitutes, and each document and instrument contemplated hereby to be executed and delivered by Purchaser, when fully executed and delivered, shall constitute the legal, valid and binding obligation of Purchaser enforceable against Purchaser in accordance with its respective terms (subject to bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditor's rights generally).

7.2.2 Neither the execution, delivery and performance of this Agreement nor the consummation of the transactions contemplated hereby is prohibited by, or requires Purchaser to obtain any consent, authorization, approval or registration under any law, statute, rule, regulation, judgment, order, writ, injunction or decree which is binding upon Purchaser.

7.2.3 There are no judgments, orders, or decrees of any kind against Purchaser unpaid or unsatisfied of record, nor any actions, suits or other legal or administrative proceedings pending or, to the best of Purchaser's actual knowledge, threatened against Purchaser, which would have any material adverse effect on the business or assets or the condition, financial or otherwise, of Purchaser or the ability of Purchaser to consummate the transactions contemplated by this Agreement.

7.2.4 Purchaser is not, and will not become, a person or entity with whom United States persons or entities are restricted or prohibited from doing business under regulations of OFAC (including those named on OFAC's specially designated and blocked persons list) or under any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action and is not and will not engage in any dealings or transactions or be otherwise associated with such persons or entities.

7.2.5 The execution and delivery of this Agreement and all related documents and the performance of its obligations hereunder and thereunder by Purchaser does not conflict with or result in a breach of or constitute a default under any of the terms, conditions or provisions of any agreement or instrument to which Purchaser is a party or by which Purchaser is bound or any judgment, writ, injunction, order or decree applicable to Purchaser or result in the creation or imposition of any lien on any of its assets or property which would affect the ability of Purchaser to perform its obligations under this Agreement.

7.2.6 That certain Memorandum of Understanding between Purchaser and NS-LIJ (as defined below) dated October 19, 2010, as supplemented by those certain letters dated October 19, 2010 and March 2, 2011, remains in full force and effect, or Purchaser has demonstrated to Seller's reasonable satisfaction that Purchaser has an alternative health care provider to take title to the O'Toole Building and provide health care services therein in a manner reasonably acceptable to Seller.

7.3 The representations and warranties set forth in Sections 7.1 and 7.2 (collectively, the "**Bring Down Reps**") shall survive the Closing for a period of nine (9) months (the "**Survival Period**"). Each party shall have the right to bring an action against the other based upon the breach of a representation or warranty that survives the Closing hereunder so long as the party bringing the action for breach files such action within the Survival Period. An amount equal to $1,000,000 (the "**Holdback**") shall be held by Escrow Agent from the Purchase Price during the Survival Period to satisfy Seller's obligations in connection with Section 7.1 hereof. The Holdback shall constitute Seller's maximum aggregate liability for any breach(es) by Seller in connection with Section 7.1 hereof. If, by the end of the Survival Period, **Time Being of the Essence**, Purchaser has not commenced a lawsuit in a court of competent jurisdiction claiming that Seller has breached a representation or warranty contained in Section 7.1, then Escrow Agent shall, without being required to give any notice to any party, release the

Holdback (together with any interest thereon) to Seller. All of Escrow Agent's rights under Section 20 hereof shall apply to the Holdback. In the event that Purchaser timely commences a lawsuit in connection with this Section, and the period within which Purchaser has the right to initiate any further lawsuit(s) hereunder has otherwise expired, the amount by which the Holdback exceeds the amount sought by Purchaser pursuant to such timely filed lawsuit shall be immediately released by Escrow Agent to Seller. The provisions of this Section 7.3 shall survive the Closing.

8. Closing Deliveries.

8.1 Seller shall deliver to Purchaser at Closing the following:

8.1.1 A bargain and sale deed (or deeds, in accordance with Section 16 hereof) without covenants against grantor's acts, in the form attached hereto as Exhibit B and made a part hereof (the "**Deed**"), duly executed and acknowledged by Seller, conveying the Real Property to Purchaser or its permitted designee. The Deed for the O'Toole Building and any Deed given with respect to any portion of the Triangle Site to which NS-LIJ will be taking title at Closing shall contain the provision set forth in Section 21.2 hereof;

8.1.2 A bring-down certificate, confirming, as of the date of the Closing, all of those Seller's representations and warranties in Section 7.1 hereof that, in all material respects, remain unchanged as of the date of the Closing and as to any other representations or warranties of Seller in said Section 7.1 that do not remain unchanged in all material respects as of the date of the Closing, setting forth such changes. Such certificate shall expressly provide that the statements therein shall survive the Closing for a period of nine (9) months, and is subject to the terms of Section 7.3;

8.1.3 A bill of sale (or bills of sale, in accordance with Section 16 hereof), conveying and transferring to Purchaser or its permitted designee all right, title and interest of Seller, if any, in and to the Personal Property which Seller elects to include in the conveyance hereunder (it being understood that Seller shall have the right (in its sole discretion), but not the obligation, to remove from any of the Buildings (i) any or all Personal Property, and (ii) the Chapel in the Property, with it being understood that if Seller elects to remove such Chapel, such removal shall be made in compliance with law and in such a manner so as to leave the building in which the Chapel is located in a weatherproof condition) prior to the Closing and if Seller shall so elect, Purchaser shall not be entitled to any credit or abatement to the Purchase Price on account thereof, nor shall Seller have any obligation to repair any damage caused by any such removal), in the form annexed hereto as Exhibit C and made a part hereof, duly executed by Seller; it being expressly understood that no portion of the Purchase Price shall be attributable to such Personal Property;

8.1.4 The keys and access codes to the Property, to the extent in Seller's possession or control;

8.1.5 A certificate of non-foreign status, duly executed and acknowledged by Seller, in accordance with Section 1445 of the Code;

8.1.6 A New York State Combined Real Estate Transfer Tax Return, Credit Line Mortgage Certificate, and Certification of Exemption from the Payment of Estimated Personal Income Tax (Form TP-584) for the conveyance of the Property (the "**State Transfer Tax Return**"), duly executed by Seller;

8.1.7 A New York City Department of Finance Real Property Transfer Tax Return for the conveyance of the Property (the "**City Transfer Tax Return**"), duly executed and acknowledged by Seller;

8.1.8 A New York State Real Property Transfer Report, Form RP-5217NYC (the "**Transfer Report**"), duly executed by Seller;

8.1.9 A title affidavit in the form annexed as Exhibit D hereto;

8.1.10 Such other instruments, agreements or other documents as may be necessary to effectuate the provisions of this Agreement;

8.1.11 Intentionally omitted;

8.1.12 Such evidence as the Title Company may reasonably require as to the authority of the person or persons executing documents on behalf of Seller; and

8.1.13 Evidence that Seller has obtained the AG approval.

8.2 Purchaser shall deliver to Seller at Closing the following:

8.2.1 The balance of the Purchase Price;

8.2.2 The State Transfer Tax Return, duly executed by Purchaser;

8.2.3 The City Transfer Tax Return, duly executed by Purchaser;

8.2.4 The Transfer Report, duly executed by Purchaser;

8.2.5 A bring-down certificate, confirming, as of the Closing, that all of Purchaser's representation and warranties in Section 7.2 hereof in all material respects remain unchanged. Such certificate shall expressly provide that such representations shall survive the Closing for a period of nine (9) months;

8.2.6 Such evidence as the Title Company may reasonably require as to the authority of the person or persons executing documents on behalf of Purchaser;

8.2.7 Intentionally omitted;

8.2.8 Intentionally omitted;

8.2.9 Intentionally omitted; and

8.2.10 Such other instruments, agreements or other documents as may be necessary to effectuate the provisions of this Agreement, including, without limitation, a Property Owner's Registration Form (Department of Finance) and Customer Registration Form (Department of Environmental Protection).

8.3 Seller shall prepare, no later than three (3) Business Days prior to the Closing, a closing statement (the "**Closing Statement**"), which shall contain Seller's good faith estimate of the amounts of the items requiring adjustment pursuant to this Agreement. The amounts set forth on the Closing Statement shall be subject to the reasonable approval of Purchaser and shall be the basis upon which the prorations and apportionments provided for in this Agreement shall be made at the Closing. The Closing Statement shall be binding and conclusive on all parties hereto (absent manifest error), and at the Closing, the Closing Statement shall be executed and delivered by the parties hereto. Subject to the provisions of Section 6 of this Agreement, any errors in the Closing Statement shall be corrected post-Closing.

9. Bankruptcy Court Matters.

9.1 363 Motion. Seller is a debtor and debtor-in-possession in a case (the "**Bankruptcy Case**") filed on April 14, 2010 under chapter 11 of title 11 of the United States Code (the "**Bankruptcy Code**"), before the United States Bankruptcy Court for the Southern District of New York (the "**Bankruptcy Court**"), Case No. 10-11963 (CGM). Seller agrees that as promptly as practicable after the date hereof, but in no event later than three (3) Business Days after the later of (i) the date hereof and (ii) the date the board of directors of Seller approves the transaction contemplated hereby, it shall present to the Bankruptcy Court a motion reasonably acceptable to Purchaser (the "**363 Motion**"), seeking an order in the form of Exhibit "E" annexed hereto except as it may be modified (with Purchaser's prior consent, it being understood that Purchaser's consent shall not be required to a change to such order in connection with Section 10.2.7 hereof if the Bankruptcy Court does not agree to a timeframe by which Pre-Petition Occupants must vacate the O'Toole Building or requires a change to such timeframe) (the "**Sale Order**") that (a) approves this Agreement, and (b) establishes the required form and extent of notice of the hearing to consider the 363 Motion necessary to satisfy the Bankruptcy Court that, among other things, good and sufficient notice of said hearing is accomplished.

9.2 Notice and Reasonable Efforts. Seller shall file all pleadings with the Bankruptcy Court as are reasonably necessary or appropriate to secure entry of the Sale Order and shall provide notice to creditors and all other parties entitled to notice of such pleadings under applicable requirements, including the Bankruptcy Code and Rules. Seller shall use commercially reasonable efforts and diligently prosecute the 363 Motion to obtain the entry of the Sale Order at a hearing of the Bankruptcy Court on April 7, 2011. Thereafter, Seller shall take all actions as are reasonably necessary or appropriate to cause the Sale Order to be entered. Purchaser agrees that it will promptly take such actions as are reasonably requested by Seller to assist in obtaining entry of the Sale Order. If the Sale Order is not entered by the Bankruptcy Court by April 15, 2011, then the Closing Date shall be extended one (1) day for each one (1) day after April 15, 2011 until the Sale Order is entered. If the Sale Order is not entered by May 15, 2011 for any reason other than due to a default by Purchaser hereunder, then Purchaser shall have the right to terminate this Agreement, without liability to either party, except for those obligations which expressly survive termination, and the Down Payment shall be returned to

Purchaser. If the Sale Order is not entered by July 15, 2011, then this Agreement shall terminate, without liability to either party, except for those obligations which expressly survive termination, and the Down Payment shall be returned to Purchaser, unless the Sale Order has not been entered by July 15, 2011 due to the fault of Purchaser, in which case the Down Payment shall be retained by Seller.

9.3 Appeals of Bankruptcy Orders. If the Sale Order shall be appealed by any Person (or a petition for certiorari or motion for rehearing, reconsideration or argument shall be filed with respect thereto), Seller, at Seller's expense, and Purchaser, at Purchaser's expense, shall take all reasonable steps as may be necessary to defend against such appeal, petition or motion, and shall endeavor to obtain an expedited resolution of same.

9.4 Additional Closing Conditions. In addition to the conditions set forth in Section 10 hereof, the obligations of the parties to consummate the Closing are conditioned upon the Sale Order having been entered by the Bankruptcy Court and (x) its effectiveness not being subject to any stay pending appeal and (y) the time to appeal having expired.

9.5 Notwithstanding anything to the contrary contained in this Agreement, Seller agrees that all known service, maintenance, management, leasing and other contracts or other agreements relating to the operations of the Property (collectively, the "**Terminated Contracts**") shall be rejected under Section 365 of the Bankruptcy Code and that such rejection will be authorized by an order of the Bankruptcy Court prior to the Closing Date pursuant to the rejection procedures established in the Bankruptcy Case and (x) the Terminated Contracts shall not be assigned to Purchaser nor assumed by Purchaser upon the Closing and (y) Seller shall be solely responsible for any rejection damages resulting therefrom.

9.6 As evidenced by their consent delivered simultaneously herewith, Existing Mortgagee and the Official Committee of Unsecured Creditors ("**Committee**") supports in all respects this Agreement and entry of the Sale Order. Seller, Existing Mortgagee and the Committee, either directly or indirectly through their respective representatives or agents, shall not take any action that is inconsistent with this Agreement including, but not limited to, soliciting or negotiating an alternative transaction.

10. Conditions to the Closing.

10.1 Notwithstanding anything to the contrary contained herein, and without limitation of the conditions to closing contained in Section 9 hereof, the obligation of Seller to close title in accordance with this Agreement is expressly conditioned upon the fulfillment by and as of the Closing Date of each of the conditions listed below, provided that Seller, at its election, evidenced by notice delivered to Purchaser at or prior to the Closing, may waive any of such conditions:

10.1.1 Purchaser shall have executed and delivered to Seller all of the documents, shall have paid all sums of money and shall have in all material respects taken or caused to be taken all of the other material actions required of Purchaser in this Agreement.

10.1.2 All representations and warranties made by Purchaser in this Agreement shall be true and correct in all material respects as of the Closing Date.

10.1.3 The New York State Attorney General shall have approved (the "**AG Approval**") the transaction contemplated by this Agreement in accordance with the Not For Profit Corporation Law Sections 510-511.

If Seller is entitled to and elects to terminate this Agreement as a result of any failed condition provided in this Section 10.1, then (subject to Section 20 hereof) Escrow Agent shall deliver to Seller the Down Payment and neither party to this Agreement shall thereafter have any further right or obligation hereunder, except for the rights and obligations hereunder that expressly survive the termination of this Agreement.

10.2 Notwithstanding anything to the contrary contained herein, the obligation of Purchaser to close title and pay the Purchase Price in accordance with this Agreement is expressly conditioned upon the fulfillment by and as of the Closing Date of each of the conditions listed below, provided that Purchaser, at its election, evidenced by notice delivered to Seller at or prior to the Closing, may waive all or any of such conditions:

10.2.1 Seller shall have executed and delivered to Purchaser all of the documents required to be delivered by Seller at the Closing.

10.2.2 All representations and warranties made by Seller in this Agreement shall be true and correct in all material respects as of the Closing Date, except to the extent the facts and circumstances underlying such representations and warranties may have changed as of the Closing, in which case the following sentence shall apply. If, on the Closing Date, any Seller Bring Down Rep is no longer true and correct in all material respects, and such fact causes to exist a Material Adverse Effect, then Purchaser shall have the right to terminate this Agreement and shall be entitled to a refund of the Down Payment. For purposes of this Section 10.2.2, a Material Adverse Effect shall mean that such change shall, with reasonable certainty, prevent Purchaser from consummation of any material component of the Development, or materially and adversely affect such Development. Any adverse effect, to be material, must increase the cost of, or decrease the value of, the Development by at least $1,000,000.

10.2.3 The Title Company shall be willing to insure title to the Property pursuant to an ALTA Policy of Title Insurance in the Title Company's standard form for New York (a pro forma of which is attached hereto as Exhibit A) in the amount of the Purchase Price at regular rates and without additional premium (which shall not be deemed to include the cost of any endorsements to title requested by Purchaser), subject only to the Permitted Exceptions (the "**Title Policy**"). If the Title Company is unwilling to do so, Seller may select another reputable and nationally-recognized title company that is licensed in New York and that is willing to issue the Title Policy in accordance with this Agreement for a premium that is not in excess of the premium that the Title Company would have charged, with such re-insurance as may be customary and appropriate; and Purchaser shall accept, and pay for, such Title Policy.

10.2.4 Seller shall have complied in all material respects with Section 17.4 hereof.

10.2.5 No leases or other occupancy agreements affecting the Property shall be in effect (it being understood that Pre-Petition Occupants may still be in occupancy in accordance with Section 10.2.7 below).

10.2.6 The East Campus and Triangle Site shall be delivered vacant and free and clear of any and all tenancies and occupancies.

10.2.7 The O'Toole Building shall be delivered free of any tenancy or occupancy by any post-petition occupants, including the tenancy or occupancy by either of the occupants listed on Schedule B hereto that are designated thereon as "**Post-Petition Occupants**", provided, however, that if either Post-Petition Occupant (or any other post-petition occupant) is still in occupancy, either Purchaser or Seller may adjourn the Closing until such time as the Leases have been terminated and the Property is vacant. Seller shall provide Purchaser with at least five (5) Business Days' prior notice of the satisfaction of this condition, and the new Closing Date. It shall not be a condition to Closing that the O'Toole Building be delivered free of occupancies by Pre-Petition Occupants, but Seller shall serve the 363 Motion and Sale Order on each Pre-Petition Occupant on the same day as notice of the 363 Motion is delivered to all other recipients, together with an additional notice stating that the lease applicable to such Pre-Petition Occupant is being terminated in accordance with its terms, and thereafter Seller shall prosecute with diligence (with the cooperation of Purchaser) the removal of Pre-Petition Occupants by June 30, 2011. The 363 Motion shall request that the Bankruptcy Court enter the Sale Order with language confirming the termination of the leases to Pre-Petition Occupants and fixing an outside date of no later than June 30, 2011 by which all Pre-Petition Occupants must vacate their respective premises. The parties hereto agree, however, that Closing shall not be conditioned on (i) the O'Toole Building being vacant of all Pre-Petition Occupants, and such occupancy shall not be a reason for Purchaser to delay the Closing, or (ii) the Sale Order that is entered containing the June 30, 2011 deadline by which Pre-Petition Occupants must vacate (or containing any such deadline). The notice shall demand that the Pre-Petition Occupants vacate the premises in accordance with the terms of the Sale Order. Purchaser (or such other party as may take title to the O'Toole Building) shall also be entitled to enforce the Sale Order to remove any Pre-Petition Occupants remaining on or after the Closing Date, and Seller shall reasonably cooperate with Purchaser (or such other party as may take title to the O'Toole Building) in such action(s) to enforce the Sale Order (with such right of Purchaser (or such other party as may take title to the O'Toole Building) and obligation of Seller to survive Closing).

10.3 For the avoidance of doubt, there are no zoning, land use, Department of Health or other requirements of development or use which are conditions to Closing, and Seller's and Purchaser's respective rights and obligations hereunder shall not be affected if Purchaser has not obtained all or any zoning, land use, Department of Health or other regulatory approval, certification, or any other approval in connection with the Property.

10.4 If Purchaser is entitled to and elects to terminate this Agreement as a result of any failed condition provided in Section 10.2 of this Agreement, then (subject to Section 20 hereof) Escrow Agent shall refund to Purchaser the Down Payment and neither party to this Agreement shall thereafter have any further right or obligation hereunder, except for the rights and obligations hereunder that expressly survive the termination of this Agreement.

11. Limitation on Liability of Parties.

11.1 If Purchaser shall default in the performance of Purchaser's obligations under this Agreement and the Closing does not occur as a result thereof (a "**Purchaser Default**"), Seller's sole and exclusive remedy shall be, and Seller shall be entitled, to retain the Down Payment as and for full and complete liquidated and agreed damages for Purchaser's Default, and the parties hereto shall be released from any further liability to each other hereunder, except for those obligations and liabilities that are expressly stated to survive termination of this Agreement. SELLER AND PURCHASER AGREE THAT IT WOULD BE IMPRACTICAL AND EXTREMELY DIFFICULT TO ESTIMATE THE DAMAGES WHICH SELLER MAY SUFFER UPON A PURCHASER DEFAULT AND THAT THE DOWN PAYMENT AND ANY INTEREST EARNED THEREON, AS THE CASE MAY BE, REPRESENTS A REASONABLE ESTIMATE OF THE TOTAL NET DETRIMENT THAT SELLER WOULD SUFFER UPON A PURCHASER DEFAULT. SUCH LIQUIDATED AND AGREED DAMAGES ARE NOT INTENDED AS A FORFEITURE OR A PENALTY WITHIN THE MEANING OF APPLICABLE LAW. THE FOREGOING SHALL NOT BE DEEMED TO LIMIT PURCHASER'S OBLIGATIONS UNDER SECTIONS 5.5.1, 13, 21.1.4 AND 21.1.6 HEREOF.

11.2 If the Sale Order is entered and Seller shall default in the performance of Seller's obligations under this Agreement to be performed as of the Closing Date (as it may be extended pursuant to the terms hereof) and Purchaser is ready, willing, and able to close in accordance with the terms, provisions and conditions of this Agreement and the Closing does not occur as a result thereof, Purchaser's sole and exclusive remedy shall be, and Purchaser shall be entitled, at Purchaser's choice, to either (a) terminate this Agreement and receive a refund of the Down Payment, whereupon the parties hereto shall be released from any further liability to each other hereunder, except for those obligations and liabilities that are expressly stated to survive the termination of this Agreement, or (b) if Seller's default is the willful or intentional refusal to convey title to the Property as provided in this Agreement, (i) seek, subject to the Bankruptcy Code, specific performance of Seller's obligations hereunder, provided that any such action for specific performance must be commenced within one hundred twenty (120) days after such default, or (ii) receive a refund of the Down Payment, and the parties hereto shall be released from any further liability to each other hereunder, except for those obligations and liabilities that are expressly stated to survive termination of this Agreement.

12. Fire or Other Casualty; Condemnation.

12.1 Seller agrees to (a) maintain (i) its present property insurance policy including any fire and extended coverage or (ii) similar insurance coverage, in each case to the extent such insurance is reasonably obtainable from commercial sources at commercially reasonable rates, provided that if Seller is not going to insure the Property because it is unable to obtain insurance from commercial sources at commercially reasonable rates, Seller shall endeavor to notify Purchaser reasonably in advance of any discontinuation of insurance, and (b) give Purchaser reasonably prompt notice of any fire or other casualty occurring at the Property of which Seller obtains knowledge, between the date hereof and the Closing Date, or of any actual or threatened condemnation of all or any part of the Property of which Seller obtains knowledge.

12.2 If prior to the Closing there shall occur a taking by condemnation of any material (as defined in Section 12.5 hereof) portion of the Property, then, in such event, Purchaser may elect to terminate this Agreement by notice given to Seller within ten (10) days after Seller has given Purchaser the notice referred to in Section 12.1 hereof, or at the Closing, whichever is earlier, in which event Seller shall promptly return the Down Payment and this Agreement shall thereupon be null and void and neither party hereto shall thereupon have any further obligation to the other, except for those obligations and liabilities that are expressly stated to survive termination of this Agreement. If Purchaser does not timely elect to so terminate this Agreement, then the Closing shall take place as herein provided, without abatement of the Purchase Price, and without duplication, (i) Seller shall assign to Purchaser at the Closing all of Seller's interest in and to any condemnation, awards which may be payable to Seller on account of any such condemnation less any Reimbursable Amounts (defined below), (ii) Seller shall deliver to Purchaser any such awards actually theretofore paid, less any Reimbursable Amounts, and (iii) Purchaser shall pay to Seller at the Closing the sum of any Reimbursable Amounts not received by Seller from any condemnation awards paid to Seller prior to the Closing.

12.3 If, prior to the Closing, there shall occur a taking by condemnation of any part of the Property which is not material, then, in such event, Purchaser shall not have the right to terminate this Agreement by reason thereof, but, without duplication, (i) Seller shall assign to Purchaser at the Closing all of Seller's interest in any condemnation awards which may be payable to Seller on account of any such condemnation, less any Reimbursable Amounts, (ii) Seller shall deliver to Purchaser any such awards actually theretofore paid less any Reimbursable Amounts, and (iii) Purchaser shall pay to Seller at the Closing the sum of any Reimbursable Amounts not received by Seller from any condemnation awards paid to Seller prior to the Closing.

12.4 If, prior to the Closing, there shall occur any damage to the Property caused by fire or other casualty, whether material or immaterial, then, in such event, Purchaser shall not have any right to terminate this Agreement by reason thereof, but, without duplication, (i) Seller shall assign to Purchaser at the Closing all of Seller's interest in any insurance proceeds which may be payable to Seller on account of any such fire or casualty, less any Reimbursable Amounts, (ii) Seller shall deliver to Purchaser any such proceeds actually theretofore paid, less any Reimbursable Amounts, and (iii) Purchaser shall pay to Seller at the Closing the sum of any Reimbursable Amounts not received by Seller from any insurance proceeds paid to Seller prior to the Closing. The proceeds of rent interruption insurance, if any, shall on the Closing Date be appropriately apportioned between Purchaser and Seller. The term "**Reimbursable Amounts**" means any reasonable amounts (i) actually expended or incurred by Seller in adjusting any insurance claim or negotiating and/or obtaining any condemnation award (including, without limitation, attorneys' fees and expenses) and (ii) actually incurred or expended by or for the account of Seller for the cost of any compliance with laws, protective restoration or emergency or other repairs made by or on behalf of Seller (to the extent Seller has not theretofore been reimbursed by its insurance carriers for such expenditures). Notwithstanding anything otherwise contained herein, if the Existing Mortgagee applies any portion of the proceeds from any casualty toward payment of the indebtedness secured by the Existing Mortgages, then (i) the Purchase Price shall be reduced on a dollar-for-dollar basis in an amount equal to the sum of (A) the portion of such proceeds (if any) allocable to the casualty to any of the existing Buildings

which, under the New York City Landmarks Preservation Law, is subject to a requirement (if any) that such Building must be restored to its physical status as was in effect prior to such casualty, plus (B) the amount by which actual demolition costs to be reasonably incurred by Purchaser in order to demolish the Building(s) affected by the casualty exceed the demolition costs Purchaser would have incurred in order to demolish such Building(s) had no such casualty occurred; provided, however, that the sum of (A) and (B) above shall in no event exceed the amount of the proceeds applied by Existing Mortgagee in connection with this sentence, and (ii) the Purchase Price (and all other terms and conditions hereof) shall be otherwise unaffected. In connection with subclause (i)(B) in the immediately preceding sentence, Seller shall hire an independent, licensed engineer reasonably acceptable to Purchaser who will provide estimates in order to determine whether any reduction in the Purchase Price is warranted in connection with such subclause (i)(B).

12.5 Nothing contained in this Section 12 shall be construed to impose upon Seller any obligation to repair any damage or destruction caused by fire or other casualty or condemnation. For purposes of this Section 12, a taking of a "material" portion of the Property shall mean any taking of, in the aggregate, 20% or more of the Real Property. Upon the occurrence of any condemnation, if Purchaser has the right to terminate the Agreement but has not elected to do so, or upon any casualty, Seller, shall have the exclusive right to negotiate, compromise or contest the obtaining of any insurance proceeds and/or any condemnation awards, provided that Seller shall consult with and keep Purchaser reasonably informed in connection therewith, and the terms of any final award, to the extent to be assigned to Purchaser, shall be subject to Purchaser's approval, which shall not be unreasonably withheld, conditioned or delayed. If Purchaser has elected to terminate this Agreement in the event of a material condemnation, it shall have no rights to approve any award or settlement.

12.6 The provisions of this Section 12 are intended to constitute an express agreement having the effect of superseding the provisions of Section 5-1311 of the New York General Obligations Law.

13. Brokerage.

Seller represents and warrants that it has not dealt with any broker, consultant, finder or like agent who might be entitled to a commission or compensation on account of introducing the parties hereto, the negotiation or execution of this Agreement or the closing of the transactions contemplated hereby other than CB Richard Ellis ("**Seller's Broker**"). Purchaser represents and warrants that it has not dealt with any broker, consultant, finder or like agent who might be entitled to a commission or compensation on account of introducing the parties hereto, the negotiation or execution of this Agreement or the closing of the transactions contemplated hereby other than Seller's Broker, except that, prior to April 14, 2010, Purchaser and Seller dealt with CIT Commercial Real Estate and Massey Knakal Realty Services, Inc. Each party agrees to indemnify and hold harmless the other party from and against all claims, losses, liabilities and expenses, including, without limitation, reasonable attorneys fees and disbursements caused by or arising out of: (a) a breach of the foregoing representation of the indemnifying party; and (b) any claims for any brokerage or sales commissions, consultant's fees, finder's fees or any other similar fees or compensation of any person or entity (other than Seller's obligations to Seller's Broker) claiming to have dealt with, on behalf of, through or

under such indemnifying party. Seller agrees to pay any commission payable to Seller's Broker in connection with this Agreement pursuant to a separate agreement with Seller's Broker. The provisions of this Section 13 shall survive the Closing or the termination of this Agreement. The Seller's Broker may sometimes be referred to in this Agreement as the "**Broker**".

14. Closing Costs.

Unless the Seller is relieved of such obligation pursuant to the Sale Order, or otherwise, at the Closing, Seller shall (unless this transaction be exempted by virtue of Seller's not-for-profit status or otherwise) pay any New York State Real Estate Transfer Tax which may be imposed pursuant to Article 31 and Section 1402 of the New York Tax Law (the "**State Transfer Tax**") and any New York City Real Property Transfer Tax which may be imposed pursuant to Title 11, Chapter 21 of the New York City Administrative Code (the "**City Transfer Tax**"), upon or payable in connection with the transfer of title to the Property and the recordation of the Deed, which State Transfer Tax and City Transfer Tax shall, at Seller's election, be allowed for out of the Purchase Price and paid by Purchaser on behalf of Seller. At the Closing, Seller and Purchaser shall each execute, acknowledge (if appropriate) and deliver the State Transfer Tax Return, the City Transfer Tax Return and the Transfer Report to the Title Company or to the appropriate governmental offices. All such tax payments shall be made payable directly to the order of the appropriate governmental officer or the Title Company. Except as otherwise expressly provided to the contrary in this Agreement, Purchaser shall pay (a) all charges for recording and/or filing the Deed, (b) all title charges and survey costs, including the premium on Purchaser's Title Policy and (c) all other charges incurred by Purchaser. Each of the parties hereto shall bear and pay the fees and disbursements of its own counsel, accountants and other advisors in connection with the negotiation and preparation of this Agreement and the Closing. The provisions of this Section 14 shall survive the Closing or the termination of this Agreement.

15. Notices.

Except as otherwise provided in this Agreement, all notices, demands, requests, consents, approvals or other communications (for the purposes of this Section collectively referred to as "**Notices**") required or permitted to be given hereunder or which are given with respect to this Agreement, in order to constitute effective notice to the other party, shall be in writing and shall be deemed to have been given when (a) personally delivered with signed delivery receipt obtained, (b) when transmitted by facsimile machine, if followed by delivery pursuant to one of the other means set forth in this Section 15 before the end of the first Business Day thereafter, and printed confirmation of the successful transmission to the appropriate facsimile number listed below is obtained by the sender from the sender's facsimile machine, or (c) upon receipt, when sent by prepaid reputable overnight courier, in each case addressed as follows:

If to Seller, to:

Saint Vincents Catholic Medical Centers of New York
450 West 33rd Street, 12th Floor
New York, New York 10001

Attention: Mark E. Toney
Facsimile: (212) 356-4687

with a copy to:

Kramer Levin Naftalis & Frankel LLP
1177 Avenue of the Americas
New York, New York 10036
Attention: Kenneth H. Eckstein, Esq.
Adam C. Rogoff, Esq.
Jay A. Neveloff, Esq.
Neil R. Tucker, Esq.
Facsimile: (212) 715-8229

If to Purchaser, to:

RSV, LLC
345 Park Avenue, 33rd Floor
New York, New York 10154
Attention: William C. Rudin
Facsimile: (212) 407-2687

with a copy to:

Goldfarb & Fleece LLP
345 Park Avenue, 33rd Floor
New York, New York 10154
Attention: Sidney A. Migdon, Esq.
Neal A. Weinstein, Esq.
Facsimile: (212) 751-3738

and

Cole, Schotz, Meisel, Forman & Leonard, P.A.
25 Main Street
Hackensack, New Jersey
Attention: Michael D. Sirota, Esq.
Facsimile: (201) 678-6262

If to Escrow Agent, to:

Kramer Levin Naftalis & Frankel LLP
1177 Avenue of the Americas
New York, New York 10036
Attention: Kenneth H. Eckstein, Esq.
Adam C. Rogoff, Esq.
Jay A. Neveloff, Esq.

Neil R. Tucker, Esq.
Facsimile: (212) 715-8229

Personal delivery to a party or to any officer, partner, member, agent or employee of such party at the foregoing addresses shall constitute receipt. Rejection or other refusal to accept or inability to deliver because of changed address of which no notice has been received shall also constitute receipt. Notices may be sent by the attorneys for the respective parties and each such notice so served shall have the same force and effect as if sent by such party. Notices shall be valid only if served in the manner provided in this Section 15.

16. Assignment.

16.1 Except as otherwise provided in Section 16.2, prior to the Closing, Purchaser may not transfer or assign its rights under this Agreement, or any direct or indirect interest in Purchaser, without Seller's prior written consent, to be given or withheld in Seller's sole and absolute discretion. Notwithstanding the foregoing, at the Closing, Purchaser may, upon prior notice to Seller (i) assign all of its right, title and interest in and to this Agreement, to the extent it pertains to the O'Toole Building, to NS-LIJ or such other party controlled by NS-LIJ ("**O'Toole Building Purchaser**"), provided that O'Toole Building Purchaser assumes all of the rights and obligations of Purchaser under this Agreement, to the extent applicable to the O'Toole Building, and (ii) assign all or a portion of its right, title and interest in and to this Agreement, to the extent it pertains to the Triangle Site, to NS-LIJ or such other party controlled by NS-LIJ ("**Triangle Site Purchaser**"), provided that Triangle Site Purchaser assumes all of the rights and obligations of Purchaser under this Agreement, to the extent applicable to the Triangle Site or such portion thereof. Upon any such assignment, Purchaser shall deliver to Seller instruments evidencing such assignment and assumption, in form and substance reasonably acceptable to Seller. In no event, however, shall Purchaser be released from this Agreement. For purposes of this Section, "control" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such entity, whether through the ownership of voting securities, or by contract or otherwise and/or the direct or indirect ownership of not less than 50% of the equity interests of such entity. Notwithstanding the foregoing, the parties acknowledge that the Triangle Site is one (1) tax lot only and, at Closing, Seller shall deed the Triangle Site in its entirety to Purchaser or Triangle Site Purchaser, as elected by Purchaser.

16.2 Notwithstanding the provisions of Section 16.1, it is understood and agreed that nothing contained in this Agreement shall restrict direct or indirect transfers of equity interests in Purchaser among Rudin Principals (as defined below), provided that (a) either William C. Rudin or Eric C. Rudin is at all times a managing member of Purchaser, and (b) at all times only Rudin Principals shall be managing members of Purchaser (it being understood, however, that for purposes of this clause (b) only, only subclauses (i), (ii) and (iii) of the definition of Rudin Principal shall apply). Each of the following shall qualify as a "**Rudin Principal**": (i) lineal descendants of Samuel Rudin, (ii) the spouses of any of the foregoing (any persons in clauses (i) and/or (ii) are referred to as "**Rudin Family Member(s)**"), (iii) any corporation or other business entity wholly owned and controlled by any Rudin Family Member(s), and (iv) any trust established for the benefit of any Rudin Family Member(s) (provided that the trustees of such trusts either are other Rudin Family Members or are close

advisors of a substantial portion of the Rudin Family Members generally (as reasonably demonstrated to Seller)).

17. Continued Operations.

17.1 Until the Closing or earlier termination of this Agreement, Seller shall (a) operate and maintain the Property in compliance with law and in a manner substantially consistent with the manner in which Seller has operated and maintained the Property immediately prior to the date hereof (it being understood that the East Campus is vacant (other than with respect to the Credit Union Lease) and that, without limitation of Seller's rights under Section 8.1.3 hereof, but subject to the terms of that Section, Seller may remove Personal Property and the Chapel from the Property prior to Closing without replacing same and without Purchaser being entitled to any reduction in or credit against the Purchase Price in connection therewith and without being obligated to make any repairs to the Property relating to such removal), and (b) not enter into new leases for all or any portion of the Property.

17.2 Seller shall promptly notify Purchaser of the institution of any litigation, arbitration, or administrative hearing before any court or governmental agency concerning or affecting the Property.

17.3 Seller shall promptly after the receipt thereof deliver to Purchaser copies of all notices of releases of Hazardous Materials affecting the Property given by or on behalf of any federal, state or local agency.

17.4 Seller shall remove, prior to the Closing, from the Property (in compliance with all applicable Environmental Laws) all Hazardous Materials introduced onto the Property (if any) by Seller after the date hereof. Seller agrees that it shall decommission any abandoned trade fixtures and other personal property that contain Hazardous Materials in compliance with all applicable laws and regulations (including, without limitation, Environmental Laws) in all material respects prior to the Closing Date.

17.5 Seller shall pay all post-petition utility and other service charges accrued for the period from and after the bankruptcy petition date through the date of Closing, to the extent billed therefor, in the normal course.

18. Further Assurances.

The parties each agree to do such other and further acts and things, and to execute and deliver such instruments and documents (not creating any obligations additional to those otherwise imposed by this Agreement, other than to a de minimus extent) as either may reasonably request from time to time, whether prior to, at or after the Closing, in furtherance of the purposes of this Agreement. The provisions of this Section 18 shall survive the Closing.

19. Assignment of Mortgage.

Seller shall endeavor to cause General Electric Capital Corporation, as agent for itself and TD Bank, N.A. (the "**Existing Mortgagee**"), the holder of certain existing mortgages

encumbering the Property on the date hereof (the "**Existing Mortgages**"), to assign the Existing Mortgages, in such amount as may be outstanding as of the Closing Date and is allocated to the Property, (reduced as Purchaser may elect, in its sole discretion), to Purchaser's mortgage lender at the Closing; provided that (i) at least ten (10) Business Days prior to the Closing Date, Purchaser shall provide Seller with the name of Purchaser's lender and the name and contact information of Purchaser's lender's attorneys, (ii) all costs associated with any such assignment shall be borne by the Purchaser, (iii) Purchaser's mortgage lender is willing to accept the Existing Mortgagee's assignment of the Existing Mortgages, and (iv) Purchaser shall pay to Seller in cash at the Closing an amount equal to one-half (1/2) of the applicable mortgage recording tax that would have otherwise been payable by Purchaser in connection with its mortgage financing absent the assignment of the Existing Mortgages to Purchaser's mortgage lender.

20. Escrow.

20.1 Escrow Agent shall hold and disburse the Down Payment in accordance with the following provisions:

20.1.1 Escrow Agent shall have the right, but not the obligation, to invest the Down Payment in savings accounts, treasury bills, certificates of deposit and/or in other money market instruments, or in funds investing in any of the foregoing, and shall not be liable for any losses suffered in connection with any such investment.

20.1.2 If the Closing occurs, then Escrow Agent shall deliver the Down Payment to Seller.

20.1.3 If Escrow Agent receives a notice signed by Purchaser or Seller (the "**Noticing Party**") stating that this Agreement has been canceled or terminated and that the Noticing Party is entitled to the Down Payment, or that the other party hereto (the "**Non-Noticing Party**") has defaulted in the performance of its obligations hereunder, Escrow Agent shall deliver a copy of such notice to the Non-Noticing Party. The Non-Noticing Party shall have the right to object to such request for the Down Payment by notice of objection delivered to and received by Escrow Agent within ten (10) days after the date of Escrow Agent's delivery of such copy to the Non-Noticing Party, but not thereafter. If Escrow Agent shall not have so received a notice of objection from the Non-Noticing Party, Escrow Agent shall deliver the Down Payment to the Noticing Party. If Escrow Agent shall have received a notice of objection from the Non-Noticing Party within the time herein prescribed, Escrow Agent shall, at its sole option, either (i) deliver to a court of competent jurisdiction the Down Payment; or (ii) retain the Down Payment until one of the following events shall have occurred: (a) the Non-Noticing Party shall have failed to commence an action in a court of competent jurisdiction against the Noticing Party to resolve why the Noticing Party shall not be entitled to the payment of the Down Payment within sixty (60) days after delivery of the Noticing Party's notice, by serving a summons and complaint on the Noticing Party and delivering to Escrow Agent a copy thereof, together with an affidavit of service within such sixty (60) day period, in which event Escrow Agent shall pay over the Down Payment to the Noticing Party; (b) there shall have been served upon Escrow Agent an order or judgment duly entered in a court of competent jurisdiction setting forth the manner in which the Down Payment is to be paid out and delivered, in which event Escrow Agent shall deliver the Down Payment as set forth in such order or

judgment; or (c) Seller and Purchaser shall have delivered to Escrow Agent a joint statement executed by both Seller and Purchaser setting forth the manner in which the Down Payment is to be paid out and delivered, in which event Escrow Agent shall deliver the Down Payment as set forth in such statement. Escrow Agent shall not be or become liable in any way to any person for its refusal to comply with any such requests or demands by Seller and Purchaser until and unless it has received a direction of the nature described above.

20.2 Any notice to Escrow Agent shall be sufficient only if received by Escrow Agent within the applicable time period set forth herein. All mailings and notices from Escrow Agent to Seller and/or Purchaser, or from Seller and/or Purchaser to Escrow Agent, provided for in this Section 20 shall be addressed to the party to receive such notice at its notice address set forth in Section 15 above (with copies to be similarly sent to the additional persons therein indicated).

20.3 Notwithstanding the foregoing, if Escrow Agent shall have received a notice of objection as provided for in Section 20.1.3 above within the time therein prescribed, or shall have received at any time before actual disbursement of the Down Payment a notice signed by either Seller or Purchaser disputing entitlement to the Down Payment or shall otherwise believe in good faith at any time that a disagreement or dispute has arisen between the parties hereto over entitlement to the Down Payment (whether or not litigation has been instituted), Escrow Agent shall have the right, upon notice to both Seller and Purchaser, (a) to deposit the Down Payment with the Clerk of the Court in which any litigation is pending and/or (b) to take such reasonable affirmative steps as it may, at its option, elect in order to terminate its duties as Escrow Agent, including, without limitation, the depositing of the Down Payment with a federal or state court of competent jurisdiction sitting in the City, County and State of New York and the commencement of an action for interpleader, the costs thereof to be borne by whichever of Seller or Purchaser is the losing party, and thereupon Escrow Agent shall be released of and from all liability hereunder except for any previous gross negligence or willful misconduct, and/or (c) retain the Down Payment until jointly instructed by Seller and Purchaser.

20.4 Escrow Agent is acting hereunder without charge as an accommodation to Purchaser and Seller, it being understood and agreed that Escrow Agent shall not be liable for any error in judgment or any act done or omitted by it in good faith or pursuant to court order, or on advice of counsel (including from its own firm) or for any mistake of fact or law. Escrow Agent shall not incur any liability in acting upon any document or instrument believed thereby to be genuine. Escrow Agent is hereby released and exculpated from all liability hereunder, except only for willful misconduct or gross negligence. Escrow Agent may assume that any person purporting to give it any notice on behalf of any party has been authorized to do so. Escrow Agent shall not be liable for, and Purchaser and Seller hereby jointly and severally agree to indemnify Escrow Agent against, any loss, liability or expense, including reasonable attorneys' fees (either paid to retained attorneys or, representing the fair value of legal services rendered by Escrow Agent to itself), arising out of any dispute under this Agreement, including the cost and expense of defending itself against any claim arising hereunder.

20.5 Purchaser acknowledges that Escrow Agent is also the attorneys for Seller, and Purchaser agrees that such attorneys may perform both roles and Purchaser has no objections thereto. Such counsel may continue to act as Seller's counsel in connection with this or any

other matter, including, without limitation, any dispute over the Down Payment, and still remain as Escrow Agent.

21. Development Plan.

21.1 Applications and Approvals.

21.1.1 (a) Promptly following the mutual execution and delivery hereof, Purchaser and Seller shall (i) work cooperatively (it being understood, however, that (subject to the provisions hereof) Purchaser shall take the lead in preparing the applications and seeking to obtain the approvals hereafter described) to reasonably and expeditiously apply for and obtain all necessary land use approvals from the Landmarks Preservation Commission ("**LPC**"), the City Planning Commission and, if necessary, the Board of Standards and Appeals (the applications therefor, collectively, the "**Land Use Applications**"; and the approval thereof, collectively, the "**Land Use Approvals**", and each such approval, a "**Land Use Approval**") for redevelopment of the East Campus and to the extent necessary for the Triangle Site to permit the development of approximately 590,660 of zoning floor area ("**ZFA**") comprised of approximately 559,409 of residential ZFA, 20,390 of community facility or commercial ZFA and 10,861 of retail ZFA to be located on the East Campus, with it intended that, in all events, the project, when constructed, will be a residential/mixed-use luxury development; (ii) cooperate with North Shore-Long Island Jewish Health Care System ("**NS-LIJ**") in connection with the pursuit of a Certificate of Appropriateness from LPC for the O'Toole Building (the "**NS-LIJ LPC O'Toole Building Application**") and for its portion of the Triangle Site (the "**NS-LIJ LPC Triangle Site Application**"; collectively, the "**NS-LIJ LPC Applications**" and LPC's approval of such LPC Applications, the "**NS-LIJ LPC Approvals**"); (iii) cooperate with NS-LIJ in connection with the pursuit of all Department of Health ("**DOH**") and other regulatory approvals (collectively with the NS-LIJ LPC Approvals, the "**O'Toole Building Approvals**") necessary for NS-LIJ to operate a medical facility in the existing Building on the O'Toole Building; and (iv) cooperate with NS-LIJ in connection with any application for a Certificate of Need, which application is anticipated to (a) provide for at least $100,000,000 of building improvements (including soft costs and the costs for seeking approvals) to the O'Toole Building, and (b) demonstrate to the reasonable satisfaction of DOH that NS-LIJ has the financial capability necessary to consummate all contemplated improvements and to operate the proposed facility.

(b) Seller hereby (i) designates Mark E. Toney and Steven R. Korf (each such person, a "**Seller Representative**"), acting separately, to act as its authorized representative in connection with the process of obtaining the approvals described in this Section 21.1.1 and all matters relating thereto (collectively, the "**Approvals Process**"), and (ii) confirms and agrees that each Seller Representative, acting separately, has the complete, requisite and unrestricted authority to bind Seller in all matters relating to the Approvals Process.

(c) Purchaser hereby (i) designates William C. Rudin, Eric C. Rudin and John J. Gilbert, III (each such person, a "**Rudin Representative**"), acting separately, to act as its authorized representative in connection with the Approvals Process, and (ii) confirms and agrees that each Rudin Representative, acting separately, has the complete, requisite and unrestricted authority to bind Purchaser in all matters relating to the Approvals Process.

(d) Seller agrees that Seller's obligation to cooperate with Purchaser in connection with the Approvals Process shall include, without limitation: (i) the signing of requested applications (which shall, in all events, be subject to Seller's approval, not to be unreasonably withheld), (ii) the submission of reasonably requested documentation or providing reasonably requested information; provided that if, during the Approvals Process, Seller is requested by Purchaser to obtain from any "party in interest" (as that term is defined in Section 12-10 of the Zoning Resolution) in the Real Property documentation evidencing either the consent of a party in interest or a party in interest's agreement to waive such consent in connection with the Land Use Applications, Seller will be obligated to take no more than commercially reasonable steps to obtain such consents (it being understood that a dispute regarding whether Seller has taken commercially reasonable steps to obtain such consents shall be resolved in the same manner as a Cooperation Dispute (as defined below), and shall be Purchaser's sole and exclusive remedy in connection with any such dispute), it being the intent of this proviso that (y) Seller will not be required to expend funds (unless reimbursed by Purchaser) or modify existing financial obligations in order to obtain such consents or waivers and (z) its failure to obtain such consents or waivers notwithstanding having taken commercially reasonable steps shall not constitute a Cooperation Dispute as defined in the following subparagraph (e), and (iii) as and when reasonably requested by Purchaser in connection with the Approvals Process, the making of appropriate personal appearances by Seller Representatives, provided that Purchaser and Seller shall reasonably cooperate in scheduling any such personal appearances and/or all other meetings in connection with the Approvals Process.

(e) In the event that either (i) Purchaser (and/or NS-LIJ) shall request, in writing, cooperation from Seller in providing any reasonable authorization or approvals or in submitting reasonable documentation or providing reasonable information, and Seller shall fail to so cooperate with such request within five (5) Business Days of such written request, or (ii) Purchaser (and/or NS-LIJ) gives Seller reasonable written notice of a required personal appearance by a Seller Representative (or anyone else on behalf of Seller), and no Seller Representative or other person makes such personal appearance (such failure to cooperate or appear, a "**Cooperation Dispute**"), the parties agree that (x) the Bankruptcy Court shall retain exclusive jurisdiction to adjudicate and resolve any and all disputes arising out of such Cooperation Dispute, (y) given the parties' recognition of the importance of quickly resolving a Cooperation Dispute, the parties consent to the Bankruptcy Court holding a hearing on a Cooperation Dispute on three (3) Business Days' notice, subject to the Bankruptcy Court's availability, and (z) the Sale Order shall provide for each of the forgoing provisions of clause (x) and (y) of this Section 21.1.1(e); provided, however, that appearances by Seller are subject to Seller's reasonable availability, and Purchaser shall not seek recourse to the Bankruptcy Court to compel Seller to make a personal appearance so long as the Seller Representatives are reasonably unavailable on the date such appearance is requested. The remedy of Purchaser set forth in this Section 21.1.1(e) shall be Purchaser's sole and exclusive remedy in connection with a Cooperation Dispute.

21.1.2 The Land Use Applications shall contemplate using a part of the Triangle Site for open space. No additional buildable square footage ("**FAR**") will be added (from any source) to the existing FAR of the Triangle Site. The existing or any reconfigured materials handling building on the Triangle Site will be used as part of the facility located on the

O'Toole Building or for other non-profit, community based uses, or may be converted in whole or part to open space, as required or allowed by the O'Toole Building Approvals and/or the Land Use Approvals. Seller shall not be required to expend any sums in connection with the development or use of the Triangle Site, it being understood and agreed that Purchaser shall bear all costs necessary to cause the Triangle Site to satisfy all governmental (including any DOH) requirements, including all costs of obtaining the Land Use Approvals and the O'Toole Building Approvals as provided for in Section 21.1.4 hereof. Without limitation of the foregoing, the cost of providing any public amenity required as part of the Land Use Approvals and/or O'Toole Building Approvals shall be the responsibility of Purchaser.

21.1.3 The date on which the Department of City Planning certifies that the Land Use Applications are complete and ready for public review through the ULURP process is referred to herein as the "**Certification Date**". Subject to Section 10.3 hereof, the parties shall use reasonable efforts to achieve a Certification Date on or prior to May 1, 2011. The date on which all of the Land Use Approvals are obtained is known as the "**Approvals Date**".

21.1.4 Except as set forth in the immediately following sentence, Purchaser shall be obligated to pay all costs and expenses associated with the Land Use Approvals, the O'Toole Building Approvals, and any other approvals in connection with the development of the Property, including, without limitation, all costs and expenses which may be incurred by Purchaser or Seller with respect to an environmental impact statement, land use filing fees, State Historic Preservation Office interactions and any other applications and submissions and all plans and specifications prepared in connection therewith, and for all architects, consultants, attorneys and other parties retained in connection with the foregoing (Seller hereby acknowledging that no such costs and expenses are due to Seller as of the date of this Agreement). Seller shall only be responsible for paying (i) legal fees and costs incurred by Seller in retaining its own land use counsel, transaction counsel and bankruptcy counsel, and (ii) Seller's Broker. All costs and expenses payable by Purchaser hereunder are to be paid within 30 days of invoice from Seller (or, if for filing fees, shall be prepaid to Seller within 10 days after Seller's request).

21.1.5 All applications, filings and approvals contemplated hereunder (other than the O'Toole Building Approvals, to the extent required by DOH), shall be in the name of Seller and Purchaser (or NS-LIJ, if requested) as co-applicants, in each case, to the extent permissible under applicable law and agency procedure.

21.1.6 If this Agreement is terminated by reason of a default by Purchaser hereunder or if the Closing has not occurred (for any reason whatsoever except for Seller's default at the Closing) on or prior to the Closing Date, then Purchaser shall promptly perform any and all acts necessary to cause and/or confirm that complete and sole ownership and control of all applications and filings relating to the Land Use Approvals and O'Toole Building Approvals and all permits and approvals obtained or to be obtained in connection therewith, is vested solely in Seller or its designee (or designees) (including any replacement health care provider, as applicable), and that all of the foregoing together with any submissions made by Purchaser or any affiliate may be used by Seller or other parties for the development or sale of the Property by Seller. Without limiting the foregoing, in the event this Agreement is terminated due to Purchaser's default hereunder, Purchaser shall promptly perform any and all acts

necessary to cause and/or confirm that complete and sole ownership and control of all plans relating to the Land Use Approvals and O'Toole Building Approvals is vested solely in Seller or its designee (or designees).

21.1.7 Promptly following the Closing of the transaction, Seller shall remove itself from all applications and filings relating to the approvals described in this Section 21, and Seller agrees that Purchaser is authorized to do so on Seller's behalf.

21.2 The Deed to the O'Toole Purchaser and Triangle Site Purchaser shall provide that, in the event that the O'Toole Purchaser has not obtained a Certificate of Need with respect to the medical facility within twelve (12) months after receiving title to the O'Toole Building, the O'Toole Purchaser and Triangle Site Purchaser will promptly convey title to the O'Toole Building and that portion of the Triangle Site conveyed to Triangle Site Purchaser, as applicable, to Purchaser or to another health care provider as Purchaser may direct.

21.3 The provisions of this Section 21 shall survive the Closing or earlier termination of this Agreement.

22. Miscellaneous.

22.1 Except as otherwise expressly set forth in this Agreement, the provisions of this Agreement shall not survive the Closing.

22.2 This Agreement shall be governed by, interpreted under, and construed and enforced in accordance with, the laws of the State of New York.

22.3 This Agreement may be executed in counterparts, each of which shall be deemed an original.

22.4 The captions are for convenience of reference only and shall not affect the construction to be given any of the provisions hereof.

22.5 This Agreement (including all exhibits annexed hereto), contains the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior understandings, if any, with respect thereto.

22.6 This Agreement may not be modified, changed, supplemented or terminated, nor may any obligations hereunder be waived, except by written instrument signed by the party to be charged.

22.7 The parties do not intend to confer any benefit hereunder on any person, firm or corporation other than the parties hereto.

22.8 No waiver of any breach of any agreement or provision herein contained shall be deemed a waiver of any preceding or succeeding breach thereof or of any other agreement or provision herein contained. No extension of time for performance of any obligations or acts shall be deemed an extension of the time for performance of any other obligations or acts.

22.9 The parties hereto agree that neither this Agreement nor any memorandum or notice hereof shall be recorded.

22.10 All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine or neuter, singular or plural, as the identity of the parties may require. If Purchaser consists of two or more parties, the liabilities of such parties shall be joint and several.

22.11 As used herein, the term "**Business Day**" means any day of the year on which banks are not required or authorized by law to close in New York City.

22.12 This Agreement shall bind and inure to the benefit of Seller, Purchaser and their respective permitted successors and assigns.

22.13 This Agreement may be executed and delivered by electronic or facsimile transmission and such transmission of the Agreement shall be treated as an original.

22.14 Any term or provision of this Agreement which is invalid or unenforceable will be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement. If any provision of this Agreement is so broad as to be unenforceable, the provision will be interpreted to be only so broad as is enforceable.

22.15 If any action is brought by either party against the other in connection with or arising out of this Agreement or any of the documents and instruments delivered in connection herewith or in connection with the transactions contemplated hereby, the prevailing party shall be entitled to recover from the other party reasonable attorneys' fees and expenses incurred in connection with the prosecution or defense of such action.

22.16 (a) Any legal action or proceeding with respect to this Agreement shall be brought in the Bankruptcy Court and by execution and delivery of this Agreement, each party to this Agreement hereby accepts, generally and unconditionally, the jurisdiction of the Bankruptcy Court. Each party to this Agreement hereby expressly and irrevocably submits the person of such party to this Agreement to the in personam jurisdiction of the Bankruptcy Court in any suit, action or proceeding arising, directly or indirectly, out of or relating to this Agreement. To the extent permitted under applicable law, this consent to personal jurisdiction shall be self-operative and no further instrument or action, other than service of process in one of the manners specified in this Agreement or as otherwise permitted by law, shall be necessary in order to confer jurisdiction upon the person of such party to this Agreement in the Bankruptcy Court.

(b) To the fullest extent permitted under applicable law, each party to this Agreement irrevocably waives and agrees not to assert, by way of motion, as a defense or otherwise, any objection which may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in the Bankruptcy Court and any claim that any such suit, action or proceeding has been brought in an inconvenient forum, any claim that it is not personally subject to the jurisdiction of the Bankruptcy Court or that this Agreement or the subject matter hereof may not be enforced in or by the Bankruptcy Court.

22.17 SELLER AND PURCHASER HEREBY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER ARISING IN TORT OR CONTRACT) BROUGHT BY SUCH PARTY AGAINST THE OTHER ON ANY MATTER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT.

22.18 To the extent applicable, all of the foregoing provisions of this Section 22 shall survive the Closing or the earlier termination of this Agreement.

23. Limitation of Liability.

Notwithstanding anything to the contrary contained in this Agreement, it is understood and agreed that none of the employees, directors, officers, members, partners, managers, principals, consultants, shareholders, advisors, attorneys, or agents of Seller, or any other person or entity, shall have any personal liability or obligation whatsoever for any obligations under this Agreement or under any documents delivered at Closing, and the individual assets of such parties shall not be subject to any claims of any person relating to such obligations. Notwithstanding anything to the contrary contained in this Agreement, it is understood and agreed that none of the employees, directors, officers, members, partners, managers, principals, consultants, shareholders, advisors, attorneys or agents of Purchaser, or any other person, shall have any personal liability or obligation whatsoever for any obligations under this Agreement or under any documents delivered at Closing, and the individual assets of such parties shall not be subject to any claims of any person relating to such obligations. However, the foregoing shall not in any way limit the parties' obligations and liabilities under this Agreement. The provisions of this Section 23 shall survive the Closing or any early termination of this Agreement.

24. No Offer; Effectiveness.

This Agreement shall not be deemed an offer or binding upon Seller or Purchaser until this Agreement is fully executed and delivered by Seller and Purchaser. Upon mutual execution and delivery of this Agreement, this Agreement shall be immediately effective, subject to Section 9 hereof.

25. Original Agreement.

Effective upon entry of the Sale Order, the Original Agreement is hereby amended and restated in its entirety as set forth in this Agreement. Unless the conditions expressly set forth in Section 9.4 hereof with respect to Sale Order have not been satisfied (and same is not due to the fault of Purchaser) or this Agreement has been terminated due to a default by Seller hereunder, each party hereby (i) acknowledges and agrees that this Agreement fully resolves and settles all claims, rights and obligations of the parties under the Original Agreement, and (ii) releases, acquits and forever discharges the other party (including all Seller Related Parties and all Purchaser Related Parties) from any and all claims, demands, sums of money, actions, causes of action, suits, contracts, covenants, controversies, agreements, obligations, promises, defenses, offsets, damages, judgments and liabilities of any kind or character whatsoever, known or unknown, in contract or in tort, at law or in equity, including such claims as fraud, mistake and duress, which such party or its successors and assigns ever had, now has,

or might hereafter have against the other party (including all Seller Related Parties and all Purchaser Related Parties), for, upon or by reason of any matter, cause or thing whatsoever relating to, in connection with or arising from the Original Agreement. For the avoidance of doubt, only in the event (i) the conditions expressly set forth in Section 9.4 hereof with respect to Sale Order have not been satisfied (and same is not due to the fault of Purchaser) or (ii) Seller defaults in its obligations and, as a result the Closing does not occur, then Purchaser reserves all of its rights under the Original Agreement (before the amendment and restated effected by this Agreement) and the June 5, 2007 Order.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the day and year first above written.

SELLER:

SAINT VINCENTS CATHOLIC MEDICAL CENTERS OF NEW YORK,
a New York not-for-profit corporation

By: _____
Name: MARK E. TOWEY
Title: CRO

PURCHASER:

RSV, LLC, a Delaware limited liability company

By: _____
Name:
Title:

ESCROW AGENT:

SOLELY FOR THE PURPOSES OF CONFIRMING THE PROVISIONS OF SECTIONS 7.3 AND 20:

Kramer Levin Naftalis & Frankel LLP

By: _____
Name: KENNETH ECKSTEIN
Title: PARTNER

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the day and year first above written.

SELLER:

SAINT VINCENTS CATHOLIC MEDICAL CENTERS OF NEW YORK,
a New York not-for-profit corporation

By:_____
Name:
Title:

PURCHASER:

RSV, LLC, a Delaware limited liability company

By:_____
Name: William C. Rudin
Title: Managing Member

ESCROW AGENT:

SOLELY FOR THE PURPOSES OF CONFIRMING THE PROVISIONS OF SECTIONS 7.3 AND 20:

Kramer Levin Naftalis & Frankel LLP

By:_____
Name:
Title:

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Schedule A

Legal Description

Triangle Site (Block 617 Lot 1):

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, County and State of New York, bounded and described as follows:

BEGINNING at the corner formed by the intersection of the southerly side of West 12th Street with the westerly side of Seventh Avenue;

RUNNING THENCE westerly along the southerly side of 12th Street, 212 feet 7-1/2 inches to the corner formed by the intersection of the southerly side of 12th Street and the northeasterly side of Greenwich Avenue;

THENCE southeasterly along the northeasterly side of Greenwich Avenue, 264 feet 2-3/4 inches to the corner formed by the intersection of the said northeasterly side of Greenwich Avenue and the westerly side of Seventh Avenue; and

THENCE northerly along the westerly side of Seventh Avenue, 156 feet 10-1/2 inches to the point or place of BEGINNING.

O'Toole Building (Block 617 Lot 55):

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, County of New York, City of New York and State of New York, bounded and described as follows:

BEGINNING at the corner formed by the intersection of the northerly side of West 12th Street and the westerly side of Seventh Avenue;

RUNNING THENCE westerly along the northerly side of West 12th Street, 200 feet;

THENCE northerly parallel with Seventh Avenue, 103 feet 3 inches to the center line of the block;

THENCE easterly along the center line of the block and parallel with West 12th Street, 50 feet;

THENCE northerly parallel with Seventh Avenue, 103 feet 3 inches to the southerly side of West 13th Street;

THENCE easterly along the southerly side of West 13th Street, 150 feet to the corner formed by the intersection of the southerly side of West 13th Street and the westerly side of Seventh Avenue;

THENCE southerly along the westerly side of Seventh Avenue, 206 feet 6 inches to the corner formed by the intersection of the northerly side of West 12th Street and the westerly side of Seventh Avenue, the point or place of BEGINNING.

East Campus (Block 607 Lot 1):

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, County, City and State of New York, bounded and described as follows:

BEGINNING at the corner formed by the intersection of the easterly side of 7th Avenue with the northerly side of West 11th Street;

RUNNING THENCE easterly along the northerly side of West 11th Street, 425 feet;

THENCE northerly parallel with the easterly side of 7th Avenue and part of the way through a party wall, 103 feet 3 inches to the center line of the block;

THENCE easterly along the center line of the block, 50 feet;

THENCE northerly again parallel with the easterly side of 7th Avenue, 103 feet 3 inches to the southerly side of West 12th Street, at a point therein distant 475 feet easterly from the easterly side of 7th Avenue; and

THENCE westerly along the southerly side of West 12th Street, 475 feet to the corner formed by the intersection of the said southerly side of West 12th Street with the easterly side of 7th Avenue;

THENCE southerly along the said easterly side of 7th Avenue, 206 feet 6 inches to the first mentioned corner, the point or place of BEGINNING.

Together with all right, title and interest of, in and to any streets and roads abutting the above described premises, to the center line thereof.

Schedule B

Leases

Leases at O'Toole Building

Unit #	Occupant	Notes:
200	Dr. Gwen Engelhard	Pre-Petition Occupant
401	Frederick E. Helbig M.D.	Pre-Petition Occupant
409	Frederick Brookman, D.P.M.	Pre-Petition Occupant
410	John J. Maggio, MD	Pre-Petition Occupant
411	J.SONSNER & S.SAMBATARO	Pre-Petition Occupant
418	Dr. Albert DeFabritus	Pre-Petition Occupant
421	Dr. David Feldman	Pre-Petition Occupant
416/422/424	John J. Khadem, MD	Pre-Petition Occupant
403/423	John F. Romano, M.D. LLP	Pre-Petition Occupant
425	Dr. Richard Woronoff	Pre-Petition Occupant
502	Thomas Haher, MD, Andrew Merola, MD, Daniel Caligiuri, MD, and Dr. Steven Tuoliopoulos, MD	Pre-Petition Occupant
504	Dr. Peter Sollaccio	Pre-Petition Occupant
506	Dr. Robert D'Amico	Pre-Petition Occupant
507	Dr. David Younger	Pre-Petition Occupant
510	Dr. Connie Dimari and Dr. Denise Sanfillippo	Pre-Petition Occupant
511	William R. Grace M.D.	Pre-Petition Occupant
514	Dr. Hillel Marans	Pre-Petition Occupant
515	Theresa Tretter, MD	Pre-Petition Occupant
522	Manhattan Colorectal Surgeons, L.L.C.	Pre-Petition Occupant
Multiple	The St. Luke's-Roosevelt Hospital (Clinic)	Post-Petition Occupant
Multiple	The Mount Sinai Hospital (Clinic)	Post-Petition Occupant

Leases at East Campus

Unit #	Occupant	Notes:
C44, C33	St. Vincents Employee Federal Credit Union	Cronin Building

Exhibit A

Pro Forma Title Policy

Commonwealth
LAND TITLE INSURANCE COMPANY

Policy Number: [illegible]

OWNER'S POLICY OF TITLE INSURANCE

Issued by

Commonwealth Land Title Insurance Company

Any notice of claim and any other notice or statement in writing required to be given to the Company under this Policy must be given to the Company at the address shown in Section 18 of the Conditions.

COVERED RISKS

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B, AND THE CONDITIONS, COMMONWEALTH LAND TITLE INSURANCE COMPANY, a Nebraska corporation (the "Company") insures, as of Date of Policy and, to the extent stated in Covered Risks 9 and 10, after Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured by reason of:

1. Title being vested other than as stated in Schedule A.
2. Any defect in or lien or encumbrance on the Title. This Covered Risk includes but is not limited to insurance against loss from
   (a) A defect in the Title caused by
      (i) forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;
      (ii) failure of any person or Entity to have authorized a transfer or conveyance;
      (iii) a document affecting Title not properly created, executed, witnessed, sealed, acknowledged, notarized, or delivered;
      (iv) failure to perform those acts necessary to create a document by electronic means authorized by law;
      (v) a document executed under a falsified, expired, or otherwise invalid power of attorney;
      (vi) a document not properly filed, recorded, or indexed in the Public Records including failure to perform those acts by electronic means authorized by law; or
      (vii) a defective judicial or administrative proceeding.
   (b) The lien of real estate taxes or assessments imposed on the Title by a governmental authority due or payable, but unpaid.
   (c) Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land. The term "encroachment" includes encroachments of existing improvements located on the Land onto adjoining land, and encroachments onto the Land of existing improvements located on adjoining land.
3. Unmarketable Title.
4. No right of access to and from the Land.
5. The violation or enforcement of any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
   (a) the occupancy, use, or enjoyment of the Land;
   (b) the character, dimensions, or location of any improvement erected on the Land;
   (c) the subdivision of land; or
   (d) environmental protection

   if a notice, describing any part of the Land, is recorded in the Public Records setting forth the violation or intention to enforce, but only to the extent of the violation or enforcement referred to in that notice.

6. An enforcement action based on the exercise of a governmental police power not covered by Covered Risk 5 if a notice of the enforcement action, describing any part of the Land, is recorded in the Public Records, but only to the extent of the enforcement referred to in that notice.

7. The exercise of the rights of eminent domain if a notice of the exercise, describing any part of the Land, is recorded in the Public Records.

8. Any taking by a governmental body that has occurred and is binding on the rights of a purchaser for value without Knowledge.

9. Title being vested other than as stated in Schedule A or being defective

   (a) as a result of the avoidance in whole or in part, or from a court order providing an alternative remedy, of a transfer of all or any part of the title to or any interest in the Land occurring prior to the transaction vesting Title as shown in Schedule A because that prior transfer constituted a fraudulent or preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws; or

   (b) because the instrument of transfer vesting Title as shown in Schedule A constitutes a preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws by reason of the failure of its recording in the Public Records
   (i) to be timely, or
   (ii) to impart notice of its existence to a purchaser for value or to a judgment or lien creditor.

10. Any defect in or lien or encumbrance on the Title or other matter included in Covered Risks 1 through 9 that has been created or attached or has been filed or recorded in the Public Records subsequent to Date of Policy and prior to the recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The Company will also pay the costs, attorneys' fees, and expenses incurred in defense of any matter insured against by this Policy, but only to the extent provided in the Conditions.

IN WITNESS WHEREOF, COMMONWEALTH LAND TITLE INSURANCE COMPANY has caused this policy to be signed and sealed by its duly authorized officers.

COMMONWEALTH LAND TITLE INSURANCE COMPANY

SEAL

By: _____ President

ATTEST _____ Secretary

Countersigned: _____
Authorized Signature

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
   (i) the occupancy, use, or enjoyment of the Land;
   (ii) the character, dimensions, or location of any improvement erected on the Land;
   (iii) the subdivision of land; or
   (iv) environmental protection;
   or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
   (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters :
   (a) created, suffered, assumed, or agreed to by the Insured Claimant;
   (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
   (c) resulting in no loss or damage to the Insured Claimant;
   (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
   (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
   (a) a fraudulent conveyance or fraudulent transfer; or
   (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

CONDITIONS

1. DEFINITION OF TERMS

The following terms when used in this policy mean:

(a) "Amount of Insurance": The amount stated in Schedule A, as may be increased or decreased by endorsement to this policy, increased by Section 8(b), or decreased by Sections 10 and 11 of these Conditions.

(b) "Date of Policy": The date designated as "Date of Policy" in Schedule A.

(c) "Entity": A corporation, partnership, trust, limited liability company, or other similar legal entity.

(d) "Insured": The Insured named in Schedule A.
   (i) The term "Insured" also includes
      (A) successors to the Title of the Insured by operation of law as distinguished from purchase, including but not limited to heirs, devisees, personal representatives, or trustees;
      (B) successors to an Insured by dissolution, merger, consolidation, distribution, or reorganization;
      (C) successors to an Insured by its conversion to another kind of Entity;
      (D) a grantee of an Insured under a deed delivered without payment of actual valuable consideration conveying the Title.
         (1) if the stock, shares, memberships, or other equity interests of the grantee are wholly-owned by the named Insured,
         (2) if the grantee wholly owns the named Insured,
         (3) if the grantee is wholly-owned by an affiliated Entity of the named Insured, provided the affiliated Entity and the named Insured are both wholly-owned by the same person or Entity, or
         (4) if the grantee is a trustee or beneficiary of a trust created by a written instrument established by the Insured named in Schedule A for estate planning purposes.
   (ii) With regard to (A), (B), (C), and (D) reserving, however, all rights and defenses as to any successor that the Company would have had against any predecessor Insured.

(e) "Insured Claimant": An Insured claiming loss or damage.

(f) "Knowledge" or "Known": Actual knowledge, not constructive knowledge or notice that may be imputed to an Insured by reason of the Public Records or any other records that impart constructive notice of matters affecting the Title.

(g) "Land": The land described in Schedule A, and affixed improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate, or easement in abutting streets, roads, avenues, alleys, lanes, ways, or waterways, but this does not modify or limit the extent that a right of access to and from the Land is insured by this policy.

(h) "Mortgage": Mortgage, deed of trust, trust deed, or other security instrument, including one evidenced by electronic means authorized by law.

(i) "Public Records": Records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge. With respect to Covered Risk 5(d), "Public Records" shall also include environmental protection liens filed in the records of the clerk of the United States District Court for the district where the Land is located.

(j) "Title": The estate or interest described in Schedule A.

(k) "Unmarketable Title": Title affected by an alleged or apparent matter that would permit a prospective purchaser or lessee of the Title or lender on the Title to be released from the obligation to purchase, lease, or lend if there is a contractual condition requiring the delivery of marketable title.

2. CONTINUATION OF INSURANCE

The coverage of this policy shall continue in force as of Date of Policy in favor of an Insured, but only so long as the Insured retains an estate or interest in the Land, or holds an obligation secured by a purchase money Mortgage given by a purchaser from the Insured, or only so long as the Insured shall have liability by reason of warranties in any transfer or conveyance of the Title. This policy shall not continue in force in favor of any purchaser from the Insured of either (i) an estate or interest in the Land, or (ii) an obligation secured by a purchase money Mortgage given to the Insured.

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT

The Insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in Section 5(a) of these Conditions, (ii) in case Knowledge shall come to an Insured hereunder of any claim of title or interest that is adverse to the Title, as insured, and that might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if the Title, as insured, is rejected as Unmarketable Title. If the Company is prejudiced by the failure of the Insured Claimant to provide prompt notice, the Company's liability to the Insured Claimant under the policy shall be reduced to the extent of the prejudice.

4. PROOF OF LOSS

In the event the Company is unable to determine the amount of loss or damage, the Company may, at its option, require as a condition of payment that the Insured Claimant furnish a signed proof of loss. The proof of loss must describe the defect, lien, encumbrance, or other matter insured against by this policy that constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage.

5. DEFENSE AND PROSECUTION OF ACTIONS

(a) Upon written request by the Insured, and subject to the options contained in Section 7 of these Conditions, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an Insured in litigation in which any third party asserts a claim covered by this policy adverse to the Insured. This obligation is limited to only those stated causes of action alleging matters insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the Insured to object for reasonable cause) to represent the Insured as to those stated causes of action. It shall not be liable for and will not pay the fees of any other

counsel. The Company will not pay any fees, costs, or expenses incurred by the Insured in the defense of those causes of action that allege matters not insured against by this policy.

(b) The Company shall have the right, in addition to the options contained in Section 7 of these Conditions, at its own cost, to institute and prosecute any action or proceeding or to do any other act that in its opinion may be necessary or desirable to establish the Title, as insured, or to prevent or reduce loss or damage to the Insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable to the Insured. The exercise of these rights shall not be an admission of liability or waiver of any provision of this policy. If the Company exercises its rights under this subsection, it must do so diligently.

(c) Whenever the Company brings an action or asserts a defense as required or permitted by this policy, the Company may pursue the litigation to a final determination by a court of competent jurisdiction, and it expressly reserves the right, in its sole discretion, to appeal any adverse judgment or order.

6. DUTY OF INSURED CLAIMANT TO COOPERATE

(a) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding and any appeals, the Insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, including the right to use, at its option, the name of the Insured for this purpose. Whenever requested by the Company, the Insured, at the Company's expense, shall give the Company all reasonable aid (i) in securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act that in the opinion of the Company may be necessary or desirable to establish the Title or any other matter as insured. If the Company is prejudiced by the failure of the Insured to furnish the required cooperation, the Company's obligations to the Insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.

(b) The Company may reasonably require the Insured Claimant to submit to examination under oath by any authorized representative of the Company and to produce for examination, inspection, and copying, at such reasonable times and places as may be designated by the authorized representative of the Company, all records, in whatever medium maintained, including books, ledgers, checks, memoranda, correspondence, reports, e-mails, disks, tapes, and videos whether bearing a date before or after Date of Policy, that reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Insured Claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect, and copy all of these records in the custody or control of a third party that reasonably pertain to the loss or damage. All information designated as confidential by the Insured Claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the Insured Claimant to submit for examination under oath, produce any reasonably requested information, or grant permission to secure reasonably necessary information from third parties as required in this subsection, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that claim.

7. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY

In case of a claim under this policy, the Company shall have the following additional options:

(a) To Pay or Tender Payment of the Amount of Insurance.

To pay or tender payment of the Amount of Insurance under this policy together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay.

Upon the exercise by the Company of this option, all liability and obligations of the Company to the Insured under this policy, other than to make the payment required in this subsection, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.

(b) To Pay or Otherwise Settle With Parties Other Than the Insured or With the Insured Claimant.

(i) To pay or otherwise settle with other parties for or in the name of an Insured Claimant any claim insured against under this policy. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay; or

(ii) To pay or otherwise settle with the Insured Claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay.

Upon the exercise by the Company of either of the options provided for in subsections (b)(i) or (ii), the Company's obligations to the Insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.

8. DETERMINATION AND EXTENT OF LIABILITY

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the Insured Claimant who has sustained loss or damage by reason of matters insured against by this policy.

(a) The extent of liability of the Company for loss or damage under this policy shall not exceed the lesser of

(i) the Amount of Insurance; or

(ii) the difference between the value of the Title as insured and the value of the Title subject to the risk insured against by this policy.

(b) If the Company pursues its rights under Section 5 of these Conditions and is unsuccessful in establishing the Title, as insured,

(i) the Amount of Insurance shall be increased by 10%, and

(ii) the Insured Claimant shall have the right to have the loss or damage determined either as of the date the claim was made by the Insured Claimant or as of the date it is settled and paid.

(c) In addition to the extent of liability under (a) and (b), the Company will also pay those costs, attorneys' fees, and expenses incurred in accordance with Sections 5 and 7 of these Conditions.

9. LIMITATION OF LIABILITY

(a) If the Company establishes the Title, or removes the alleged defect, lien, or encumbrance, or cures the lack of a right of access to or from the Land, or cures the claim of Unmarketable Title, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused to the Insured.

(b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination, by a court of competent jurisdiction, and disposition of all appeals, adverse to the Title, as insured.

(c) The Company shall not be liable for loss or damage to the Insured for liability voluntarily assumed by the Insured in settling any claim or suit without the prior written consent of the Company.

10. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY

All payments under this policy, except payments made for costs, attorneys' fees, and expenses, shall reduce the Amount of Insurance by the amount of the payment.

11. LIABILITY NONCUMULATIVE

The Amount of Insurance shall be reduced by any amount the Company pays under any policy insuring a Mortgage to which exception is taken in Schedule B or to which the Insured has agreed, assumed, or taken subject, or which is executed by an Insured after Date of Policy and which is a charge or lien on the Title, and the amount so paid shall be deemed a payment to the Insured under this policy.

12. PAYMENT OF LOSS

When liability and the extent of loss or damage have been definitely fixed in accordance with these Conditions, the payment shall be made within 30 days.

13. RIGHTS OF RECOVERY UPON PAYMENT OR SETTLEMENT

(a) Whenever the Company shall have settled and paid a claim under this policy, it shall be subrogated and entitled to the rights of the Insured Claimant in the Title and all other rights and remedies in respect to the claim that the Insured Claimant has against any person or property, to the extent of the amount of any loss, costs, attorneys' fees, and expenses paid by the Company. If requested by the Company, the Insured Claimant shall execute documents to evidence the transfer to the Company of these rights and remedies. The Insured Claimant shall permit the Company to sue, compromise, or settle in the name of the Insured Claimant and to use the name of the Insured Claimant in any transaction or litigation involving these rights and remedies.

If a payment on account of a claim does not fully cover the loss of the Insured Claimant, the Company shall defer the exercise of its right to recover until after the Insured Claimant shall have recovered its loss.

(b) The Company's right of subrogation includes the rights of the Insured to

indemnities, guaranties, other policies of insurance, or bonds, notwithstanding any terms or conditions contained in those instruments that address subrogation rights.

14. ARBITRATION

Either the Company or the Insured may demand that the claim or controversy shall be submitted to arbitration pursuant to the Title Insurance Arbitration Rules of the American Land Title Association ("Rules"). Except as provided in the Rules, there shall be no joinder or consolidation with claims or controversies of other persons. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Insured arising out of or relating to this policy, any service in connection with its issuance or the breach of a policy provision, or to any other controversy or claim arising out of the transaction giving rise to this policy. All arbitrable matters when the Amount of Insurance is $2,000,000 or less shall be arbitrated at the option of either the Company or the Insured. All arbitrable matters when the Amount of Insurance is in excess of $2,000,000 shall be arbitrated only when agreed to by both the Company and the Insured. Arbitration pursuant to this policy and under the Rules shall be binding upon the parties. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court of competent jurisdiction.

15. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT

(a) This policy together with all endorsements, if any, attached to it by the Company is the entire policy and contract between the Insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.

(b) Any claim of loss or damage that arises out of the status of the Title or by any action asserting such claim shall be restricted to this policy.

(c) Any amendment of or endorsement to this policy must be in writing and authenticated by an authorized person, or expressly incorporated by Schedule A of this policy.

(d) Each endorsement to this policy issued at any time is made a part of this policy and is subject to all of its terms and provisions. Except as the endorsement expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsement, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance.

16. SEVERABILITY

In the event any provision of this policy, in whole or in part, is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision or such part held to be invalid, but all other provisions shall remain in full force and effect.

17. CHOICE OF LAW; FORUM

(a) Choice of Law: The Insured acknowledges the Company has underwritten the risks covered by this policy and determined the premium charged therefor in reliance upon the law affecting interests in real property and applicable to the interpretation, rights, remedies, or enforcement of policies of title insurance of the jurisdiction where the Land is located.
Therefore, the court or arbitrator shall apply the law of the jurisdiction where the Land is located to determine the validity of claims against the Title that are adverse to the Insured and to interpret and enforce the terms of this policy. In neither case shall the court or arbitrator apply its conflicts of law principles to determine the applicable law.

(b) Choice of Forum: Any litigation or other proceeding brought by the Insured against the Company must be filed only in a state or federal court within the United States of America or its territories having appropriate jurisdiction.

18. NOTICES, WHERE SENT

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at

Commonwealth Land Title Insurance Company
P.O. Box 45023, Jacksonville, Florida 32232-5023
Attn: Claims Department

SCHEDULE A

Amount of Insurance:	**$TBA**	**Policy No.:**	**81306-3074**
Date of Policy:	**TBA**	**File No(s).:**	**11NYM11652 – 11654**
Name of Insured:	**RSV, LLC**		

1. **The estate or interest in the land which is covered by this policy is:**

   Fee Simple

2. **Title to the estate or interest in the land is vested in:**

   RSV, LLC, which acquired title to Parcels A, B and C by deed dated _____ _____, 2011 from St. Vincents Catholic Medical Centers of New York d/b/a Saint Vincent Catholic Medical Centers, successor by merger to St. Vincent's Hospital and Medical Center of New York, and to be duly recorded in the Office of the City Register of the City of New York.

3. **The land referred to in this policy is described in said instrument, is situated in the County and State of New York, and is identified as follows:**

SEE SCHEDULE A DESCRIPTION ATTACHED HEREIN

Countersigned:_____

Commonwealth Land Title Insurance Company
c/o New York Land Services
630 3rd Avenue, 12th Floor
New York, NY 10017
Phone: (212) 490-2277
Fax: (212) 490-8012

This policy is a Pro Forma Policy. It does not reflect the present state of Title and is not a commitment to (i) insure Title or (ii) issue any of the attached endorsements. Any such commitment must be an express written undertaking on appropriate forms of the Company.

Title No(s).: 11[illegible] - 11[illegible]
Policy No.: [illegible]

SCHEDULE A
DESCRIPTION

Parcel A [For Information Only: Block 607, Lot 1]

ALL that certain plot, piece or parcel of land situate, lying and being in the Borough of Manhattan, City, County and State of New York, bounded and described as follows:

BEGINNING at the corner formed by the intersection of the easterly side of Seventh Avenue with the northerly side of West 11th Street;

RUNNING THENCE easterly along the northerly side of West 11th Street, 425 feet;

THENCE northerly parallel with the easterly side of Seventh Avenue and part of the way through a party wall 103 feet 3 inches to the center line of the block;

THENCE easterly along the center line of the block, 50 feet;

THENCE northerly again parallel with the easterly side of Seventh Avenue, 103 feet 3 inches to the southerly side of West 12th Street, at a point therein distant 475 feet easterly from the easterly side of Seventh Avenue;

THENCE westerly along the southerly side of West 12th Street 475 feet to the corner formed by the intersection of the said southerly side of West 12th Street with the said easterly side of Seventh Avenue; and

THENCE southerly along the said easterly side of Seventh Avenue, 206 feet 6 inches to the first mentioned corner, the point or place of BEGINNING.

Parcel B [For Information Only: Block 617, Lot 1]

ALL that certain plot, piece or parcel of land situate, lying and being in the Borough of Manhattan, City, County and State of New York, bounded and described as follows:

BEGINNING at the corner formed by the intersection of the southerly side of West 12th Street with the westerly side of Seventh Avenue;

RUNNING THENCE westerly along the southerly side of 12th Street, 212 feet 7 ½ inches to the corner formed by the intersection of the southerly side of 12th Street and the northeasterly side Greenwich Avenue;

Title No(s).: 11N[illegible]
Policy No.: [illegible]

SCHEDULE A
CONTINUED

THENCE southeasterly along the northeasterly side of Greenwich Avenue, 264 feet 2 ¾ inches to the corner formed by the intersection of the said northeasterly side of Greenwich Avenue and the westerly side of Seventh Avenue; and

THENCE northerly along the westerly side of Seventh Avenue, 156 feet 10 ½ inches to the point or place of BEGINNING.

Parcel C [For Information Only: Block 617, Lot 55]

ALL that certain plot, piece or parcel of land situate, lying and being in the Borough of Manhattan, City, County and State of New York, bounded and described as follows:

BEGINNING at the corner formed by the intersection of the northerly side of West 12th Street and the westerly side of Seventh Avenue;

RUNNING THENCE westerly along the northerly side of West 12th Street, 200 feet;

THENCE northerly parallel with Seventh Avenue 103 feet 3 inches to the center line of the block;

THENCE easterly along the center line of the block and parallel with West 12th Street 50 feet;

THENCE northerly parallel with Seventh Avenue, 103 feet 3 inches to the southerly side of West 13th Street;

THENCE easterly along the southerly side of West 13th Street 150 feet to the corner formed by the intersection of the said southerly side of West 13th Street and the westerly side of Seventh Avenue;

THENCE southerly along the westerly side of Seventh Avenue, 206 feet 6 inches to the corner formed by the intersection of the northerly side of West 12th Street and the westerly side of Seventh Avenue, the point or place of BEGINNING.

END OF SCHEDULE A

Title No(s).: 11NYM[illegible]
Policy No.: 8130[illegible]

SCHEDULE B
EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fee or expenses) which arise by reason of:

1. Survey exceptions set forth in Survey Reading herein.

2. Covenants, Conditions, Easements, Leases, Agreements of record, as follows:

   a. Parcels A, B and C have been designated as part of the Greenwich Village Historic District by Notice of Designation dated April 29, 1969 and recorded in the Office of the New York City Register, New York County, on April 29, 1969 in Reel 138 page 120 and are therefore subject to the restricted uses set forth in the New York City Charter and in the Administrative Code of the City of New York.

   b. Terms, conditions, covenants and restrictions set forth in Declaration of Restriction on Religious Use dated July 23, 1980 by St. Vincent's Hospital and Medical Center of New York and recorded in the Office of the New York City Register, New York County, on July 28, 1980 in Reel 532 page 34. Affects Parcels A, B and C.

   c. Terms, conditions, restrictions, obligations, easements set forth in Revocable Consent Agreement dated January 7, 2005 between NYC Department of Transportation Division of Franchises, Concessions & Consents and Saint Vincents Catholic Medical Centers of New York d/b/a Saint Vincent Catholic Medical Centers and recorded in the Office of the City Register of the City of New York, on December 6, 2005 under CRFN 2005000675351. Affects Parcels A, B and C.

   d. Terms, conditions, restrictions, obligations, easements set forth in Revocable Consent Agreement dated November 1, 2004 between NYC Department of Transportation Division of Franchises, Concessions & Consents and NYC Department of Information, Technology and Telecommunications and Saint Vincent's Hospital and Medical Center of New York and recorded in the Office of the City Register of the City of New York, on December 20, 2004 under CRFN 2004000778748. Affects Parcels B and C.

   e. Covenants and restrictions set forth in Liber 718 cp. 449 and Liber 747 cp. 280. Affects Parcel A.

      Policy insures against loss or damage arising out of the enforcement or attempted enforcement of the covenants and restrictions set forth therein.

SCHEDULE B
CONTINUED

NOTE: Upon request, and upon the payment to this Company of its then applicable rates, this Company will reissue the coverage contained in this policy:

(i) to any mortgagee of the Insured as to all, or any part, of the premises insured by this policy, and
(ii) to any grantees or lessees of the Insured as to all, or any part, of the premises insured by this policy, as well as to the mortgagees of any such grantees or lessees.

f. Covenants and restrictions set forth in Liber 718 cp. 453, 748 cp. 285, Liber 463 cp. 127, Liber 465 cp. 33, Liber 467 cp. 557 and Liber 731 cp. 156. Affects Parcel A.

Policy insures against loss or damage arising out of the enforcement or attempted enforcement of the covenants and restrictions set forth therein.

NOTE: Upon request, and upon the payment to this Company of its then applicable rates, this Company will reissue the coverage contained in this policy:

(i) to any mortgagee of the Insured as to all, or any part, of the premises insured by this policy, and
(ii) to any grantees or lessees of the Insured as to all, or any part, of the premises insured by this policy, as well as to the mortgagees of any such grantees or lessees.

g. Covenants, restrictions, reservations and easements set forth in Cross-Easement agreement dated June 28, 1983 between The New York City Transit Authority and St. Vincent's Hospital and Medical Center of New York and recorded in the Office of the New York City Register, New York County, on July 31, 1984 in Reel 818 page 1513. Affects Parcel A.

h. Terms, conditions, covenants and restrictions set forth in Permit agreement dated June 28, 1983 between The New York City Transit Authority and St. Vincent's Hospital and Medical Center of New York and recorded in the Office of the New York City Register, New York County, on July 31, 1984 in Reel 818 page 1529. Affects Parcel A.

i. Conditions and agreements set forth in Distinctive Sidewalk Improvement Maintenance Agreement dated November 29, 1988 by St. Vincent's Hospital and Medical Center of New York and recorded in the Office of the New York City Register, New York County, on December 9, 1988 in Reel 1505 page 71. Affects Parcel A.

SCHEDULE B
CONTINUED

j. Terms, conditions, restrictions, obligations, easements set forth in Revocable Consent Agreement dated March 21, 2003 between NYC Department of Transportation Division of Franchises, Concessions & Consents and Saint Vincents Catholic Medical Centers of New York and recorded in the Office of the City Register of the City of New York, on July 15, 2003 under City Register File Number (CRFN) 2003000232150. Affects Parcel A.

k. Terms, conditions, conditions, restrictions and easements set forth in Common Facilities Agreement dated as of August 30, 2007 made by and between Saint Vincents Catholic Medical Centers of New York d/b/a Saint Vincent Catholic Medical Centers and Twelfth Street MPA, LLC and recorded in the Office of the City Register of the City of New York, on October 1, 2007 under CRFN 2007000500486. Encumbers Parcel A and 130 West 12th Street (Block 607, Lot 27).

l. Terms, conditions, restrictions, obligations, easements set forth in Revocable Consent Agreement dated August 31, 2009 between NYC Department of Transportation and the NYC Department of Information, Technology and Telecommunications and Saint Vincents Catholic Medical Centers of New York and recorded in the Office of the City Register of the City of New York, on October 8, 2009 under CRFN 2009000329027. Affects Parcels A and C.

m. Railroad stairway consent set forth in Indenture dated June 8, 1916 made by Rhinelander Real Estate Company and recorded on June 20, 1916 in Section 2 Liber 247 cp. 284. Affects Parcel C.

3. Rights of the following tenants, subtenants or persons in possession*:

[List to be provided]

4. The following Notices of Sidewalk Violations:

a. Index # 35882 filed April 12, 1985 (Parcel A);
b. Index #7012 filed May 13, 1966 (Parcel B);
c. Index #75475 filed May 8, 2000 (Parcel B);
d. Index # 35885 filed April 12, 1985 (Parcel C);
e. Index # 37521 filed November 20, 1985 (Parcel C);
f. Index #38204 filed April 10, 1986 (Parcel C);
g. Index #54146 filed July 27, 1990 (Parcel C); and
h. Index #81238 filed May 28, 2008 (Parcel C)

Title No(s).: 1[illegible]MI1[illegible]1654
Policy No.: 8[illegible]4

SCHEDULE B
CONTINUED

5. With respect to Parcels A, B and C, Policy excepts water and sewer charges from the date of the last actual reading and entries for meter readings as well as (revised) frontage charges, i.e. water rents and sewer charges, entered and billed subsequent to Date of Policy for periods prior to Date of Policy, not shown in the records of the New York City Department of Finance or New York City Department of Environmental Protection at or prior to Date of Policy.

6. Parcels A and B are currently exempt from taxation. Said exemption shall terminate upon conveyance of title to the Insured, and the described premises will be taxed pro-rata for the unexpired term of the taxable year in which such transfer occurred and subsequent thereto at the full valuation without benefit of such tax exemption. Policy excepts all loss or damage arising from the imposition of any lien resulting from the restoration of real property taxes upon the described premises.

**Note: Exception 3 above will be amended to include the phrase "as tenant only" provided the title affidavit delivered at closing contains a list of tenants in the Premises and the following statement: "Set forth on Exhibit A attached hereto is a list of all tenants in the Premises. Except for said tenants, there are no other tenants or other parties who are in possession, or have a right to be in possession, of the Premises. All of said tenants are in possession as tenants only, and Owner has not granted any tenant or other party, except for [purchaser] an option to purchase the Premises, right of first offer to purchase the Premises, or right of first refusal to purchase the Premises").*

END OF SCHEDULE B

Title No(s): [illegible]
Policy No.: [illegible]

SURVEY READING

Parcel A

SURVEY dated October 21, 1976-November 29, 1976 made by Earl B. Lovell – S.P. Belcher, Inc. and last updated by visual examination by same on May 30, 2007 and Survey for location of possession along westerly and southerly record lines dated September 30, 1987 made by Earl B. Lovell – S.P. Belcher, Inc. and last updated by visual examination by same on May 30, 2007 shows various buildings and the following survey exceptions:

1. West end of cement facing of premises adjoining on the east is located 0 feet ¾ inches west of easterly record line.

2. Variations between independent walls and easterly record line (said walls are located up to 0 feet 2 ¼ inches east of said easterly record line and up to 0 feet ¾ inches west of said easterly record line.)

3. Independent wall of high basement brick extension adjoining on the northeast is located up to 1 inch north onto the described premises.

4. The following projections of high basement brick extension adjoining on the northeast over the described premises:

a.	Air Conditioner	1 foot 2 inches
b.	Iron Guard	1 foot 6 inches

5. Present wood platform and ramp, present wood fence and present wood fence on west face of chain link fence along northeasterly record line, not located.

6. Survey notes that ten to twelve story brick building adjoining on the northeast and seven story brick on described premises are connected; independent wall of said ten to twelve story brick building is located up to 1 inch west on the described premises.

7. The following projections over West 12th Street:

a.	Iron Doors	up to 5 feet 9 ¼ inches
b.	Concrete entrance ramp	5 feet 0 inches
c.	Grated Areas	up to 4 feet 9 inches

8. Present fence at roof of six story brick with limestone front at 1st story ("Reiss Building"), not located.

SURVEY READING
CONTINUED

9. The following projections from Reiss Building over West 12th Street:

a.	Sign	0 feet 7 inches
b.	Awning	1 foot 0 inches
c.	Roof coping	0 feet 2 inches
d.	Window sills	0 feet 1 inch
e.	Ledge	0 feet 2 inches
f.	Entrance trim	up to 0 feet 5 inches
g.	Water table	0 feet 1 inch
h.	Crucifix	0 feet 7 inches
i.	Hose bibs	up to 0 feet 4 inches
j.	Vents	0 feet 1 inch
k.	Standpipe	0 feet 3 inches
l.	Electrical outlet	0 feet 2 inches

10. The following projections from two story brick ("School of Nursing") over West 12th Street:

a.	Roof coping	0 feet 6 inches
b.	Window sills	0 feet 1 inch
c.	Ledges	up to 1 foot 0 inches
d.	Entrance trim	up to 0 feet 6 inches
e.	Hose bib	0 feet 4 inches
f.	Standpipe	1 foot 5 inches
g.	Keystones	0 feet 6 inches
h.	Entrance canopy	6 feet 0 inches
i.	Granite Base	0 feet 6 inches

11. Northerly wall of six to twelve story and machine room brick ("Raskob & Smith Building") encroaches up to 0 feet ¼ inches north onto West 12th Street.

Policy insures that same may remain undisturbed for as long as the building shall stand.

12. The following projections from Raskob & Smith Building over West 12th Street:

a.	Sign	0 feet 7 inches
b.	Roof coping	0 feet 2 inches
c.	Stone trim	up to 0 feet 3 inches
d.	Window sills	0 feet 1 inch
e.	Stone ledge	0 feet 3 inches
f.	Entrance trim	0 feet 3 inches
g.	Water table	0 feet 1 inch

SURVEY READING
CONTINUED

h.	Hose bib	0 feet 2 inches
i.	Vent cap	0 feet 1 inch
j.	Standpipes	0 feet 3 inches
k.	Electrical outlet	0 feet 2 inches
l.	Flagpole	18 feet 0 inches more or less
m.	Canopy	17 feet 0 inches

13. The following projections from Raskob & Smith Building over Seventh Avenue:

a.	Sign	0 feet 7 inches
b.	Roof coping	0 feet 2 inches
c.	Stone trim	up to 0 feet 3 inches
d.	Window sills	0 feet 1 inch
e.	Water table	0 feet 1 inch
f.	Hose bib	0 feet 1 inch
g.	Lamp	0 feet 4 inches

14. Westerly wall of Raskob & Smith Building encroaches up to 0 feet ¼ inches west onto Seventh Avenue.

Policy insures that same may remain undisturbed for as long as the building shall stand.

15. Sign poles of sixteen story brick building ("St. Vincent's Hospital") project 10 feet 0 inches onto Seventh Avenue.

16. Westerly wall of St. Vincent's Hospital encroaches 0 feet ¾ inches west onto Seventh Avenue.

Policy insures that same may remain undisturbed for as long as the building shall stand.

17. The following projections of four story brick over West 11th Street:

a.	Signs	up to 0 feet 7 inches
b.	Vent	0 feet 1 inch
c.	Sign letters	0 feet ½ inches
d.	Metal and glass canopy at 2nd floor	1 foot 9 inches

SURVEY READING
CONTINUED

18. Platform steps appear to encroach onto West 11th Street.

19. Present chain link fence and gate along a portion of southerly record line, not located.

20. Southerly wall of eight to ten story brick with limestone front at 1st story ("Spellman Building") encroaches up to 0 feet ¾ inches south onto West 11th Street.

Policy insures that same may remain undisturbed for as long as the building shall stand.

21. The following encroachments onto and projections from Spellman Building over West 11th Street:

a.	Ledges	up to 0 feet 6 inches
b.	Window Sills	0 feet 1 inch
c.	Window Trim	0 feet 1 inch
d.	Entrance trim	up to 1 foot 6 inches
e.	Granite Base	0 feet 1 ½ inches
f.	Stand pipe	0 feet 5 inches
g.	Vent	0 feet 1 ¾ inches
h.	Rustication	0 feet 0 ¾ inches
i.	Railings	0 feet 8 inches
j.	Steps	up to 0 feet 10 inches

22. Line of metal at roof and granite of six to eleven story brick with granite, metal and glass front ("Cronin Research Building") encroaches up to 0 feet 1 ½ inches south onto West 11th Street.

23. Present vent housing over grated area and grated area encroaches 3 feet 2 inches onto West 11th Street.

24. The following projections from Cronin Research Building over West 11th Street:

a.	Roof coping	0 feet 1 ½ inches
b.	Mullions	up to 0 feet 1 ½ inches
c.	Ledge	0 feet 8 inches
d.	Sign letters	0 feet 9 inches
e.	Wheel bumpers	0 feet 5 inches

Subject to any changes and conditions since May 30, 2007 that an accurate survey would disclose.

Title No(s).: 11[illegible] - 11654
Policy No.: 8[illegible]

SURVEY READING
CONTINUED

Parcel B

Survey dated January 21, 1987 made by Earl B. Lovell – S.F. Belcher, Inc. and last updated by same by visual examination on November 19, 2007 shows various one story brick buildings, passageway, planted area, concrete yard and the following survey exceptions:

1. The following projections over West 12th Street:

a.	Wheel Guards	1 foot 0 inches
b.	Stand pipe	0 feet 4 inches

2. Present iron fence located along a portion of northerly record line, not located.

3. Variations between battered brick faced retaining wall and northerly record line (said wall is located 0 feet ¼ inch south of said northerly record line and up to 0 feet ¾ inch north of said northerly record line.)

4. Brick parapet walls of high one story brick and brick piers above roof of low one story brick encroach onto West 12th Street up to 0 feet ½ inch and onto Greenwich Avenue up to 0 feet 1 ¼ inch.

5. Brick parapet wall at roof of low one story brick encroaches up to 0 feet 1 inch onto West 12th Street and Greenwich Avenue.

6. Line of brick base at grade and parapet wall at roof of one story brick encroaches up to 0 feet ¾ inch onto Greenwich Avenue.

7. Southerly wall of one-story brick encroaches 0 feet ½ inch onto Greenwich Avenue.

   Policy insures that same may remain undisturbed for as long as the building shall stand.

8. The following projections over Greenwich Avenue:

a.	Wheel Guards	0 feet 11 inches
b.	Vents	0 feet 1 inch
c.	Stand pipe	0 feet 4 inches

9. Present iron fences located along southwesterly and easterly record lines, not located.

SURVEY READING
CONTINUED

10. Battered brick faced retaining walls encroach 0 feet 1 ¾ inch onto Greenwich Avenue and up to 0 feet 2 ½ inches onto Seventh Avenue.

Subject to any changes and conditions since November 19, 2007 that an accurate survey would disclose.

Parcel C

Survey dated November 26, 1963 made by Chas. J. Dearing and last updated by visual examination by Earl B. Lovell – S.P. Belcher, Inc, on May 30, 2007 shows a 3 to 6 story and bulkhead concrete and the following survey exceptions:

1. The following projections over West 12th Street:

a.	Present sign on steel post	0 feet 11 inches
b.	Entrance canopy	10 feet 0 inches

2. Cement facing and stone facing with iron fence atop project up to 0 feet 1 ½ inches over West 12th Street.

3. Pipe and canvas canopy projects 18 feet 0 inches over Seventh Avenue.

4. Cement faced walls and stone facing with iron fence atop project up to 0 feet 4 inches over Seventh Avenue.

5. Stand pipe projects 0 feet 3 inches over West 13th Street.

5. Cement facing and wood covered stone facing projects up to 0 feet 1 ½ inches over West 13th Street.

6. Line of cement course front to roof projects up to 5 feet 0 inches more or less over West 13th Street.

8. Cement facing on wall above buildings adjoining on the west projects 0 feet 1 inch more or less west.

9. Variations between independent walls and northwesterly record line (said walls are located up to 0 feet 1 inch north, 0 feet 1 ½ inches west and an undetermined amount east of said northwesterly record line).

SURVEY READING
CONTINUED

10. Variations between independent walls and southwesterly record line (said walls are located up to 0 feet 1 inch west and 0 feet 2 ½ inches east of said southwesterly record line).

11. Line of cement faced course projects 5 feet 0 inches more or less over premises adjoining on the west.

12. Wall between described premises and premises adjoining on the west is an old party wall.

    Policy insures that said wall has a legal right to remain.

13. East end of wall on building from land adjoining on the west, which east end is above, and plumb with, west end of wall at 5th story of improvement on subject premises, sets 0 feet 4 inches east onto subject premises.

Subject to any changes and conditions since May 30, 2007 that an accurate survey would disclose.

END OF SURVEY READING

Title No(s).: 11NYM11652 - 11654
Policy No.: 81306-3074

COMMONWEALTH LAND TITLE INSURANCE COMPANY

STANDARD NEW YORK ENDORSEMENT

(OWNER'S POLICY)

1. The following is added as a Covered Risk:

"11. Any statutory lien for services, labor or materials furnished prior to the date hereof, and which has now gained or which may hereafter gain priority over the estate or interest of the insured as shown in Schedule A of this policy."

3. Exclusion Number 5 is deleted, and the following is substituted:

5. Any lien on the Title for real estate taxes, assessments, water charges or sewer rents imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument or transfer in the Public Records that vests Title as shown in Schedule A.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all the terms and provisions of the policy and any prior endorsements.

DATED: TBA

Countersigned: _____

Commonwealth Land Title Insurance Company
New York Land Services

STANDARD NEW YORK ENDORSEMENT (11/1/08)
FOR USE WITH ALTA OWNER'S POLICY (6-17-06)

Title No(s).: 11NYM11652 - 11654
Policy No.: 81306-3074

COMMONWEALTH LAND TITLE INSURANCE COMPANY

WAIVER OF ARBITRATION ENDORSEMENT

(OWNER'S POLICY)

Attached to and made a part of Policy Number: 81306-3074

The policy is amended by deleting therefrom:

(A) If this endorsement is attached to an ALTA Loan Policy: Condition Section 13.

(B) If this endorsement is attached to an ALTA Owner's Policy: Condition Section 14.

(C) If this endorsement is attached to a TIRSA Owner's Extended Protection Policy: Condition 12.

This endorsement is made a part of the Policy and is subject to all of the terms and provisions thereof and of any other endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the Policy and any other endorsements, nor does it extend the effective date of the Policy and any other endorsements, nor does it increase the face amount thereof.

DATED: TBA

Countersigned: _____

Commonwealth Land Title Insurance Company
by New York Land Services

Title No(s).: 11NYM11652 - 11654
Policy No.: 81306-3074

COMMONWEALTH LAND TITLE INSURANCE COMPANY

LAND SAME AS SURVEY ENDORSEMENT

Attached to and made part of Policy No. 81306-3074

The Company hereby assures the Insured that the Land described in Schedule A as Parcel A is the same as that delineated on the plat of a Survey dated October 21, 1976-November 29, 1976 made by Earl B. Lovell – S.P. Belcher, Inc. and last updated by visual examination by same on May 30, 2007.

The Company hereby assures the Insured that the Land described in Schedule A as Parcel B is the same as that delineated on the plat of a Survey January 21, 1987 made by Earl B. Lovell – S.P. Belcher, Inc. and last updated by same by visual examination on November 19, 2007.

The Company hereby assures the Insured that the Land described in Schedule A as Parcel C is the same as that delineated on the plat of a Survey dated November 26, 1963 made by Chas. J. Dearing and last updated by visual examination by Earl B. Lovell – S.P. Belcher, Inc. on May 30, 2007.

The Company hereby insures said Insured against loss which said Insured shall sustain in the event said assurances herein shall prove to be incorrect.

The total liability of the Company under said policy and any endorsement therein shall not exceed, in the aggregate, the face amount of said policy and costs which the Company is obligated under the Conditions and Stipulations thereof to pay.

This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

DATED: TBA

Countersigned: _____

Commonwealth Land Title Insurance Company
c/o New York Land Services

COMMONWEALTH LAND TITLE INSURANCE COMPANY

SPECIMEN

Commonwealth
LAND TITLE INSURANCE COMPANY

Commonwealth Land Title Insurance Company
P.O. Box 45023, Jacksonville, Florida 32232-5023

Exhibit B

Form of Deed

BARGAIN AND SALE DEED,
WITHOUT COVENANT AGAINST GRANTOR'S ACTS

THIS INDENTURE, made as of the ___ day of _____, 2011, between SAINT VINCENTS CATHOLIC MEDICAL CENTERS OF NEW YORK, a New York not-for-profit corporation, having an office at _____, New York, New York _____, debtor and debtor in possession in that certain Chapter 11 bankruptcy case pending in the United States Bankruptcy Court for the Southern District of New York, Case No. 10-11963 (CGM) (the "Bankruptcy Case"), party of the first part, and [_____], a [_____], having an address at _____, party of the second part,

WITNESSETH, that the party of the first part, in consideration of Ten and 00/100 DOLLARS ($10.00) and other valuable consideration, in lawful money of the United States, paid by the party of the second part, and pursuant to that certain order entered in the Bankruptcy Case on _____ authorizing the sale (the "Sale Order") of the Premises (hereinafter defined) free and clear of all Liens (as defined in the Sale Order attached hereto as Exhibit A), does hereby grant and release unto the party of the second part, the heirs, successors and assigns of the party of the second part forever,

ALL that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situated, lying and being in the

COUNTY, CITY AND STATE OF NEW YORK,
AS MORE PARTICULARLY DESCRIBED ON SCHEDULE A
ATTACHED HERETO AND MADE A PART HEREOF (THE "PREMISES")

TOGETHER with all right, title and interest, if any, of the party of the first part in and to any streets and roads abutting the above described premises to the center lines thereof;

TOGETHER with the appurtenances and all the estate and rights of the party of the first part in and to said premises;

TO HAVE AND TO HOLD the premises herein granted unto the party of the second part, the heirs or successors and assigns of the party of the second part forever.

The party of the first part, in compliance with Section 13 of the Lien Law, covenants that the party of the first part will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund to be applied first for the purpose of paying the cost of the improvements and will apply the same first to the payment of the cost of the improvements before using any part of the total of the same for any other purpose.

The word "party" shall be construed as if it read "parties" whenever the sense of this indenture so requires.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the party of the first part has duly executed this deed the day and year first above written.

SAINT VINCENTS CATHOLIC MEDICAL CENTERS OF NEW YORK, a New York not-for-profit corporation

By:_____
Name:
Title:

STATE OF NEW YORK)
:ss.:
COUNTY OF NEW YORK)

On the ____ day of _____ in the year 2011, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

SCHEDULE A

LEGAL DESCRIPTION

[insert legal description as provided by the Title Company]

Exhibit C

Form of Bill of Sale

BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS, that SAINT VINCENTS CATHOLIC MEDICAL CENTERS OF NEW YORK, a New York not-for-profit corporation, having an office at _____, New York, New York _____ ("**Assignor**"), for and in consideration of TEN ($10.00) DOLLARS and other good and valuable consideration paid by _____, a _____, having an address at _____ ("**Assignee**"), the receipt and sufficiency of which is hereby acknowledged, hereby assigns, transfers and sets over unto Assignee, its successors and assigns, from and after the date hereof, without representation or warranty of any sort, all of Assignor's right, title and interest in and to the Personal Property, as defined in the that certain Amended and Restated Contract of Sale, dated as of _____, 2011, by and between Assignor and [Assignee].

TO HAVE AND TO HOLD THE SAME unto Assignee, its successors and assigns, forever.

IN WITNESS WHEREOF, Assignor has caused these presents to be duly executed as of _____ ____, 2011.

ASSIGNOR:

SAINT VINCENTS CATHOLIC MEDICAL CENTERS OF NEW YORK, a New York not-for-profit corporation

By:_____
Name:
Title:

Exhibit D

Form of Title Affidavit

OWNER'S AFFIDAVIT
NYLS Title No(s). 11NYM11652 – 11NYM11654

State of New York)
) ss.:
County of New York)

The undersigned, _____, being duly sworn, deposes and says:

1. I am the _____ of Saint Vincents Catholic Medical Centers of New York d/b/a Saint Vincent Catholic Medical Centers (the "Owner") the owner of the various premises located at 1 – 15 Seventh Avenue a/k/a 153 West 11th Street, 74 – 86 Greenwich Avenue and 20 – 40 Seventh Avenue a/k/a 203 West 12th Street, New York, New York (New York County - Block 607, Lot 1 and Block 617, Lots 1 and 55) (collectively, the "Premises"), which is more particularly described in Title Report No.(s) 11NYM11652 – 11NYM11654 (collectively, the "Title Report") issued by New York Land Services ("NYLS"). I am familiar with the Premises and am authorized to make this Affidavit on behalf of Owner.

2. Set forth on Exhibit A attached hereto is a list of all tenants in the Premises. Except for said tenants, there are no other tenants or other parties who are in possession, or have a right to be in possession, of the Premises. All of said tenants are in possession as tenants only, and Owner has not granted any tenant or other party, except for RSV, LLC, an option to purchase the Premises, right of first offer to purchase the Premises, or right of first refusal to purchase the Premises.

3. Except as appears in the Title Report, to its actual knowledge, Owner has received no written notice of any Federal tax claims, tax liens or judgments against the Premises and to its knowledge Owner has received no written notice of any pending lawsuits, unsatisfied judgments, executions or other legal obligations that would materially adversely affect Owner's ability to transfer the Premises and may be enforced against the Premises which has not been resolved.

4. To Owner's actual knowledge, except as set forth in the Title Report, no one has filed or has threatened in writing to file a Mechanic's Lien relating to the Premises which has not been resolved.

5. Except as set forth in the Title Report, Owner has no actual knowledge, without inquiry, of any vault space charges affecting the Premises.

6. Except as set forth in the Title Report, Owner has no actual knowledge, without inquiry, of any written demand made by the City of New York for any work that may result in

charges by the (a) the New York City Department of Environmental Protection (for water tap closing or any related work); (b) New York City Department of Health; (c) any agency of the City of New York (including the Office of Rent and Housing Maintenance, Emergency Services Division) for emergency repair or emergency response work; or (d) Building Department pursuant to Section 26-128 of the Administrative Code of the City of New York (formerly Section 643a 14.0 of the Administrative Code of the City of New York, amended by Local Law 10, 1981 and Local Law 25, 1984) and Section 27-4029.1 of the Administrative Code of the City of New York, amended by Local Law 43, 1988, with respect to any unpaid Inspection Fees and/or Permit Fees even though said fees may not be reflected in the records of the New York City Department of Finance.

7. Subject to Section 6 of the purchase agreement for the Premises, Owner will pay, as required in the purchase agreement of the Premises, any and all New York City Department of Environmental Protection ("DEP") charges assessed against the Premises for periods prior to the date of closing, including any DEP charges from the date of the last "official" meter readings conducted by DEP, as well as charges entered and billed subsequent to the date of closing for periods prior to the date of closing, not shown in the records of the New York City Department of Finance or the DEP at or prior to the date of closing.

8. Owner makes this Affidavit knowing that NYLS and Commonwealth Land Title Insurance Company (collectively, "Title Insurer") will rely on the statements, representations and warranties made herein in order to issue its policies of title insurance and endorsements relating to the Premises.

9. The individual executing this Affidavit on behalf of Owner by his signing below hereby certifies, represents and warrants to Title Insurer that he is duly authorized to execute and deliver this Affidavit on behalf Owner in the capacity below.

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE TO OWNER'S AFFIDAVIT]

Date: As of _____ _____, 201__

SAINT VINCENTS CATHOLIC MEDICAL CENTERS OF NEW YORK

By:_____
Name:
Title:

STATE OF NEW YORK)
) ss.:
COUNTY OF)

On the ____ day of _____, 201__, before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Signature and office of individual
taking acknowledgement

EXHIBIT A
LIST OF TENANTS

Exhibit E

Form of Sale Order

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	:	Chapter 11
SAINT VINCENTS CATHOLIC MEDICAL CENTERS OF NEW YORK, et al.,	:	Case No. 10-11963 (CGM)
Debtors.	:	Jointly Administered
	x	Related to Docket No. [redacted]

ORDER (I) APPROVING THE ENTRY INTO THE AMENDED AND RESTATED CONTRACT OF SALE FOR THE REAL ESTATE AND PERSONAL PROPERTY COMPRISING THE DEBTORS' MANHATTAN CAMPUS TO RSV, LLC AND NORTH SHORE-LONG ISLAND JEWISH HEALTH CARE SYSTEM; (II) APPROVING SUCH SALE FREE AND CLEAR OF LIENS, CLAIMS, ENCUMBRANCES AND OTHER INTERESTS; (III) DIRECTING OCCUPANTS UNDER TERMINATED LEASES TO VACATE THE PROPERTY; AND (IV) GRANTING RELATED RELIEF PURSUANT TO SECTIONS 105 AND 363 OF THE BANKRUPTCY CODE

Upon the Motion (the "**Motion**")[1] of Saint Vincents Catholic Medical Centers of New York ("**SVCMC**" or "**Seller**")[2] and certain of its affiliates, as Chapter 11 debtors and debtors in possession (each a "**Debtor**" and collectively, the "**Debtors**" or "**Sellers**") in the above-referenced Chapter 11 cases (the "**Chapter 11 Cases**") for (i) an order approving the entry into the Amended and Restated Contract of Sale ("**Amended Contract**") for the sale of the real estate and personal property commonly known as (a) the East (or Main) Campus ("**East Campus**"), (b) the O'Toole Building ("**O'Toole Building**") and (c) property associated with the East Campus and the O'Toole Building and commonly referred to as the Triangle parcel

[1] Unless otherwise indicated, capitalized terms used but not defined herein shall have the same meanings ascribed to them in the Motion.

[2] In addition to SVCMC, the Debtors are as follows: (i) 555 6th Avenue Apartment Operating Corporation; (ii) Bishop Francis J. Mugavero Center for Geriatric Care, Inc.; (iii) Chait Housing Development Corporation; (iv) Fort Place Housing Corporation; (v) Pax Christi Hospice, Inc.; (vi) Sisters of Charity Health Care System Nursing Home, Inc. d/b/a St. Elizabeth Ann's Health Care & Rehabilitation Center; (vii) St. Jerome's Health Services Corporation d/b/a Holy Family Home; and (viii) SVCMC Professional Registry, Inc.

("**Triangle Parcel**") all located in the Greenwich Village Section of Manhattan, New York City (collectively, the "**Property**") to RSV, LLC ("**RSV**") and, with respect to the O'Toole Building and potentially the Triangle Parcel, North Shore-Long Island Jewish Health Care System ("**North Shore-LIJ**"), as designated designee of RSV (collectively, the "**Purchasers**"); (ii) approving such sale transactions free and clear of liens, claims, encumbrances and other interests; (iii) directing occupants under terminated leases to vacate the Property; and (iv) granting related relief pursuant to sections 105 and 363 of the Bankruptcy Code; and the deadline to file objections to the Motion having been [, 2011], with [no] objections having been filed by [ ] (the "[ ] **Objection**"); and the [ ] Objection having been consensually resolved among the parties; and the Court having conducted a sale hearing (the "**Sale Hearing**") to consider approval of the sale to Purchasers pursuant to the Amended Contract; and all parties in interest having been heard, or having had the opportunity to be heard, regarding the approval of the Amended Contract and the transactions contemplated thereby; and upon the Motion and supporting documentation filed in connection therewith; and the Court having reviewed and considered the Motion and any objections, statements or responses thereto; and General Electric Capital Corporation, for itself, and TD Bank, N.A., (the "**Prepetition Agent**" or "**DIP Agent**") and the Official Committee of Unsecured Creditors (the "**Creditors' Committee**") having consented to the relief sought in the Motion; and upon the record of the Sale Hearing and the full record of these Chapter 11 Cases; and the Court having determined that the relief sought in the Motion is in the best interests of the Debtors, their estates and creditors, and all parties in interest and that the legal and factual bases set forth in the Motion and supported by the record including and not limited to: (i) the Motion and supporting documentation filed therewith; (ii) the testimony and/or other evidence proffered or adduced at the Sale Hearing; and (iii) the

representations of counsel made on the record at the Sale Hearing, establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, it is HEREBY FOUND AND DETERMINED THAT:[3]

A. Jurisdiction and Venue. The Court has subject matter jurisdiction over the Motion and the relief request therein pursuant to 28 U.S.C. § 1334 and the Standing Order of Referral of Cases to Bankruptcy Court Judges of the District Court for the Southern District of New York, dated July 19, 1984 (Ward, Acting C.J.). The Motion is a core proceeding pursuant to 28 U.S.C. § 157(b); and venue is proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409.

B. Statutory Predicates. The statutory predicates for this order are sections 105(a), 363(b), 363(d), 363(f), and 541(f) of the Bankruptcy Code and Bankruptcy Rules 2002, 4001, 6004 and 6006.

C. Notice. Proper, timely, adequate and sufficient notice of the Motion and the relief requested therein, the Sale Hearing, the Sale, the entry into the Amended Contract, and related transactions described in the Amended Contract (all such transactions being collectively referred to as the "**Sale Transaction**"), has been provided in accordance with sections 102(1) and 363 of the Bankruptcy Code and Bankruptcy Rules 2002 and 6004 and such notice was good and sufficient, and appropriate under the particular circumstances. No other or further notice of the Sale Motion, the relief requested therein and all matters relating thereto, the Sale Hearing, the Sale Transaction or entry of this Order is or shall be required.

[3] The findings and conclusions set forth herein constitute the Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. Findings of fact shall be construed as conclusions of law and conclusions of law shall be construed as findings of fact when appropriate.

D. Opportunity to Object and Make an Offer for the Property. As evidenced by the record before the Court, the Debtors and their professionals have made all reasonable efforts to identify all potential purchasers for the Property and creditors, parties-in-interest and other entities have been afforded a reasonable opportunity to make an offer for the Property. A reasonable opportunity to object or be heard with respect to the Motion and the relief requested therein has been afforded to all interested persons and entities.

E. Compliance with General Order. As detailed herein, the Debtors have complied in all respects with General Order M-383 of the United States Bankruptcy Court for the Southern District of New York, dated November 18, 2009 establishing guidelines for the conduct of asset sales.

F. Time is of the Essence. Time is of the essence in consummating the Sale Transaction and it is in the best interests of the Debtors and their estates to sell the Property within the time constraints set forth in the Motion and the Amended Contract. The Sale Transaction must be approved and consummated in the time frame set forth in the Amended Contract in order to maximize the value of the Property for the Debtors' estates.

G. Debtors' Conduct in Maximizing Value. As demonstrated by the (i) the testimony and/or other evidence proferred or adduced at the Sale Hearing and (ii) the representations of counsel made on the record at the Sale Hearing, the Debtors' conduct in maximizing value for the Property, as set forth in the Motion, and supporting documentation filed in connection therewith, were fair, proper, and reasonably calculated to result in the maximum value received for the Property and in compliance with applicable law.

H. Corporate Authority. The Debtors have full corporate power and authority to consummate the Sale Transaction pursuant to the Amended Contract and all other documents

contemplated thereby, and no consents or approvals, other than those expressly provided for in the Amended Contract, are required for the Debtors to consummate the Sale Transaction.

I. Business Justification. The Debtors have articulated good, sufficient, and sound business reasons for seeking approval of the Amended Contract and for consummating the sale of the Property outside a Chapter 11 plan pursuant to section 363(b) of the Bankruptcy Code, and it is a reasonable exercise of the Debtors' business judgment to consummate the transactions contemplated by the Amended Contract.

J. Best Interests. Approval of the Amended Contract and the consummation of the Sale Transaction are in the best interests of the Debtors, their estates, their creditors and other parties in interest.

K. Highest or Otherwise Best. The Purchasers' offer to purchase the Property, as memorialized in the Amended Contract, is the highest and otherwise best offer received for the Property to be sold. The purchase price to be paid by the Purchasers pursuant to the Amended Contract represents the results of a competitive process, and the Court hereby finds that the Amended Contract and the transactions contemplated therein are fair and reasonable and constitute exchanges of fair consideration under the Bankruptcy Code, the Bankruptcy Rules, and under the laws of the United States and any applicable state.

L. Arm's Length Transaction. The Amended Contract was negotiated, proposed and entered into by the Debtors and the Purchasers without collusion, in good faith and from arm's-length bargaining positions. The Purchasers are bona fide third-party purchasers of the Property for value and not an "insider" of any of the Debtors, as that term is defined in section 101(31) of the Bankruptcy Code. Neither the Debtors nor the Purchasers have engaged in any conduct that would cause or permit the Amended Contract or the transfer of the Property

to be avoided under section 363(n) of the Bankruptcy Code. Specifically, the Purchasers have not acted in a collusive manner with any person and the purchase price was not controlled by any agreement among parties.

M. Good Faith. RSV and North Shore-LIJ are good faith purchasers of the Property within the meaning of section 363(m) of the Bankruptcy Code and, are therefore entitled to all of the protections afforded thereby. RSV and North Shore-LIJ have proceeded in good faith in all respects in connection with this proceeding in that: (i) RSV and North Short-LIJ in no way induced or caused the Chapter 11 filing of the Debtors; (ii) they have recognized that prior to the entry into the Amended Contract, the Debtors were free to deal with any other party interested in acquiring the Property; and (iii) the Purchasers have not engaged in fraudulent or deceptive conduct in connection with their negotiations or any other aspect of the sale process; (iv) the Purchasers have not taken unfair advantage over other potential buyers of the Property; (v) the Purchasers have not controlled the outcome of the sale process; (vi) all arrangements entered into by the Purchasers in connection with the Sale Transaction have been disclosed; and (vii) all payments to be made by RSV and North Shore-LIJ pursuant to the Amended Contract or other arrangements entered into by RSV and North Shore-LIJ in connection with the Sale, if any, have been disclosed.

N. Tenancies to be Terminated. As set forth in the Motion and the testimony and/or other evidence proffered or adduced at the Sale Hearing, the Debtors have provided the Pre-Petition Occupants and Post-Petition Occupants, identified in Schedule B of the Amended Contract, with good and sufficient notice, as required under the law and terms of the respective leases, terminating their respective leases and rights of tenancy in no event later than June 30, 2011.

O. Free and Clear. The Property constitutes property of the Seller's estate and the Seller is the sole and lawful owner of, and hold good and marketable title to the Property. The transfers of the Property to the Purchasers on the Closing Date will be a legal, valid, and effective transfer of the Property, and will vest the Purchasers, to the exclusion of all other parties, with all right, title, and interest of the Debtors in and to the Property free and clear of all liens, claims, interests, obligations, rights and encumbrances, except as otherwise specifically provided in the Amended Contract. Except as specifically provided in the Amended Contract, the Purchasers shall have no liability for any claims against the Debtors or their estates or for any liabilities or obligation of the Debtors or their estates. Accordingly, the Seller may sell, and are selling, the Property free and clear of all liens (including but not limited to judgments, mechanics, artisans, charging, suppliers, design professionals, laborers, construction, constitutional, statutory or other liens whether asserted, unasserted, perfected or unperfected), encumbrances, pledges, mortgages, deeds of trust, security interests, claims (as defined by the Bankruptcy Code), liability under the Federal or State WARN Acts or similar law, leases, rights, tenants (including but not limited to claims or liens against tenants), occupancy rights or interests, charges, options, rights of first refusal, conditional sale or other title retention agreements, easements, servitudes, proxies, voting trusts or agreements, transfer restrictions under any agreement (collectively, the "**Interests**") and adverse claims, except as provided in the Amended Contract, because one or more of the standards set forth in section 363(f)(1) – (5) of the Bankruptcy Code has been satisfied with regard to each such Interest or adverse claim. Without limitation on the foregoing, the Purchasers shall take the Property free and clear of all leases and rights of tenancy of real property relating to the Property irrespective of any rights of the tenants under section 365(h) of the Bankruptcy Code, if any, given the expiration or

termination of such tenants' or occupants' rights, and such tenants and occupants are directed to vacate the Property in accordance with paragraph 9 of this Order. Those non-debtor parties with Interests or adverse claims in or with respect to the Property who did not object, or who withdrew their objections to the Sale Transaction or the Sale Motion are deemed to have consented to the sale of the Property free and clear of those non-debtor parties' interests in the Property pursuant to section 363(f)(2) of the Bankruptcy Code. Any remaining objections filed by non-debtor parties with Interests or adverse claims are overruled. The Purchasers would not have entered into the Amended Contract, and would not consummate the Sales Transaction, thus adversely affecting the Debtors, their estates, and their creditors if the sale of the Property to the Purchasers was not free and clear of all Interests and adverse claims of any kind or nature whatsoever, or if the Purchasers would, or in the future could, be liable for any of the Interests or adverse claims.

P. Avoidance and Successor Liability. The transfer of the Property to the Purchasers (i) does not constitute an avoidable transfer under the Bankruptcy Code or under applicable bankruptcy or nonbankruptcy law and (ii) except as specifically set forth in the Amended Contract, does not and will not subject the Purchasers to any liability whatsoever with respect to the operation of the Debtors' businesses prior to the closing of the Sale Transaction or by reason of such transfer under the laws of the United States, any state, territory, or possession thereof, or the District of Columbia, based, in whole or in part, directly or indirectly, in any theory of law or equity including, without limitation, any laws affecting antitrust, successor, transferee or vicarious liability. Without limiting the foregoing, Purchasers are not liable as a successor (i) under the Amended Contract or (ii) under any other basis for any liabilities or responsibility under Federal or State law with respect to any employee or former employee of the

Debtors arising from or with respect to their termination from employment, the form, timing, or adequacy of notice they received with respect to the termination of their employment with any of the Debtors, or the lack thereof, whether under State or Federal WARN Act, or the SVCMC Pension Plan, including without limitation, for any and all claims under any provision of the Employee Retirement Income Security Act of 1974 ("**ERISA**"), including Title IV of ERISA, or under any other statute, regulation or common law principle, whether such liability or claim arose prior to the Closing Date (as defined in the Amended Contract) or arises on or after the Closing Date.

Q. No Merger or Consolidation. The Sale Transaction does not amount to a consolidation, merger, or de facto merger of the Purchasers and the Debtors and/or the Debtors' estates; there is no continuity between the Purchasers and the Debtors; there is no continuity of enterprise between the Debtors and the Purchasers; the Purchasers are not an alter ego, or a mere continuation of the Debtors or their estates, and the Purchasers do not constitute a successor to the Debtors or their estates.

R. Not-for-Profit and Tax Exempt Status. The Seller and North Shore-LIJ (i) are not-for-profit entities organized exclusively for religious, charitable or educational purposes and are exempt from Federal income tax under 501(c)(3) of the IRS Code; (ii) do not have any net earnings that inures to the benefit of any private shareholders or individuals (iii) do not substantially engage in activities that carry on propaganda or otherwise attempting to influence legislation; (iv) do not operate for the primary purpose of carrying on a trade or business for profit; and (v) are not private foundations under section 509(a) of the IRS Code. The Seller is also a tax exempt entity that is listed in The Official Catholic Directory. The Sale Transaction is in furtherance of the Debtors' religious and charitable mission.

S. Compliance with Nonbankruptcy Law. In satisfaction of section 363(d) and 541(f) of the Bankruptcy Code, the transfer of property as contemplated by the Sale Transaction complies with applicable nonbankruptcy law governing such a transfer.

T. Legal and Factual Bases. The legal and factual bases set forth in the Motion and at the Sale Hearing establish just cause for the relief granted herein.

NOW THEREFORE, IT IS HEREBY ORDERED THAT:

1. Motion. The Motion is hereby granted as provided herein.

2. Objections. All objections to the Motion and the relief requested therein that have not been withdrawn, waived or settled, and all reservations of rights included in such objections, are hereby overruled on the merits and denied.

3. Approval of the Sale Transaction. The Sale Transaction and all of the terms and conditions and transactions contemplated by the Amended Contract are hereby authorized and approved pursuant to sections 105(a), 363(b) and 363(f) of the Bankruptcy Code. Pursuant to sections 105(a), 363(b), and 363(f) of the Bankruptcy Code, the Debtors are authorized and directed to enter into the Amended Contract, to perform their obligations thereunder in accordance with the terms thereof, and to consummate the Sale Transaction pursuant to and in accordance with the terms and conditions of the Amended Contract. The Debtors are authorized and directed to execute and deliver, and empowered to perform under, consummate, and implement the Amended Contract, together with all additional instruments and documents that may be reasonably necessary or desirable to implement the Amended Contract and effectuate the provisions of this Order and the transactions approved hereby. The Debtors shall also be authorized to take such further actions as may be reasonably requested by the Purchasers for the purpose of assigning, transferring, granting, conveying and conferring to the

Purchasers or reducing to possession, the Property, or as may be necessary or appropriate to the performance of the obligations as contemplated by and in accordance with the Amended Contract. Any such further actions taken by the Debtors in accordance with the preceding sentence shall be done with prior notice to the Creditors' Committee and the Prepetition Agent provided that no prior notice shall be required for immaterial or ministerial actions. The failure to specifically include any particular provision of the Amended Contract in this Order shall not diminish or impair the efficacy of such provision, it being the intent of this Court that the Amended Contract and each and every provision, term and condition thereof be authorized and approved in their entirety.

4. Transfer of the Property. As of the closing of the Sale Transaction (the "**Closing**"), the transactions contemplated by the Amended Contract effect a legal, valid, enforceable and effective sale and transfer of the Property to the Purchasers, pursuant to the terms of the Amended Contract, and shall vest the Purchasers with all right, title, and interest of the Debtors in and to the Property.

5. Free and Clear. Except as provided for in Section 4 of the Amended Contract, the transfer of the Property shall vest the Purchasers with all right, title, and interest of the Debtors in the Property pursuant to sections 105(a) and 363(f) of the Bankruptcy Code, free and clear of any and all Interests and adverse claims, whether arising by statute, operation of law, or as imposed by agreement, understanding, law, equity or otherwise and whether arising before or after the commencement of these Chapter 11 Cases, whether known or unknown, including, but not limited to, Interests and adverse claims of or asserted by any of the creditors, vendors, employees, suppliers, or lessors of the Debtors or any other third party. Any and all such Interests and adverse claims shall attach to the net proceeds (the "**Net Proceeds**") of the Sale

Transaction after taking into account the costs of the Sale (the "**Sale Costs**") and Interests satisfied by the Purchasers' title company out of the gross proceeds, for the satisfaction of governmental and/or municipal liens against the Seller which have statutory superiority (each a "**Senior Claim**") senior to the Interests held by the General Electric Capital Corporation or if such Interests are disputed, then escrowed by the Debtors, provided, that Purchasers shall take the Property free and clear of those disputed Interests as set forth in this Order. The Sale Costs include costs directly relating to the Sale Transaction, including taxes, if any. All persons and entities asserting or holding any Interests in or with respect to the Property (whether legal or equitable, secured or unsecured, matured or unmatured, contingent or non-contingent, senior or subordinated), or adverse claims, howsoever arising, shall be forever barred, estopped, and permanently enjoined from asserting, prosecuting or otherwise pursuing such Interests or adverse claims against the Purchasers. Each and every federal, state, and local governmental agency, recording office or department and all other parties, persons or entities is hereby directed to accept this Order for recordation as conclusive evidence of the free and clear and unencumbered transfer of title to the Property conveyed to the Purchasers, and each such entity is authorized and directed to strike all recorded interests in the Property consistent with this Order. Without limitation on the foregoing and subject to paragraph 9 of this Order, Purchasers shall take the Property free and clear of all leases of real property and rights or asserted rights of tenancy relating to the Property irrespective of any rights of any tenants under section 365(h) of the Bankruptcy Code, if any, and such tenants shall be required to vacate the leased premises in no event later than June 30, 2011.

6. Surrender of Property. All entities who are presently, or who as of the Closing may be, in possession of some or all of the Property hereby are directed to surrender

possession of the Property to the Purchasers as of the Closing. On the Closing and subject to the Interests attaching to the proceeds of the Sale as provided for in this Order, each of the Debtors' creditors is authorized and directed to execute such documents and take all other actions as may be reasonably necessary to release its Interests in the Property, if any, as such Interests may have been recorded or may otherwise exist. Purchasers shall have standing to enforce this Order, including the right to compel any remaining tenants or occupants of the Property to vacate the Property pursuant to Paragraph 9 of this Order. If any person or entity that has filed financing statements, mortgages, mechanics' liens, *lis pendens*, or other documents or agreements evidencing an Interest in the Property shall not have delivered to the Debtors prior to the Closing, in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction, or other releases of all Interests which the person or entity has with respect to the Property, then (i) the Debtors are authorized to execute at Closing, and within two (2) business days thereafter, file such statements, instruments, releases, and other documents on behalf of the person or entity with respect to the Property, and (ii) the Purchasers are authorized to file, register, or otherwise record a certified copy of this Order, which, once filed, registered, or otherwise recorded, shall constitute conclusive evidence of the release of all Interests in the Property of any kind or nature whatsoever.

7. Good Faith. The Sale Transaction has been undertaken by the Debtors, RSV and North Shore-LIJ at arms'- length, without collusion, and RSV and North Shore-LIJ will acquire the Property pursuant to the Amended Contract in good faith, under section 363(m) of the Bankruptcy Code, and are, and shall be entitled to all of the protections in accordance therewith. The consideration provided by the Purchasers for the Property under the Amended Contract is fair and reasonable, and the Sale may not be avoided or be the basis for an award of

monetary damages under section 363(n) of the Bankruptcy Code. The sale of the Property and the consideration provided by the Purchasers shall be deemed for all purposes to constitute a transfer for reasonably equivalent value and fair consideration under the Bankruptcy Code and any other applicable law. RSV and North Shore-LIJ are hereby granted and are entitled to all of the protections provided to a good faith purchaser under section 363(m) of the Bankruptcy Code. The reversal or modification on appeal of the authorization provided herein to consummate the Sale Transaction shall not affect the validity of the Sale Transaction, unless such authorization is duly stayed pending such appeal. No governmental unit or regulatory authority may revoke or suspend any right, license, trademark or other permission relating to the use of the Property sold, transferred or conveyed to the Purchasers on account of the filing or pendency of the Chapter 11 Cases or the consummation of the Sale Transaction.

8. Required Permits. The Debtors are hereby authorized and directed to assign all state and federal licenses and permits used in connection with the Property to the Purchasers in accordance with the terms of the Amended Contract. No governmental unit or regulatory authority may revoke or suspend any right, license, trademark, or other permission relating to the use of the Property sold, transferred, or conveyed to the Purchasers on account of the filing or pendency of the Chapter 11 Cases or the consummation of the Sale Transaction.

9. Tenancies and Other Occupants. The Pre-Petition Occupants and the Post-Petition Occupants, as defined in Schedule B to the Amended Contract, shall vacate their respective premises by no later than June 30, 2011.

10. Release of Claims Under Original Contract. The releases set forth in Section 25 of the Amended Contract are hereby approved.

11. Modifications. The Amended Contract and any related agreements, documents, or other instruments may be modified, amended, or supplemented by the parties thereto, in a writing signed by both parties, and in accordance with the terms thereof, without further order of this Court; provided that any such modification, amendment or supplement does not have a material adverse effect on the Debtors' estates and provided, further, that no such modifications, amendments, or supplements may be made except following two business days advance notice to (i) General Electric Capital Corporation, as Agent for itself, and TD Bank, N.A., c/o Winston & Strawn LLP, 200 Park Avenue, New York, New York, 10166-4193, Attn: David Neier, Esq.; and Winston & Strawn LLP, 101 California Street, San Francisco, CA 94111-5802 Attn: Randy Rogers, Esq.; and (ii) the Creditors' Committee, c/o Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, New York, NY 10036 (Attn: David H. Botter, Esq., Sarah Link Schultz, Esq.) with an opportunity to object to such modification, amendment or supplement. If a written objection to any such modification, amendment or supplement is served on the Debtors (with a copy to Purchasers) during this two business day objection period (which service may be delivered by electronic mail) and the parties are unable to reach a consensual resolution; the Debtors or Purchasers may seek an Order from this Court on an expedited basis approving such modification, amendment or supplement.

12. No Successor Liability. The Purchasers are not a "successor" to, or alter ego of, the Debtors or their estates by reason of any theory of law or equity, and, the Purchasers shall not assume, nor be deemed to assume, or in any way be responsible for any liability or obligation of any of the Debtors and/or their estates with respect to the Property or otherwise, including, but not limited to, under any bulk sales law, doctrine or theory of successor liability, or similar theory or basis of liability except as expressly provided in the Amended Contract.

Neither the purchase of the Property by the Purchasers nor the fact that the Purchasers or any of their affiliates may have used or contracted with the Seller regarding any of the Property will cause the Purchasers or any of their affiliates to be deemed a successor in any respect to the Debtors' business or any liability derived therefrom within the meaning of any foreign, federal, state or local revenue, pension, ERISA, tax, labor, employment (including, but not limited to, State or Federal WARN Act), environmental, or other law, rule or regulation (including, without limitation, filing requirements under any such laws, rules or regulations), or under any products liability law or doctrine with respect to the Debtors' liability under such law, rule or regulation or doctrine. Without limiting the foregoing, the Purchasers are not liable as a successor (i) under the Amended Contract or (ii) under any other basis for any liabilities or responsibility with respect to the SVCMC Pension Plan, including without limitation, for any and all claims under any provision of ERISA, including Title IV of ERISA, or under any other statute, regulation or common law principle, whether such liability or claim arose prior to the Closing Date (as defined in the Amended Contract) or arises on or after the Closing Date.

13. Binding Order. This Order and the Amended Contract shall be binding upon and govern the acts of all persons and entities, including, without limitation, the Debtors and the Purchasers, their respective successors, and permitted assigns, including, without limitation, any Chapter 11 trustee hereinafter appointed for the Debtors' estate or any trustee appointed in a Chapter 7 case if this case is converted from Chapter 11, and all creditors of any of the Debtors (whether known or unknown). Nothing contained in any chapter 11 plan confirmed in the Chapter 11 Cases or the order confirming any such chapter 11 plan shall conflict with, negate or be contrary to or inconsistent with the provisions of the Amended Contract.

14. Non-Severability. The provisions of this Order are non-severable and mutually dependent.

15. Use of Sale Proceeds. Except as otherwise provided for in this Order or a Chapter 11 Plan that has been confirmed by an order of this Court and as to which the effective date has occurred, or as agreed to by the Prepetition Agent, upon Closing, the Debtors are authorized and directed to remit the Net Proceeds to the Prepetition Agent on account of the Prepetition Obligations to the extent necessary to satisfy the Prepetition Obligations in full. An amount equal to the amount of all allowed Prior Permitted Senior Liens (as that term is defined in the DIP Order) shall be either paid to the holders thereof or set aside for later payment. The remainder of the Net Proceeds shall be remitted to the DIP Agent on account of the DIP Obligations unless otherwise provided in the DIP Credit Facility; provided, that, if the DIP Obligations shall have been paid in full at the time of the Closing Date, such excess Net Proceeds shall be remitted in accordance with terms of any replacement DIP financing obtained by the Debtors or, in the absence of such financing, retained by the Debtors.

16. Retention of Jurisdiction. This Court shall retain exclusive jurisdiction on all matters pertaining to the relief granted herein, including to interpret, implement, and enforce the terms and provisions of this Order and the Amended Contract, adjudicate any dispute relating to the Sale Transaction or the proceeds thereof, and enforce the Order to require that tenants immediately vacate the premises as required by this Order and the Amended Contract.

Dated: New York, New York
_____, 2011

THE HONORABLE CECELIA G. MORRIS
UNITED STATES BANKRUPTCY JUDGE

ANNEX 1
Purchase and Sale Contract

Hunter College Survey Report

Community Health Assessment: St. Vincent's Medical Center

Steering Committee Meeting
May 26, 2011

Report #1
Quantitative Survey and Qualitative Data Collection

Diana Romero, PhD, MA; Neal Cohen, MD; Sue Nestler, MPH;
Amy Kwan, MPH; Justin Swearingen, MHA
CUNY School of Public Health at Hunter College

Quantitative Component*:

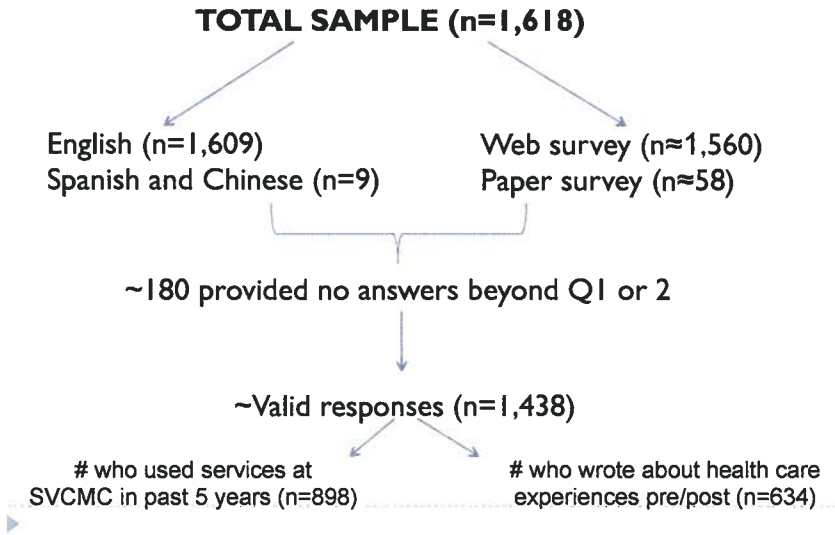
Community Survey

- *Note: Data last updated May 26, 2011. Additional analyses ongoing.*

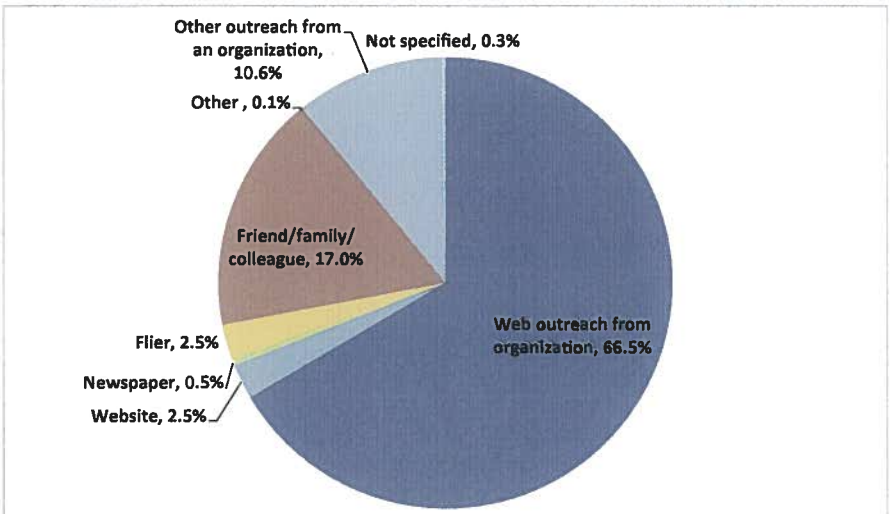
Quantitative Survey: Process

- IRB approval of amendment for survey: 3/21/2011
- Web and paper surveys created:
  - English, Spanish, Chinese, large-print
- Process:
  - SC partners volunteered to disseminate via email, website link, and paper distribution modes
  - 6 weeks to collect responses
    - Official launch: 4/5/11
    - Survey closed: 5/16/11

Response Tree



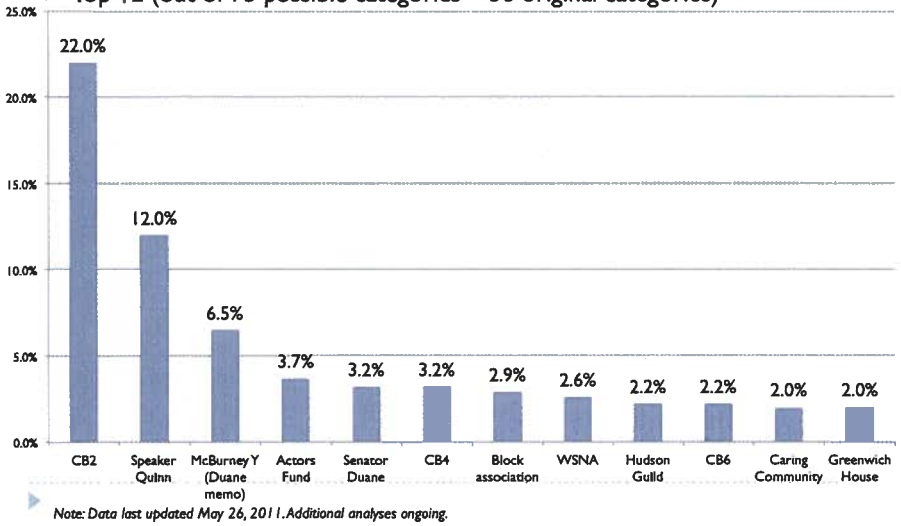
Modes of Dissemination (N=1,409)



Note: Data last updated May 26, 2011. Additional analyses ongoing.

From whom did respondents hear about survey? (n=1,437)

Top 12 (out of 73 possible categories – 36 original categories)



Note: Data last updated May 26, 2011. Additional analyses ongoing.

Survey Demographics (N=1,438)	% (n)
Age	Range (18 – 98) Mean 58.3 (SD=13.9)
Race/Ethnicity	
White	84.7 (1195)
Latino/Hispanic	6.2 (88)
Asian/Pacific Islander	3.1 (44)
More than one race	2.3 (32)
African-American/African	2.1 (29)
Other, including Caribbean/West Indian/Amer Indian/Alaska Native	1.6 (23)
Primary language	
English	95.8 (1355)
Spanish	2.3 (32)
Chinese (Cantonese/Mandarin)	0.6 (8)
Other	1.4 (20)
Gender	
Female	62.7 (850)
Male	36.7 (498)
Transgender (identify as female, identify as male)	0.4 (6)
Other	0.1 (2)
Sexual orientation	
Heterosexual	75.8 (990)
Gay	13.9 (182)
Lesbian	4.6 (60)
Bisexual	2.3 (30)
Other	2.2 (29)
Queer	0.6 (8)
More than one	0.5 (7)

Survey Demographics (N=1,438) (con't)	% (n)
Zip code	
10014 (PSA)	31.9 (456)
10011 (PSA)	30.3 (433)
10012 (PSA)	6.9 (98)
10001 (PSA)	5.7 (81)
10003 (SSA-1)	4.8 (69)
10036	4.0 (57)
10013 (SSA-1)	1.9 (27)
Other	14.5 (217)
Length of residence in this zip code	Mean: 23.7 years SD (15.0)

- *Note: Data last updated May 26, 2011. Additional analyses ongoing.*

Survey Findings: Health Insurance (n=1,432)

Variables	% (n)
Health insurance (yes)	**94.3 (1350)**
Private through employment	47.8 (637)
Private, self-pay	12.8 (171)
Medicare (mixed)	29.6 (395)
Medicaid	3.1 (41)
Family Health Plus	0.7 (10)
Combined public sources	2.2 (30)
Combined private and public sources	1.3 (17)
Other (unspecified)	2.5 (33)

Note: Data last updated May 26, 2011. Additional analyses ongoing.

Survey Findings: Health Status (n=1,422)

Variables	% (n)
Deaf, or have serious difficulty hearing?	4.2 (60)
Blind, or have serious difficulty seeing even when wearing glasses?	1.9 (27)
Physical health condition? (~430 specified)	36.8 (523)
Mental health condition? (~120 specified)	10.8 (154)
Had doctor affiliated with SVCMC?	60.1 (843)
Currently see same doctor as you did prior to closing?	68.0 (921)

Note: Data last updated May 26, 2011. Additional analyses ongoing.

Survey Findings: Utilization of SVCMC (n=1,215)

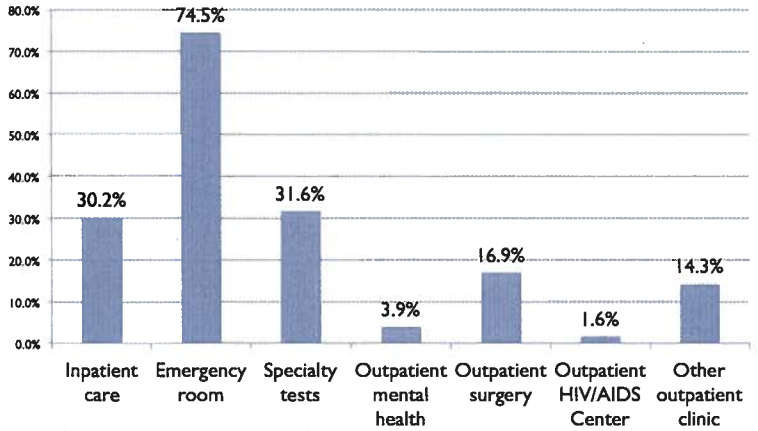
Variable	% (n)
Sought any services at SVMC in past 5 years?	
Yes	73.9 (898)
No, went elsewhere	26.1 (317)
Of those that went elsewhere, where did they go? (top 3)	
- NYU Medical	
- Beth Israel	
- St. Luke's-Roosevelt	
- Other*	

*Recoding of various health care facilities mentioned is still underway

Note: Data last updated May 26, 2011. Additional analyses ongoing.

Survey Findings: Utilization of SVCMC (N=898)

Of those that sought services at SVCMC in past 5 years, what services did they use?

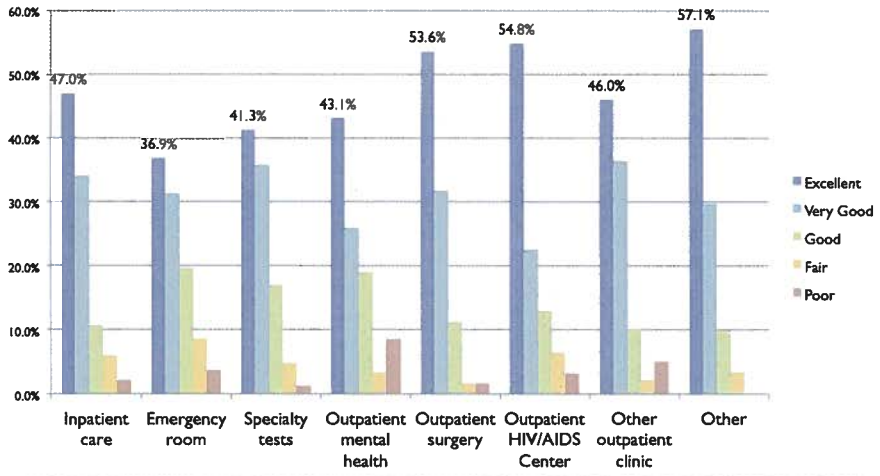


*Percents may not sum to 100 because respondents could check all that apply

Note: Data last updated May 26, 2011. Additional analyses ongoing.

Survey Findings:
Ratings of Experience at SVCMC (N=898)

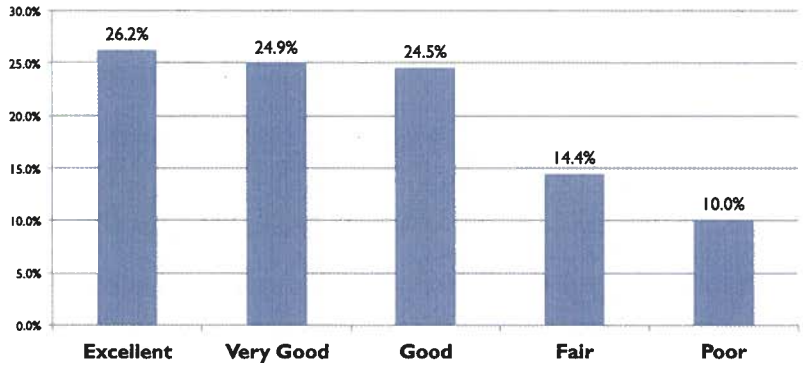
Of those that sought services at SVCMC in past 5 years, how did they rate their experience?



Note: Data last updated May 26, 2011. Additional analyses ongoing.

Survey Findings:
Experience with Other ERs Post-Closure (N=898)

- Since St. Vincent's closed, 26.1% (n=233) have gone to an emergency room for care
- Of these, how did they rate their overall experience at this other ER?*

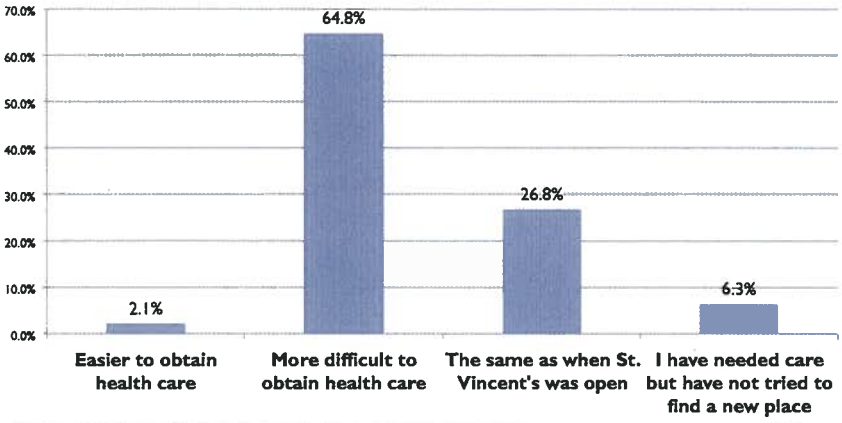


~90 open-ended responses about experience with other ER still in process of being coded/analyzed

Note: Data last updated May 26, 2011. Additional analyses ongoing.

Survey Findings: Accessing Care Post-Closure (N=898)

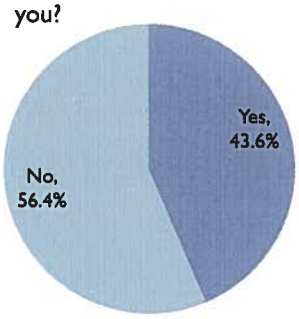
- How has it been finding a new place to get care since St. Vincent's Medical Center closed in April 2010? Has it been...



- *Note: Data last updated May 26, 2011. Additional analyses ongoing.*

Survey Findings: Services NO LONGER Available

- Since the closing of St. Vincent's Medical Center, are there health care services that are NO LONGER AVAILABLE to you?



- Please tell us about your experience (n=227). Majority talked about needing an ER.

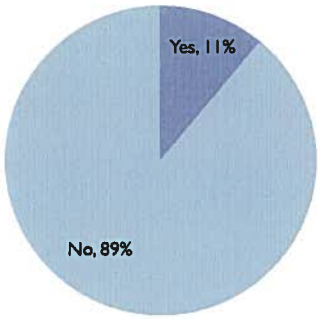
27 most important words and phrases:

Access Beth Israel Broke Care Clinic Continue Doctors Emergency Room Employment Fairly Hospital Late at Night Needed Occasions Overwhelmed PCP Peace of Mind Pediatrician Place Private Process Question Referrals Replacement Services Shots Specialty True

- *Note: Data last updated May 26, 2011. Additional analyses ongoing.*

Survey Findings: Can Now Access Services PREVIOUSLY NOT AVAILABLE

- Since the closing of St.Vincent's Medical Center, have you been able to access health care services that were PREVIOUSLY NOT AVAILABLE?

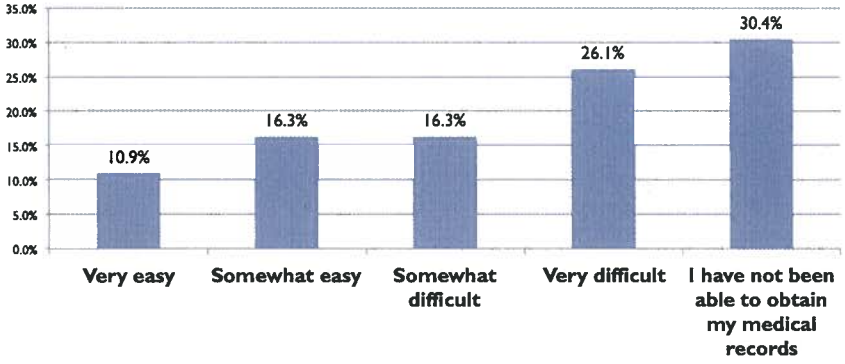


- Please tell us about your experience (n=50): Most provided anecdotes of recent health care experiences; 10 found Q confusing

Note: Data last updated May 26, 2011. Additional analyses ongoing.

Survey Findings: Obtaining Medical Records Post-Closure (N=898)

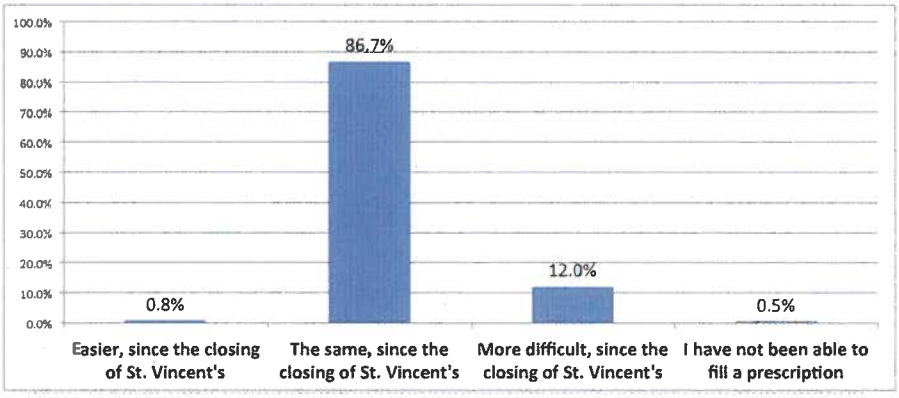
- Since St.Vincent's closed, 10.8% (n=95) of respondents have tried to get access to their medical records.
- Of these, their attempt to obtain their records has been…



Note: Data last updated May 26, 2011. Additional analyses ongoing.

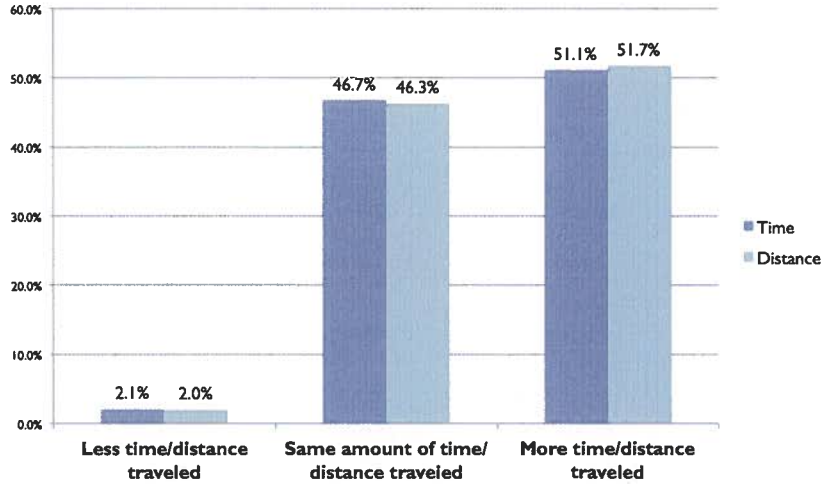
Survey Findings: Filling Prescriptions Post-Closure (N=898)

- Since St. Vincent's closed, 94.7% (n=834) of respondents have received a prescription for medication.
- Of these, filling a prescription has been…



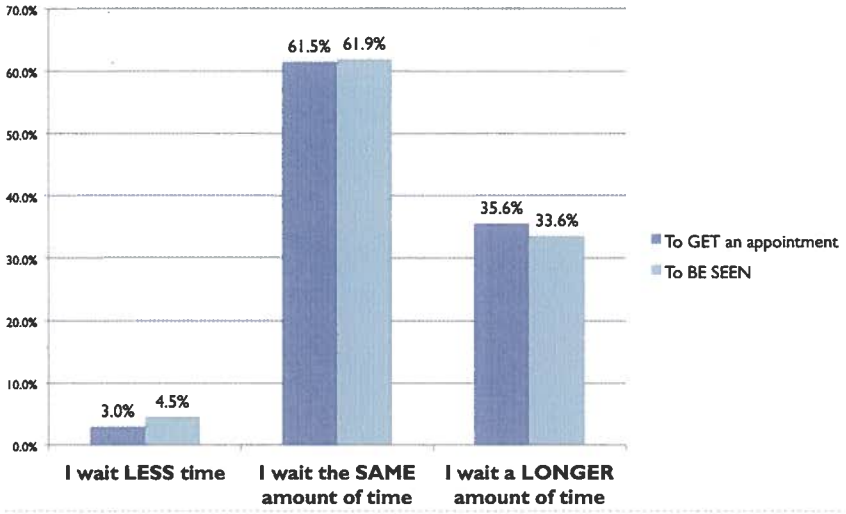
Note: Data last updated May 26, 2011. Additional analyses ongoing.

Survey Findings: Travel Time and Distance for Care (Pre vs. Post) (N=898)



Note: Data last updated May 26, 2011. Additional analyses ongoing.

Survey Findings: Getting an Appointment and Waiting to be Seen (N=898)



- *Note: Data last updated May 26, 2011. Additional analyses ongoing.*

Survey Findings: Comments regarding current health-care experiences compared to prior to hospital closure

- Is there anything else that you want to tell us comparing your CURRENT experience with health care services to your experiences prior to the closing of St. Vincent's Medical Center?
- Over 630 open-ended responses
  - 37 codes/themes created
    - Unsure of where to go for general healthcare
    - No nearby ER/trauma center now, unsure where to go for emergency
    - No (other specialty) now
    - Experienced doctor changes or affected decisions about doctors
    - Neighborhood business losses
    - Healthcare too expensive in general – concerns re healthcare expense
    - Need for "full" hospital
    - Negative comment re elected officials
    - Fear, anxiety

- *Note: Data last updated May 26, 2011. Additional analyses ongoing.*

Survey Findings: Comments regarding current health-care experiences compared to prior to hospital closure (continued)*

- Respondent never used SVCMC
- (Healthcare) professional re effect on clients/referrals
- Others too far and/or other ERs or mentioned traffic
- Others too crowded, or understaffed, or too expensive
- SVCMC was better/best
- Positive/negative anecdote at SVCMC
- Positive/negative anecdote at other, or post-closing
- Respondent gave birth at SVCMC
- SVCMC gave poor quality of care
- Used word "insecurity" or loss of "security" after closing
- No changes in personal health care since closing
- Used word "sad" or "unhappy" to describe feelings post closing

*Ongoing analysis of 37 categories created from >630 open-ended responses; to be cross-referenced with findings from qualitative component.

Note: Data last updated May 26, 2011. Additional analyses ongoing.

I: Summary of Results (thus far...)

- Majority of respondents are white (85%), female (63%), have health insurance (94%), and live in the PSA (74%)
  - Almost 50% report having a physical or mental health condition that requires regular treatment or care
- 60% had a doctor affiliated with SVCMC and 68% currently see the same doctor as before the closing
- 74% sought services at SVCMC in the past 5 years
  - ER was the most commonly used service (75%), followed by specialty tests (32%), inpatient care (30%), and outpatient clinics (20%)
  - Majority of ratings of services at SVCMC were across the board excellent or very good (range: 69% to 86%)
- 26% have gone to an emergency room since SVCMC closed, and 51% rated their experience as excellent or very good.

Note: Data last updated May 26, 2011. Additional analyses ongoing.

II: Summary of Results (thus far…)

- 64% report that it is more difficult to **obtain healthcare** since SVCMC closed
- 44% report a **loss of services** since the hospital closed
- 11% state they are able to access services that were previously *not* available to them
- Of the 10% who have tried to access their **medical records**, 30% have not been able to obtain their records and 42% report their attempt as being somewhat or very difficult
- A minority (12%) of those who needed to fill a prescription said it was more difficult since the hospital closed
- Time, distance, appointments
  - Over 50% report spending more time traveling, or traveling further, to get to their healthcare provider
  - Over one-third report waiting longer to get an appointment, or to be seen when at an appointment

Note: Data last updated May 26, 2011. Additional analyses ongoing.

Next Steps/Additional Analyses…

- Bivariates

Demographics
- Age
- Zip code (PSA/SSA-I vs. SSA-II/other)
- Gender
- Length of residence
- Hispanic/non-Hispanic and race
- Insurance status

Continuity of care
- Seeing same MD as before
- Experience accessing new place for care
- Gone to ER since closed

Health-defined sub-groups
- Vision/hearing impairment
- Physical health condition
- Mental health condition

Possible outcomes
- Services no longer available
- New services available
- Medical records
- Distance traveled
- Time traveled
- Wait to get an appointment
- Wait to be seen

Additional recommendations?

Next Steps/Additional Analyses…

- Open-ended Questions
  - Physical, mental health conditions
  - "Other" services utilized at SVCMC
  - Experiences accessing health care post-closure
  - Experience at other ERs
  - Overall health care experience compared to before hospital closed

Qualitative Component:

Key Informant Interviews and Focus Groups

Timeline

- November: IRB approved (Protocol #10-10-295-4471)
- Data collection/analysis period: Jan-Apr, 2011
- January-February:
  - Interviews: *completed*
    - 6 completed, transcribed and analyzed
    - 1 "hybrid" group of key informants completed
- February-April:
  - Focus Groups: *completed*
    - 6 completed, transcribed and analyzed

Qualitative Design: Key Informant Interviews

- Recommended by members of the Steering Committee
- All were representatives in leadership positions at community-based organizations representing residents and/or providing health care-related services
- Procedure: Informed consent, semi-structured interview guided by interview guide
- Approximately 1 hr
- 6 out of 7 gave permission to audio record

- Sample:
  - n=6 + 1 "hybrid" (providers) → total of 16 interviewees

1. What was the nature of their clients' and their organization's relationship with St. Vincent's?
2. How are the communities *that their organizations serve* experiencing the closing of St. Vincent's?

Qualitative Design: Focus Groups

- Participants recruited by CBO partners
  - Adults over 18 years living in NYC
  - Represented client population
  - Previously utilized services at St. Vincent's
- Procedure: informed consent, brief questionnaire, moderated group discussion guided by topic guide
- Approximately 1-1.5 hours and audio recorded
- Sample:
  - n=6 FGs with average of 7 participants → total of 44 participants

1. What was the nature of their relationship with St. Vincent's?
2. How are community *members/residents experiencing* the closing of St. Vincent' s?

KII and FG questions

- Questions covered topics including:
  - Before and after closing of hospital:
    - (Perception of) health care utilization in the community
    - Access to health/mental health services
    - Quality of services
    - Health needs and service gaps
  - Most significant effect of the closing
  - Recommendations going forward

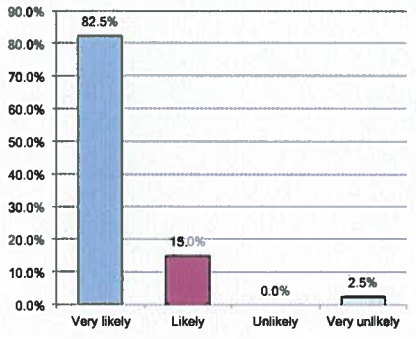
Focus Groups: Participant Demographics (n=44)

Demographic Variable	%
Age (mean)	54.6 yrs (range: 32-82)
Gender	
Male	54.5
Female	45.5
Home zip code	
PSA	55.0
SSA	2.5
Outside PSA and SSAs	42.5
Race/Ethnicity	
African-American/Black	46.3
White	41.5
Hispanic	30.3
American Indian/Alaska Native	2.4
Education	
<HS	22.5
HS diploma/GED	22.5
Some college	30.0
College diploma	15.0
Some graduate school	2.5
Graduate diploma	7.5
Primary language spoken at home	
English	87.5
Spanish	17.5
Employment status	
FT	10.0
PT/per diem	10.0
Retired	20.0
Unemployed	40.0
Unable to work	22.5

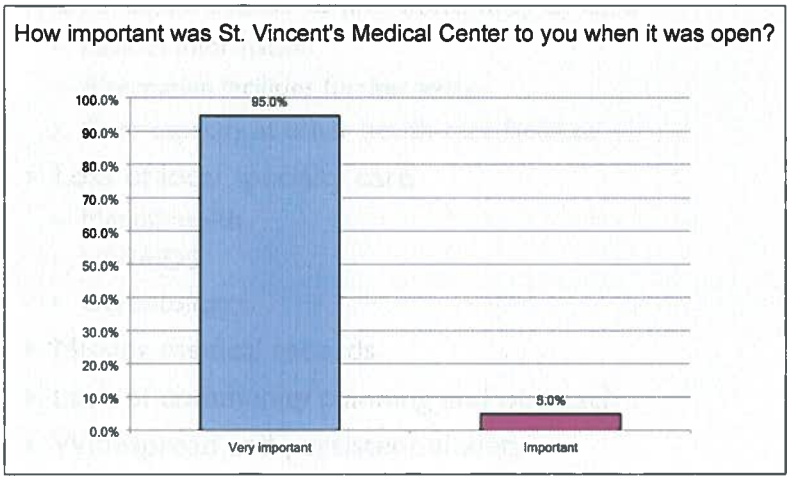
* Numbers may not sum to 100 due to rounding or because multiple responses were permitted.

FG Background Questionnaire: I

When St. Vincent's Medical Center was open, how likely was it that you would have sought health care there, compared to another provider?



FG Background Questionnaire: II



Findings/Themes:
Utilization & Perceptions of St. Vincent's Pre-Closure

- "Accessible health care for all"
  - Accessibility – multi-dimensional
  - Ability to pay
- Comprehensive services
  - "All under one roof"
- Quality of care
  - High
- Close relationship with community
  - Individual residents
  - CBOs

Findings/Themes: Recommendations for Improving Health Care of the Community

- Re-open the hospital, or at least emergency services
- Conduct "community health care inventory" of services/ facilities/resources
  - Know what's available and disseminate information to community
- Integrated medical system
  - Strengthen networks between providers; simplify insurance schemes
  - Objective: ↓ complexity, ↑ access to care

Thanks to the Steering Committee for everyone's responsiveness and continued contributions

Contact Info/Request for Feedback:
CHA.HunterCollege@gmail.com

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RELATED KEYWORDS: Beth Israel Medical Center | Emergency Medicine

St. Vincent's Hospital closing was a 'significant disaster,' says Bellevue chief

BY HEIDI EVANS
DAILY NEWS STAFF WRITER
Sunday, October 10, 2010

Six months after bankrupt St. Vincent's Hospital closed its doors, emergency rooms at nearby Manhattan hospitals are bursting with patients.

Bellevue Hospital has taken the biggest hit, with ER visits jumping to 10,000 a month from an average 8,000.

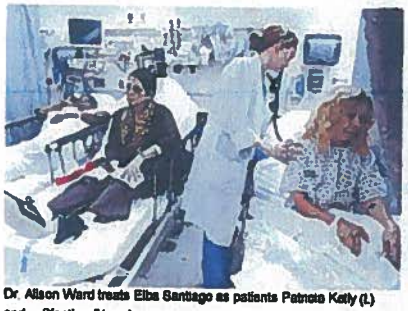
Ambulances alone brought 2,800 patients last month, up from an average 2,000 a month before the Greenwich Village hospital shut.

Dr. Lewis Goldfrank, Bellevue's longtime chief of emergency medicine, called the closure of St. Vincent's "a significant disaster" for emergency care.

"We are seeing people in rapid succession continuously in every space we've got and trying to achieve excellence in the face of substantial chaos a good part of the day and night," Goldfrank said.

The crowded conditions have led to an unsettling increase in patients assaulting medical staff and threatening patients lying too close to them, Goldfrank said.

The April closure of St. Vincent's also left Bellevue as the only Level 1 trauma center in lower Manhattan. That means already taxed doctors and nurses have to handle more victims of gun violence, car crashes and falls.



Dr. Alison Ward treats Elba Santiago as patients Patricia Kelly (L) and . (Xanthos/News)

"It's chaos," said an 87-year-old man who was brought to the Bellevue ER from the lower East Side after he fell and broke his arm.

"I've been parked here waiting for results from my X-rays," said the retired pianist, who declined to give his name. "It's very upsetting and disturbing with so many people everywhere."

Ten blocks south of Bellevue, patients are also pouring into Beth Israel Medical Center's 70-bed emergency room.

Hospital officials there say they saw an immediate 25% to 30% uptick in ER traffic beginning in April - and it's been the same ever since.

In January, while St. Vincent's was still open, Beth Israel's ER saw an average 230 patients a day. Last month, the number was nearly 300. The number of daily ambulances has jumped from 52 to 75.

To keep up with the relentless stream of new patients, Beth Israel has added more beds, opened at least five more nursing units and has trained premed students to write up patient charts while the doctors are doing hands-on care.

In addition, doctors have found a new chemical that gets through the body faster for CT scans, speeding up the time in which they make a diagnosis and can move people upstairs or send them home. A newly renovated ER has also helped.

RELATED VIDEO

St. Vincent's Hospital Closes For Good

Huffington Post/AP First Posted: 04-30-10 12:45 PM | Updated: 04-30-10 12:51 PM

Amazing
Inspiring
Funny
Scary
Hot
Crazy
Important
Weird

Read More: Catholic Hospital, Greenwich Village, Lenox Hill Hospital, St. Vincent's Hospital, St. Vincent's Hospital Closed, St. Vincent's Hospital Closing, Video, New York News

NEW YORK (Associated Press) - St. Vincent's Hospital, a 160-year institution in Manhattan's Greenwich Village, closed for good Friday after months of feuding and years of financial struggles.

"Closed" signs were posted on its double doors at about 8:15 a.m. An emergency room sign was removed, as was a large blue St. Vincent's flag next to the ER doors.

About 100 people, including nurses, doctors, other hospital workers and neighborhood residents, crowded outside. Some took pictures of the building.

St. Vincent's closing means the nearest top-level trauma center is two miles away.

"I have no job. I'm unemployed. It's over," Eileen Dunn, a St. Vincent's nurse for 24 years, said shortly before the closing. "It's like a funeral inside. Most of us have been here for many years."

The emergency room treated 43 patients overnight, sending two to other hospitals. About 25 hospital workers were in the ER when it closed.

Since it opened in 1849, the famed Manhattan hospital has treated cholera victims, survivors of the Titanic and hundreds of victims of the Sept. 11 attacks. It also was at the forefront of the early response to the AIDS epidemic.

"There's a lot of heartbroken people inside the ER. ... They have been the heart and soul of this hospital for many years," Dunn said. "I think on 9/11 we saw what hatred could do. We're seeing today what greed and politics can do to a hospital."

The city deployed extra ambulances to the area to bring emergency cases to other hospitals; two were stationed near St. Vincent's in case someone mistakenly comes for care.

Earlier this month, St. Vincent Catholic Medical Centers, which ran the hospital, filed for bankruptcy, the debt topping $1 billion.

Manhattan's Lenox Hill Hospital is getting more than $9 million in state money to open a 24-hour urgent care facility in the neighborhood, but it's not clear when.

Richard Poole, a resident from midtown Manhattan, said he came to witness the closing of a hospital that he said "saved my life twice."

"My thing is that Mayor (Michael) Bloomberg could afford to bail this hospital out. He's a billionaire ... this is the best hospital," Poole said.

"It's a very sad day for the population here on the lower West Side because when this ER closes everybody's unsafe," Dunn said.

Watch for more:

NEW YORK POST
Updated: Tue., Feb 15, 2011, 4:08 AM

You could die waiting in New York hospitals

By CARL CAMPANILE
Last Updated: 4:08 AM, February 15, 2011
Posted: 1:40 AM, February 15, 2011

Patients seeking care at New York hospitals spend nearly five hours in emergency rooms -- among the worst rates in the country.

New York state hospitals rank 46th in the nation for the length of time in e.r.s, tied with Mississippi.

The 296 minutes that patients in New York spend in emergency care or waiting rooms jumped 18 minutes in 2009 from 2008, according to Press Ganey, an organization that conducts hospital surveys.

New Yorkers have wait times that are about an hour longer than in New Jersey, Pennsylvania, Massachusetts and Connecticut as well as Illinois, 30 minutes longer than in Florida and 22 minutes longer than in California, the study found.

Industry sources said recent hospital closures have contributed to longer wait times. For example, St. Vincent's Medical Center and North General hospital in Manhattan shut down last year, and about a half-dozen city hospitals have shut down over the last several years.

"The patient volumes in the other hospitals are up. The patients have to go somewhere," said Christy Dempsey, a Press Ganey senior vice president.

But she also said that hospitals are too inefficient in handling the flow of patients.

The state Health Department downplayed the report.

"Our concern is that patients receive accurate diagnoses and quality care. Our system is not designed to be like the 12-items-or-less line at the supermarket," a spokeswoman said.

The Hospital Association of Greater New York declined comment.

"This is another symptom of not having enough primary care and preventive care," said Daniel Lowenstein, a spokesman for the Primary Care Development Corps.

"People go to the e.r. for things they should go to the doctor for or because they let it go for so long that they had to go to the e.r. Either way, it's another symptom of the broken system."

New York City hospitals fare no better. A patient-satisfaction survey listed the top 10 metropolitan areas for e.r. care. Madison, Wis., finished first and Hartford, Conn., third.

Albany came in 10, the highest of any city in the state.

carl.campanile@nypost.com

Schedule 5 -

CON Form Regarding Working Capital Plan

Contents:

- **Schedule 5 - Working Capital Plan – NOT APPLICABLE**

Working Capital Financing Plan – Not Applicable

1. Working Capital Financing Plan and Pro Forma Balance Sheet:
This section should be completed in conjunction with the monthly Cash Flow. The general guidelines for working capital requirements are two months of first year expenses for changes of ownership and two months' of third year expenses for construction projects. Any deviation from these guidelines must be supported by the monthly cash flow analysis. If working capital is required for the project, all sources of working capital must be indicated clearly. Borrowed funds are limited to 50% of total working capital requirements. If borrowed funds are a source of working capital, please summarize the terms below, and attach a letter of interest from the intended source of funds, to include an estimate of the principal, term, interest rate and payout period being considered. Also, describe and document the source(s) of working capital equity.

List Titles of Attachments related to Borrowed Funds	List Filenames of Attachments
Example: *First borrowed fund source*	Example: *first_bor_fund.pdf*

In the section below, briefly describe and document the source(s) of working capital equity

2. Pro Forma Balance Sheet – NOT APPLICABLE

This section should be completed for all new establishment and change in ownership applications. On a separate attachment identified below, provide a pro forma (opening day) balance sheet. If the operation and real estate are to be owned by separate entities, provide a pro forma balance sheet for each entity. Fully identify all assumptions used in preparation of the pro forma balance sheet. If the pro forma balance sheet(s) is submitted in conjunction with a change in ownership application, on a line-by-line basis, provide a comparison between the submitted pro forma balance sheet(s), the most recently available facility certified financial statements and the transfer agreement. Fully explain and document all assumptions.

List Titles of Attachments Related to Pro Forma Balance Sheets	List Filenames of Attachments
Example: *Attachment to operational balance sheet*	Example: *Operational_bal_sheet.pdf*

Schedule 6 - CON Form regarding Architectural Submission

Contents:

Architectural Submission

This Schedule applies to projects with construction, including Articles- 28, 36 & 40, i.e., Hospitals, D&TCs, RHCFs, CHHAs, LTHHCPs and Hospices.

Instructions: Attachments should be saved or scanned as PDF documents. Most scanners will create this format. The PDF document should be assigned a unique name, so it will not be confused with any other attachment. The title of the attachment, and name of the attached PDF file should be entered in the table below.

	Subject of attachment:	Title of Attachment	Filename of attachment - PDF format preferred.
	Example- attachment in PDF format	*Example attached to Schedule 6*	*Architect_example.pdf*
A.	Functional space program/analysis for this project. (Required for all construction projects):	Attachment 6: A	
B.	Architectural narrative that delineates the project scope of the work to meet the determined program needs.	Attachment 6: B	
C.	Conceptual drawings that complement the architectural narrative.	Attachment 6: C (includes schedule of areas)	
D.	Architect's or Engineer's Letter of Certification for Proposed Construction.	Attachment 6: D	
E.	Does the project involve Radiation producing equipment? **Yes ☒ No ☐** If yes, A Physicist's Report and drawings must be attached.	Attachment 6: E	

Functional and Space Program

North Shore LIJ Health System-Lenox Hill Hospital Center for Comprehensive Care

CON Functional Space Program — MAY 20, 2011

1.0 LOBBY / WAITING / PUBLIC ENTRANCE

1.1 Public Main Entrance (not ED) / Front Door Functions

Room Name	Unit Area	No. of Spaces	Net SF Area	DGSF	Remarks
Vestibule	135	1	135		
Lobby	610	1	610		

Total Public Main Entrance — 745 | 745 gross to net 100.00%

1.2 Reception / Concierge

Room Name	Unit Area	No. of Spaces	Net SF Area	DGSF	Remarks	
Reception / Concierge	110	1	110			
Wheelchair Storage	5	2	10			

Total Reception / Concierge / Educator — 120 | 120 gross to net 100.00%

Total Lobby / Waiting / Public Entrance — ***865***

Sched. 10 Functional Code: 923

North Shore LIJ Health System-Lenox Hill Hospital Center for Comprehensive Care

CON Functional Space Program — MAY 20, 2011

2.0 DIAGNOSTIC & TREATMENT

2.1 Emergency Department

Room Name	Unit Area	No. of Spaces	Net SF Area	DGSF	Remarks
PATIENT / FAMILY					
Walk In Vestibule	180	1	180		
Security / Greeter	80	1	80		
Waiting Room	1700	1	1,700		
Pediatric Waiting Room	350	1	350		
Triage	120	1	120		
Consultation / Bereavement Room	120	1	120		
Public Toilets	60	2	120		
Wheelchair storage	5	4	20		
Stretcher storage	100	2	200		
CDU / Observation - 23 HOUR					
Single Patient Room	120	3	360		
Patient Toilet / Shower	80	1	80		
Inpatient Beds					
Single Patient Room	250	1	250		Sched. 10 Functional Code: 133
Patient Toilet / Shower	80	1	80		Sched. 10 Functional Code: 133
Single Patient Bariatric Room	250	1	250		Sched. 10 Functional Code: 133
Bariatric Patient Toilet / Shower	80	1	80		Sched. 10 Functional Code: 133
RESUSCITATION / DECONTAMINATION					
Resuscitation	400	2	800		
Decon/Ante	160	1	160		
Decon Storage	80	1	80		
Resuscitation Staff Station	25	2	50		
Resuscitation Support	200	1	200		
Support	160	1	160		
EMS Break Room	140	1	140		

North Shore LIJ Health System-Lenox Hill Hospital Center for Comprehensive Care

CON Functional Space Program

MAY 20, 2011

Room Name	Unit Area	No. of Spaces	Net SF Area	DGSF	Remarks
EXAM / TREATMENT					
Universal Room	145	10	1,450		
Pediatric Universal Room	145	2	290		
Eye Room	145	1	145		
Isolation Room	145	1	145		
Isolation Toilet	80	1	80		
OB / GYN / Isolation Room	145	1	145		
OB / GYN Toilet/Shower	80	1	80		
SAFE/FORENSIC Room	300	1	300		
SAFE Toilet / Shower	80	1	80		
SAFE Consult	0	1	0		
Patient Toilet /Shower	80	2	160		
Psychiatric Secure Room	110	1	110		
Psychiatric Consult Room	110	1	110		
Psychiatric Toilet	60	1	60		
Psychiatric Control	215	1	215		
DIAGNOSTICS					
X-Ray and Control	235	2	470		
CT Scanner	475	1	475		
CT Control Room	135	1	135		
CT Equipment Room	90	1	90		
STAFF SUPPORT					
Physician Charting/PACS	135	2	270		(4) Stations
Nurse Stations	1370	1	1,370		
Support Nurse Station	180	2	360		
Staff Toilets	50	2	100		

North Shore LIJ Health System-Lenox Hill Hospital Center for Comprehensive Care

CON Functional Space Program

MAY 20, 2011

Room Name	Unit Area	No. of Spaces	Net SF Area	DGSF	Remarks
CLINICAL SUPPORT					
ED Director Office	120	1	120		
Offices	100	2	200		
ED Admin. Clerical	200	1	200		
Staff Lounge	400	1	400		
Staff Lockers	520	1	520		
Staff toilet/ shower	90	2	180		
Pneumatic Tube Station	10	1	10		
Crash Cart Alcove	20	3	60		
Nourishment Alcove	120	1	120		
Medication Room	100	1	100		
Automatic medication dispensing alcove	20	2	40		
Crash Cart Alcove	15	3	45		
Equipment Room	115	4	460		
Clean	280	1	280		
Soiled Utility Room	180	1	180		
Storage	200	1	200		
Clean Linen Alcove	10	2	20		
Equipment Storage Alcove	120	1	120		
ED Storage	400	1	400		
Ambulance Vestibule	200	1	200		
EVS /Janitor Closet	80	1	80		
Total Emergency Department			**16,155**	**21,778**	gross to net 134.81% ***Sched. 10 Functional Code: 28/133***

2.2 Ambulance Bay

Room Name	Unit Area	No. of Spaces	Net SF Area	DGSF	Remarks
Ambulance Bay	2680	1	2,680		Accommodate 3 ambulances at one time
Total Ambulance Bay			**2,680**	**3,750**	gross to net 139.93% ***Sched. 10 Functional Code: 4***

North Shore LIJ Health System-Lenox Hill Hospital Center for Comprehensive Care

CON Functional Space Program

MAY 20, 2011

2.3 Ambulatory Surgery-MultiSpecialty

Room Name	Area	No. of Spaces	Net SF Area	GDSF	Remarks
PATIENT / FAMILY					
Reception	225	1	225		3 stations
Waiting Room	1120	1	1,120		
Shared Public Toilets	225	2	450		
Wheelchair storage	5	4	20		
CLINICAL SPACE					
OR	500	2	1,000		
Scrub Sink Alcove	40	2	80		
Stretcher alcove	30	2	60		
Sub sterile room	430	1	430		
Exam/Consult Room	135	2	270		
Patient Toilet	85	1	85		
Pre-Op / Recovery Bays (9)	0	9	0		in shared Prep/Recovery see page 8
Isolation Room with toilet	0	1	0		in shared Prep/Recovery see page 8
CLINICAL SUPPORT					
Resuscitation Equipment and Storage	15	2	30		
Soiled Holding	85	1	85		
Clean Holding	200	3	600		
Equipment Storage	90	1	90		
Medication Room	80	1	80		
EVS	60	1	60		
Decon/Soil	100	1	100		
Sterilizer Clean	110	1	110		
Restricted Corridor	660	1	660		
Control Area	100	1	100		
Nurse Work Station	60	1	60		
Clean Holding	90	1	90		Shared with Prep/Recovery
Tank Storage	90	1	90		
Copy/Clerk Area	165	1	165		
File Alcove	50	1	50		

North Shore LIJ Health System-Lenox Hill Hospital Center for Comprehensive Care

CON Functional Space Program

MAY 20, 2011

Room Name	Unit Area	No. of Spaces	Net SF Area	DGSF	Remarks
STAFF SUPPORT					
Doctor Office	135	1	135		
Anesthesia Work Room /Office	215	1	215		
Break Out Room	135	1	135		
OR Offices	135	1	135		
Scrub Alcove	120	1	120		
Female Locker w Toilet/Shower	345	1	345		
Male Locker w Toilet/shower	285	1	285		
Staff Lounge	0	1	0		Shared with Radiology, see page 6
Total Ambulatory Surgery			**7,480**	**9,696**	gross to net 129.63% ***Sched. 10 Functional Code: 204***

2.4 Diagnostic Radiology

Room Name	Unit Area	No. of Spaces	Net SF Area	GDSF	Remarks
PATIENT / FAMILY					
Check-In/Greeter	200	1	200		
Waiting	1700	1	1,700		
Reception	500	1	500		
Copy Area	100	1	100		
Gowned Waiting Female	255	1	255		
Gowned Waiting Male	255	1	255		
Dressing Rooms	50	6	300		
Patient Toilets	50	2	100		
Technologist Work Area	110	1	110		
Emergency Equipment Alcove	10	1	10		
Wheelchair Storage	5	2	10		
Recovery Bays (2)	0	2	0		in shared Prep/Recovery see page 8
Prep Area (3)	565	1	565		(w / Nurse Station)

North Shore LIJ Health System-Lenox Hill Hospital Center for Comprehensive Care

CON Functional Space Program

MAY 20, 2011

Room Name	Unit Area	No. of Spaces	Net SF Area	DGSF	Remarks
STAFF SUPPORT					
Office	80	1	80		
Scheduling	160	1	160		
Office	110	2	220		
Staff Lounge	215	1	215		See page 6
Staff Lockers	125	1	125		
Staff Toilets	80	1	80		
MODALITIES					
CT Prep / Injection Room	0	0	0		In shared
CT Scan	500	1	500		
CT Scan Control / Workroom	160	1	160		
MRI					
MRI 3T	370	2	740		One Future MRI
MRI Control/Workroom	215	2	430		
MRI Computer Equipment Room	190	2	380		
Ultrasound					
Ultrasound	165	2	330		
Ultrasound toilets	80	1	80		
General X-Ray					
General X-Ray and Control Room	200	1	200		Future X-Ray
General X-Ray and Control Room	370	1	370		with c-arm
Mammography					
Mammography	200	1	200		
SUPPORT					
PACS Reading	210	1	210		4 stations
Clean Utility Room	90	2	180		
EVS	60	1	60		
Soiled Utility Room	75	1	75		
Total Radiology			**8,900**	12,350	gross to net 138.76% ***Sched. 10 Functional Code: 109/184***

North Shore LIJ Health System-Lenox Hill Hospital Center for Comprehensive Care

CON Functional Space Program

MAY 20, 2011

2.5 Prep / Recovery (SEE PAGE 5 & 6)

Room Name	Unit Area	No. of Spaces	Net SF Area	DGSF	Remarks
Prep-OP	145	2	290		
Patient Isolation	145	1	145		
Isolation Gowning Alcove	20	1	20		
Isolation Toilet/Shower	90	1	90		
Prep-Recovery	145	1	145		
Prep-Recovery	80	7	560		
Patient Toilet	80	1	80		
Patient lockers	65	1	65		
Nurse Sation	200	1	200		
Clean	80	1	80		
Crash Cart	10	1	10		
Soil	80	1	80		
Clean Holding	90	1	90		Shared with Ambulatory Surgery
Pneumatic Tube Station	10	1	10		
Nourisment	15	1	15		
Medication	80	1	80		
Total Prep/Recovery			**1,960**	**3,241**	gross to net 165.36% ***Sched. 10 Functional Code: ****
Total Diagnostic & Treatment				***50,815***	

* *Note: On Sched. 10 Prep/Recovery does not appear as it is divided as follows - 1,971 sf is in Ambulatory Surgery; 1,270 sf is in Diagnostic Radiology*

North Shore LIJ Health System-Lenox Hill Hospital Center for Comprehensive Care

CON Functional Space Program

MAY 20, 2011

3.0 OTHER FUNCTIONS: CLINICAL SUPPORT

3.1 Stat Lab

Room Name	Unit Area	No. of Spaces	Net SF Area	GDSF	Remarks
Core Lab	555	1	555		
Sub-Total			**555**	**866**	gross to net 156.04%

3.2 Blood Bank

Room Name	Unit Area	No. of Spaces	Net SF Area	GDSF	Remarks
Blood Bank	90	1	90		
Sub-Total			**90**	**140**	gross to net 155.56%

3.3 Food Service

Room Name	Unit Area	No. of Spaces	Net SF Area	GDSF	Remarks
Food Service	200	1	200		
Sub-Total			**200**	**312**	gross to net 156.00%

3.4 Materials Management

Room Name	Unit Area	No. of Spaces	Net SF Area	DGSF	Remarks
Receiving Office	140	1	140		
Breakdown Receiving	410	1	410		
Materials Management Storage	500	1	500		
Clean Linen	175	1	175		
Sub-Total			**1,225**	**1,911**	gross to net 156.00%

3.5 Waste Management

Room Name	Unit Area	No. of Spaces	Net SF Area	GDSF	Remarks
Waste Management Room	400	1	400		at Cellar
Red Bage Waste	120	1	120		at Loading Dock
Hazardous / Regulated waste	120	1	120		
Soil Linen /Waste Holding	425	1	425		at Loading Dock
Paper Holding	120	1	120		
Infectious Equipment	120	1	120		
Sub-Total			**1,065**	**1,660**	gross to net 155.87%
Total Other Functions: Clinical Support				***4,889***	

Sched. 10 Functional Code: 980

North Shore LIJ Health System-Lenox Hill Hospital Center for Comprehensive Care

CON Functional Space Program

MAY 20, 2011

4.0 ADMINISTRATION (ROUTINE)

4.1 Administration

Room Name	Unit Area	No. of Spaces	Net SF Area	DGSF	Remarks
Reception / Waiting	100	1	100		
Administrative Office	130	2	260		
Administrative Cubical	80	1	80		
Office	1	145	145		(shared)
Conference Room	210	1	210		
Pantry	130	1	130		
File Area	55	4	220		
Closet	10	1	10		
copy Area	80	1	80		
Total Administrative			1,235	1,560	gross to net 126.32% ***Sched. 10 Functional Code: 901***

North Shore LIJ Health System-Lenox Hill Hospital Center for Comprehensive Care

CON Functional Space Program

MAY 20, 2011

5.0 OTHER FUNCTIONS: BUILDING SUPPORT (ENVIROMENTAL/MAINTENANCE SERVICES)

5.1 Environmental/ Maintenance Svcs

Room Name	Unit Area	No. of Spaces	Net SF Area	DGSF	Remarks
Loading Dock	1560	1	1,560		
Tank Storage	120	1	120		
Plant Operations office	110	1	110		
Plant Manager	115	1	115		
Shop	520	1	520		
Equipment Repair	120	1	120		
EVS	125	3	375		
EVS Supply Storage	300	1	300		
Storage	145	1	145		
Sub-Total			**3,365**	**5,831**	gross to net 173.28%

5.2 Support Services

Room Name	Unit Area	No. of Spaces	Net SF Area	DGSF	Remarks
Mailroom	120	1	120		
Female Locker Room	75	1	75		7 lockers
Men's Locker Room	130	1	130		17 lockers
Staff Toilets	165	2	330		
Building Staff Lounge	310	1	310		Employee Lunchroom / Lounge
Sub-Total			**965**	**1,686**	gross to net 174.66%

Total Enviromental/Maintenace Services	***7,516***

Sched. 10 Functional Code: 980

North Shore LIJ Health System-Lenox Hill Hospital Center for Comprehensive Care

CON Functional Space Program

MAY 20, 2011

6.0 CORE COMPONENTS

6.1 Core Components

Room Name	Unit Area	No. of Spaces	Net SF Area	DGSF	Remarks
IDF	135	6	810		
MDF	210	1	210		
Pneumatic Tube blower room	150	1	150		
UPS	290	1	290		
Switchgear Room	840	1	840		
Fuel Tank	290	1	290		
Mechanical Room	2,050	1	2,050		
Steam Service Room	130	1	130		
O2 Closet	50	1	50		
Sub-Total			**4,820**	**7,230**	gross to net 150.00%
Total Core Components				***7,230***	***Sched. 10 Functional Code: 960***

North Shore LIJ Health System-Lenox Hill Hospital Center for Comprehensive Care

CON Functional Space Program

MAY 20, 2011

7.0 Total Project Area

		Net SF Area	DGSF	Remarks
1.0	Total Lobby / Waiting / Public Entrance	865	865	Sched. 10 Functional Code: 923
2.0	Total Diagnostic & Treatment	37,175	50,815	Sch. 10 Funct. Code: 28, 4, 133, 204, 109/184
3.0	Total Other Functions: Clincal Support	3,135	4,889	Sched. 10 Functional Code: 980
4.0	Total Administration	1,235	1,560	Sched. 10 Functional Code: 901
5.0	Total Other Functions: Building Support	4,330	7,516	Sched. 10 Functional Code: 980
	Total Departmental Area		65,645	
6.0	Total Core Components	4,820	7,230	Sched. 10 Functional Code: 960
	MECH		19,678	Sched. 10 Functional Code: 965
	Total Core Components + MECH		26,908	
	Areas for which Fitout Is Not In Contract		48,291	Sched. 10 Functional Code: 960
	TOTAL PROJECT GROSS AREA		140,844	

* For "Areas for which Fitout Is Not In Contract" on 2nd, 3rd, 4th & 6th Floor (incl. "Abandoned Space") this project provides minimal code required Life Safety infrastructure (i.e., sprinkler, egress lighting).

Perkins Eastman

Architectural Narrative

Perkins Eastman

ARCHITECTURE
CONSULTING
INTERIOR DESIGN
PLANNING
PROGRAMMING

ARCHITECTURAL NARRATIVE
May 20, 2011

North Shore LIJ Health System
Lenox Hill Hospital Center for Comprehensive Care
30 Seventh Avenue, New York, NY 10011

Lenox Hill Hospital (LHH) is proposing to establish a new facility to be located in the existing Maritime building at the former St Vincent's Catholic Medical Center (SVCMC) in Greenwich Village to provide Emergency and Ambulatory Care Services.

The Maritime building currently occupies 160,886 GSF and comprises six stories plus cellar. The cellar currently houses a parking garage. LHH proposes gut renovations of the interior of the building and the demolition of portions of the first, second and sixth floors in order to accommodate the proposed programs described herein. Ultimately the resultant building area will be 140,844 gross square feet.

The building program and stacking is as follows:

- First Floor: The first floor will accommodate a new Emergency Department and an inpatient unit. The ED program will provide twenty-two patient modules, including three CDU beds, two Resuscitation beds, one Psych bed and sixteen exam/treatment rooms accommodating Ob/Gyn, Isolation, Pediatrics, Ophthalmology, Forensic and General. In addition, the ED will provide one 320 Slice CT room and two X-Ray rooms. The inpatient unit will provide two patient bedrooms, one of which will accommodate Bariatric patients.

  The ED walk in entrance will be located directly on Seventh Avenue providing an easy drop off by car, taxi or mass transportation. A greeter, Triage and Patient Waiting are located adjacent to this entrance. A three-bay covered ambulance driveway and entrance will be located off W 12 Street. A loading dock, separating materials management functions from the ED, is also provided off W 12 Street.

  The first floor will also include a separate Public Lobby, located off W 13 Street, serving Ambulatory Surgery, Diagnostic Radiology and future Physicians Practice patients. This Lobby will include a greeter/concierge.
  The total area of the first floor is 28,870 SF.

- Second Floor: This floor has 11,518 SF designated for the fit out of Physicians Practices which are not included in this project. This project includes minimal code required life safety scope (sprinklers and egress lighting). A portion of the existing second floor slab, which is not original to the building, will be removed under this project to provide higher ceiling heights in portions of the first floor. The base building core and shell area of the second floor is 3,259 SF, for a total floor area of 14,777 SF.

- Third Floor: This floor is primarily taken up by structure supporting the upper floors. A small portion of this floor is not accessible and therefore designated as abandoned space. This project includes minimal code required life safety scope (sprinklers and egress lighting). The total floor area of the third floor is 6,391 SF.

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ARCHITECTURAL NARRATIVE
May 20, 2011

North Shore LIJ Health System
Lenox Hill Hospital Center for Comprehensive Care
30 Seventh Avenue, New York, NY 10011

- Fourth Floor: This floor has 27,286 SF designated for the future fit out of Physicians Practices which are not included in this project. This project includes minimal code required life safety scope (sprinklers and egress lighting). The base building core and shell area of the fourth floor is 3,428 SF, for a total floor area of 30,714 SF.

- Fifth Floor: This floor provides for three programs: Diagnostic Radiology, Ambulatory Surgery plus a shared Prep/Recovery and Administration offices.

  The Radiology program provides for two MRI's (one initial plus one future), one CT Scan, two X-ray (one initial plus one future), two Ultra-sound and one Mammography Room. In addition, a mobile C arm will be provided. The Ambulatory Surgery program provides two Operating Rooms with sterile core and associated support spaces as well as two Exam rooms and one Consultation room. The combined Prep Recovery area will provide 14 patient positions. The total floor area of the fifth floor is 30,274 SF.

- Cellar: This floor is designed for Clinical Support, Core Building System, Building Support Services, Emergency Dept support and Mechanical /Electrical/core functions including switchgear, utility and other MEP services. In addition, in a 6,373 SF area designated for future support functions (which are not included in this project), minimal code required life safety scope (sprinklers and egress lighting) is provided.

  Clinical Support functions include Stat Laboratory, Blood Refrigerator, Materials Management, Waste Management (universal, infectious waste, hazardous and other waste) and Food Services.

  Building Support Services include Environmental Services, Soiled Linen, Receiving and Materials Management, Sterile Processing and Storage, Building Staff Lockers/Toilet/Lounge, and Maintenance (plant manager, shops and equipment repair).

  Mechanical/Electrical services include Electrical Service and switchgear, Con Edison Steam Service, Fire Pump Room, IT and UPS rooms and also fuel oil storage for the emergency generator. The total floor area of the Cellar is 26,118 SF.

- Sixth Floor: This floor originally housed administrative and conference facilities, the majority of which will be demolished. In its place new rooftop air handling units, cooling tower and emergency generator will be located. The total floor area of the Sixth floor is 3,700 SF.

ARCHITECTURAL NARRATIVE
May 20, 2011

North Shore LIJ Health System
Lenox Hill Hospital Center for Comprehensive Care
30 Seventh Avenue, New York, NY 10011

The proposed facility will comply with NYS DOH Title 10 – New York Department of Health Codes, Rules and Regulations, NFPA 101-2000 edition, the National FGI Guidelines 2010 edition and all applicable codes. The building's construction classification is type 1C non-combustible which translates to type II (222) per NFPA 101.

The existing Maritime building is considered an iconic landmark in Greenwich Village. Constructed in 1964 as a maritime union hiring hall, the interior was subsequently modified upon purchase by St Vincent's, including the addition of a second floor slab. Extensive renovations are needed in order to enable this building to properly support the LHH Center for Comprehensive Care program. The renovations will comply with LEED Silver standards.

Ultimately, the interior will be completely gutted, including the removal and replacement of all MEP systems, elevators and one stair. A new exit stair will be added. A total of three elevators will be provided under this project (two for patients, one for service). The interior of each affected floor will be completely reconstructed in compliance with the referenced codes. The entire building will be sprinklered. New electrical and IT closets will be provided at each floor. Radiation shielding will be provided for X Ray and CT Scan at the first floor and for MRI, CT Scan, X Ray, Ultrasound and the Operating rooms on the fifth floor. The first floor will be expanded to the north to provide the new public entrance and will be reduced at the south to provide the new ambulance bay. The sixth floor area will be reduced as described above and converted to roof.

Extensive exterior renovation is required to adapt and update this building to the new program. It has landmark designation and will therefore be subject to review by the New York City Landmarks Preservation Commission from whom a "Certificate of Appropriateness" will be requested. The existing ceramic tile cladding will be removed from the pre-cast concrete panel facade, allowing for the restoration of the original precast concrete. The bronze window walls on levels 4 and 5 will be replaced with an energy efficient, insulated glass and aluminum curtain wall system. The ground level, 12" glass block wall will be replaced with a more energy efficient glass block and will follow the original curved Seventh Avenue and West 13th Street facades, but will continue parallel to 12th street, thus enlarging the interior floor area to accommodate the Emergency Department. The new Emergency Walk-in entry, located on the Seventh Ave. facade will include a new vestibule and canopy extending over the sidewalk.

A new ambulance bay will be constructed along West 12th Street. Adjacent to the ambulance bay will be the building's enclosed loading dock with single berth and compactor. Both of these functions require 14'-0" clear ceiling heights, necessitating removal of portions of the existing precast concrete facade panels above. A new entrance canopy further marks this emergency services entry. New exterior signage will be provided at all entrances.

END OF ARCHITECTURAL NARRATIVE

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North Shore LIJ Health System
Lenox Hill Hospital Center for Comprehensive Care

The following is a summary of the Structural Scope of work for the adaptive reuse of the Maritime Building to become the Lenox Hill Hospital Center for Comprehensive Care. This scope is based upon the May 16, 2011 drawings by Perkins Eastman.

Originally constructed in 1964 as a hall for the National Maritime Union, the building has an interesting hybrid structural system combining structural steel and cast-in-place concrete. The following is an overview of the main elements of the existing structure:

- The upper fifth and sixth floors are cast-in-place concrete with a grid of two-way beams supported by cylindrical columns.
- The fourth floor is a steel framed transfer level with steel beams and large steel girders that cantilever beyond a system of steel columns that create the double circular geometry of the floors below. This level creates the distinctive geometry of the building and allowed for the original column-free meeting hall at the First Floor.
- The second floor is a concrete flat plate bounded by a dropped concrete beam along its perimeter that was installed at some unknown date. Drawings of this modification were not located. Columns were added to support this new floor, eliminating the column free meeting hall of the original design.
- The first floor framing is a cast-in-place concrete system of two way beams and columns similar to the upper floors.
- The cellar is cast-in-place concrete foundation walls and slab.
- The building is laterally braced against wind loads by a rectangular cast-in-place concrete core on the west side of the building that runs full height of the building. This core also supports vertical loads of the adjacent floor framing and distributes the load to the foundation.
- The primary façade is precast panels supported on the structural framing at each floor and laterally braced back with steel girts and braces.
- The building is supported on steel plies driven into the soil.

The biggest structural challenges in the adaptive reuse of a building are often the changes in design live loads, the addition of mechanical loads, and in the modifications of the existing structural system. If the loads are increased (either by adding floors or by an increase in design load), this can require expensive foundation work and can trigger the requirement to reinforce the structure for seismic loads.

The original design live loads are higher than the new proposed design live loads and the new mechanical unit loads are within the original design loads. There is not an overall increase in load to the framing and foundations. Only localized reinforcing for large concentrated loads is expected. Provided that the New York City Building Code is the governing code, the structure will not require seismic retrofit based upon the current modifications.

Challenges also arise when a building is adjacent to the subway and the Maritime building is directly adjacent to the Seventh Avenue subway. Changes to the existing foundation loads or the addition of new foundations can impact the subway tunnels and require approval from the New York City Transit Authority. Based upon the current scope, the impacts on the adjacent subway is mitigated

by hanging the new structure to avoid new foundations (the Seventh Avenue entrance is a localized exception requiring structural separation, see item 11 below).

Globally, the existing structure is well-suited for the proposed adaptive reuse and the structural scope of work will focus on modifications to the existing structural system. The program for use as a Center for Comprehensive Care requires several localized structural modifications that are outlined below:

1. The new ambulance bay drive-through requires large openings to be cut through both concrete core walls, and these openings are large enough that they require new steel lintels at the head of the openings. These lintels then concentrate load in the wall and change the load on several piles to the point that their design capacities are exceeded. To avoid expensive foundation work to reinforce the foundations, the concept is to distribute the load back to the piles using steel dunnage in the cellar. This dunnage will be concealed within furred out walls each side of each opening.

2. Based upon the current drawings, all of the other new openings thru the concrete core walls are door openings or mechanical penetrations created simply by saw-cutting the opening; typically no special reinforcing is required. Reinforcing with new steel lintels will only be required if there are large new openings or if openings are located at girder supports or other points of high load concentration.

3. As the concrete walls act as the primary lateral system, it is recommended that the number of openings should be limited and where possible existing openings should be utilized. Also, abandoned openings should be in-filled with concrete to help distribute loads.

4. East of the core wall, the ambulance bay and parking have been configured to avoid significant changes in the first and second floor framing. The elevation of ambulance bay is higher than existing slab so demolition is not required. New waterproofing and topping slabs at the exterior area above existing floor framing should be provided. Bollards shall be provided to prevent vehicle loading over the existing first floor. If any portion of the ambulance bay that overlaps the existing first floor is subject to anything over 100 psf or vehicle point loads, reinforcing of the first floor may be required.

5. West of the core wall, at the southwest corner of the building, the ambulance bay and loading dock will require modification of the first and second floor. Due to change in elevation and design loads, the existing first floor framing is to be demolished and reframed at the new elevation. The framing will be designed to take the required design loads included truck wheel loads. As the cellar space below is occupied, there shall be a waterproofing layer and wearing slab on the new first floor. A portion of the second floor will be demolished and left open to allow for the truck height. The far west concrete wall and the west concrete core wall may require localized reinforcing due to the horizontal bracing that is lost by the removal of the floor.

6. The existing ramp to the cellar level will be partially demolished and excavated to create interior space. The original drawings indicate that the adjacent foundation walls (grid 13) are deep enough that underpinning is not required. A new slab shall be placed to match the existing cellar floor elevation.

7. The building line on the northwest side of the building at the Thirteenth Street entrance is being straightened out to create additional first floor space and eliminate the dead end

curved corner. To avoid foundation work, the new interior slab will be supported on the existing cellar walls and hung from the existing 4th floor steel girders.

8. The second floor east of grid line 5 shall be demolished to create space for mechanical units. Since the columns east of grid line 5 only support the second floor, these can be removed to open up the first floor layout. The original steel columns that continue to the fourth floor must remain. The new edge of slab at grid line 5 shall be reinforced by an up-set steel beam spanning between columns. Depending upon the slab reinforcing, the application of carbon fiber reinforced polymer (FRP) to the slab may be required to account for the new slab support condition. A program of non-destructive testing involving radar and metal detection is recommended to determine the reinforcing in the slab and in the edge beam.

9. The second floor slab and the dropped perimeter beam above the resuscitation room will need to be removed to provide 10-foot high ceilings. The edge of slab and beam will require new support hangers from the 4th floor steel girders above.

10. At the second floor, a new walkway is required to access the new passenger elevators. This new framing shall be hung from the 4th floor steel girders.

11. New openings in the existing concrete framing at 1st, 2nd, and 3rd levels will be made for a new stair adjacent to existing stair opening. Steel beams are required to frame the new openings.

12. Structural provisions will be made for two MRI units on the 5th floor (one in this project plus a future MRI not in this project), which is currently a two-way concrete framed slab. These units and the required steel plate shielding are heavy concentrated loads that the framing was not originally designed for – the new loads are almost three time the original design loads. Also the MRI units require the support framing to be non-ferrous within a certain distance of the unit. The existing framing will be demolished and new concrete framing with stainless steel reinforcing will be provided to support the MRI loads. RSA has done this on numerous other projects where MRI units were located in existing buildings.

13. The MRI units will be installed by creating one new roof hatch above the adjacent control room. This will require new framing for the opening.

14. Various mechanical penetrations will be required throughout the building. Where possible, theses should be located between the existing steel and concrete beams. If only the slab is removed, framing out the new opening will be simple and require minimal structural reinforcing with channels or angles. If the new slab openings require cutting existing beams, then the opening will require new steel framing for support.

15. Most of the existing penthouse will be demolished and new mechanical units will be located at the sixth floor level. These units will be supported on new steel framed platforms set 8'-0" above the existing roof elevation to allow for ductwork underneath. The framed platform will be supported on new steel columns erected on top of the existing columns. The platforms shall be open underneath the units but have grating around the units for access. Other mechanical units will be located on the roof of the concrete core and on the roof of the southwest building. Similar steel framing will be required.

16. A new entry vestibule and canopy is proposed for the Seventh Avenue entrance. The footprint of the vestibule is outside the existing cellar foundation walls and the cantilevered floors above. It is recommended that the vestibule and canopy be seismically separated from the building and supported on a new micropile foundation that extends below the subway tunnel to avoid loading the subway structure. While this does require foundation work that is adjacent to the subway (requiring review and approval from NYCTA), this small new structure will not require reinforcing the existing foundation, the addition of foundations within the existing building, or trigger the overall seismic requirements that could have more global impacts.

P-1 Plumbing Scope of Work

A. Domestic Water and Hot Water Distribution Systems

1. Domestic water shall be distributed throughout the building. The system shall be supplied from two new 4" water services with metering equipment and RPZ backflow preventers.

2. The distribution system shall include a duplex VFD booster system. Water services will interconnect at the Basement Level and be protected by reduced pressure backflow preventers.

3. Domestic hot water will be produced by duplex, steam fired, instantaneous water heaters as manufactured by PVI, Industries. The heaters will operate with 10 psi steam and will produce 140°F hot water. The hot water systems will be equipped with thermostatic mixing valves (TMV's) capable of handling high and low flow conditions. The TMV's will reduce the temperature of the distributed hot water to 120°F for use by building occupants. System shall be provided with duplex circulators, master mixing valve, and an expansion tank.

4. Hot water circulation piping shall pass within 25 feet of each and every fixture minimum.

B. Sanitary, Vent and Rain Water Systems

1. Sanitary and storm shall drain via gravity through new piping within the building, connecting to the existing house and street sewers. New house traps and fresh air inlets shall be provided as required.

2. Piping for gravity systems shall be cast iron pipe and fittings. Above ground piping shall be no-hub type jointed with 4-band no hub clamps as manufactured by Husky, Mfg. Piping below grade shall be service weight cast iron bell and spigot pipe and fittings joined with neoprene gasketed push on joints. Floor, roof and area drains as well as cleanouts and vent terminals shall be as manufactured by J.R. Smith or Wade.

3. Systems that cannot discharge to the municipal system by gravity shall be collected in sump pits where the effluent will be pumped to a point where it can flow to the gravity system. Sump pumps and ejectors shall be duplex systems as manufactured by Flygt.

4. Provide elevator sump pumps at all elevator pits. Pumps shall be provided with oil minder systems that prevent discharge of oil into the sanitary system.

5. Provide a decontamination storage tank with a usable volume of 500 gallons per shower, with a minimum size of 1000 gallons. Tank will be buried under sidewalk in accessible area.

C. Medical Gas and Vacuum Systems

1. Oxygen shall be provided from new vendor supplied tanks located in the existing building adjacent to the project site. Oxygen shall be piped under the street and distributed throughout the facility to all areas at a minimum pressure of 50 psi at any outlet, as required by code. A new 2-1/2" oxygen line will be piped to the new addition connecting through the conduit / pipe trench system under 12th street.

2. Medical/surgical vacuum shall be produced by claw type vacuum pumps as manufactured by Beacon Medeas, Mfg.

3. Medical/surgical vacuum shall be distributed throughout the building at a minimum pressure of 15 in. Hg, as required by code.

4. Medical air shall be produced by scroll type compressors as manufactured by Beacon Medeas, Mfg. The medical air plant shall utilize duplex desiccant dryers to limit the moisture content of the air stream.

5. Medical air will be distributed throughout the hospital to all areas at a minimum pressure of 50 psi at any outlet, as required by code.

6. Nitrogen, Nitrous Oxide, and CO2 shall be supplied to the facility by a local Cylinder Manifold Systems located in a dedicated room in the basement.

7. Nitrogen will be distributed throughout the hospital to all areas at a minimum pressure of 100 psi at any outlet, as required by code.

8. Nitrous Oxide will be distributed throughout the hospital to all areas at a minimum pressure of 50 psi at any outlet, as required by code.

9. CO2 will be distributed throughout the facility to all areas at a pressure as directed by the Owner.

10. Cylinder manifolds for medical gases shall be similar to Square One.

D. Medical Gas and Medical Vacuum Alarms

1. Medical Gas (Air, Oxygen, Nitrous Oxide, Nitrogen, CO2) and Medical Vacuum SHALL BE ALARMED. The electrical contractor shall provide necessary 120 volt wiring from the life safety branch of the emergency power system and conduit for the operation of all medical gas alarm panels.

2. Provide two master alarm panels. Master medical gas alarm panels shall be provided at the existing sub-basement boiler room and the existing telephone switchboard room.

3. Control and interlocking wiring and conduit shall be furnished and installed by this Subcontractor, including wiring of pressure switches, gas

manifolds, tanks, farms and equipment to master alarm panels and wiring of pulse sensors/transducers to area alarm panels.

4. Provide area alarm panels at all critical care areas and operating areas and as required by code. Panels shall continuously display the actual pressure of vacuum or the gas being monitored. Provide alarms by Beacon Medaes.

FP-1 Fire Protection Scope of Work

A. The water service for the new wet manual fire protection system shall be supplied from one 6" fire service from the existing street main. The system shall be pressurized by a new 750 gpm sprinkler booster pump with a pressure of 65 psi. The fire pump and combination controller/ATS shall be connected to emergency power. Separate 4" wet standpipe and sprinkler risers shall be run.

B. Each floor shall be provided with a sprinkler floor control assembly including shutoff valve with tamper switch, water flow sensor. Check valve and drain /test connection. In addition, Class 1 hose assemblies shall be provided in each stair.

C. Fire department connections shall be provided for each system on every street face. A dry sprinkler system shall be provided for exterior overhangs.

H-1 HVAC Scope of Work

A. Steam Service

1. The existing steam service piping from ConEd located on W 13th Street shall be upgraded. The existing high pressure steam line which appears to be either 4" or 6", enters the basement at the NE corner and this service shall be reused. A new high pressure steam main shall be installed across the basement level ceiling to the mechanical room, which housed the original chiller equipment on the Cellar level.

2. A new pressure reducing valve station will be provided in the mechanical room for low pressure steam services. Low pressure steam shall be distributed to domestic hot water heaters, steam to hot water heat exchangers, steam preheat coils and humidifiers at RTU's. Steam condensate shall be collected and provided with a city water cooled condensate cooler and spilled to drain.

B. Air Conditioning

1. The Air Conditioning system shall consist of modular, factory fabricated, packaged, air-cooled, rooftop Dx air handling units. The units shall consist of supply and return fans, Dx refrigerant coils, steam preheat coil, air cooled condensing section, humidifiers, filters and controls. Five (5) 25,000 cfm units, 100 tons each, shall be provided to support the entire building. The five units shall be duct manifolded on both the supply and the return and together they shall operate as one system.

2. Multiple/common return and supply duct risers shall be installed in shafts to serve each floor.

3. Distribution shall be designed to provide filtration, air changes, and pressurization in accordance with Article 28 and Guidelines for Design and Construction of Healthcare Facilities.

4. The units will be mounted on steel dunnage on the 5th floor roof with outdoor supply and return ductwork connecting them to the duct shafts.

C. Process Chilled Glycol

1. Install a nominal 80 ton modular air cooled chiller on the roof of the Annex. Unit shall consist of (4) four 20 ton modules, a pump module, free cooling module, tank module and glycol charging module. Unit shall serve process equipment (e.g. MRI's) and fan coil units serving IDF closets, MDF room and Electrical rooms. Schedule 40 black steel pipe or type L copper shall be distributed from the chiller to all the equipment. All piping shall be insulated and outdoor piping shall have an aluminum jacket.

D. Hot Water Systems (Ceiling Radiant Panels and Reheat)

1. The building heating system will be generated by steam to hot water heat exchangers (reheat/perimeter heating system) and distributed via variable pumping systems.

2. The heating system will be controlled by zone/exposure basis.

E. Supply and Return Distribution Systems

1. The HVAC system will be a combination constant/variable volume system with occupied/unoccupied air volume settings. Rooms with pressurization requirements shall be monitored to have the pressure relationship maintained during unoccupied mode.

2. Supply air to spaces shall be distributed via medium pressure; externally insulated supply ductwork to variable/constant volume (VCV) terminal boxes with hot water reheat coils and sound attenuators. Supply ductwork downstream of the boxes shall be low pressure, externally insulated. Supply ductwork outdoors shall be insulated and jacketed.

3. Air shall be returned from each space via low pressure, uninsulated return ductwork back to the return air duct shaft. All return ductwork shall be low pressure. Return ductwork outdoors shall be insulated and jacketed.

4. All ductwork will generally be galvanized steel.

F. Exhaust Air Systems

1. An independent exhaust system shall serve toilets, soiled utility and sub-sterile spaces and shall be ducted to new rooftop exhaust fan(s). Exhaust ductwork shall be galvanized, uninsulated unless noted otherwise.

2. Isolation rooms shall be exhausted by a dedicated exhaust system, ducted with 10'-0" stack above the roof. An additional fan shall be installed as a stand-by. Exhaust ductwork shall be galvanized.

3. General exhaust, from the emergency department waiting rooms shall be ducted to a new rooftop exhaust fan.

4. Mechanical and electrical rooms shall have ventilation and exhaust fans for temperature control. Supply and exhaust ductwork shall be galvanized.

5. Loading Dock, and both Ambulance parking spaces shall be exhausted by dedicated exhaust fans. Fans shall be controlled by carbon monoxide sensors. The fans shall pull both high and low air from the space near the interior wall and shall discharge the air at the entry way.

G. Fuel Oil System

1. Provide a new interior aboveground fuel storage tank. The tank shall be sized at 2,500 gallons and be double wall, lined and provided with leak detection and fill equipment. This tank shall serve the emergency generators located on the roof. A duplex fuel oil pump set shall be provided along with contained supply and overflow piping up to the generator(s).

H. Building Automation Systems

1. A complete direct digital control (DDC) system including interface and integration with the existing Hospital's Building Automation System (BAS) shall be provided. All HVAC components shall be DDC control/logic.

E-1 Electrical Scope of Work

A. Normal Power System

1. Electric service to the building shall be obtained from the existing underground ConEd Low Tension (LTV) sidewalk vault located on W 13th Ave. A new 4000 amp, 208 volt rated secondary feeder shall be installed from the LTV to new indoor 4000 amp, 208 volt rated Main Switchgear. The Switchgear shall also be rated at 4000 amps, 208 volts and at 200k AIC withstand capability. The Switchgear shall be provided with a 4000 amp main device, required distribution breakers and ConEd approved CT and Metering Equipment. All breakers shall be Power Break draw out type and be rated for 200k AIC at 208 volts.

2. The internal distribution system will consist of individual 120/208 volt conduit risers feeding panel boards on each level. Separate risers will be established for lighting and power systems. For now assume there will be (2) 400 amp lighting risers, (2) 800 amp power risers, (2) 100 amp life safety lighting risers and (2) separate mechanical system risers, one for the Mechanical equipment on roof (800 amp) and one for the basement Mechanical Equipment room (250 amp). Panelboards will be provided on the floors with fit out program. However installation of panels on shelled floors will be deferred.

B. Emergency Power System

1. Emergency power shall be obtained from a new indoor diesel fired emergency generator rated at 350kw/437.5 KVA, 208/120v, 3 Ø, 4 wire. The generator shall be sized to support code mandated Life Safety, Critical and Equipment system loads. The generator shall be located in a weatherproof, sound attenuated enclosure and be located at the Roof level.

2. Distribution will be provided to the new individual distribution branches (critical, life safety and equipment) and will be distributed vertically at 208 volts. All emergency equipment will be located in a separate and dedicated space for now assume that there will be (1) 100 amp life safety lighting risers, (2) 200 amp Critical branch riser and (1) 600 amp equipment branch. Panelboards will be provided on the floors with fit out program. However installation of panels on shelled floors will be deferred.

3. All Automatic Transfer Switches shall be 208 volt, 200kAIC, double throw type P.

4. Isolation panels shall be provided in each procedure room located on the Pain Management floor. (2) 15kW/ 208V rated isolation panels shall be provided per room (4 isolation panels total). (2) panels (one from each room) shall be connected to one critical branch. The other (2) connected to the other critical branch.

C. Lighting

1. Interior lighting will be primarily fluorescent, with incandescent sources being used only in specially designated areas as determined by the Architect and/or lighting designer. The fluorescent lighting systems will utilize energy efficient lamps, electronic ballasts and low brightness louvers or diffusers and reflectors. Strategically arranged corridor fixtures will be unswitched for egress lighting as well as providing economic night time illumination. Occupancy sensors and/or timers will be considered in the design of the facility to turn off lights automatically when not needed.

D. Fire Alarm

1. The fire alarm system will be an analog/addressable type complete with annunciater panels. The system will provide complete fire detection and alarm capabilities with manual pull stations, automatic detectors and monitoring of sprinkler water flow and valve position. Signaling devices will be audible devices and flashing indicator lights in keeping with ADA requirements.

2. The system will be interfaced with an approved central monitoring service to report building alarms.

Schedule of Areas and Architectural Drawings

2011-05-20 : SCHEDULE OF AREAS

EXISTING FLOOR AREAS

Floor	Department	Gross Sq. Ft.
CELLAR		
		26,912
SUBTOTAL		**26,912**
1ST FLOOR		
		25,837
SUBTOTAL		**25,837**

PROPOSED PROGRAM FLOOR AREAS

Floor	Department	Gross Sq. Ft.
CELLAR		
Emergency Department - Functional Code 28		3,205
Other Functions: Building Support - Functional Code 980		3,818
Other Functions: Clinical Support - Functional Code 980		4,889
Core Building System - Functional Code 960		3,105
MEP (HVAC) - Functional Code 965		4,728
Building System (Fit-out Not In Contract) - Functional Code 960		6,373
No Work Area (area not included) - 648 gsf		
SUBTOTAL		**26,118**
1ST FLOOR		
Emergency Department (not incl. Ambulance Bay) - Functional Code 28		17,823
Medical Surgical Beds - Functional Code 133		750
Lobby / Waiting / Public Entrance - Functional Code 923		865
Core Building System - Functianal Code 960		1,984
Ambulance (part of ED) - Functional Code 4		3,750
Other Functions: Building Support (Loading Dock) - Functional Code 980		3,698
SUBTOTAL		**28,870**
ED Subtotal (Cellar + 1st floor)		21,028
Bldg. Support Subtotal (Cellar + 1st floor)		7,516
Support Subtotal (incl. Clinical + Bldg. Support)		12,405

ZONING FLOOR AREAS

Floor	Description	Gross Sq. Ft.
CELLAR		
	NA	
SUBTOTAL		**NA**
1ST FLOOR		
	Zoning Floor Area	23,860
SUBTOTAL		**23,860**

SCOPE FLOOR AREAS

Floor	Description	Gross Sq. Ft.
CELLAR		
1. Remove existing exit stair (flrs. C-2).		232
2. Remove portion of interior parking ramp & restore floor slab below.		1,401
3. Trench for feeders from ConEd vaults to Switchgear Room.		60
4. Core revisions (new elevators, miscelloneous new shafts).		4,889
5. RENOVATION: Replace existing Fit-out (interior renovation)		11,912
6. Spaces Not In Contract		**6,373**
		0
SUBTOTALS	**Removed**	**1,633**
	Added	**60**
1ST FLOOR		
1. Remove exterior slab and exterior wall (Ambulance Bay & MOB Lobby).		5,559
2. Remove interior slab and exterior wall (Ambulance Bay & Loading Dock).		2,870
3. Remove existing exit stair (flrs. C & 1).		232
4. Core revisions (new elevators, miscelloneous new shafts).		865
5. RENOVATION: Replace existing Fit-out (interior renovation)		**19,438**
6. New exterior slab and exterior wall (Ambulance Bay & Lobby Area)		5,025
7. New interior slab and exterior wall (Loading Dock & Medical Office Bldg. Lobby).		1,276
8. New entry Vestibule.		253
9. New exterior handicap ramps and stairs.		1,976
10. New exit stairs		249
11. New canopies		697
12. Replace gloss block exterior wall		159
SUBTOTALS	**Removed**	**8,661**
	Added	**9,635**

2ND FLOOR		
		23,421
SUBTOTAL		23,421

2ND FLOOR		
Physicians Practice - Building System (Fit-out Not In Contract) - Functional Code 960		11,518
Core/Building Systems - Functional Code 960		3,259
SUBTOTAL		14,777

2ND FLOOR		
	Zoning Floor Area	14,209
SUBTOTAL		14,209

2ND FLOOR		
1. Remove exterior ceiling and portion of exterior wall (above Ambulance Bay).		incl. above
2. Remove portions of interior slab (above Ambulance Bay & Loading Dock).		4,125
3. NOT USED.		
4. Remove exit passageway.		806
5. Core revisions (new elevators, miscelloneous new shafts).		-
6. RENOVATION: Replace existing Fit-out (interior renovation)		-
7. New exterior ceiling (Ambulance Bay, not incl. below).		3,414
8. New exit stairs		282
9. New floor slab area.		353
10. ALTERNATE: New exit stair (flrs. 1, 2 & 3).		340
11. Space Not In Contract		11,518
SUBTOTALS	Removed	4,931
	Added	975

3RD FLOOR		
		6,637
SUBTOTAL		6,637

3RD FLOOR		
Building System (Fit-out Not In Contract) - Functional Code 960		3,114
Core/Building Systems - Functional Code 960		3,277
SUBTOTAL		6,391

3RD FLOOR		
	Zoning Floor Area	5,360
SUBTOTAL		5,360

3RD FLOOR		
1. Core revisions (new elevators, miscelloneous new shafts).		3,277
2. RENOVATION: Replace existing Fit-out (interior renovation)		-
3. ALTERNATE: New exit stair (flrs. 1, 2 & 3).		159
4. Space Not In Contract		3,114
SUBTOTALS	Removed	-
	Added	159

4TH FLOOR		
		30,749
SUBTOTAL		30,749

4TH FLOOR		
Physicians Practice - Building System (Fit-out Not In Contract) - Functional Code 960		27,286
Core/Building Systems - Functional Code 960		3,428
SUBTOTAL		30,714

4TH FLOOR		
	Zoning Floor Area	30,109
SUBTOTAL		30,109

4TH FLOOR		
1. Core revisions (new elevators, miscelloneous new shafts).		-
2. RENOVATION: Replace existing Fit-out (interior renovation)		-
3. Space Not In Contract		27,286
SUBTOTALS	Removed	-
	Added	-

5TH FLOOR		
		31,142
SUBTOTAL		31,142

5TH FLOOR		
Ambulatory Surgery-Multi Specialty - Functional Code 204		9,696
Diagnostic Radiology - Functional Code 109/184		12,350
Prep/Recovery for Ambulatory Surgery - Functionol Code 204		1,971
Prep/Recovery for Diagnostic Radiology - Functional Code 109/184		1,270
Core/Building Systems - Functional Code 960		3,427
Administration (Routine) - Functional Code 901		1,560
SUBTOTAL		30,274
Ambulatory Surgery-Multi Specialty Total		*11,667*
Diagnostic Radiology Total		*13,620*
Prep/Recovery Subtotal		*3,241*

5TH FLOOR		
	Zoning Floor Area	28,526
SUBTOTAL		28,526

5TH FLOOR		
1. Not used.		-
2. Core revisions (new elevators, miscellaneous new shafts).		3,427
3. RENOVATION: Replace existing Fit-out (interior renovation)		26,847
SUBTOTALS	Removed	-
	Added	-

EXISTING 6TH FLOOR		
		16,188
SUBTOTAL		16,188

EXISTING 6TH FLOOR / PROPOSED ROOF		
Core/Building Systems - Functionol Code 960		3,700
SUBTOTAL		3,700
Core Components		*11,793*
TOTAL AREA IN PROJECT		140,844

EXISTING 6TH FLOOR / PROPOSED ROOF		
	NA	
SUBTOTAL		NA

EXISTING 6TH FLOOR / PROPOSED ROOF		
1. Remove portions of existing Penthouse (6th) floor.		9,412
2. Core revisions (new elevators, miscellaneous new shafts).		3,700
SUBTOTALS	Removed	9,412
	Added	0

Net Removed Areas	20,042
TOTAL	160,886

TOTAL BUILDING AREA	140,844

TOTAL	102,064

TOTAL REMOVED	24,637
TOTAL ADDED	10,829
TOTAL RENOVATION	58,197

Architectural Letter of Certification

Perkins Eastman

ARCHITECTURE
CONSULTING
INTERIOR DESIGN
PLANNING
PROGRAMMING

May 20, 2011

New York State Department of Health / Office of Health Systems Management
Division of Health Facility Planning
Bureau of Architectural and Engineering Facility Planning
433 River Street, 6th floor
Troy, NY 12180-2299

RE: Name — North Shore LIJ Health System
Lenox Hill Hospital Center for Comprehensive Care
Location — 30 Seventh Avenue, New York, NY 10011
New York County

Gentlemen:

This letter is to certify that under the terms of my contract for the above-named project at the above-named facility to provide services to design and prepare working drawings and specifications, and during construction to make periodic visits to the site and to perform such other required services to familiarize myself with the general progress, quality and conformance of the work, I have ascertained that to the best of my knowledge, information, and belief, this project is being designed in substantial compliance with the provisions of the construction sections of the State Hospital Code, the Life Safety Code (NFPA-101, 2000 edition), the FGI Guidelines for the Design and Construction of Healthcare Facilities (2010 edition), and all other applicable codes which are in effect at the time this application is being submitted.

I also certify that I have read and understood the conditions of Section 710.1 of 10 NYCRR.

5/24/11
Date

Signature of Architect

Francis C. Gunther
Name of Architect or Engineer

011058
Professional New York State License Number

115 Fifth Avenue, New York, NY 10003
Business Address

Cc: Area Office-OHSM

H:\Studio-6\43282.00 NSLIJ confidential\43282.00 Active\In-Out\Architecture - Perkins Eastman\Out\2011-05-20 CON Submission\Components\DOH Letter for Article 28 2011-05-20.doc

Physicist's Letter of Certification

Astarita Associates, Inc.
MEDICAL PHYSICS CONSULTANTS
414 Route 111, Smithtown, NY 11787
Phone (631) 265-2950
Fax (631) 265-2982

Date: April 1, 2011

NYS Department of Health/Office of Health Systems Management
Division of Health Facility Planning
Bureau of Architectural and Engineering Facilities Planning
433 River Street, Suite 303
Troy, NY 12180-2299

Re: Project #: N/A
Name: Lenox Hill Hospital Center for Comprehensive Care
Location: 30 Seventh Avenue, New York, NY 10011
Equipment Description: Emergency Department, 1st Floor:
- 320 CT Scanner
- Two Digital Rad X-Ray rooms
- Two Ultrasounds, one fixed and one portable

Ambulatory Surgery and Diagnostic Imaging Suite, 5th Floor:
- Two MRI's (one initial plus one future)
- One CT Scan
- Two Digital Rad X-Ray room s (one initial plus one future)
- Portable C-Arm (X-ray Room)
- Two Ultrasounds
- One Mammography

Gentlemen:

This is to certify that as a Medical Physicist employed by the facility to provide services to design, prepare plans/sketches and specifications for the itemized imaging equipment noted above, I ascertain to the best of my knowledge, information, and belief that the radiation protection will be designed and specified in substantial compliance with the requirements of the relevant technical standards listed in Section 711.2 of 10NYCRR and that the radiation exposure to the public and staff will be designed to be as low as is reasonably achievable (ALARA), based on the work load to be provided to me by the facility for the proposed equipment and sound radiation principles.

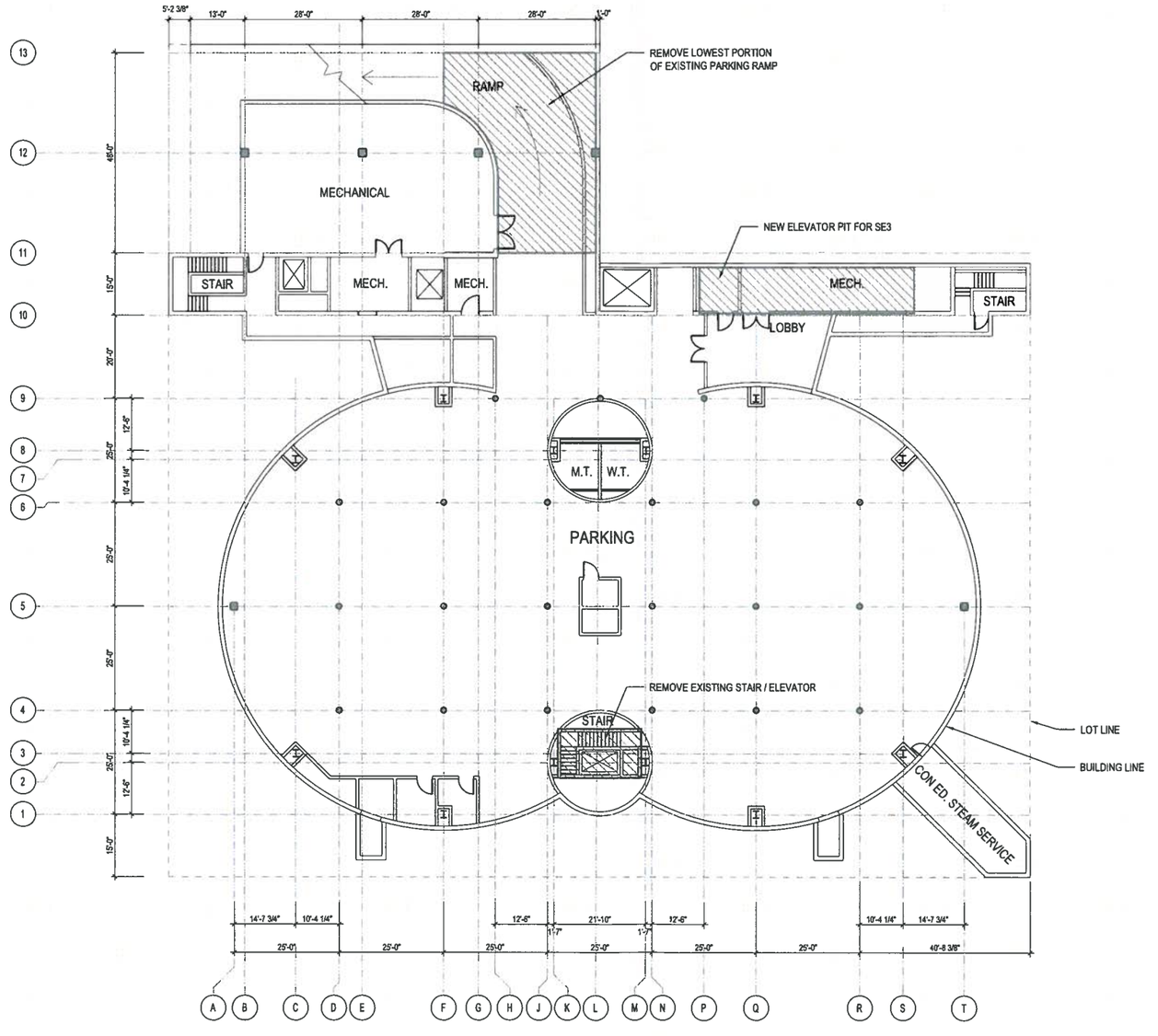
A current Physicist's Report will be made available to the Area Office of the NYS Department of Health during final inspection of the facility, and will be maintained on site as a permanent record.

Signature of Physicist — James F. Astarita, Name of Physicist

4/4/11, Date — M.S., DABMP, Degree(s)/Certification

NYS License Number – 000010-1

414 Route 111
Smithtown, NY 11787
Business Address



AREA REMOVALS (SEE NOTES)

AREA ADDED

NOTE: REMOVALS INDICATED INCLUDE ONLY SLABS, STAIRS & SIMILAR CONSTRUCTION

EXISTING / REMOVALS PLAN

North Shore LIJ
North Shore-Long Island Jewish Health System

Lenox Hill Hospital Center for Comprehensive Care

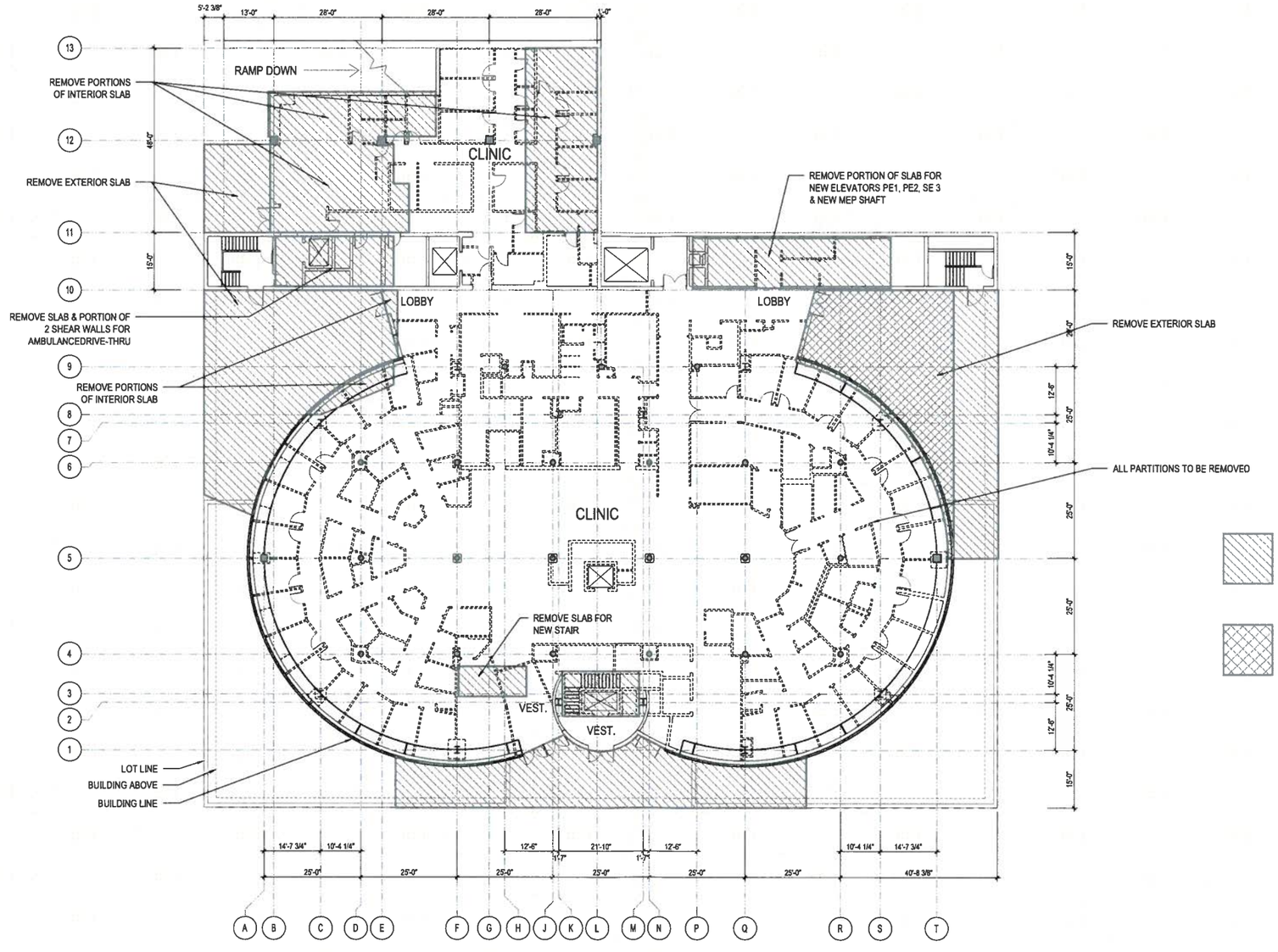
NEW YORK, NY

Perkins Eastman

EX00
Cellar Plan

1/32"=1'0"

May 20, 2011



EXISTING / REMOVALS PLAN

North Shore LIJ
North Shore-Long Island Jewish Health System

Lenox Hill Hospital Center for Comprehensive Care

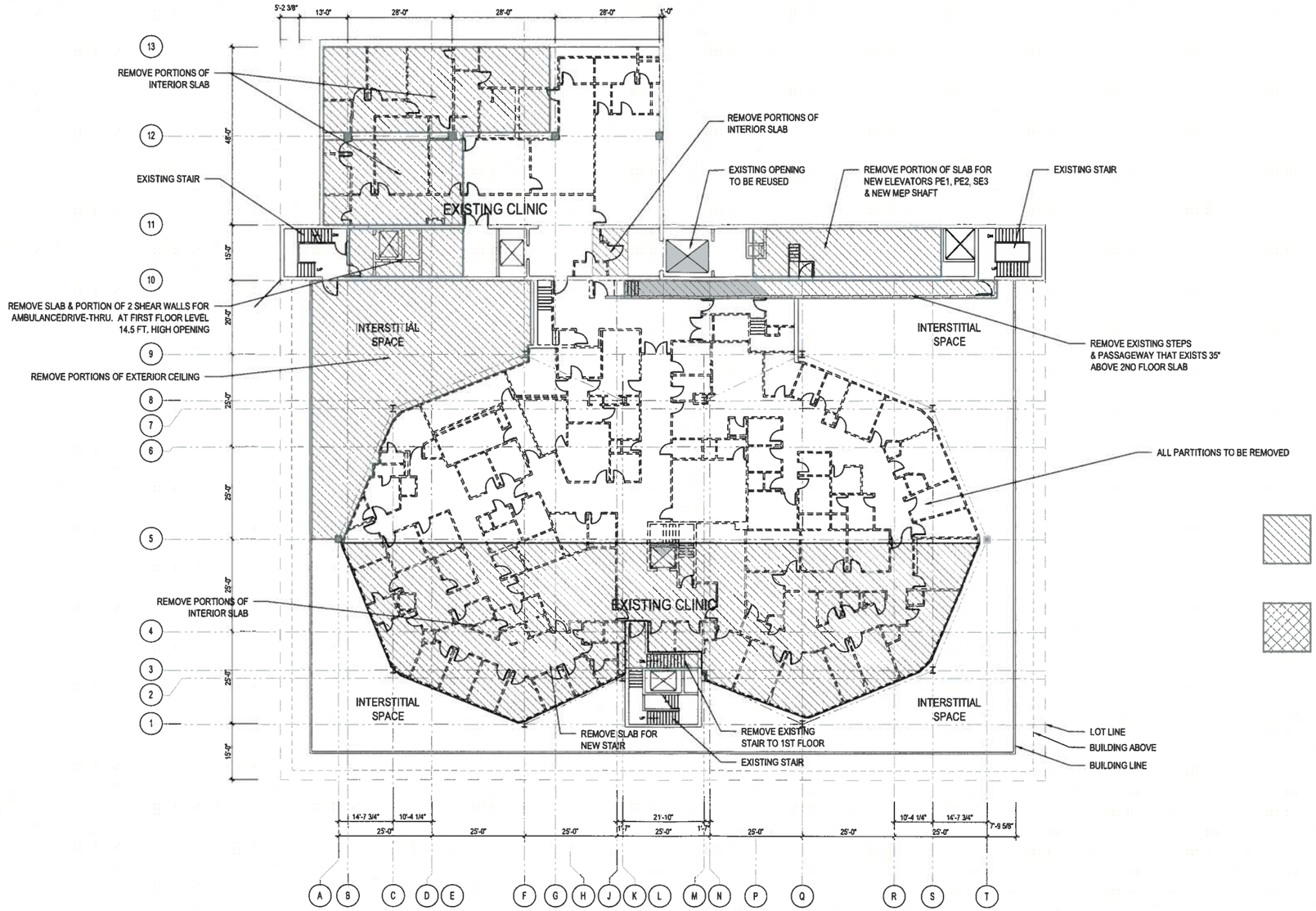
NEW YORK, NY

Perkins Eastman

EX01
First Floor Plan

1/32"=1'0"

May 20, 2011



NOTE: REMOVALS INDICATED INCLUDE ONLY SLABS, STAIRS & SIMILAR CONSTRUCTION

EXISTING / REMOVALS PLAN

EXISTING / REMOVALS PLAN

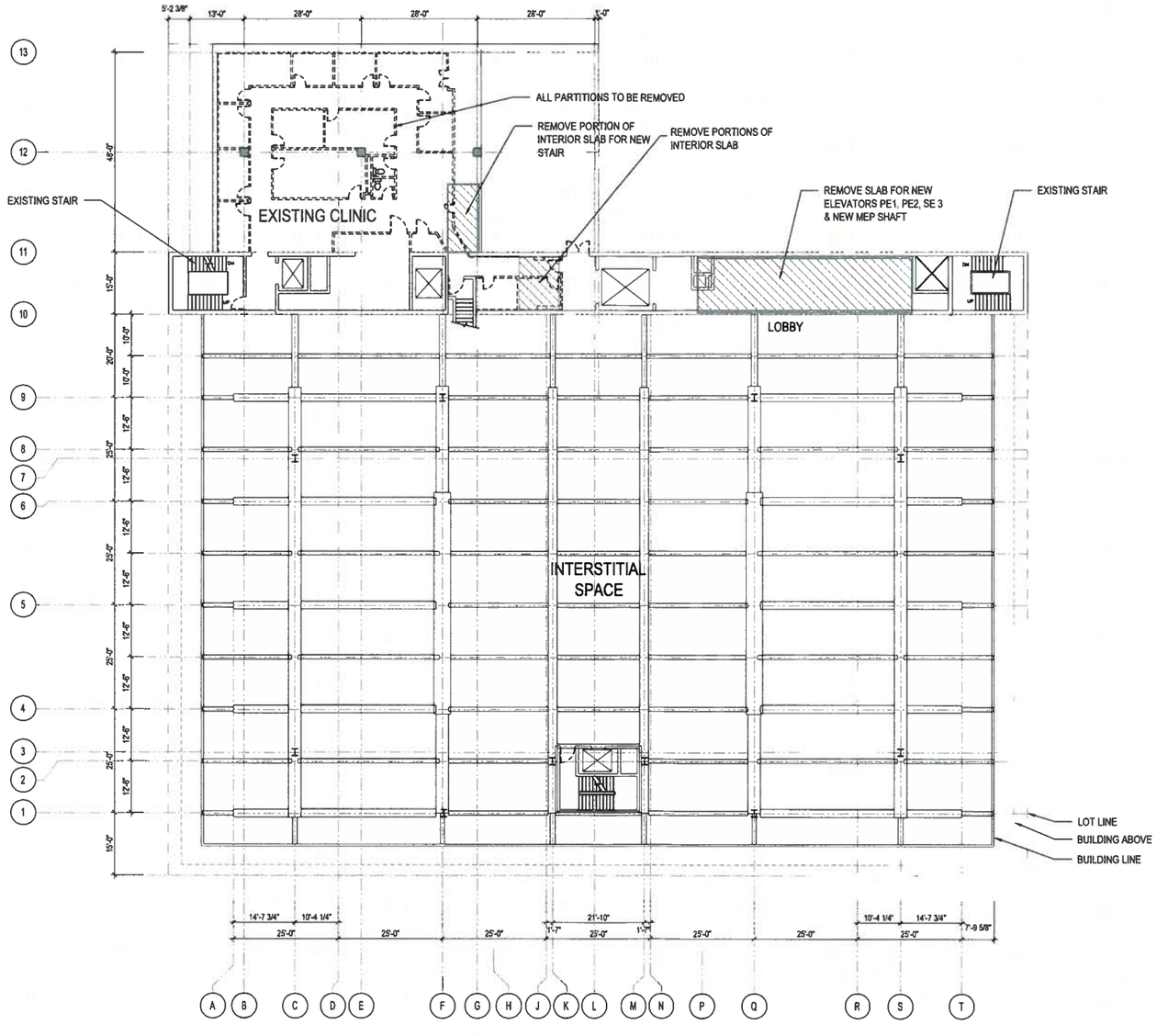
North Shore LIJ
North Shore-Long Island Jewish Health System

Lenox Hill Hospital Center for Comprehensive Care
NEW YORK, NY

Perkins Eastman

EX02
Second Floor Plan

1/32"=1'0"
May 20, 2011



AREA REMOVALS (SEE NOTES)

AREA ADDED

NOTE: REMOVALS INDICATED INCLUDE ONLY SLABS, STAIRS & SIMILAR CONSTRUCTION

EXISTING / REMOVALS PLAN

North Shore LIJ
North Shore-Long Island Jewish Health System

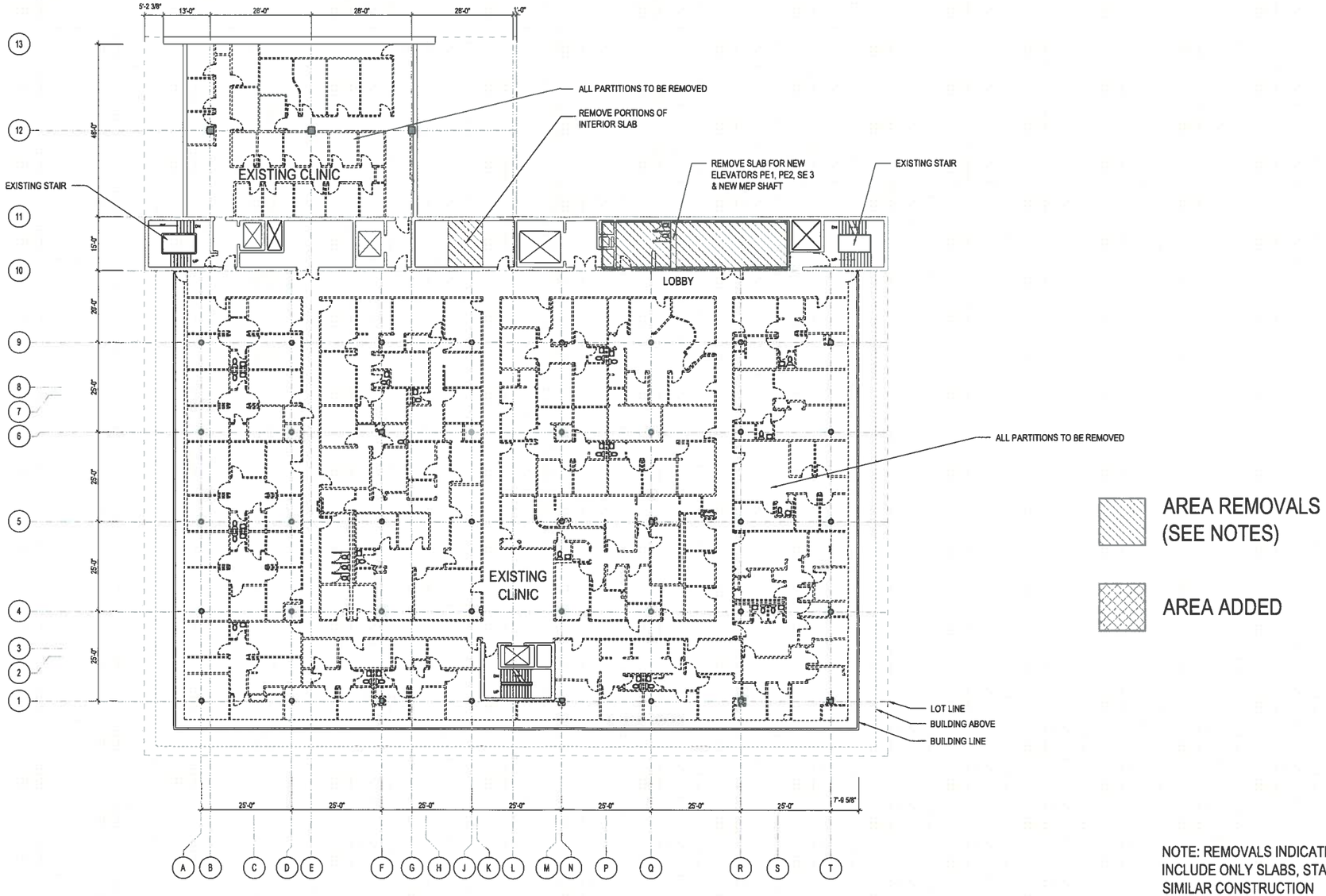
Lenox Hill Hospital Center for Comprehensive Care
NEW YORK, NY

Perkins Eastman

EX03
Third Floor Plan

1/32"=1'0"

May 20, 2011



NOTE: REMOVALS INDICATED INCLUDE ONLY SLABS, STAIRS & SIMILAR CONSTRUCTION

EXISTING / REMOVALS PLAN

North Shore LIJ
North Shore-Long Island Jewish Health System

Lenox Hill Hospital Center for Comprehensive Care

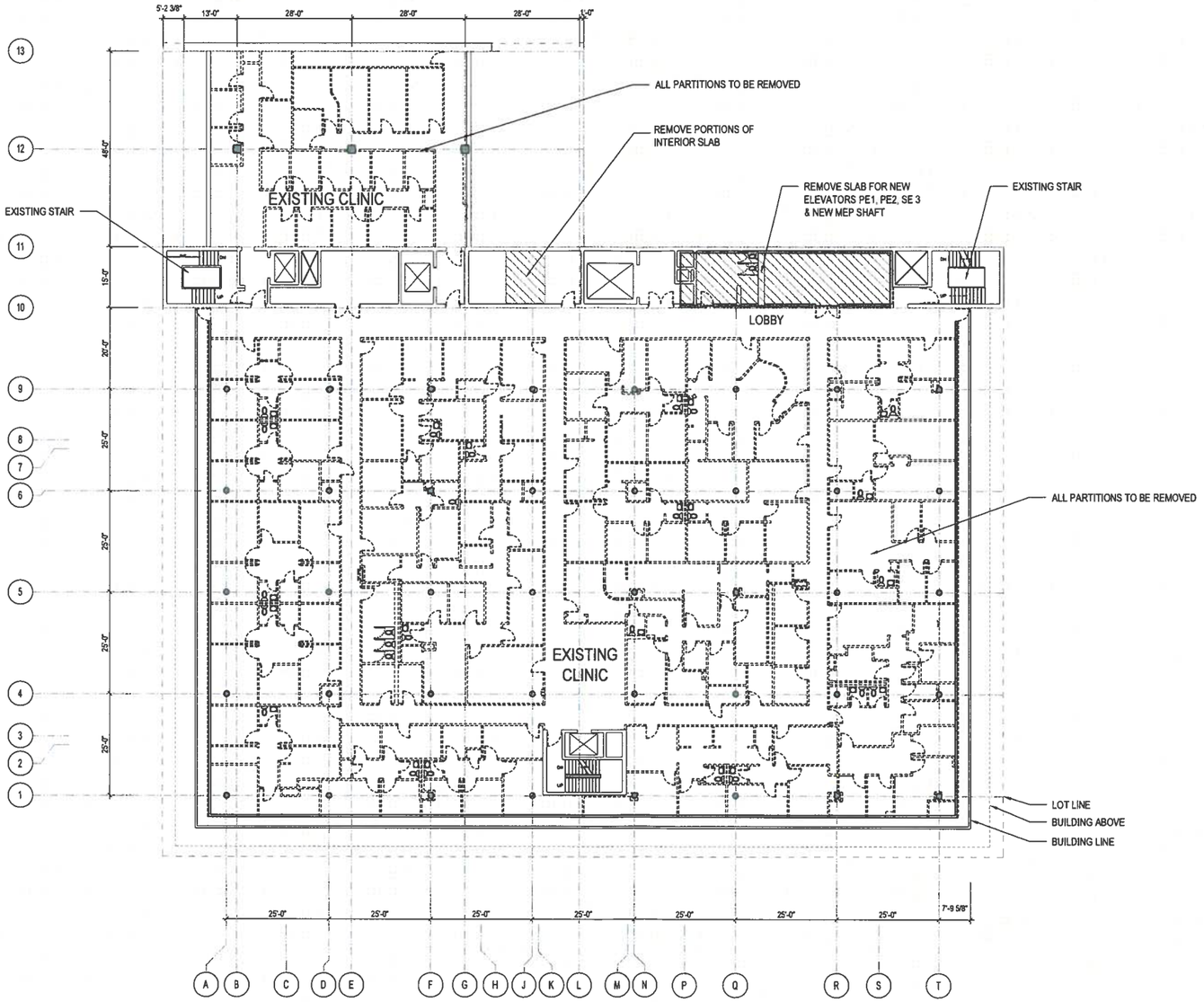
NEW YORK, NY

Perkins Eastman

1/32"=1'0"

EX04
Fourth Floor Plan

May 20, 2011



AREA REMOVALS
(SEE NOTES)

NOTE: REMOVALS INDICATED INCLUDE ONLY SLABS, STAIRS & SIMILAR CONSTRUCTION

EXISTING / REMOVALS PLAN

North Shore LIJ
North Shore-Long Island Jewish Health System

Lenox Hill Hospital Center for Comprehensive Care

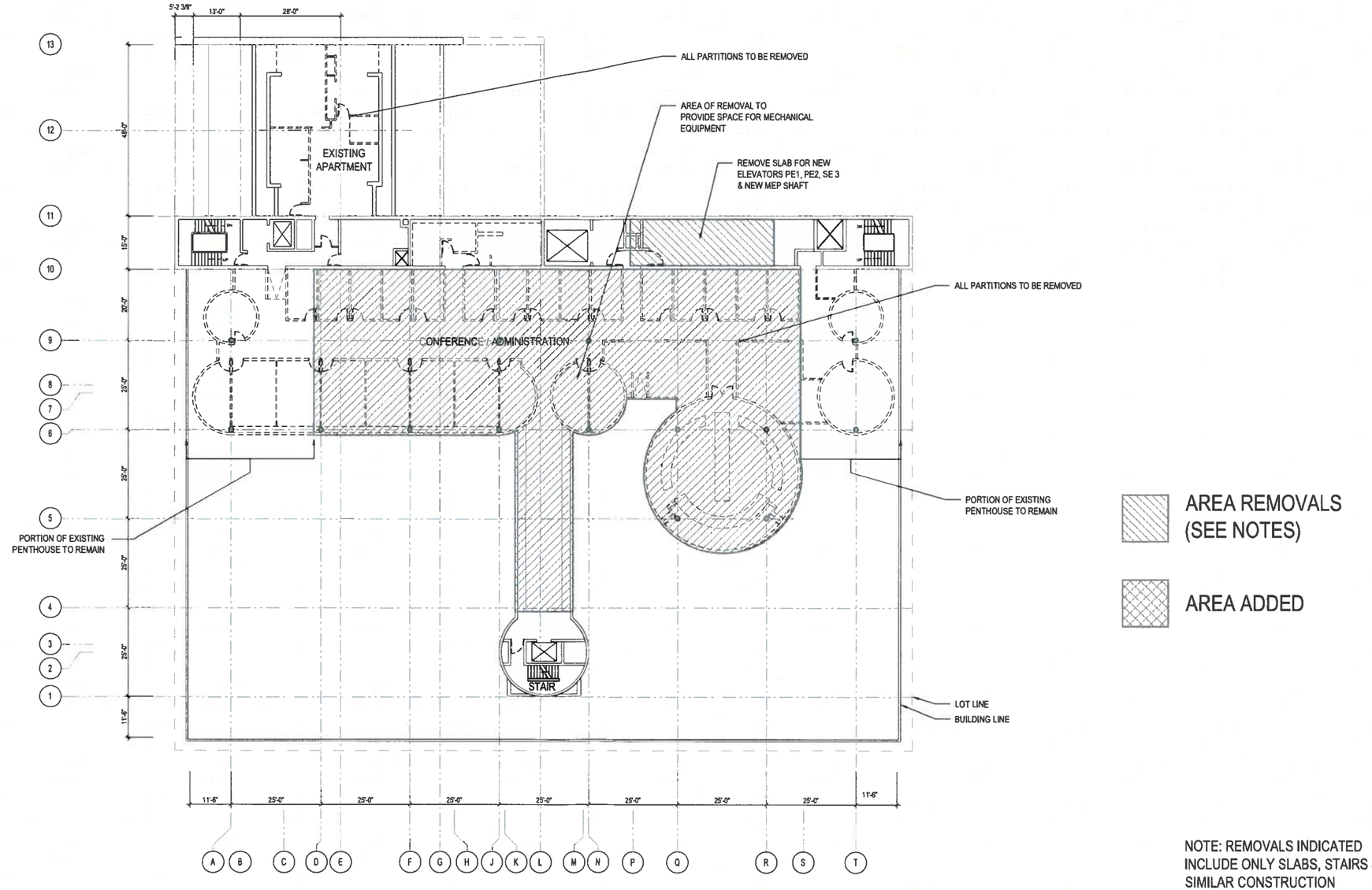
NEW YORK, NY

Perkins Eastman

EX05
Fifth Floor Plan

1/32"=1'0"

May 20, 2011



NOTE: REMOVALS INDICATED INCLUDE ONLY SLABS, STAIRS & SIMILAR CONSTRUCTION

EXISTING / REMOVALS PLAN

North Shore LIJ
North Shore-Long Island Jewish Health System

Lenox Hill Hospital Center for Comprehensive Care

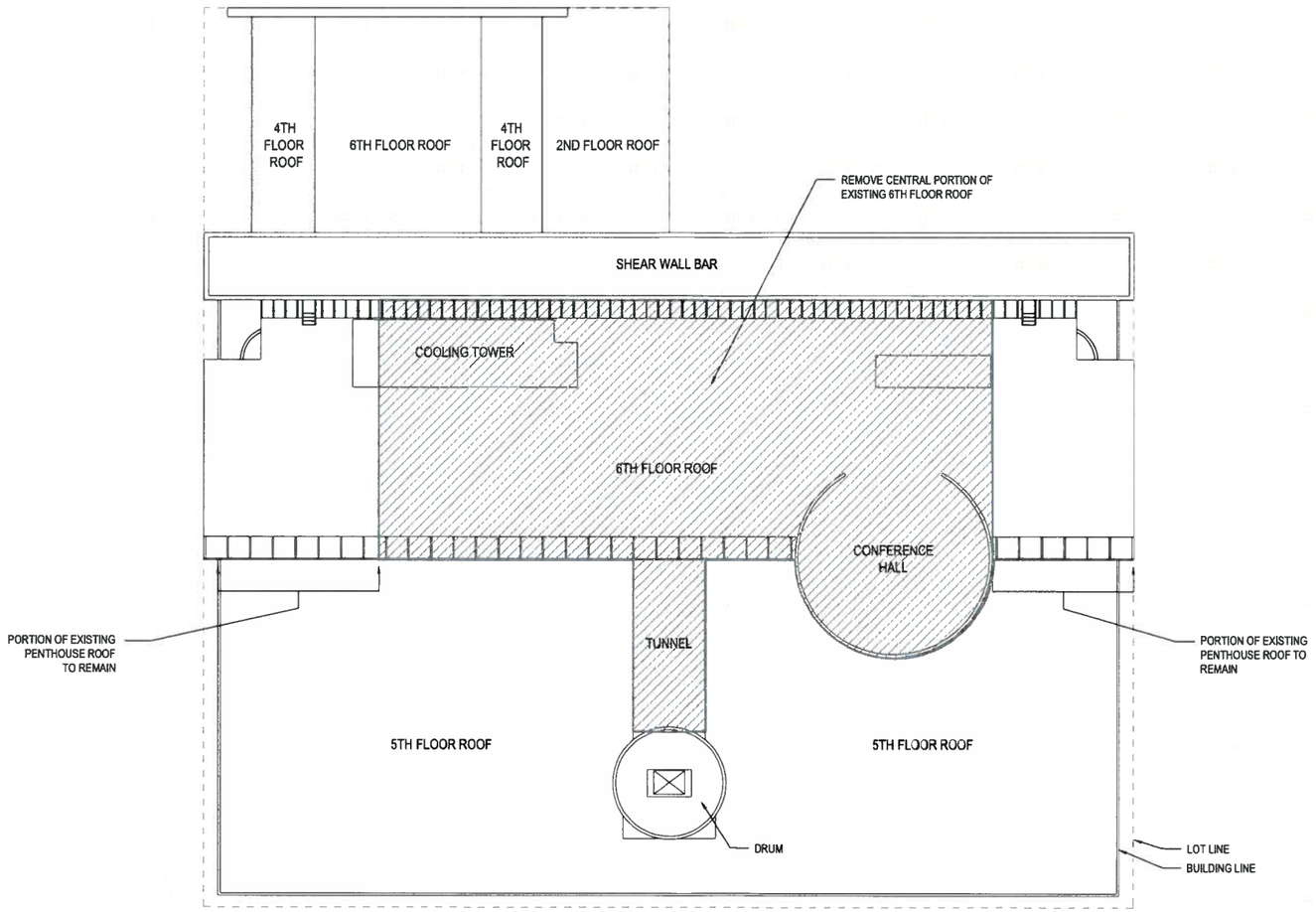
NEW YORK, NY

Perkins Eastman

EX06
Sixth Floor Plan

1/32"=1'0"

May 20, 2011



AREA REMOVALS (SEE NOTES)

AREA ADDED

NOTE: REMOVALS INDICATED INCLUDE ONLY SLABS, STAIRS & SIMILAR CONSTRUCTION

EXISTING / REMOVALS PLAN

North Shore LIJ
North Shore-Long Island Jewish Health System

Lenox Hill Hospital Center for Comprehensive Care
NEW YORK, NY

Perkins Eastman

EX07
Roof Plan

1/32"=1'0"
May 20, 2011

North Shore LIJ
North Shore-Long Island Jewish Health System

Lenox Hill Hospital Center for Comprehensive Care

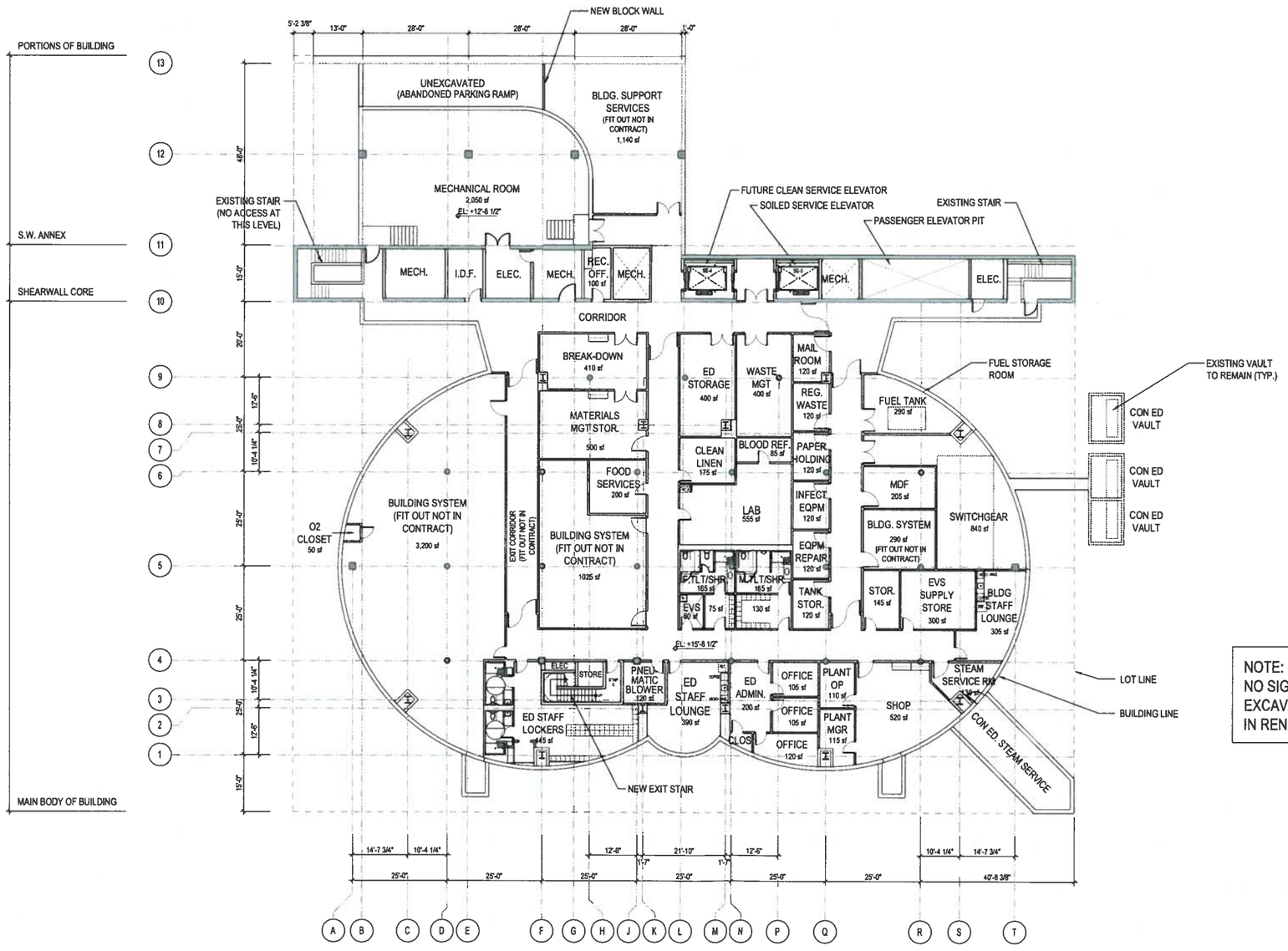
NEW YORK, NY

Perkins Eastman

DOHSP
Site Plan

1/100"=1'0"

May 20, 2011



NOTE:
NO SIGNIFICANT EXCAVATION REQUIRED IN RENOVATION OF CELLAR

OCCUPANCY:
1968: H-2 INSTITUTIONAL
2008: I-2
1968: D-2 INDUSTRIAL
2008: F-2

PROPOSED PLAN

North Shore LIJ
North Shore-Long Island Jewish Health System

Lenox Hill Hospital Center for Comprehensive Care

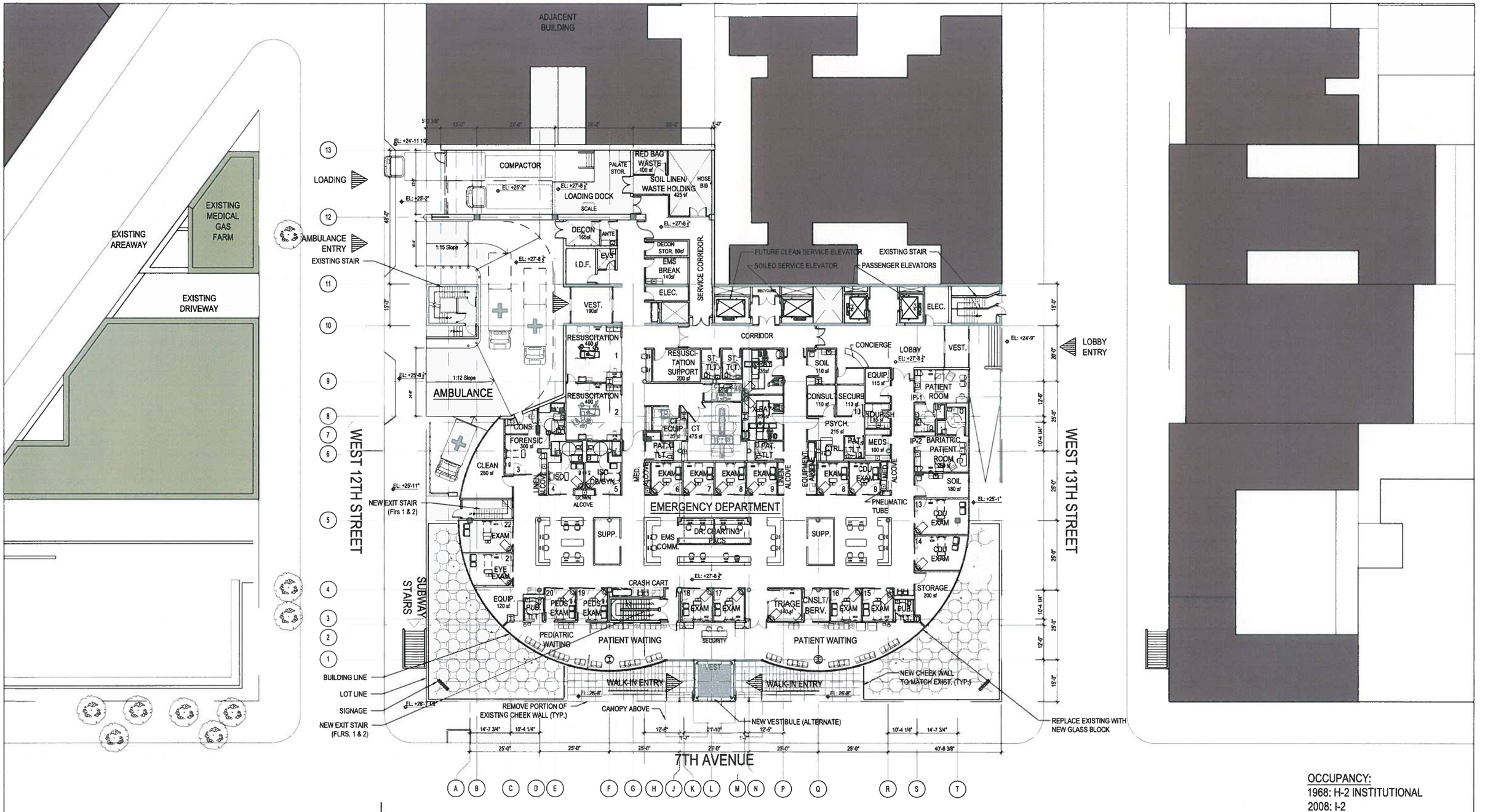
NEW YORK, NY

Perkins Eastman

DOH00
Cellar Plan

1/32"=1'0"

May 20, 2011



OCCUPANCY:
1968: H-2 INSTITUTIONAL
2008: I-2

PROPOSED PLAN

North Shore LIJ
North Shore-Long Island Jewish Health System

Lenox Hill Hospital Center for Comprehensive Care

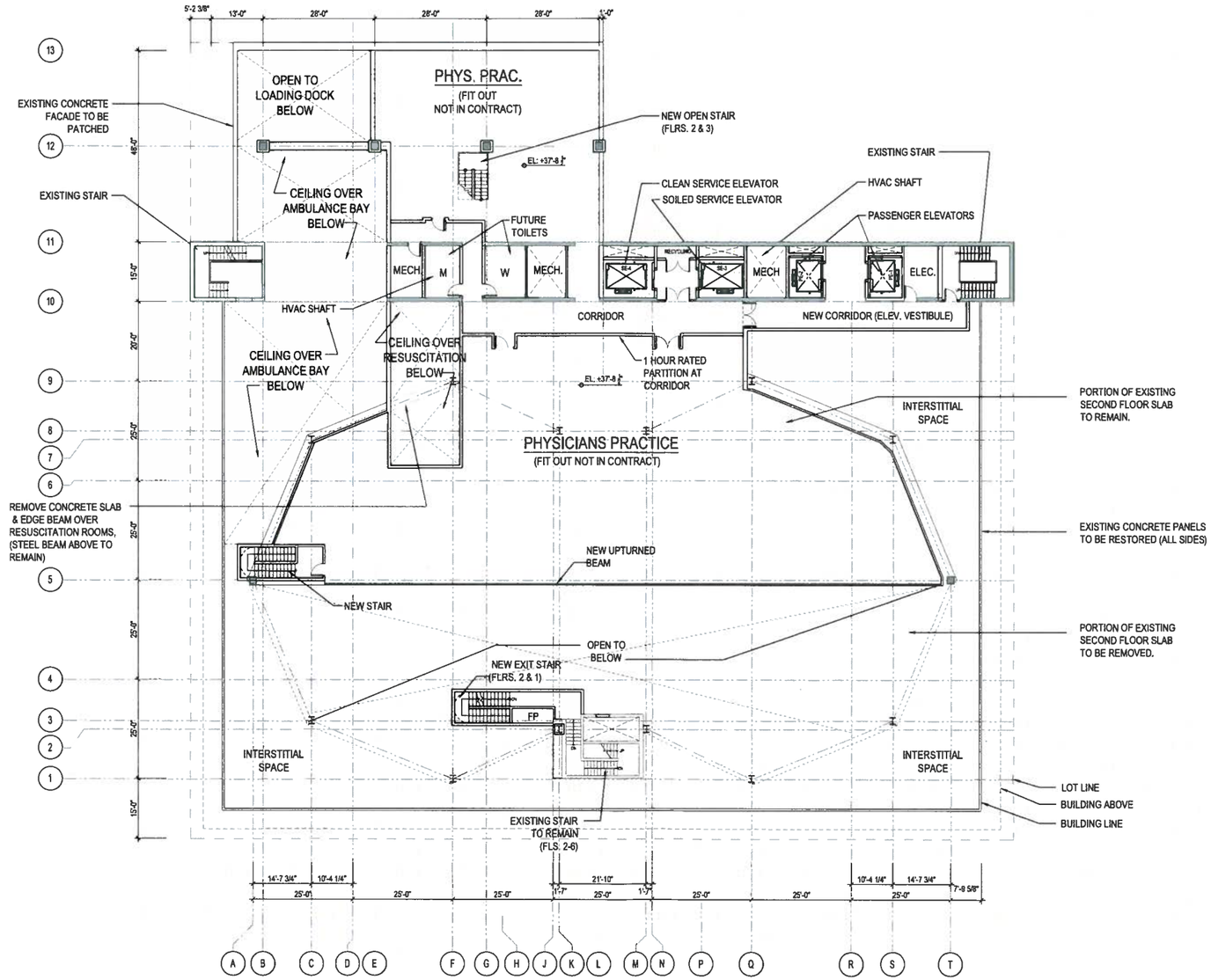
NEW YORK, NY

Perkins Eastman

DOH01
First Floor Plan

1/32"=1'0"

May 20, 2011



OCCUPANCY:
1968: E BUSINESS
2008: B

PROPOSED PLAN

North Shore LIJ
North Shore-Long Island Jewish Health System

Lenox Hill Hospital Center for Comprehensive Care

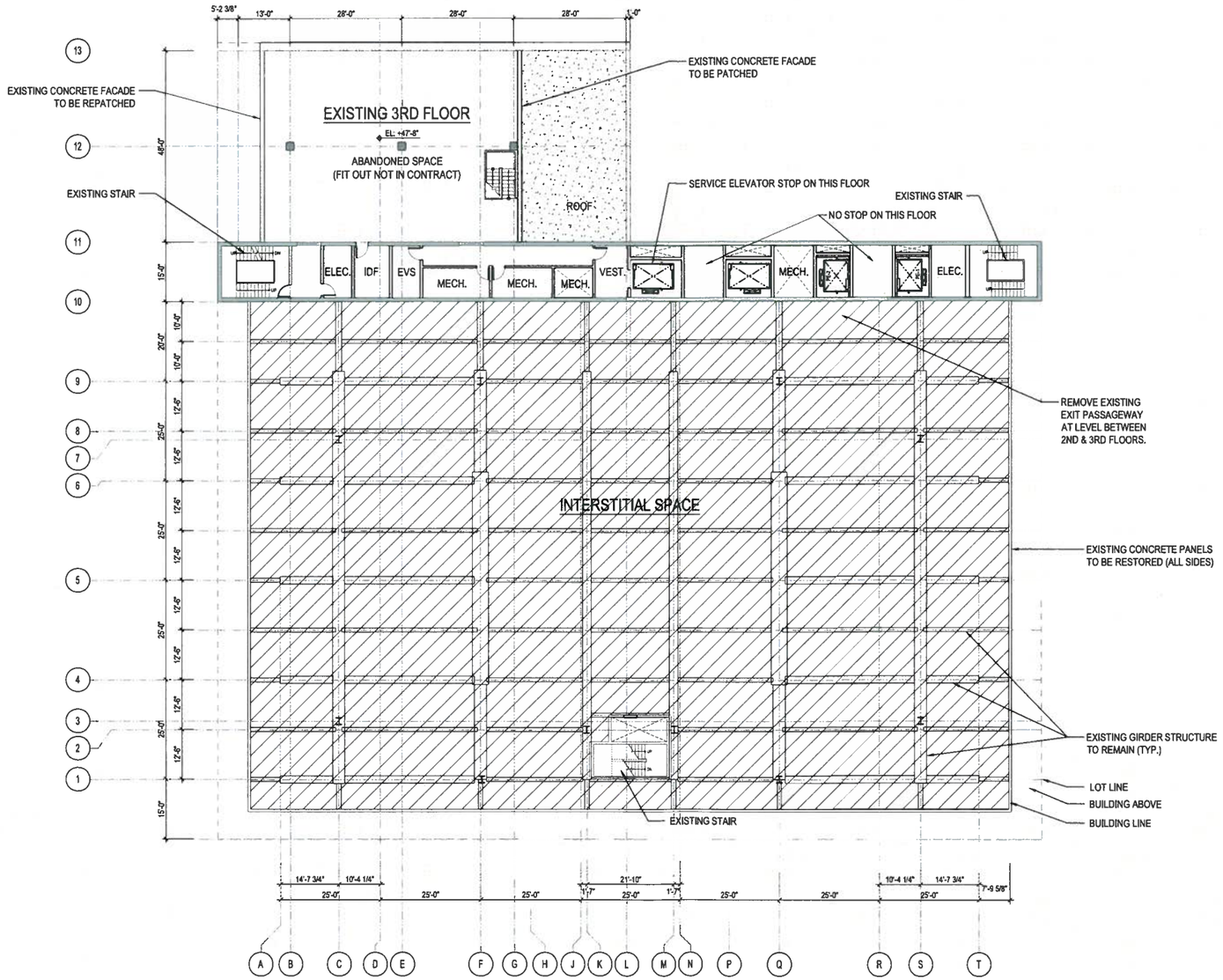
NEW YORK, NY

Perkins Eastman

DOH02
Second Floor Plan

1/32"=1'0"

May 20, 2011



OCCUPANCY:
1968: E BUSINESS
2008: B

PROPOSED PLAN

North Shore LIJ
North Shore-Long Island Jewish Health System

Lenox Hill Hospital Center for Comprehensive Care

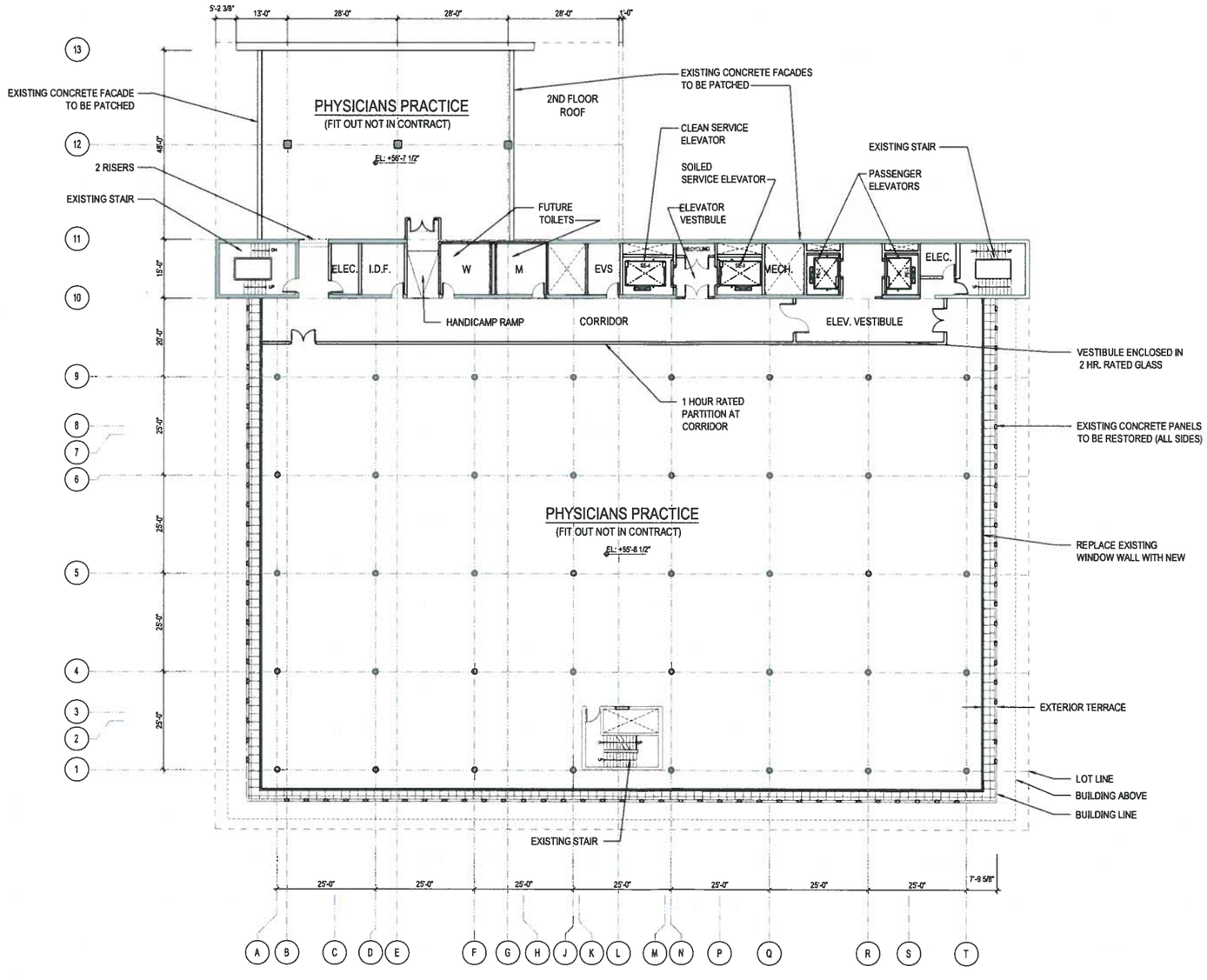
NEW YORK, NY

Perkins Eastman

DOH03
Third Floor Plan

1/32"=1'0"

May 20, 2011



OCCUPANCY:
1968: E BUSINESS
2008: B

PROPOSED PLAN

North Shore LIJ
North Shore-Long Island Jewish Health System

Lenox Hill Hospital Center for Comprehensive Care

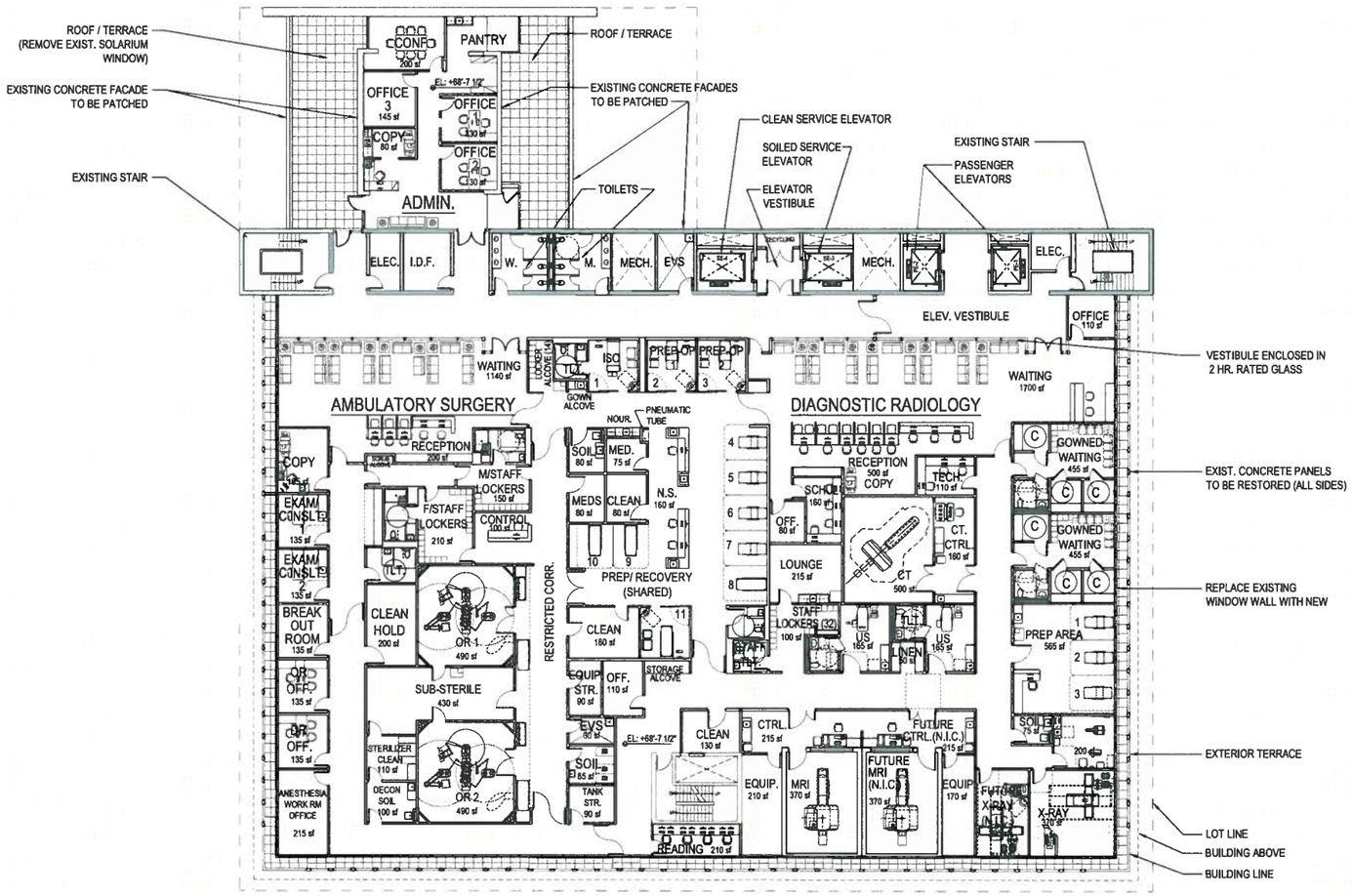
NEW YORK, NY

Perkins Eastman

DOH04
Fourth Floor Plan

1/32"=1'0"

May 20, 2011



OCCUPANCY:
1968: H-2 INSTITUTIONAL
2008: I-2

PROPOSED PLAN

North Shore LIJ
North Shore-Long Island Jewish Health System

Lenox Hill Hospital Center for Comprehensive Care

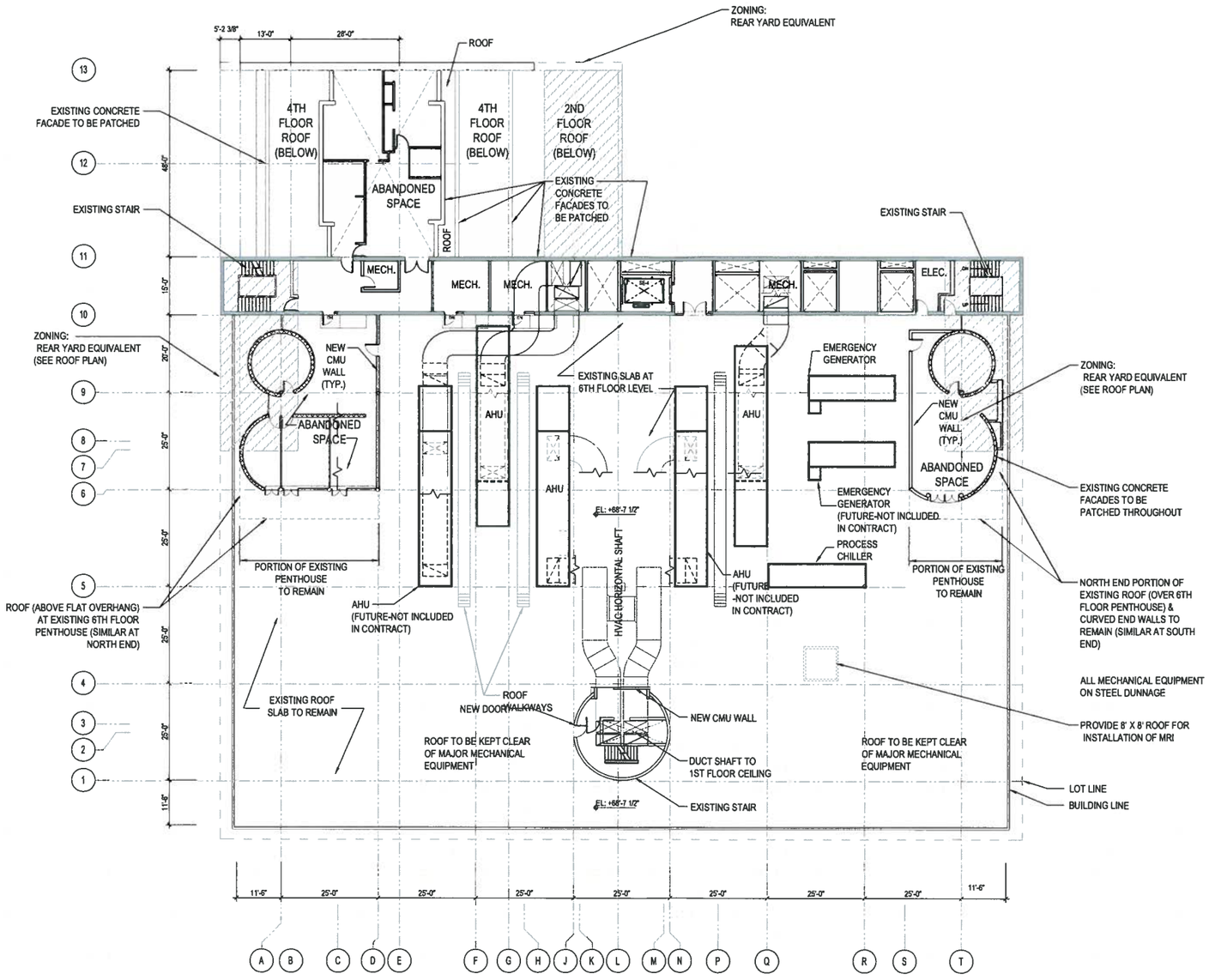
NEW YORK, NY

Perkins Eastman

DOH05
Fifth Floor Plan

1/32"=1'0"

May 20, 2011



OCCUPANCY:
1968: D-2 INDUSTRIAL
2008: F-2

PROPOSED PLAN

North Shore LIJ
North Shore-Long Island Jewish Health System

Lenox Hill Hospital Center for Comprehensive Care

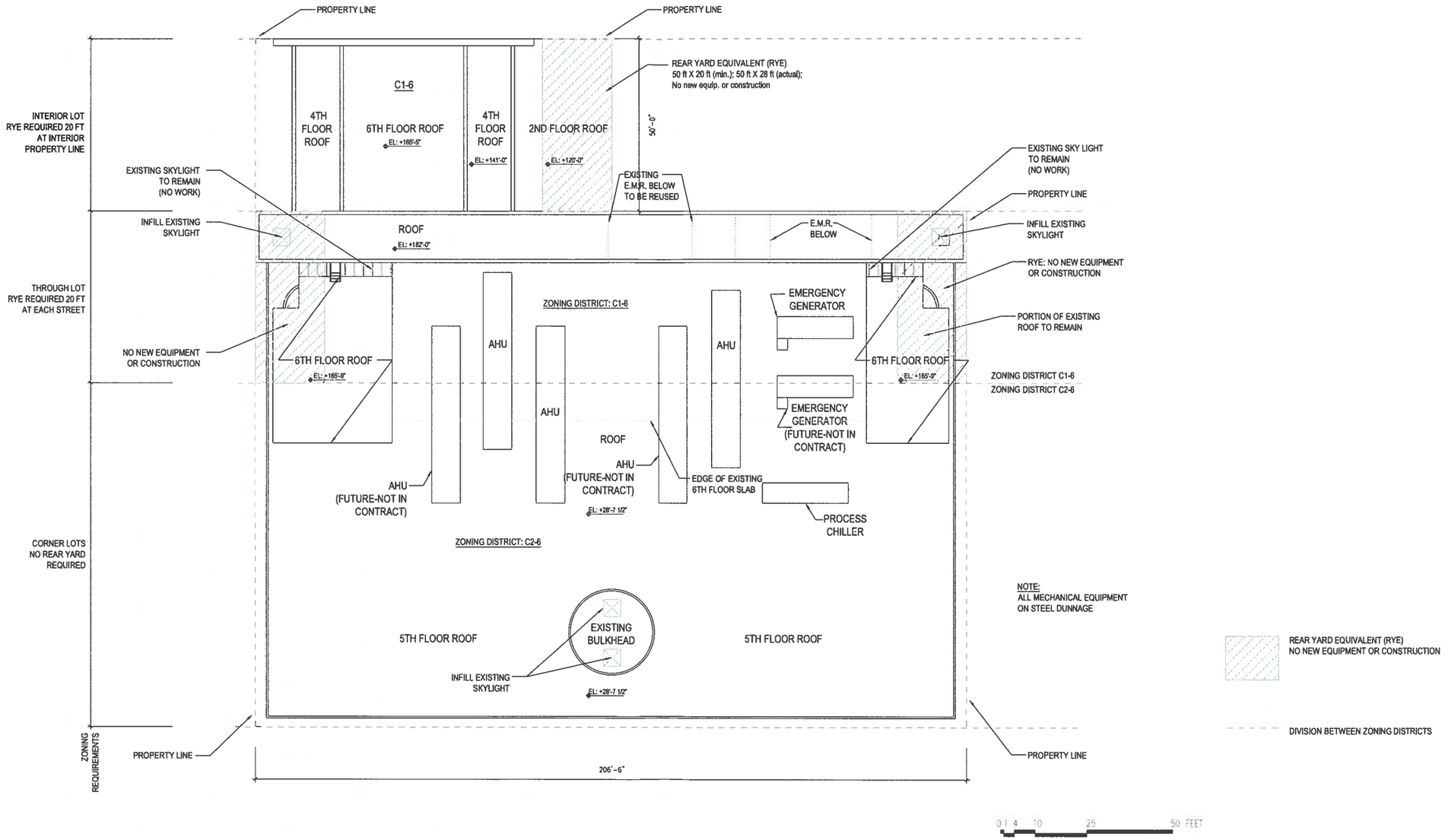
NEW YORK, NY

Perkins Eastman

DOH06
Sixth Floor Plan

1/32"=1'0"

May 20, 2011



PROPOSED PLAN

North Shore LIJ
North Shore-Long Island Jewish Health System

Lenox Hill Hospital Center for Comprehensive Care

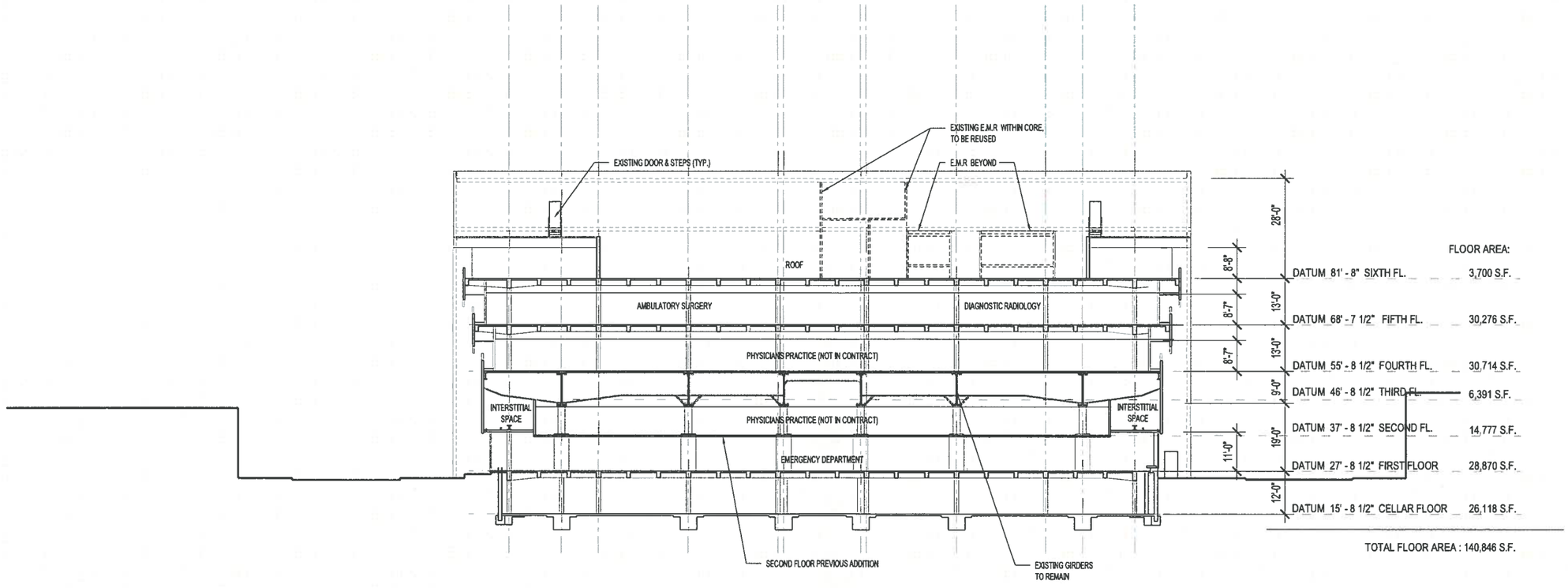
NEW YORK, NY

Perkins Eastman

DOH07
Roof Plan

1/16"=1'0"

May 20, 2011



PROPOSED SECTION

North Shore LIJ
North Shore-Long Island Jewish Health System

Lenox Hill Hospital Center for Comprehensive Care

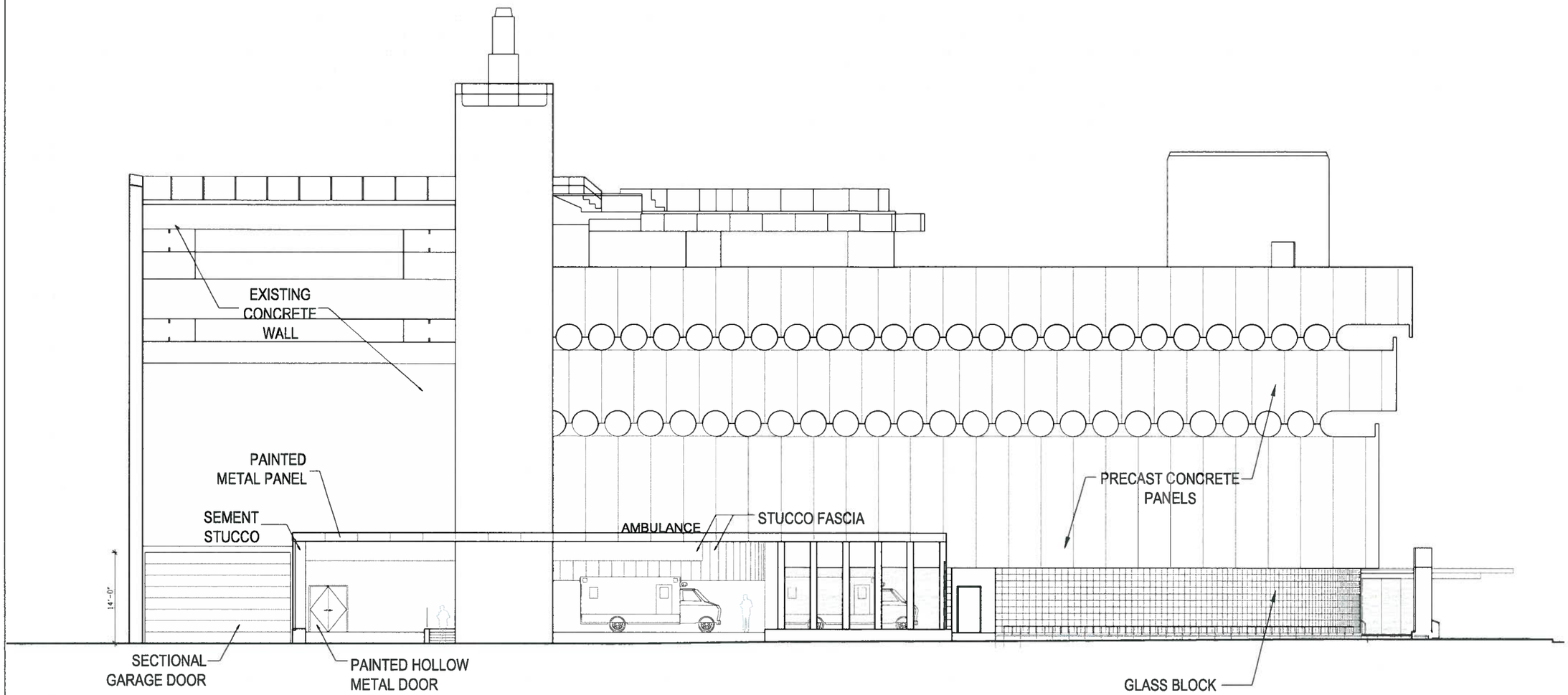
NEW YORK, NY

Perkins Eastman

DOH08
North-South Section

1/32"=1'0"

May 20, 2011



North Shore LIJ
North Shore-Long Island Jewish Health System

Lenox Hill Hospital Center for Comprehensive Care

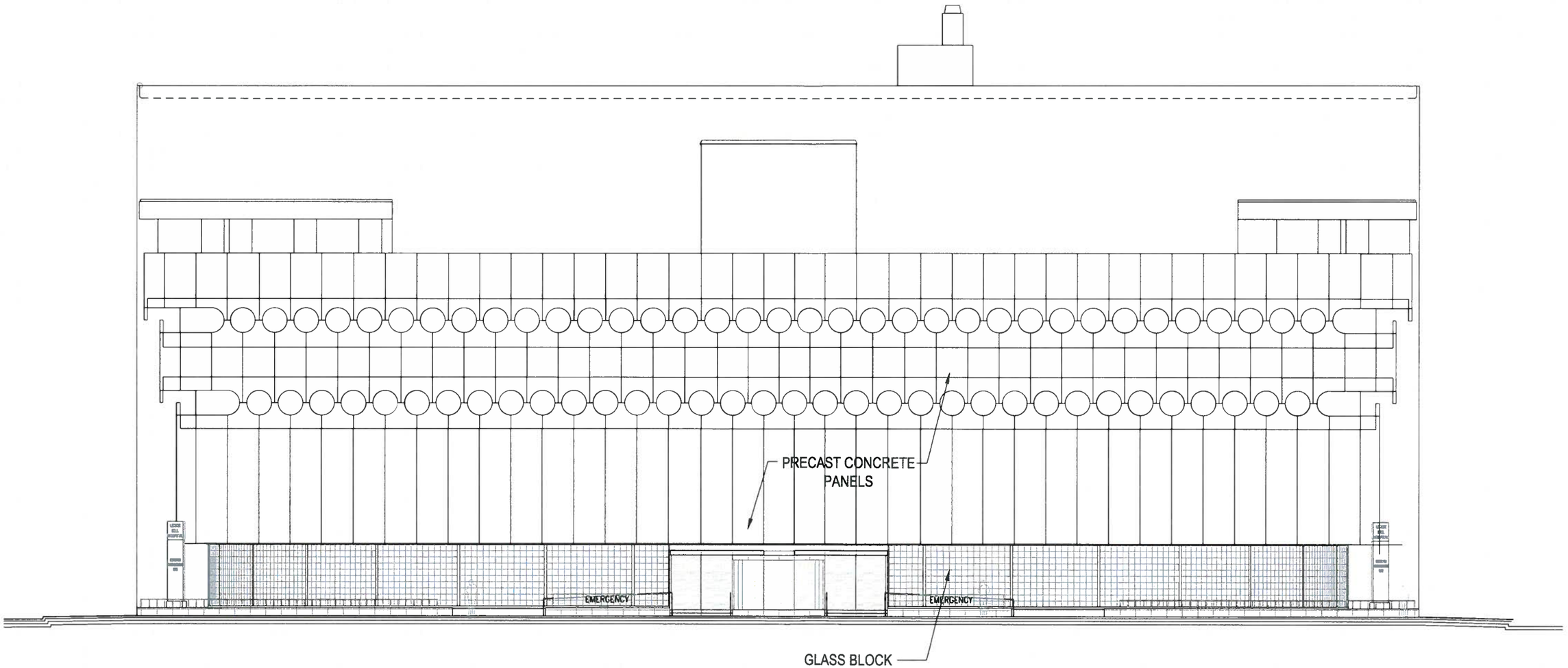
NEW YORK, NY

Perkins Eastman

DOH09
South Elevation

1/16"=1'0"

May 20, 2011



North Shore LIJ
North Shore-Long Island Jewish Health System

Lenox Hill Hospital Center for Comprehensive Care

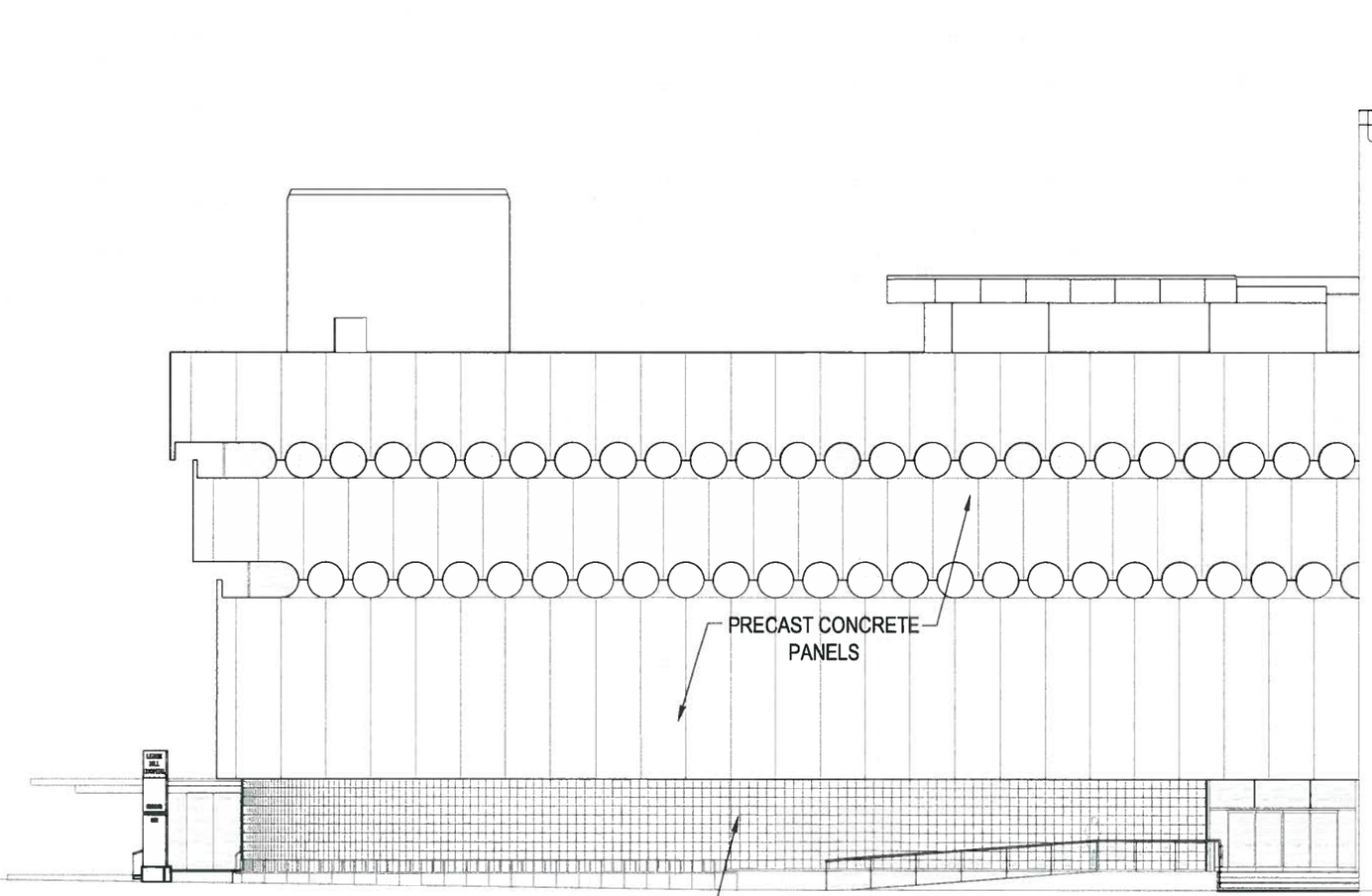
NEW YORK, NY

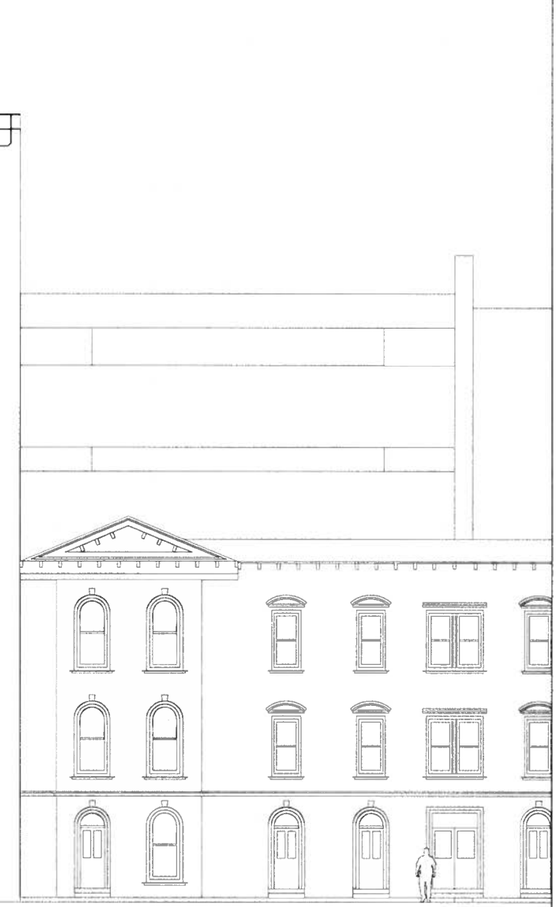
Perkins Eastman

DOH10
East Elevation

1/16"=1'0"

May 20, 2011





North Shore LIJ
North Shore-Long Island Jewish Health System

Lenox Hill Hospital Center for Comprehensive Care

NEW YORK, NY

Perkins Eastman

DOH11
North Elevation

1/16"=1'0"

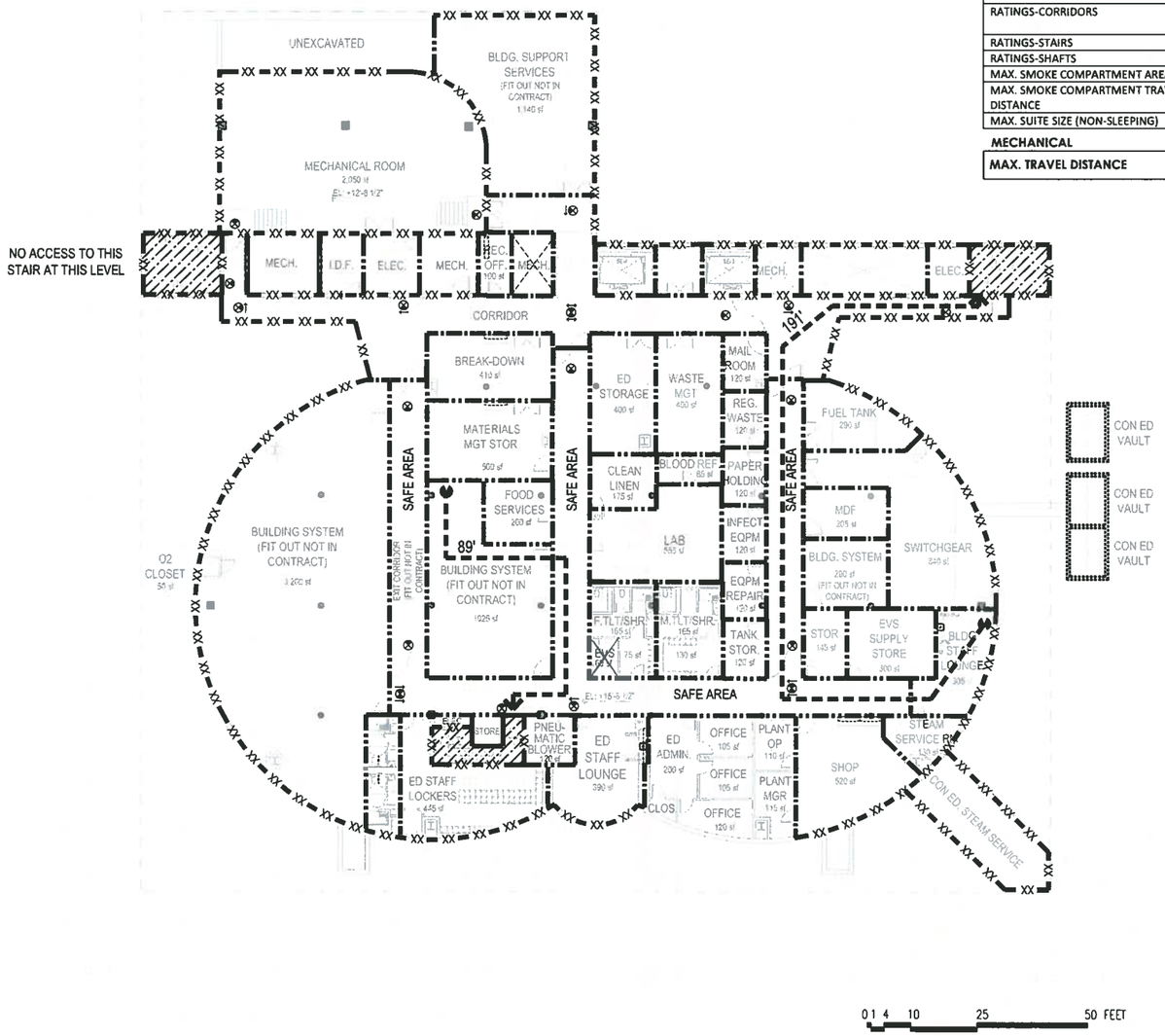
May 20, 2011

LIFE SAFETY SCHEDULE

CODE CATEGORY	NFPA 101 2000	1968 NYC BLDG CODE	ACTUAL/REMARKS
OCCUPANCY	NEW HEALTH CARE, CH. 18	H-2 (INSTITUTIONAL) E (BUSINESS)	H-2 (INSTITUTIONAL) E (BUSINESS)
CONSTRUCTION TYPE	II (222)	I-C	NA
MAX. TRAVEL DISTANCE	200 FT. (SPRINKLERED)	200 FT. (SPRINKLERED)	COMPLIES
MAX. DEAD END CORRIDOR	30 FT.	H-2: 30 FT. E: 50 FT.	COMPLIES
MIN. CORRIDOR WIDTH	8 FT. PATIENT AREAS 3 ft. 8 INCHES STAFF AREAS	H-2: 8 FT. E: 3 ft. 8 INCHES	COMPLIES
RATINGS-CORRIDORS	NO RATING REQ'D., LIMIT TRANSFER OF SMOKE	H-2: 1 HR. (SMOKE BARRIER EVERY 150 FT.) E: 1 HR.	COMPLIES
RATINGS-STAIRS	2 HR.	2 HR.	COMPLIES
RATINGS-SHAFTS	2 HR.	2 HR.	COMPLIES
MAX. SMOKE COMPARTMENT AREA	22,500 GSF	NA	COMPLIES
MAX. SMOKE COMPARTMENT TRAVEL DISTANCE	200 FT.	NA	COMPLIES
MAX. SUITE SIZE (NON-SLEEPING)	10,000 SF	NA	COMPLIES

MECHANICAL

MAX. TRAVEL DISTANCE	300'	300'	COMPLIES



LIFE SAFETY SYMBOLS LEGEND:

SYMBOL:	DESCRIPTION
	1 HR FIRE BARRIER
	2 HR FIRE BARRIER
	3 HR FIRE BARRIER
	EXISTING 1HR FIRE BARRIER
	EXISTING 2HR FIRE BARRIER
	EXISTING 3HR FIRE BARRIER
	EXISTING 4HR FIRE BARRIER
	1 HR FIRE BARRIER/ SMOKE COMPARTMENT
	2 HR FIRE BARRIER/ SMOKE COMPARTMENT
	EXISTING 1HR FIRE BARRIER/ SMOKE COMPARTMENT
	EXISTING 2 HR FIRE BARRIER/ SMOKE COMPARTMENT
	SMOKE COMPARTMENT BOUNDARY
Egress Travel=100'-0"	EGRESS TRAVEL DISTANCE
Smoke Travel=150'-0"	SMOKE COMPARTMENT TRAVEL DISTANCE
	EXIT SIGN
	ONE DIRECTION EXIT SIGN
	TWO DIRECTIONS EXIT SIGN
	TWO FACES DIRECTIONAL EXIT SIGN
	INDICATES EXIT STAIR LOCATIONS
	INDICATES EXIT DISCHARGE FROM THE BUILDING

LIFE SAFETY PLAN

North Shore LIJ
North Shore-Long Island Jewish Health System

Lenox Hill Hospital Center for Comprehensive Care

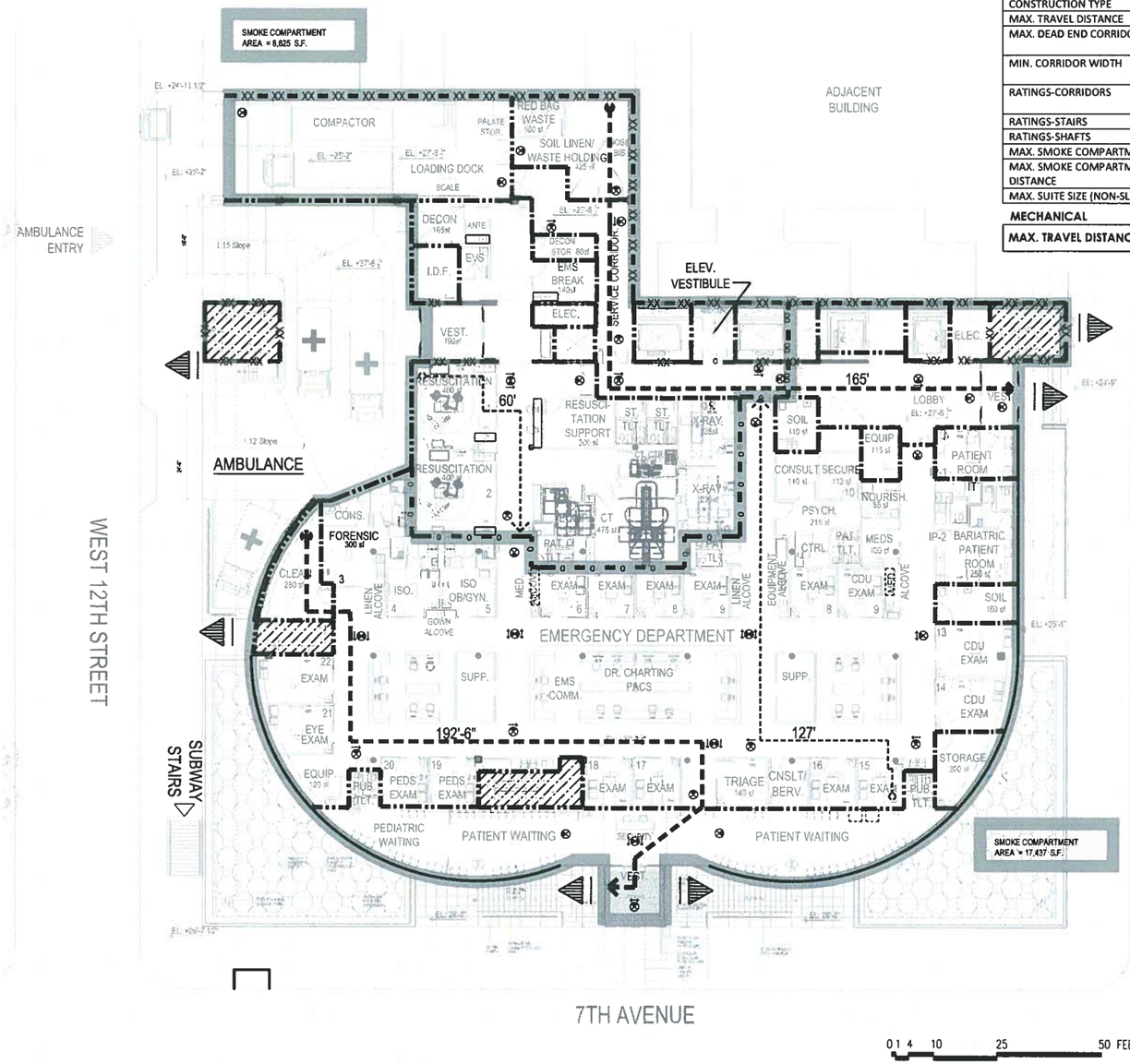
NEW YORK, NY

Perkins Eastman

LS00
Cellar Plan

1/32"=1'0"

May 20, 2011



LIFE SAFETY SCHEDULE

CODE CATEGORY	NFPA 101 2000	1968 NYC BLDG CODE	ACTUAL/REMARKS
OCCUPANCY	NEW HEALTH CARE, CH. 18	H-2 (INSTITUTIONAL) E (BUSINESS)	H-2 (INSTITUTIONAL) E (BUSINESS)
CONSTRUCTION TYPE	II (222)	I-C	NA
MAX. TRAVEL DISTANCE	200 FT. (SPRINKLERED)	200 FT. (SPRINKLERED)	COMPLIES
MAX. DEAD END CORRIDOR	30 FT.	H-2: 30 FT. E: 50 FT.	COMPLIES
MIN. CORRIDOR WIDTH	8 FT. PATIENT AREAS 3 ft. 8 INCHES STAFF AREAS	H-2: 8 FT. E: 3 ft. 8 INCHES	COMPLIES
RATINGS-CORRIDORS	NO RATING REQ'D., LIMIT TRANSFER OF SMOKE	H-2: 1 HR. (SMOKE BARRIER EVERY 150 FT.) E: 1 HR.	COMPLIES
RATINGS-STAIRS	2 HR.	2 HR.	COMPLIES
RATINGS-SHAFTS	2 HR.	2 HR.	COMPLIES
MAX. SMOKE COMPARTMENT AREA	22,500 GSF	NA	COMPLIES
MAX. SMOKE COMPARTMENT TRAVEL DISTANCE	200 FT.	NA	COMPLIES
MAX. SUITE SIZE (NON-SLEEPING)	10,000 SF	NA	COMPLIES

MECHANICAL

MAX. TRAVEL DISTANCE	300'	300'	COMPLIES

LIFE SAFETY SYMBOLS LEGEND:

SYMBOL:	DESCRIPTION
	1 HR FIRE BARRIER
	2 HR FIRE BARRIER
	3 HR FIRE BARRIER
	EXISTING 1HR FIRE BARRIER
	EXISTING 2HR FIRE BARRIER
	EXISTING 3HR FIRE BARRIER
	EXISTING 4HR FIRE BARRIER
	1 HR FIRE BARRIER/ SMOKE COMPARTMENT
	2 HR FIRE BARRIER/ SMOKE COMPARTMENT
	EXISTING 1HR FIRE BARRIER/ SMOKE COMPARTMENT
	EXISTING 2 HR FIRE BARRIER/ SMOKE COMPARTMENT
	SMOKE COMPARTMENT BOUNDARY
Egress Travel=100'-0"	EGRESS TRAVEL DISTANCE
Smoke Travel=150'-0"	SMOKE COMPARTMENT TRAVEL DISTANCE
	EXIT SIGN
	ONE DIRECTION EXIT SIGN
	TWO DIRECTIONS EXIT SIGN
	TWO FACES DIRECTIONAL EXIT SIGN
	INDICATES EXIT STAIR LOCATIONS
	INDICATES EXIT DISCHARGE FROM THE BUILDING

LIFE SAFETY PLAN

North Shore LIJ
North Shore-Long Island Jewish Health System

Lenox Hill Hospital Center for Comprehensive Care

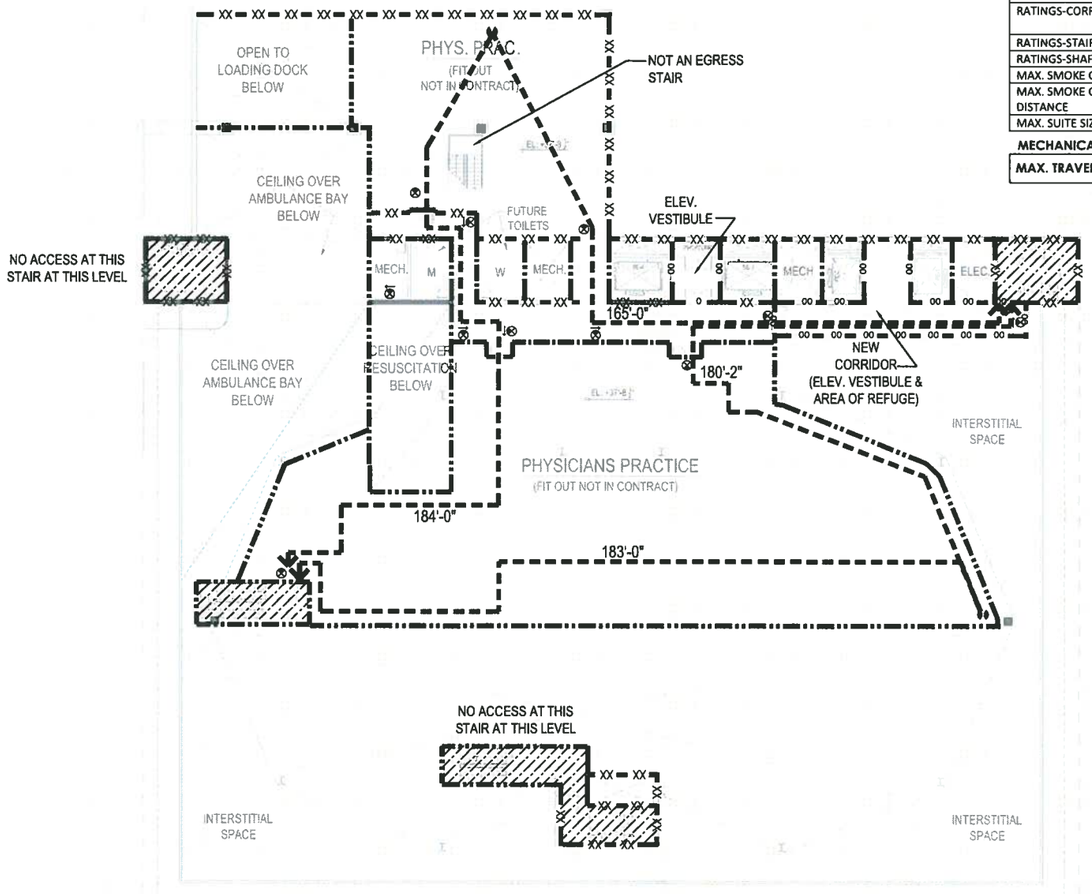
NEW YORK, NY

Perkins Eastman

1/32"=1'0"

LS01
First Floor Plan

May 20, 2011



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LIFE SAFETY SCHEDULE

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MIN. CORRIDOR WIDTH	8 FT. PATIENT AREAS 3 ft. 8 INCHES STAFF AREAS	H-2: 8 FT. E: 3 ft. 8 INCHES	COMPLIES
RATINGS-CORRIDORS	NO RATING REQ'D., LIMIT TRANSFER OF SMOKE	H-2: 1 HR. (SMOKE BARRIER EVERY 150 FT.) E: 1 HR.	COMPLIES
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RATINGS-SHAFTS	2 HR.	2 HR.	COMPLIES
MAX. SMOKE COMPARTMENT AREA	22,500 GSF	NA	COMPLIES
MAX. SMOKE COMPARTMENT TRAVEL DISTANCE	200 FT.	NA	COMPLIES
MAX. SUITE SIZE (NON-SLEEPING)	10,000 SF	NA	COMPLIES

MECHANICAL

MAX. TRAVEL DISTANCE	300'	300'	COMPLIES

LIFE SAFETY SYMBOLS LEGEND:

SYMBOL:	DESCRIPTION
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	3 HR FIRE BARRIER
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	EXISTING 4HR FIRE BARRIER
	1 HR FIRE BARRIER/ SMOKE COMPARTMENT
	2 HR FIRE BARRIER/ SMOKE COMPARTMENT
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LIFE SAFETY PLAN

North Shore LIJ
North Shore-Long Island Jewish Health System

Lenox Hill Hospital Center for Comprehensive Care

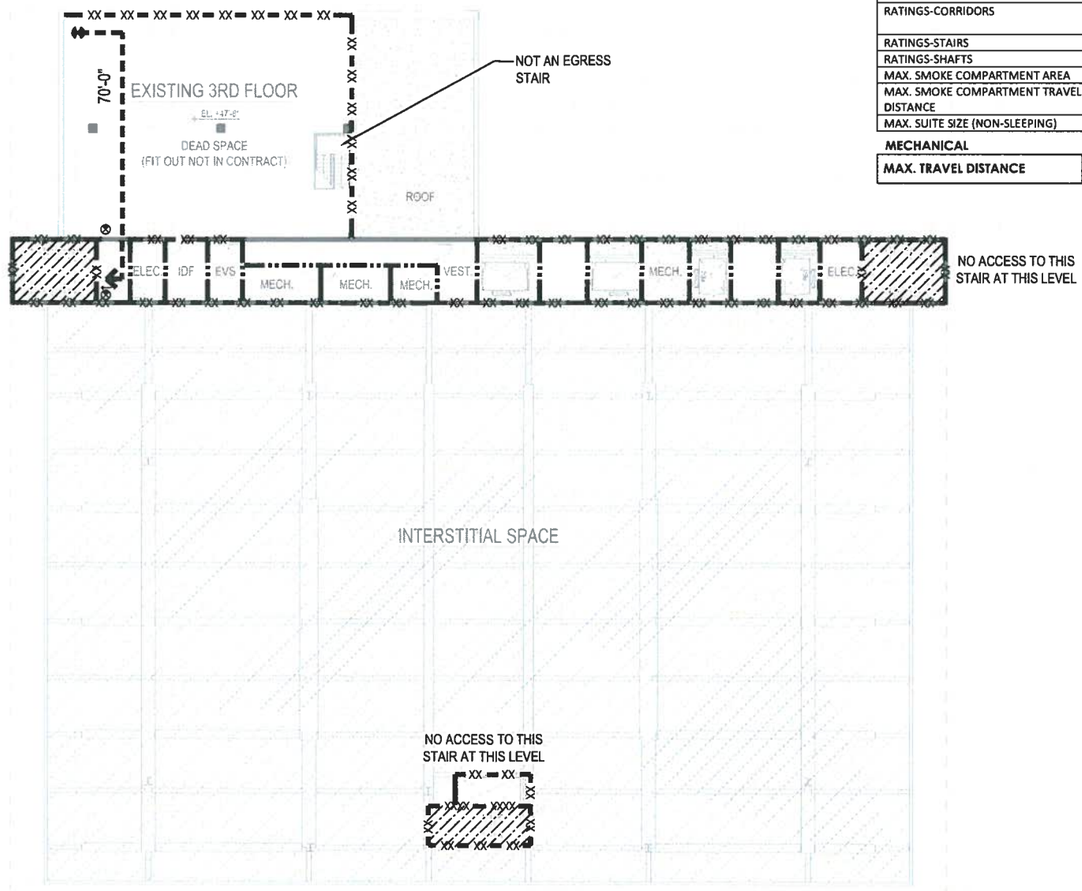
NEW YORK, NY

Perkins Eastman

1/32"=1'0"

LS02
Second Floor Plan

May 20, 2011



0 1 4 10 25 50 FEET

LIFE SAFETY SCHEDULE

CODE CATEGORY	NFPA 101 2000	1968 NYC BLDG CODE	ACTUAL/REMARKS
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MIN. CORRIDOR WIDTH	8 FT. PATIENT AREAS 3 ft. 8 INCHES STAFF AREAS	H-2: 8 FT. E: 3 ft. 8 INCHES	COMPLIES
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RATINGS-STAIRS	2 HR.	2 HR.	COMPLIES
RATINGS-SHAFTS	2 HR.	2 HR.	COMPLIES
MAX. SMOKE COMPARTMENT AREA	22,500 GSF	NA	COMPLIES
MAX. SMOKE COMPARTMENT TRAVEL DISTANCE	200 FT.	NA	COMPLIES
MAX. SUITE SIZE (NON-SLEEPING)	10,000 SF	NA	COMPLIES

MECHANICAL

MAX. TRAVEL DISTANCE	**300'**	**300'**	**COMPLIES**

LIFE SAFETY SYMBOLS LEGEND:

SYMBOL:	DESCRIPTION
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	2 HR FIRE BARRIER
	3 HR FIRE BARRIER
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	EXISTING 2HR FIRE BARRIER
	EXISTING 3HR FIRE BARRIER
	EXISTING 4HR FIRE BARRIER
	1 HR FIRE BARRIER/ SMOKE COMPARTMENT
	2 HR FIRE BARRIER/ SMOKE COMPARTMENT
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LIFE SAFETY PLAN

North Shore LIJ
North Shore-Long Island Jewish Health System

Lenox Hill Hospital Center for Comprehensive Care

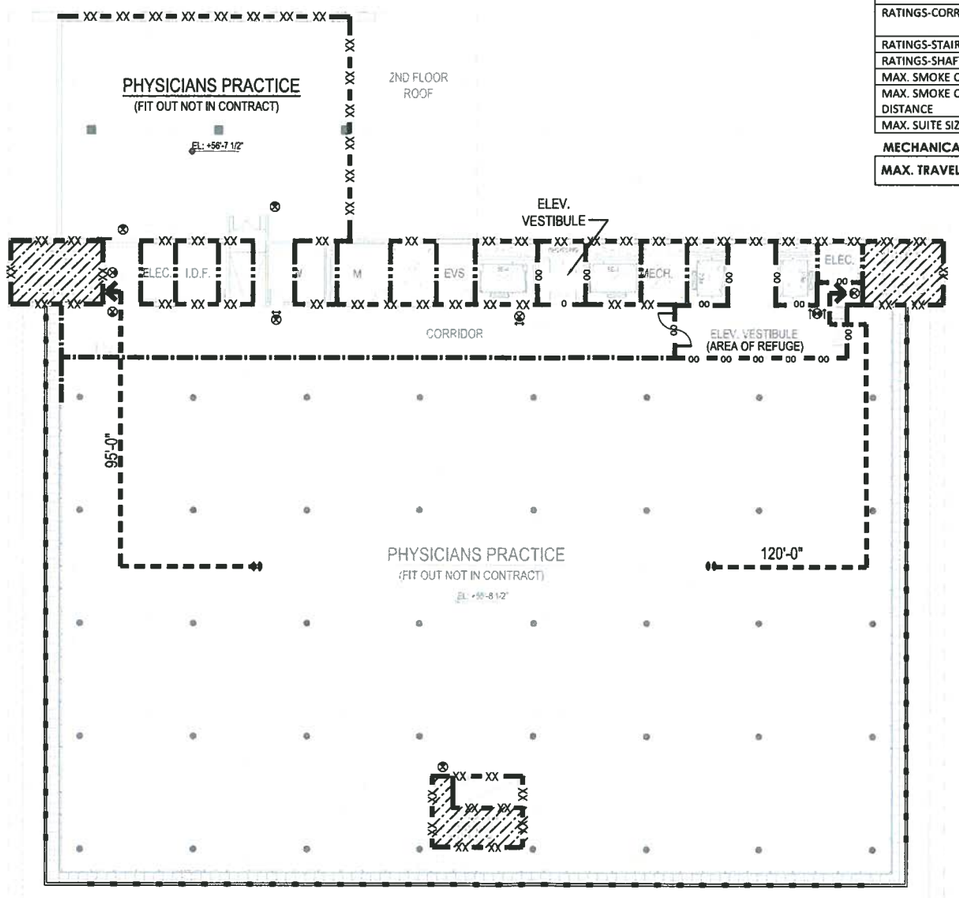
NEW YORK, NY

Perkins Eastman

1/32"=1'0"

LS03
Third Floor Plan

May 20, 2011



LIFE SAFETY SCHEDULE

CODE CATEGORY	NFPA 101 2000	1968 NYC BLDG CODE	ACTUAL/REMARKS
OCCUPANCY	NEW HEALTH CARE, CH. 18	H-2 (INSTITUTIONAL) E (BUSINESS)	H-2 (INSTITUTIONAL) E (BUSINESS)
CONSTRUCTION TYPE	II (222)	I-C	NA
MAX. TRAVEL DISTANCE	200 FT. (SPRINKLERED)	200 FT. (SPRINKLERED)	COMPLIES
MAX. DEAD END CORRIDOR	30 FT.	H-2: 30 FT. E: 50 FT.	COMPLIES
MIN. CORRIDOR WIDTH	8 FT. PATIENT AREAS 3 ft. 8 INCHES STAFF AREAS	H-2: 8 FT. E: 3 ft. 8 INCHES	COMPLIES
RATINGS-CORRIDORS	NO RATING REQ'D., LIMIT TRANSFER OF SMOKE	H-2: 1 HR. (SMOKE BARRIER EVERY 150 FT.) E: 1 HR.	COMPLIES
RATINGS-STAIRS	2 HR.	2 HR.	COMPLIES
RATINGS-SHAFTS	2 HR.	2 HR.	COMPLIES
MAX. SMOKE COMPARTMENT AREA	22,500 GSF	NA	COMPLIES
MAX. SMOKE COMPARTMENT TRAVEL DISTANCE	200 FT.	NA	COMPLIES
MAX. SUITE SIZE (NON-SLEEPING)	10,000 SF	NA	COMPLIES

MECHANICAL

MAX. TRAVEL DISTANCE	300'	300'	COMPLIES

LIFE SAFETY SYMBOLS LEGEND:

SYMBOL:	DESCRIPTION
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	2 HR FIRE BARRIER
	3 HR FIRE BARRIER
X X X X	EXISTING 1HR FIRE BARRIER
XX XX XX XX	EXISTING 2HR FIRE BARRIER
XXX XXX XXX XXX	EXISTING 3HR FIRE BARRIER
XXXX XXXX XXXX	EXISTING 4HR FIRE BARRIER
0 0 0 0	1 HR FIRE BARRIER/ SMOKE COMPARTMENT
00 00 00 00	2 HR FIRE BARRIER/ SMOKE COMPARTMENT
XO XO XD XO	EXISTING 1HR FIRE BARRIER/ SMOKE COMPARTMENT
XOX XOX	EXISTING 2 HR FIRE BARRIER/ SMOKE COMPARTMENT
	SMOKE COMPARTMENT BOUNDARY
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LIFE SAFETY PLAN

North Shore LIJ
North Shore-Long Island Jewish Health System

Lenox Hill Hospital Center for Comprehensive Care

NEW YORK, NY

Perkins Eastman

LS04
Fourth Floor Plan

1/32"=1'0"

May 20, 2011

LIFE SAFETY SCHEDULE

CODE CATEGORY	NFPA 101 2000	1968 NYC BLDG CODE	ACTUAL/REMARKS
OCCUPANCY	NEW HEALTH CARE, CH. 18	H-2 (INSTITUTIONAL) E (BUSINESS)	H-2 (INSTITUTIONAL) E (BUSINESS)
CONSTRUCTION TYPE	II (222)	I-C	NA
MAX. TRAVEL DISTANCE	200 FT. (SPRINKLERED)	200 FT. (SPRINKLERED)	COMPLIES
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MIN. CORRIDOR WIDTH	8 FT. PATIENT AREAS 3 ft. 8 INCHES STAFF AREAS	H-2: 8 FT. E: 3 ft. 8 INCHES	COMPLIES
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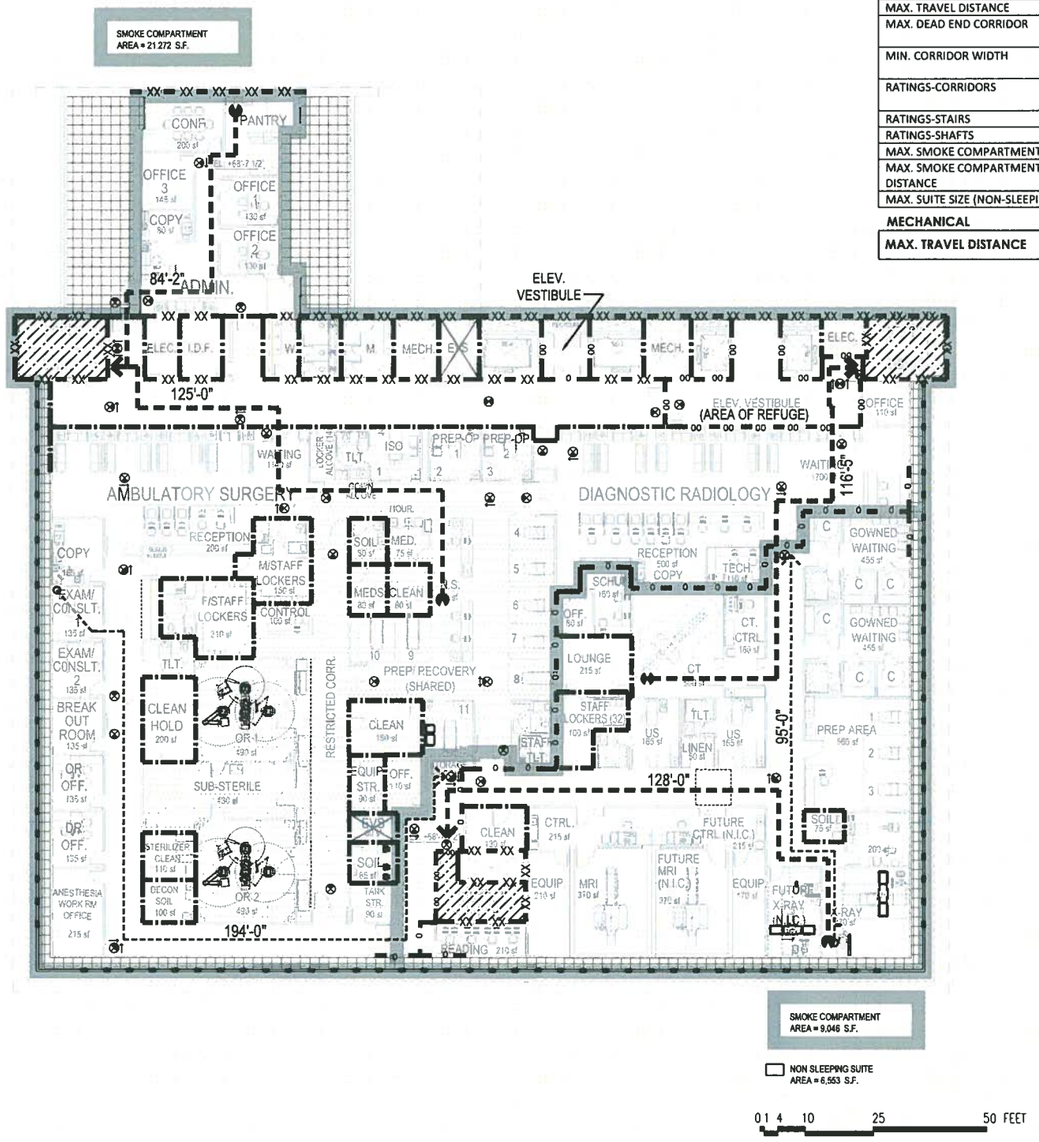
MAX. SMOKE COMPARTMENT AREA	22,500 GSF	NA	COMPLIES
MAX. SMOKE COMPARTMENT TRAVEL DISTANCE	200 FT.	NA	COMPLIES
MAX. SUITE SIZE (NON-SLEEPING)	10,000 SF	NA	COMPLIES

MECHANICAL

MAX. TRAVEL DISTANCE	**300'**	**300'**	**COMPLIES**



LIFE SAFETY SYMBOLS LEGEND:

SYMBOL:	DESCRIPTION
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	2 HR FIRE BARRIER
	3 HR FIRE BARRIER
	EXISTING 1HR FIRE BARRIER
	EXISTING 2HR FIRE BARRIER
	EXISTING 3HR FIRE BARRIER
	EXISTING 4HR FIRE BARRIER
	1 HR FIRE BARRIER/ SMOKE COMPARTMENT
	2 HR FIRE BARRIER/ SMOKE COMPARTMENT
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LIFE SAFETY PLAN

North Shore LIJ
North Shore-Long Island Jewish Health System

Lenox Hill Hospital Center for Comprehensive Care

NEW YORK, NY

Perkins Eastman

1/32"=1'0"

LS05
Fifth Floor Plan

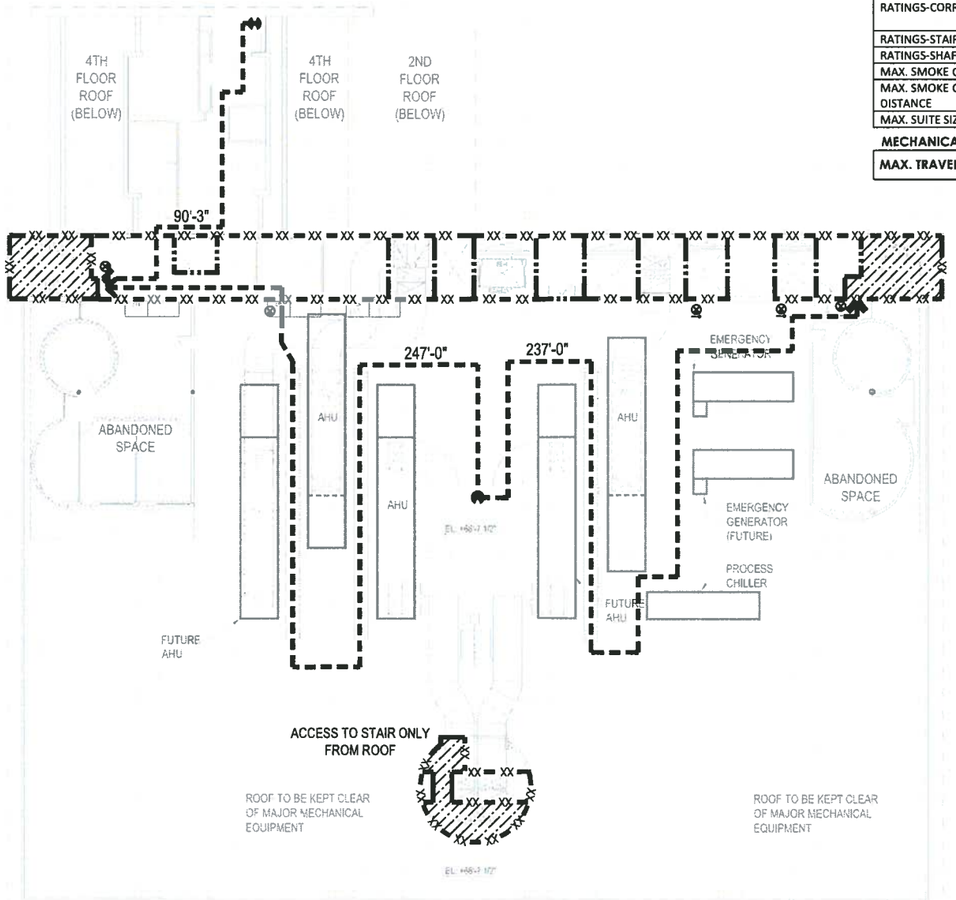
May 20, 2011

LIFE SAFETY SCHEDULE

CODE CATEGORY	NFPA 101 2000	1968 NYC BLDG CODE	ACTUAL/REMARKS
OCCUPANCY	NEW HEALTH CARE, CH. 18	H-2 (INSTITUTIONAL) E (BUSINESS)	H-2 (INSTITUTIONAL) E (BUSINESS)
CONSTRUCTION TYPE	II (222)	I-C	NA
MAX. TRAVEL DISTANCE	200 FT. (SPRINKLEREO)	200 FT. (SPRINKLEREO)	COMPLIES
MAX. DEAD END CORRIDOR	30 FT.	H-2: 30 FT. E: 50 FT.	COMPLIES
MIN. CORRIOOR WIOTH	8 FT. PATIENT AREAS 3 ft. 8 INCHES STAFF AREAS	H-2: 8 FT. E: 3 ft. 8 INCHES	COMPLIES
RATINGS-CORRIOORS	NO RATING REQ'D., LIMIT TRANSFER OF SMOKE	H-2: 1 HR. (SMOKE 8ARRIER EVERY 1S0 FT.) E: 1 HR.	COMPLIES
RATINGS-STAIRS	2 HR.	2 HR.	COMPLIES
RATINGS-SHAFTS	2 HR.	2 HR.	COMPLIES
MAX. SMOKE COMPARTMENT AREA	22,S00 GSF	NA	COMPLIES
MAX. SMOKE COMPARTMENT TRAVEL DISTANCE	200 FT.	NA	COMPLIES
MAX. SUITE SIZE (NON-SLEEPING)	10,000 SF	NA	COMPLIES

MECHANICAL

MAX. TRAVEL DISTANCE	**300'**	**300'**	**COMPLIES**



0 1 4 10 25 50 FEET

LIFE SAFETY SYMBOLS LEGEND:

SYMBOL:	DESCRIPTION
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	2 HR FIRE BARRIER
	3 HR FIRE BARRIER
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	EXISTING 2HR FIRE BARRIER
	EXISTING 3HR FIRE BARRIER
	EXISTING 4HR FIRE BARRIER
	1 HR FIRE BARRIER/ SMOKE COMPARTMENT
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LIFE SAFETY PLAN

North Shore LIJ
North Shore-Long Island Jewish Health System

Lenox Hill Hospital Center for Comprehensive Care

NEW YORK, NY

Perkins Eastman

LS06
Sixth Floor Plan

1/32"=1'0"

May 20, 2011

Schedule 7 - CON Forms Regarding Environmental issues

Contents:

Environmental Assessment

Part I.

The following questions help determine whether the project is "significant" from an environmental standpoint.

1.	If this application involves establishment, will it involve more than a change of name or ownership only, or a transfer of stock or partnership or membership interests only, or the conversion of existing beds to the same or lesser number of a different level of care beds?	NA
2.	Does this plan involve construction and change land use or density?	Yes
3.	Does this plan involve construction and have a permanent effect on the environment if temporary land use is involved?	No
4.	Does this plan involve construction and require work related to the disposition of asbestos?	Yes

Part II.

If any question in Part I is answered "yes" the project may be significant and Part II must be completed If all questions in Part II are answered "no" it is likely that the project is not significant.

1.	Does the project involve physical alteration of ten acres or more?	No
2	If an expansion of an existing facility, is the area physically altered by the facility expanding by more than 50% and is the total existing and proposed altered area ten acres or more?	No
3.	Will the project involve use of ground or surface water or discharge of wastewater to ground or surface water in excess of 2,000,000 gallons per day?	No
4.	If an expansion of an existing facility, will use of ground or surface water or discharge of wastewater by the facility increase by more than 50% and exceed 2,000,000 gallons per day?	No
5.	Will the project involve parking for 1,000 vehicles or more?	No
6.	If an expansion of an existing facility, will the project involve a 50% or greater increase in parking spaces and will total parking exceed 1000 vehicles?	No
7.	In a city, town, or village of 150,000 population or fewer, will the project entail more than 100,000 square feet of gross floor area?	NA
8.	If an expansion of an existing facility in a city, town, or village of 150,000 population or fewer, will the project expand existing floor space by more than 50% so that gross floor area exceeds 100,000 square feet?	NA
9.	If an expansion of an existing facility in a city, town, or village of more than 150,000 population, will the project entail more than 240,000 square feet of gross floor area?	No
10.	If an expansion of an existing facility in a city, town, or village of more than 150,000 population, will the project expand existing floor space by more than 50% so that gross floor area exceeds 240,000 square feet?	No

11.	In a locality without any zoning regulation about height, will the project contain any structure exceeding 100 feet above the original ground area?	NA
12.	Is the project wholly or partially within an agricultural district certified pursuant to Agriculture and Markets Law Article 25, Section 303?	No
13.	Will the project significantly affect drainage flow on adjacent sites?	No
14.	Will the project affect any threatened or endangered plants or animal species?	No
15.	Will the project result in a major adverse effect on air quality?	No
16.	Will the project have a major effect on visual character of the community or scenic views or vistas known to be important to the community	No
17.	Will the project result in major traffic problems or have a major effect on existing transportation systems?	No
18.	Will the project regularly cause objectionable odors, noise, glare, vibration, or electrical disturbance as a result of the project's operation	No
19.	Will the project have any adverse impact on health or safety?	No
20.	Will the project affect the existing community by directly causing a growth in permanent population of more than five percent over a one-year period or have a major negative effect on the character of the community or neighborhood?	No
21.	Is the project wholly or partially within, or is it contiguous to any facility or site listed on the National Register of Historic Places, or any historic building, structure, or site, or prehistoric site, that has been proposed by the Committee on the Registers for consideration by the New York State Board on Historic Preservation for recommendation to the State Historic Officer for nomination for inclusion in said National Register?	Yes
22.	Will the project cause a beneficial or adverse effect on property listed on the National or State Register of Historic Places or on property which is determined to be eligible for listing on the State Register of Historic Places by the Commissioner of Parks, Recreation, and Historic Preservation?	No
23.	Is this project within the Coastal Zone as defined in Executive Law, Article 42?	No

Part III.
Must be completed if any question on Part II was answered "Yes".

1.	List all other state or local agencies involved in approval of the project:	
NYSDOH, NYCDOB, FDNY, City Planning Commission, NY Landmarks Preservation Commission, Department of Environmental Protection, Metropolitan Transit Authority, Department of Transportation, and NYS Historic Preservation Office		
2.	Has any other agency made an environmental review of this project? If so, give name	No
3.	Is there a public controversy concerning environmental aspects of this project? If yes, briefly describe the controversy in the space below.	No

Schedule 8B – Total Project Cost for Projects without Subprojects

For Article 28, 36, and 40 Establishment & Construction Requiring Full, Administrative or Limited Review
For Limited Review, escalation amounts may be entered as "0".

Constants:	Value	Comments:
Design Contingency - New Construction		Normally 10%
Construction Contingency - New Construction		Normally 10%
Change Order Contingency - New Construction		Normally 5%
Design Contingency - Restoration	5,300,000	Normally 10%
Construction Contingency - Restoration	4,000,000	Normally 10%
Construction Start Date:	02/01/2012	as mm/dd/yyyy
Midpoint of Construction Date	12/01/2012	as mm/dd/yyyy
Completion of Construction Date	11/01/2013	as mm/dd/yyyy
Year used to compute Current Dollars:	2011	

Subject of attachment:	Attachment Number	Filename of attachment - PDF format preferred.
For restoration, the design contingency will normally be 10% and the construction change order contingency will be 10%. If your percentages are otherwise, please explain in an attachment		
For new construction and addition, at the schematic stage the design contingency will be normally be 10% and the construction change order contingency will be 5%. If your percentages are otherwise, please explain in an attachment		

Schedule 8B
Total Project Cost

Total Project Cost for Projects with Subprojects

Lenox Hill Hospital: Certify the Center for Comprehensive Care, Hospital Division at 30 Seventh Avenue, New York, NY 10011

Item	Cost in Current Dollars	Escalation to Midpoint of Construction Projects at Approximately 3%/Year	Estimated Project Cost
Source:			
1.1 Land Acquisition			
1.2 Building Acquisition			
2.1 New Construction			
2.2 Renovation & Demolition	76,661,827	3,066,473	**79,728,300**
2.3 Site Development	175,000		**175,000**
2.4 Temporary Utilities			
2.5 Asbestos Abatement or Removal	4,039,500		**4,039,500**
2.6 Surveys & Test Borings	70,000		**70,000**
3.1 Design Contingency	5,300,000		**5,300,000**
3.2 Construction Contingency	4,000,000		**4,000,000**
4.1 Fixed Equipment (NIC)			
4.2 Planning Consultant Fees	1,457,100		**1,457,100**
4.3 Architect/Engineering Fees	6,157,818		**6,157,818**
4.4 Pre-construction Manager Fees	435,000		**435,000**
4.5 Other Fees (Consultant, etc.)	6,886,132		**6,886,132**[7]
Subtotal (Total 1.1 thru 4.5)	**105,182,377**	**3,066,473**	**108,248,850**
5.1 Movable Equipment (Schedule 11)	16,106,875	644,275	**16,751,150**
5.2 Telecommunications			
6. Total Basic Cost of Construction (total 1.1 thru 5)	121,289,252	3,710,748	**125,000,000**
7.1 Financing Costs (Points etc)			
7.2 Interim Interest Expense:			
$ @ % for months			
8. Total Project Cost: w/o CON fees – Total 6 through 7.2	121,289,252	3,710,748	**125,000,000**
Application Fees			
9.1 Application Fee $2,000. Only applies to Article 28.			**2,000**
9.2 Additional Processing Fee for Article 28 projects involving Construction. (.0055 x line 8) Only applies to Article 28			**687,500**
10 Total Project Cost with CON fees			**125,689,500**

Construction Start Date: 2/1/12
Midpoint of Construction Date: 12/1/12
Completion of Construction Date: 11/1/13

7 "Other fees", schedule 8B, line 4.5 exceed 5% due to additional required coordination and filings with the following NYC agencies: City Planning Commission, Landmarks Preservation Commission, Department of Environmental Protection, Metropolitan Transit Authority, Department of Transportation, and NYS Historic Preservation Office

Schedule 8B – Total Project Cost for Projects without Subprojects

This schedule is required for all Establishment Applications and Full or Administrative Review Construction Applications.

1.) Project & Subject Cost Summary data:

	Total	Source
Project/Subproject Description:		
Project/Subproject Cost	125,000,000	Schedule 8a or 8b, column C, line 8
Total Basic Cost of Construction	125,000,000	from Schedule 8a or 8b column C, line 6
Total Cost of Moveable Equipment	16,751,150	Schedule 8a or 8b, column C, line 5.1
Cost/Per Square Foot for New Construction (calculated on Table 10)		Schedule 10
Cost/Per Square Foot for Renovation Construction	566.08	Schedule10
Total Incremental Operating Cost (From Schedule 13C, 17C, or 19D)	32,960,500 - year 3	Schedule 13c, 17c or 19d
Amount Financed (as $)	0	Schedule 9
Percentage Financed as % of Total Cost (From Schedule 9)	0	from Schedule 9
Depreciation Life (in years)	25	

Anticipated Start Date:	2/1/12	from Schedule 8b
Midpoint:	12/1/12	from Schedule 8b
Completion:	11/1/13	from Schedule 8b

Schedule 8B
Subproject Summary

SEE SCHEDULE 8B TOTAL PROJECT COST

1) Project & Subject Cost Summary data:

	Total	Calculation	Subproject 1	Subproject 2	Subproject 3	Source
Project/Subproject Description:						
Project/Subproject Cost						Schedule 8b or 8c, column C, line 8
Total Basic Cost of Construction						Schedule 8b or 8c column C, line 6
Total Cost of Moveable Equipment						Schedule 8b or 8c, column C, line 5.1
Cost/Per Square Foot for New Construction						Schedule 10
Cost/Per Square Foot for Renovation Construction						Schedule10
Total Incremental Operating Cost Year 3						Schedule 13c, 17c or 19d
Amount Financed ($)						Schedule 9
Percentage Financed as % of Total Cost						Schedule 9
Depreciation Life (in years)						

2) Construction Dates

Construction Start Date:	
Midpoint of Construction Date	
Completion of Construction Date	

Schedule 9 - CON Forms Regarding Project Financing

Contents:

Proposed Plan for Project Financing[8]: Schedule 9

I. Summary of Proposed Financial plan:

Check all that apply and fill in corresponding amounts.

	Type	Amount
☐	A. Lease	
☐	B. Cash	125,689,500
☐	C. Land	
☐	D. Other - see Attachment 1B: 2	
☐	E. Mortgage, Notes, or Bonds	
☐	F. Refinancing	
☐	Total Mortgage/Notes/Bonds plus Refinancing: (E + F)	
☐	Total Project Financing (Sum A to F)	125,689,500

II. Details

A. Leases

	Not Applicable	Title of attachment
1. List each lease with corresponding cost as if purchased each leased item. Breakdown each lease by total project cost and subproject costs, if applicable	☐	
2. Attach a copy of the proposed lease(s).	☐	
3. Submit an affidavit indicating any business or family relationships between principals of the landlord and tenant	☐	
4. If applicable, provide a copy of the lease assignment agreement and the Landlord's consent to the proposed lease assignment	☐	
5. If applicable, identify separately the total square footage to be occupied by the Article 28 facility and the total square footage of the building	☐	
6. Attach two letters from independent realtors verifying square footage rate.	☐	
7. For all capital leases as defined by FASB Statement No. 13, "Accounting for Leases", provide the net present value of the monthly, quarterly or annual lease payments.	☐	

8 See Attachment 9: 1 for explanation of financial approach

B. Cash - Not required for limited review

Type	Amount
Accumulated Funds	115,689,500
Sale of Existing Assets	
Gifts (fundraising program)	10,000,000
Government Grants	
Other	
TOTAL CASH	125,689,500

	Not Applicable	Title of attachment
1. Provide a breakdown of the sources of cash. See sample table above.	☐	
2. Attach a copy of the latest certified financial statement and interim monthly or quarterly financial reports to cover the balance of time to date.	☒	9: 2NSLIJHS Consolidated Financial Statements , 2010/2009 9: 3 LHH Consolidated Financial Statements , 2010/2009
3. If amounts are listed in "Accumulated Funds" provide cross-reference to certified financial statement or Schedule 2b, if applicable.	☐	
4. Attach a full and complete description of the assets to be sold, if applicable.	☐	
5. If amounts are listed in "Gifts (fundraising program)": • Provide a breakdown of total amount expected, amount already raised, and any terms and conditions affixed to pledges. • If a professional fundraiser has been engaged, submit fundraiser's contract and fundraising plan. • Provide a history of recent fund drives, including amount pledged and amount collected	☐	
6. If amounts are listed in "Government Grants": • List the grant programs which are to provide the funds with corresponding amounts. Include the date the application was submitted. • Provide documentation of eligibility for the funds. • Attach the name and telephone number of the contact person at the awarding Agency(ies).	☐	
7. If amounts are listed in "Other" attach a description of the source of financial support and documentation of its availability	☐	
8. Current Department policy requires a minimum equity contribution of 10% of total project cost (Schedule 8b line 10).	☐	

C. Mortgage, Notes, or Bonds - Not required for limited review

1. Provide a breakdown of the terms of the mortgage. See sample table below.	Total Project	Units
Interest		%
Term		years
Payout Period		Years
Principal		$

	Not Applicable	Title of attachment
2. Attach a copy of a letter of interest from the intended source of permanent financing, which indicates principal, interest, term, and payout period.		
3. If New York State Dormitory Authority (DASNY) financing, then attach a copy of a letter from a mortgage banker.	☐	
4. If the financing of this project becomes part of a larger overall financing, then a new business plan inclusive of a feasibility package for the overall financing will be required for DOH review prior to proceeding with the combined financing.	☐	

D. Land: Not required for limited review

1. Provide details for the land including but not limited to; appraised value, historical cost, and purchase price.

See sample table below.

	Total Project
Appraised Value	
Historical Cost	
Purchase Price	
Other	

	Not Applicable	Title of attachment
2. If amounts are listed in "Other", attach documentation and a description as applicable.	☐	
3. Attach a copy of the Appraisal. Supply the appraised date and the name of the appraiser.	☐	
4. Submit a copy of the proposed purchase/option agreement..	☐	
5. Provide an affidavit indicating any and all relationships between seller and the proposed operator/owner.	☐	

E. Other - Not required for limited review

1. Provide listing and breakdown of other financing mechanisms.

	Total Project
Notes	
Stock	
Other:	

	Not Applicable	Title of attachment
2. Attach documentation and a description of the method of financing.	☐	

F. Refinancing - Not required for limited Review

	Not Applicable	Title of attachment
• Provide a breakdown of the terms of the refinancing, including principal, interest rate, and term remaining.	☐	
• Attach a description of the mortgage to be refinanced. Provide full details of the existing debt and refinancing plan inclusive of original and current amount, term, assumption date, and refinancing fees. The term of the debt to be refunded may not exceed the remaining average useful life of originally financed assets. If existing mortgage debt will not be refinanced, provide documentation of consent from existing lien holders of the proposed financing plan.	☐	

METHOD OF FINANCING

It is the intent of the NSLIJHS to finance the referenced project through accumulated funds and philanthropy. However, we reserve the right to:

- Issue permanent debt in periodic increments to finance this project.
- Replace a portion or all of the accumulated funds (or permanent debt), with any grant funds (e.g. HEAL), for which we may be eligible and receive.

Should either option be selected, the appropriate schedules will be submitted to reflect revision or modification to the method of financing.

June 22, 2011

North Shore Long Island Jewish Health System, Inc.
Consolidated Financial Statements Years Ended 12/31/10 and 12/31/09

North Shore LIJ

North Shore-Long Island Jewish Health System

TO: Readers of the North Shore-Long Island Jewish Health System, Inc. Consolidated Financial Statements, For the Years Ended December 31, 2010 and 2009, with Report of Independent Auditors

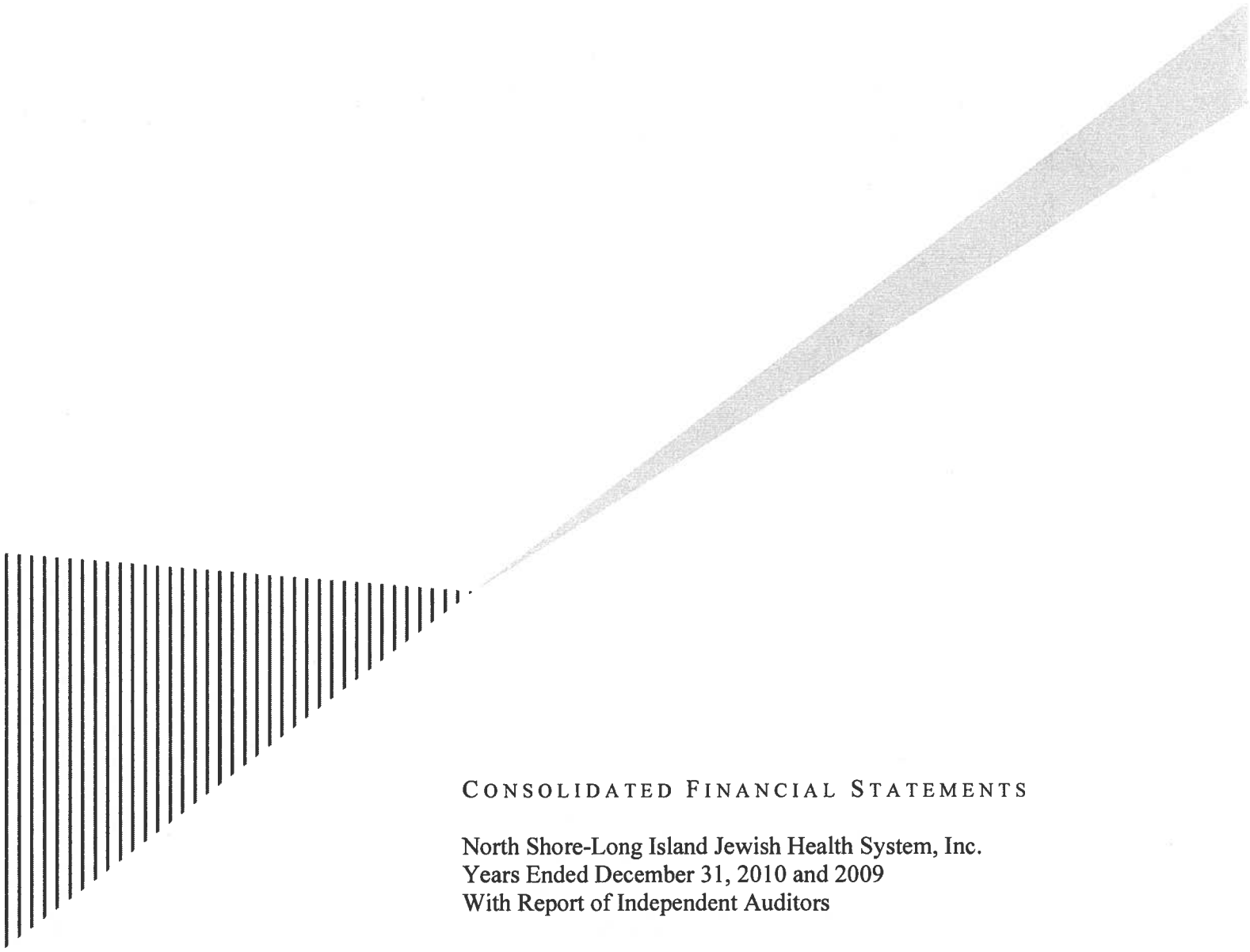
To assist in the review of the consolidated financial statements, please note the following activities that occurred during the year:

1) **Contribution received in the acquisition of Lenox Hill Hospital and Subsidiaries –** On May 19, 2010 (the "Acquisition Date"), North Shore-Long Island Jewish Health System, Inc. (the "System") acquired Lenox Hill Hospital and Subsidiaries ("Lenox Hill"). In following authoritative purchase accounting guidance, all assets acquired and liabilities assumed were measured at fair value as of the Acquisition Date. The excess of the fair value of assets acquired over the fair value of liabilities assumed represents the value of the contribution received and is a *non-recurring* item recorded in the Consolidated Statements of Operations and Changes in Net Assets for the year ended December 31, 2010. The unrestricted excess of the fair value of the Lenox Hill assets acquired over the fair value of Lenox Hill liabilities, of $448.7 million, was recorded as a contribution received within Non-operating gains and losses. The excess fair value of the Lenox Hill temporarily and permanently restricted net assets, of $68.6 million, was recorded as a contribution received in the statement of changes in net assets. The total *non-recurring* contribution from Lenox Hill increased the System's net assets by $517.3 million.

   Further details of the total contribution components received are included in *Note 1 – Organization and Principals of Consolidation (page 9).*

   In accordance with accounting guidelines, Lenox Hill's results of operations, changes in net assets and cash flows for the period from May 19, 2010 to December 31, 2010 have been included in the 2010 consolidated financial statements. Lenox Hill's results of operations, changes in net assets and cash flows for the year ended December 31, 2009 *are not* included in the System's consolidated statements.

2) **Medical resident tax recovery -** In March 2010, the Internal Revenue Service ("IRS") announced that, for periods ending before April 1, 2005, medical residents would be eligible for the student exception of Federal Insurance Contributions Act ("FICA") taxes. As a result, the IRS will allow refunds for institutions that file timely FICA refund claims and provide certain information to meet the requirements of perfection, established by the IRS, for their claims applicable to periods prior to April 1, 2005. For the year ended December 31, 2010, the System has recorded *non-recurring* and non-operating revenue of $40.9 million related to FICA medical resident refund claims that are expected to meet the IRS requirements to be eligible for refunds.



CONSOLIDATED FINANCIAL STATEMENTS

North Shore-Long Island Jewish Health System, Inc.
Years Ended December 31, 2010 and 2009
With Report of Independent Auditors

Ernst & Young LLP

ERNST & YOUNG

North Shore-Long Island Jewish Health System, Inc.

Consolidated Financial Statements

Years Ended December 31, 2010 and 2009

Contents

Ernst & Young LLP
5 Times Square
New York, New York 10036-6530
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Report of Independent Auditors

The Board of Trustees
North Shore-Long Island Jewish Health System, Inc.

We have audited the accompanying consolidated statements of financial position of North Shore-Long Island Jewish Health System, Inc. and its member corporations and other affiliated entities (collectively, the "System") as of December 31, 2010 and 2009, and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the System's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the 2009 financial statements of Regional Insurance Company Ltd., a wholly-owned subsidiary, which 2009 statements reflect total assets of 4.8%, total liabilities of 6.3% and total operating revenue of 1.6% of the related 2009 consolidated totals. Those 2009 statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Regional Insurance Company Ltd., is based solely on the report of the other auditors.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the System's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits and the 2009 report of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the 2009 report of other auditors, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of North Shore-Long Island Jewish Health System, Inc. and its member corporations and other affiliated entities at December 31, 2010 and 2009, and the consolidated results of their operations, changes in their net assets and their cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

April 29, 2011

North Shore-Long Island Jewish Health System, Inc.

Consolidated Statements of Financial Position

(In Thousands)

	December 31	
	2010	2009
Assets		
Current assets:		
Cash and cash equivalents	$ 410,253	$ 345,829
Marketable securities and other investments	1,039,124	744,815
Accounts receivable for services to patients, net of allowance for doubtful accounts of $204,467 in 2010 and $182,308 in 2009	570,360	441,012
Accounts receivable for physician activities, net	45,392	44,997
Assets limited as to use, current portion	96,774	74,336
Pledges receivable, current portion	41,316	37,121
Other current assets	123,261	119,928
Total current assets	2,326,480	1,808,038
Assets limited as to use, net of current portion	757,038	627,583
Pledges receivable, net of current portion	120,150	89,448
Property, plant and equipment, net	2,674,349	1,777,094
Other assets	233,273	101,338
Total assets	$ 6,111,290	$ 4,403,501
Liabilities and net assets		
Current liabilities:		
Short-term borrowings	$ 15,540	$ 27,258
Accounts payable and accrued expenses	508,288	364,932
Accrued salaries and related benefits	369,976	330,481
Current portion of capital lease obligations	5,008	4,342
Current portion of long-term debt	48,899	49,592
Current portion of malpractice and other insurance liabilities	39,352	31,700
Current portion of third-party payer structured liabilities	6,724	6,458
Current portion of estimated payable to third-party payers	254,500	250,734
Total current liabilities	1,248,287	1,065,497
Accrued retirement benefits, net of current portion	442,298	323,671
Capital lease obligations, net of current portion	85,400	81,393
Long-term debt, net of current portion	1,283,339	1,176,357
Malpractice and other insurance liabilities, net of current portion	502,826	267,372
Third-party payer structured liabilities, net of current portion	34,592	40,990
Other long-term liabilities	409,703	217,472
Total liabilities	4,006,445	3,172,752
Commitments and contingencies		
Net assets:		
Unrestricted	1,677,074	898,829
Temporarily restricted	306,053	238,606
Permanently restricted	121,718	93,314
Total net assets	2,104,845	1,230,749
Total liabilities and net assets	$ 6,111,290	$ 4,403,501

See accompanying notes.

North Shore-Long Island Jewish Health System, Inc.

Consolidated Statements of Operations

(In Thousands)

	Year Ended December 31	
	2010	**2009**
Operating revenue:		
Net patient service revenue	**$ 4,826,303**	$ 4,200,826
Physician practice revenue	**490,904**	432,612
Other operating revenue	**271,067**	209,902
Net assets released from restrictions used for operations	**41,953**	42,860
Total operating revenue	**5,630,227**	4,886,200
Operating expenses:		
Salaries	**2,629,868**	2,345,667
Employee benefits	**747,258**	682,511
Supplies and expenses	**1,755,836**	1,448,167
Bad debt expense	**78,314**	77,025
Depreciation and amortization	**215,467**	189,608
Interest	**62,850**	59,891
Total operating expenses	**5,489,593**	4,802,869
Excess of operating revenue over operating expenses	**140,634**	83,331
Non-operating gains and losses:		
Investment income	**41,712**	22,608
Change in net unrealized gains and losses and change in value of equity method investments	**68,746**	102,640
Change in fair value of interest rate swap agreements designated as derivative instruments	**(7,338)**	12,832
Gain on refinancing and refunding of long-term debt	**–**	19,890
Contribution received in the acquisition of Lenox Hill Hospital and Subsidiaries	**448,689**	–
Medical resident tax recovery	**40,867**	–
Other non-operating gains and losses	**9,135**	(1,411)
Total non-operating gains and losses	**601,811**	156,559
Excess of revenue and gains and losses over expenses	**742,445**	239,890
Net assets released from restrictions for capital asset acquisitions	**52,600**	29,536
Change in fair value of interest rate swap agreements designated as cash flow hedges	**(1,405)**	7,512
Recovery of fair value of endowment corpus	**792**	8,881
Pension and other postretirement liability adjustments	**(16,187)**	79,875
Increase in unrestricted net assets	**$ 778,245**	$ 365,694

See accompanying notes.

North Shore-Long Island Jewish Health System, Inc.

Consolidated Statements of Changes in Net Assets

Years Ended December 31, 2010 and 2009
(In Thousands)

	Total	Unrestricted	Temporarily Restricted	Permanently Restricted
Net assets, January 1, 2009	$ 858,858	$ 533,135	$ 232,888	$ 92,835
Contributions and grants	76,586	–	76,107	479
Investment income	569	–	569	–
Change in net unrealized gains and losses and change in value of equity method investments	15,203	–	15,203	–
Excess of revenue and gains and losses over expenses	239,890	239,890	–	–
Net assets released from restrictions for:				
Capital asset acquisitions	–	29,536	(29,536)	–
Operations	(42,860)	–	(42,860)	–
Non-operating activities	(4,884)	–	(4,884)	–
Change in fair value of interest rate swap agreements designated as cash flow hedges	7,512	7,512	–	–
Recovery of fair value of endowment corpus	–	8,881	(8,881)	–
Pension and other postretirement liability adjustments	79,875	79,875	–	–
Increase in net assets	371,891	365,694	5,718	479
Net assets, December 31, 2009	1,230,749	898,829	238,606	93,314
Contributions and grants	**126,118**	–	**120,673**	**5,445**
Investment income	**3,521**	–	**3,521**	–
Change in net unrealized gains and losses and change in value of equity method investments	**7,643**	–	**7,643**	–
Contribution received in the acquisition of Lenox Hill Hospital and Subsidiaries	**68,564**	–	**45,605**	**22,959**
Excess of revenue and gains and losses over expenses	**742,445**	**742,445**	–	–
Net assets released from restrictions for:				
Capital asset acquisitions	–	**52,600**	**(52,600)**	–
Operations	**(41,953)**	–	**(41,953)**	–
Non-operating activities	**(14,650)**	–	**(14,650)**	–
Change in fair value of interest rate swap agreements designated as cash flow hedges	**(1,405)**	**(1,405)**	–	–
Recovery of fair value of endowment corpus	–	**792**	**(792)**	–
Pension and other postretirement liability adjustments	**(16,187)**	**(16,187)**	–	–
Increase in net assets	**874,096**	**778,245**	**67,447**	**28,404**
Net assets, December 31, 2010	**$ 2,104,845**	**$ 1,677,074**	**$ 306,053**	**$ 121,718**

See accompanying notes.

North Shore-Long Island Jewish Health System, Inc.

Consolidated Statements of Cash Flows

(In Thousands)

	Year Ended December 31	
	2010	2009
Cash flows from operating activities		
Increase in net assets	$ 874,096	$ 371,891
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Contribution received in the acquisition of Lenox Hill Hospital and Subsidiaries	(517,253)	–
Permanently restricted contributions	(5,445)	(479)
Depreciation and amortization	215,467	189,608
Net realized and change in net unrealized gains and losses and change in value of equity method investments	(93,463)	(111,461)
Change in fair value of interest rate swap agreements	8,743	(20,344)
Gain on sale of property, plant and equipment	–	(330)
Gain on refinancing and refunding of long-term debt	–	(19,890)
Changes in operating assets and liabilities:		
Accounts receivable for services to patients, net	(60,821)	(22,525)
Accounts receivable for physician activities, net	5,685	(10,944)
Pledges receivable	(25,768)	1,647
Current portion of estimated payable to third-party payers	(4,365)	87,993
Accrued retirement benefits, net of current portion	(8,616)	(77,411)
Malpractice and other insurance liabilities	162,717	80,723
Net change in all other operating assets and liabilities	127,996	22,716
Net cash provided by operating activities	678,973	491,194
Cash flows from investing activities		
Capital expenditures	(415,313)	(219,991)
Proceeds from sale of property, plant and equipment	8,759	353
Net cash invested in marketable securities and other investments and assets limited as to use	(227,379)	(400,092)
Cash received in the acquisition of Lenox Hill Hospital and Subsidiaries	114,169	–
Net cash used in investing activities	(519,764)	(619,730)
Cash flows from financing activities		
Principal payments on long-term borrowings and capital lease obligations	(57,604)	(63,198)
Payments on refinanced and refunded long-term debt	–	(48,577)
Payments on short-term borrowings	(60,863)	(163,830)
Payments on third-party payer structured liabilities	(6,132)	(5,351)
Proceeds from short-term borrowings	29,145	54,321
Proceeds from long-term borrowings, net of underwriter's discount	–	412,307
Payments for financing costs	–	(9,457)
Interest rate swap termination payment	–	(4,796)
Proceeds from permanently restricted contributions	669	3,942
Net cash (used in) provided by financing activities	(94,785)	175,361
Net increase in cash and cash equivalents	64,424	46,825
Cash and cash equivalents, beginning of year	345,829	299,004
Cash and cash equivalents, end of year	$ 410,253	$ 345,829
Supplemental disclosure of cash flow information		
Cash paid during the year for interest	$ 59,847	$ 51,215
Supplemental disclosure of noncash investing and financing activities		
Capital leases incurred	$ 4,428	$ 6,315

See accompanying notes.

North Shore-Long Island Jewish Health System, Inc.

Notes to Consolidated Financial Statements

December 31, 2010
(In Thousands)

1. Organization and Principles of Consolidation

North Shore-Long Island Jewish Health System, Inc. and its member corporations and other affiliated entities (collectively, the "System") is an integrated delivery health system in the New York metropolitan area. Various entities within the System are exempt from Federal income taxes under the provisions of Section 501(a) of the Internal Revenue Code as organizations described in Section 501(c)(3), while other entities are not exempt from such income taxes. The exempt organizations also are exempt from New York State income taxes.

The accompanying consolidated financial statements include the accounts of the following principal operating organizations. All interorganization accounts and activities have been eliminated in consolidation.

Hospitals

- North Shore University Hospital ("NSUH"), including the accounts of Syosset Hospital ("Syosset")
- Long Island Jewish Medical Center ("LIJMC"), including Long Island Jewish Hospital, Steven and Alexandra Cohen Children's Medical Center of New York and Zucker Hillside Hospital
- Glen Cove Hospital ("Glen Cove")
- Plainview Hospital ("Plainview")
- Forest Hills Hospital ("Forest Hills")
- Staten Island University Hospital ("Staten Island")
- Huntington Hospital Association ("Huntington")
- Franklin Hospital ("Franklin"), including the accounts of Orzac Center for Extended Care and Rehabilitation ("Orzac")
- Southside Hospital ("Southside")
- Lenox Hill Hospital ("Lenox Hill"), including Lenox Hill Physician Hospital Organization, Inc. and consolidated professional corporations

Other Entities

- North Shore University Hospital Stern Family Center for Extended Care and Rehabilitation ("CECR") – skilled nursing facility
- RegionCare, Inc. – infusion therapy, diagnostic laboratory, nurse staffing and licensed home health agency services
- North Shore Community Services, Inc. – real estate holdings and related services
- North Shore Health System Enterprises, Inc. and North Shore Health Enterprises, Inc. (formerly LIJ Enterprises, Inc.) – holding companies for certain for-profit related entities
- North Shore-Long Island Jewish Health System Laboratories – laboratory services
- The Feinstein Institute for Medical Research – medical research
- Regional Insurance Company Ltd. ("Regional Insurance") – captive insurance company providing excess professional and general liability insurance
- North Shore LIJ Physicians Insurance Company Risk Retention Group ("RRG") – special purpose financial captive insurance company providing voluntary physician insurance

(In Thousands)

1. Organization and Principles of Consolidation (continued)

Other Entities (continued)

- North Shore-Long Island Jewish Health System, Inc. and North Shore-Long Island Jewish Health Care, Inc. – parent holding companies
- North Shore-Long Island Jewish Health System Foundation, Inc. ("Foundation") – fundraising
- Hospice Care Network, Inc. ("Hospice") – hospice services
- North Shore University Hospital Housing, Inc., North Shore University Hospital at Glen Cove Housing, Inc. and Hillside Hospital Houses, Inc. – housing and auxiliary facilities for staff members, students and employees
- Regional Claims Recovery Service – billing and collection services
- Ocean View Management Corp. and subsidiaries ("OVM") – rental and sale of medical equipment, supplies and billing and home care services
- Chaps Community Health Center, Inc. ("Chaps") – primary care diagnostic and treatment center
- S.I.U.H. Systems, Inc. ("SIUH") – coordination of health care services in the Staten Island community
- Staten Island University Hospital Foundation – fundraising

The accompanying consolidated financial statements do not include the accounts and activities of certain affiliated health care professional corporations ("physician practices") with which the System has various affiliation arrangements. These arrangements, in which the physician practices are owned by nominee physician shareholders, include payments by the System to physicians for medical services provided and payments by physicians to the System for administrative services provided by the System. The operations of these physician practices have not been included in the accompanying consolidated financial statements as the System does not have controlling financial interests, as defined by U.S. generally accepted accounting principles, in the respective practices.

Lenox Hill Acquisition

On May 19, 2010 (the "Acquisition Date"), the System acquired Lenox Hill, a 652-bed, acute care hospital located in Manhattan's Upper East Side. The System acquired Lenox Hill by means of an inherent contribution where no consideration was transferred by the System. The System accounted for this business combination by applying the acquisition method and, accordingly, the inherent contribution received was valued as the excess of assets acquired over liabilities assumed. In determining the inherent contribution received, all assets acquired and liabilities assumed were measured at fair value as of the Acquisition Date. The results of Lenox Hill's operations have been included in the consolidated financial statements since the Acquisition Date.

(In Thousands)

1. Organization and Principles of Consolidation (continued)

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed at the Acquisition Date:

	May 19, 2010
Assets	
Cash and cash equivalents	$ 114,169
Marketable securities and other investments	64,360
Accounts receivable for services to patients	68,527
Accounts receivable for physician activities	6,080
Other current assets	25,584
Assets limited as to use	72,381
Pledges receivable	4,353
Property, plant and equipment	701,740
Other assets	20,163
Total assets acquired	1,077,357
Liabilities	
Short-term borrowings	20,000
Accounts payable and accrued expenses	65,902
Accrued salaries and related benefits	22,217
Estimated payable to third-party payers	8,131
Accrued retirement benefits	127,243
Capital lease obligations	5,061
Long-term debt	159,077
Malpractice and other insurance liabilities	80,389
Other long-term liabilities	72,084
Total liabilities assumed	560,104
Excess of assets acquired over liabilities assumed	$ 517,253
Net assets acquired	
Unrestricted	$ 448,689
Temporarily restricted	45,605
Permanently restricted	22,959
	$ 517,253

(In Thousands)

1. Organization and Principles of Consolidation (continued)

The following table summarizes amounts attributable to Lenox Hill since the Acquisition Date that are included in the accompanying consolidated financial statements:

	Period from May 19, 2010 to December 31, 2010
Total operating revenue	$ 445,204
Total operating expenses	442,896
Excess of operating revenue over operating expenses	2,308
Total non-operating gains and losses	8,546
Excess of revenue and gains and losses over expenses	$ 10,854
Change in net assets:	
Unrestricted net assets	$ (2,538)
Temporarily restricted net assets	(1,152)
Permanently restricted net assets	41
Total change in net assets	$ (3,649)

(In Thousands)

1. Organization and Principles of Consolidation (continued)

The following table represents unaudited pro forma financial information, assuming the acquisition of Lenox Hill had taken place on January 1, 2009. The pro forma information includes adjustments for the amortization of intangible assets. The pro forma financial information is not necessarily indicative of the results of operations as they would have been had the transaction been effected on the Acquisition Date.

	Year Ended December 31	
	2010	**2009**
Total operating revenue	**$ 5,892,071**	$ 5,548,368
Total operating expenses	**5,757,577**	5,485,268
Excess of operating revenue over operating expenses	**134,494**	63,100
Total non-operating gains and losses	**156,351**	168,326
Excess of revenue and gains and losses over expenses	**$ 290,845**	$ 231,426
Change in net assets:		
Unrestricted net assets	**$ 334,438**	$ 363,519
Temporarily restricted net assets	**19,909**	1,877
Permanently restricted net assets	**7,481**	1,144
Total change in net assets	**$ 361,828**	$ 366,540

2. Summary of Significant Accounting Policies

Consolidated Statements of Operations

The accompanying consolidated statements of operations include the excess of revenue and gains and losses over expenses as the performance indicator. For purposes of display, transactions deemed by management to be ongoing, major or central to the provisions of health care services are reported as operating revenue and operating expenses; peripheral or incidental transactions and unusual, nonrecurring items are reported as non-operating gains and losses.

2. Summary of Significant Accounting Policies (continued)

Consistent with industry practice, contributions of long-lived assets (including assets acquired using contributions which by donor restrictions were to be used for the purpose of acquiring such assets), the change in fair value of interest rate swap agreements designated as cash flow hedges, the recovery of fair value of endowment corpus and pension and other postretirement liability adjustments are excluded from the System's performance indicator.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, including accounts receivable for services to patients, and liabilities, including estimated payables to third-party payers, accrued retirement benefits and malpractice and other insurance liabilities, fair value determinations as of the Acquisition Date and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

During 2010 and 2009, the System revised estimates made in prior years to reflect the passage of time and the availability of more recent information. The change in estimates primarily relates to estimates made by management for third-party payer settlements and malpractice and other insurance liabilities. For the years ended December 31, 2010 and 2009, the estimates for third-party payer liabilities related to prior years increased by approximately $29,600 and $14,700, respectively. For the years ended December 31, 2010 and 2009, the estimates for malpractice and other insurance liabilities related to prior years increased by approximately $66,000 and $39,500, respectively.

Cash and Cash Equivalents

The System considers all highly liquid financial instruments purchased with a maturity of three months or less, other than those held in the investment portfolio and assets limited as to use, to be cash equivalents. The System maintains cash on deposit with major banks and invests in money market securities with financial institutions which exceed federally-insured limits. Management believes the credit risk related to these deposits is minimal.

(In Thousands)

2. Summary of Significant Accounting Policies (continued)

Accounts Receivable and Net Patient Service Revenue

Accounts receivable result from the health care services provided by the System and physicians of the clinical practices. Additions to the allowance for doubtful accounts result from the provision for uncompensated care. Accounts written off as uncollectible are deducted from the allowance for doubtful accounts. The amount of the allowance for doubtful accounts is based upon management's assessment of historical and expected net collections, business and economic conditions, trends in Medicare and Medicaid health care coverage and other collection indicators.

Net patient service revenue is reported at estimated net realizable amounts due from patients, third-party payers and others for services rendered and includes estimated retroactive revenue adjustments due to future audits, reviews and investigations. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are provided and adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews and investigations.

Non-Medicare Reimbursement

In New York State, hospitals and all non-Medicare payers, except Medicaid, workers' compensation and no-fault insurance programs, negotiate hospitals' payment rates. If negotiated rates are not established, payers are billed at hospitals' established charges. Medicaid, workers' compensation and no-fault payers pay hospital rates promulgated by the New York State Department of Health ("NYSDOH"). Effective December 1, 2009, the New York State prospective payment methodology was updated such that payments to hospitals for Medicaid, workers' compensation and no-fault inpatient services are based on a statewide rate, with retroactive adjustments for certain rate components paid concurrently with the settlement of the final rate. Prior to December 1, 2009, the retroactive adjustments were paid in future years as a component of the hospital-specific rate. Outpatient services also are paid based on a statewide prospective system that was effective December 1, 2008. Medicaid rate methodologies are subject to approval at the Federal level by the Centers for Medicare and Medicaid Services ("CMS"), which may routinely request information about such methodologies prior to approval. Revenue related to specific rate components that have not been approved by CMS is not recognized until the System is reasonably assured that such amounts are realizable. Adjustments to the current and prior years' payment rates for those payers will continue to be made in future years.

(In Thousands)

2. Summary of Significant Accounting Policies (continued)

Medicare Reimbursement

Hospitals are paid for most Medicare inpatient and outpatient services under the national prospective payment system and other methodologies of the Medicare program for certain other services. Federal regulations provide for certain adjustments to current and prior years' payment rates, based on industry-wide and hospital-specific data.

The System has established estimates, based on information presently available, of amounts due to or from Medicare and non-Medicare payers for adjustments to current and prior years' payment rates, based on industry-wide and System-specific data. The current Medicaid, Medicare and other third-party payer programs are based upon extremely complex laws and regulations that are subject to interpretation. Noncompliance with such laws and regulations could result in fines, penalties and exclusion from such programs. The System is not aware of any allegations of noncompliance that could have a material adverse effect on the consolidated financial statements and believes that it is in compliance with all applicable laws and regulations. Medicare cost reports, which serve as the basis for final settlement with the Medicare program, have been audited by the Medicare fiscal intermediary and settled through years ranging from 2000 to 2006. Other years remain open for audit and settlement, as do numerous issues related to the New York State Medicaid program for prior years. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount when open years are settled and additional information is obtained.

There are various proposals at the Federal and State levels that could, among other things, significantly reduce payment rates or modify payment methods. The ultimate outcome of these proposals and other market changes, including the potential effects of health care reform that have been enacted by the Federal government, cannot presently be determined. Future changes in the Medicare and Medicaid programs and any reduction of funding could have an adverse impact on the System. Additionally, certain payers' payment rates for various years have been appealed by certain members of the System. If the appeals are successful, additional income applicable to those years might be realized.

The System grants credit without collateral to its patients, most of whom are insured under various third-party agreements. Government payer programs account for a significant portion of net patient service revenue. For the years ended December 31, 2010 and 2009, revenue from the Medicare and Medicaid programs accounted for approximately 41% and 43% of the System's net patient service revenue, respectively.

(In Thousands)

2. Summary of Significant Accounting Policies (continued)

The significant concentrations of accounts receivable for services to patients from third-party payers and patients at December 31, 2010 and 2009 are as follows:

	December 31	
	2010	**2009**
Medicare	**22%**	21%
Medicaid	**12**	15
Self-pay	**8**	8
Other third-party payers	**58**	56
	100%	100%

Charity Care

The System provides services without charge, or at amounts less than its established rates, to patients who meet the criteria of its charity care policy. Because the System does not pursue collection of amounts determined to qualify as charity care, such services are not reported as revenue. For patients who were determined by the System to have the ability to pay but did not, the uncollected amounts are recorded as bad debt expense. In distinguishing charity care from bad debt expense, a number of factors are considered, certain of which require a high degree of judgment.

Together, charity care and bad debt expense represent uncompensated care. The estimated cost of total uncompensated care is approximately $158,619 and $151,299 for the years ended December 31, 2010 and 2009, respectively. The estimated cost of uncompensated care is based on the ratio of cost to charges, as determined by hospital-specific data.

The estimated cost of charity care provided was $129,677 and $121,988 for the years ended December 31, 2010 and 2009, respectively. The estimated cost of charity care is based on the ratio of cost to charges, as determined by hospital-specific data.

For the years ended December 31, 2010 and 2009, bad debt expense, at charges, was $78,314 and $77,025, respectively. The bad debt expense is multiplied by the ratio of cost to charges for purposes of inclusion in the total uncompensated care amount identified above.

See Note 8 for additional disclosure for charity care relating to Staten Island's settlement with the New York State Attorney General.

(In Thousands)

2. Summary of Significant Accounting Policies (continued)

Pledges Receivable

Pledges (promises to give), less an allowance for uncollectible amounts, are recorded as receivables in the year made at net present value. Restricted pledges are reported as additions to the appropriate restricted net asset classes. Pledges receivable that are due more than one year from the balance sheet date are discounted to reflect the present value of future cash flows and are recorded as temporarily restricted net assets. When payment is received, temporarily restricted net assets are reclassified to unrestricted net assets.

Marketable Securities and Other Investments

Marketable securities are classified as trading securities. Investments in debt securities and equity securities with readily determinable fair values are reported at fair value, based on quoted market prices. Investment income or loss (including realized gains and losses on investments, interest and dividends) and the change in net unrealized gains and losses and change in value of equity method investments are included in the performance indicator, unless the income or loss is restricted by donor or law.

The System has invested in investment funds of hedge funds ("funds of hedge funds"), hedge funds and private equity funds, which are included in marketable securities and other investments and assets limited as to use in the accompanying consolidated statements of financial position. These System investments are not readily marketable; they are reported under the equity method of accounting, which approximates fair value. The equity method reflects the System's share of the net asset value of the respective funds.

Individual investment holdings of the funds of hedge funds, hedge funds and private equity funds may include investments in both nonmarketable and market-traded securities. Valuations of these investments and, therefore, the System's holdings, may be determined by the investment managers or general partners. Values may be based on estimates that require varying degrees of judgment. Recorded estimates may change by a material amount in the near term. The investments may indirectly expose the System to securities lending, short sales of securities, and trading in futures and forwards contracts, options and other derivative products. However, the System's risk is limited to its amounts invested. The financial statements of the funds of hedge funds, hedge funds and private equity funds are audited annually by independent auditors. At December 31, 2010, the System has future commitments of $17,605 and $4,490 to invest in private equity funds for pension and non-pension assets, respectively.

2. Summary of Significant Accounting Policies (continued)

Other investments also include investments in commingled bond and equity funds. The individual investment holdings of these commingled bond and equity funds are predominantly marketable securities. These investments are reported under the equity method of accounting, which approximates fair value. The equity method reflects the System's share of the net asset value of these investments. The financial statements of the commingled bond and equity funds are audited annually by independent auditors.

Assets Limited as to Use

Assets limited as to use include funds held pursuant to debt financing arrangements, medical malpractice claims trust agreements, internally designated funds, including internally designated malpractice self-insurance assets, deferred employee compensation plans and other temporarily and permanently restricted assets. Amounts required to meet current liabilities are reported as current assets.

Inventory of Supplies

Inventory, included in other current assets, is stated at the lower of cost (first-in, first-out method) or market.

Property, Plant and Equipment

Property, plant and equipment is stated at cost or, in the case of gifts, at fair value at the date of the gift, less accumulated depreciation and amortization. Property, plant and equipment of Lenox Hill that existed at the Acquisition Date was recorded at fair value based upon an independent valuation. Depreciation and amortization of land improvements, buildings, fixed equipment and major movable equipment is computed by the straight-line method based upon the estimated useful lives of the assets ranging from two to forty years.

Equipment under capital lease obligations and leasehold improvements is amortized using the straight-line method over the lesser of the estimated useful life of the asset or the lease term. Such amortization is included in depreciation and amortization in the accompanying consolidated financial statements. During the period of construction of capital assets, interest costs are capitalized as a component of the cost of assets. When assets are disposed of, the carrying amounts of the assets and the related accumulated depreciation are removed from the accounts and any resulting gain or loss on disposal is included in the performance indicator. When assets become fully depreciated, the carrying amounts of such assets and the related accumulated depreciation are removed from the accounts (see Note 6).

(In Thousands)

2. Summary of Significant Accounting Policies (continued)

Long-Lived Assets

Gifts of long-lived assets are reported at fair value established at the date of contribution as unrestricted revenue, unless explicit donor stipulations specify how the donated asset must be used. Gifts of long-lived assets with explicit restrictions are reported as temporarily or permanently restricted support, as appropriate.

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If long-lived assets are deemed to be impaired, the impairment to be recognized is measured as the amount by which the carrying amount of the assets exceeds the fair value. Assets to be disposed of are reported at the lower of the carrying amount or the fair value, less costs to sell.

Intangible Assets

During 2010, upon acquisition of Lenox Hill, the System recorded an intangible asset for the Lenox Hill trade name. The trade name represents an indefinite-lived intangible asset of $11,000 and is subject to impairment testing on an annual basis.

During 2010, the System purchased a license to provide home health agency services in the Westchester, Bronx, New York, Kings, Queens, Richmond, Nassau and Suffolk counties of New York. The license is recognized at its purchase price of approximately $17,000. The license represents an indefinite-lived intangible asset subject to impairment testing on an annual basis.

Intangible assets are included within other assets in the accompanying consolidated statements of financial position.

Deferred Financing Costs

Deferred financing costs, included in other assets, represent costs incurred to obtain financing for various System projects. Amortization of these costs is provided over the term of the applicable indebtedness. Deferred financing costs, net of accumulated amortization, are $26,796 and $28,747 at December 31, 2010 and 2009, respectively. Amortization, included in interest expense in the accompanying consolidated statements of operations, is $1,951 and $1,282 for the years ended December 31, 2010 and 2009, respectively.

(In Thousands)

2. Summary of Significant Accounting Policies (continued)

During 2009, the System refinanced and refunded certain outstanding debt. In connection with this transaction, $1,428 of unamortized deferred financing costs was written off and is netted within the gain on refinancing and refunding of long-term debt in the accompanying consolidated statement of operations.

Interest Rate Swap Agreements

Interest rate swap agreements are reported at fair value. Fair value is estimated using discounted cash flow analyses based on current interest rates with consideration of the risk of non-performance. Changes in fair value of interest rate swap agreements designated as derivative instruments are recognized in the System's performance indicator. Changes in fair value of interest rate swap agreements designated as cash flow hedges are excluded from the performance indicator.

Other Long-Term Liabilities

Other long-term liabilities included in the accompanying consolidated statements of financial position primarily consist of the long-term portion of estimated payable to third-party payers, lease incentive obligations, deferred rent payable, asset retirement obligations, deferred revenue, the fair value of the interest rate swap agreements and the portion of the medical resident tax recovery owed to the System's medical residents.

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are restricted by donors or other external parties to be used for designated purposes or over specified time periods. When donor restrictions expire, that is, when a time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported as net assets released from restrictions.

Permanently restricted net assets have been restricted by donors to be maintained in perpetuity. Income from these net assets is available to support certain teaching, research and training programs.

(In Thousands)

2. Summary of Significant Accounting Policies (continued)

Donor Gifts

Gifts of cash and other assets, including unconditional promises to give cash and other assets (pledges), are reported at fair value when the gift is received (or promise is made). Donor-restricted contributions whose restrictions are met within the same year as received are classified as unrestricted contributions in the accompanying consolidated financial statements.

The System receives conditional pledges, which are not reflected in the accompanying consolidated financial statements. The pledges primarily relate to the establishment of certain programs. As the conditions of the pledges are met, the pledges are recognized. At December 31, 2010 and 2009, $6,025 and $7,625, respectively, of conditional pledges have not been recognized in the consolidated statements of financial position.

Contributions and pledges raised through fundraising efforts for the years ended December 31, 2010 and 2009 are summarized as follows:

	2010	2009
Unrestricted	**$ 11,166**	$ 3,846
Temporarily restricted	**101,584**	45,968
	$ 112,750	$ 49,814

Medical Resident Tax Recovery

In March 2010, the Internal Revenue Service ("IRS") announced that, for periods ending before April 1, 2005, medical residents would be eligible for the student exception of Federal Insurance Contributions Act ("FICA") taxes. Under the student exception, FICA taxes do not apply to wages for services performed by students employed by a school, college or university where the student is pursuing a course of study. As a result, the IRS will allow refunds for institutions that file timely FICA refund claims and provide certain information to meet the requirements of perfection, established by the IRS, for their claims applicable to periods prior to April 1, 2005. Institutions are potentially eligible for medical resident FICA refunds for both the employer and employee portions of FICA taxes paid, plus statutory interest.

(In Thousands)

2. Summary of Significant Accounting Policies (continued)

For the year ended December 31, 2010, the System has recorded revenue of $40,867 related to FICA medical resident refund claims that are expected to meet the IRS requirements to be eligible for refunds. At December 31, 2010, the System has recorded in the accompanying consolidated statements of financial position a receivable of $76,624, included in other assets, and a liability of $35,757, included in other long-term liabilities, related to the portion of the refunds to be collected on behalf of and, therefore, to be remitted to, the medical residents. The System has established these estimates based on information presently available, which are subject to change as the IRS adjudicates the claims.

Functional Expenses

The System provides health care services to residents primarily within its geographic areas. Expenses related to providing these services pertain to the following functional categories for the years ended December 31, 2010 and 2009:

	2010	2009
Health care services	**$ 4,798,143**	$ 4,228,445
General and administrative	**691,450**	574,424
Total operating expenses	**$ 5,489,593**	$ 4,802,869

Tax Status

Certain organizations included in the System's consolidated financial statements are taxable entities under Federal or state laws. Generally accepted accounting principles require that the asset and liability method of accounting for income taxes be utilized by these organizations. Under the asset and liability method, deferred income taxes are recognized for the tax consequences of temporary differences by applying enacted statutory tax rates applicable to future years to differences between the financial statement carrying amounts and the tax basis of existing assets and liabilities.

The effect on deferred taxes of a change in tax rates is recognized in income in the period of enactment. At December 31, 2010 and 2009, the System has a deferred income tax asset which has been fully offset by a related valuation allowance. A valuation allowance is provided when it is more likely than not that some portion or all of the deferred tax asset will not be realized. Significant components of the deferred tax asset relate to the allowance for doubtful accounts receivable and net operating loss carryforwards. The System has net operating loss carryforwards of approximately $79,581, which expire in varying amounts through 2030, and are available to offset future taxable income.

(In Thousands)

2. Summary of Significant Accounting Policies (continued)

Recent Accounting Standards

In January 2010, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2010-07, *Not-for-Profit Entities: Mergers and Acquisitions* ("ASU 2010-07"), which provides guidance on accounting for combinations of not-for-profit entities. The guidance is effective for acquisitions for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2009. The System has adopted ASU 2010-07 effective January 1, 2010, and has applied its provisions to the acquisition of Lenox Hill.

In August 2010, the FASB also issued ASU 2010-24, *Presentation of Insurance Claims and Related Insurance Recoveries* ("ASU 2010-24"). Under ASU 2010-24, anticipated insurance recoveries and estimated liabilities for medical malpractice claims or similar contingent liabilities will be presented separately on the balance sheet. The guidance is effective for fiscal years, and interim periods within those years, beginning after December 15, 2010. The System has determined that the effect of ASU 2010-24 on its consolidated financial statements will not be significant.

Reclassifications

Certain 2009 amounts in the accompanying consolidated financial statements have been reclassified from amounts previously reported to conform to the 2010 presentation. These reclassifications have no impact on the net assets previously reported.

3. Marketable Securities and Other Investments

Marketable securities and other investments, stated at fair value and under the equity method of accounting, consist of the following at December 31, 2010 and 2009:

	2010	2009
Cash and short-term investments	**$ 100,111**	$ 149,208
U.S. Government obligations	**281,606**	208,227
Corporate and other bonds	**222,148**	189,558
Equity securities	**220,857**	88,493
Commingled equity funds	**93,128**	76,264
Funds of hedge funds	**87,901**	30,266
Interest and other receivables	**33,373**	2,799
	$ 1,039,124	$ 744,815

(In Thousands)

3. Marketable Securities and Other Investments (continued)

Investment income and the change in net unrealized gains and losses and change in value of equity method investments are comprised of the following for the years ended December 31, 2010 and 2009:

	2010		
	Unrestricted	Temporarily Restricted	Total
Investment income:			
Interest and dividend income	$ 26,639	$ 1,520	$ 28,159
Net realized gains and losses	15,073	2,001	17,074
	$ 41,712	$ 3,521	$ 45,233
Change in net unrealized gains and losses and change in value of equity method investments:			
Change in net unrealized gains and losses	$ 30,243	$ 4,568	$ 34,811
Equity method investment gains	23,753	3,075	26,828
Equity method investment gains – other assets	14,750	–	14,750
	$ 68,746	$ 7,643	$ 76,389

	2009		
	Unrestricted	Temporarily Restricted	Total
Investment income:			
Interest and dividend income	$ 27,910	$ 1,649	$ 29,559
Net realized gains and losses	(5,302)	(1,080)	(6,382)
	$ 22,608	$ 569	$ 23,177
Change in net unrealized gains and losses and change in value of equity method investments:			
Change in net unrealized gains and losses	$ 58,573	$ 10,683	$ 69,256
Equity method investment gains	28,382	4,520	32,902
Equity method investment gains – other assets	15,685	–	15,685
	$ 102,640	$ 15,203	$ 117,843

(In Thousands)

4. Assets Limited as to Use

Assets limited as to use, including marketable securities and other investments stated at fair value and under the equity method of accounting, consist of the following at December 31, 2010 and 2009:

	2010			
	Bond Indenture, Third-party Agreements and Other	Malpractice Self-Insurance Assets	Temporarily and Permanently Restricted Assets (Including Investment Return)	Total
Cash and short-term investments	$ 101,740	$ 24,383	$ 20,938	$ 147,061
U.S. Government obligations	317,620	68,153	15,248	401,021
Corporate and other bonds	5,527	49,751	32,617	87,895
Equity securities	1,427	80,514	35,604	117,545
Commingled equity funds	–	21,178	18,954	40,132
Commodities	–	–	4,092	4,092
Funds of hedge funds	–	29,243	14,458	43,701
Hedge funds	–	–	4,284	4,284
Private equity funds	–	–	1,540	1,540
Annuity investments	4,669	–	–	4,669
Interest and other receivables	1,347	407	118	1,872
	$ 432,330	$ 273,629	$ 147,853	853,812
Less current portion				96,774
				$ 757,038

	2009			
	Bond Indenture, Third-party Agreements and Other	Malpractice Self-Insurance Assets	Temporarily and Permanently Restricted Assets (Including Investment Return)	Total
Cash and cash equivalents	$ 73,400	$ 12,156	$ 35,692	$ 121,248
U.S. Government obligations	403,914	26,024	11,591	441,529
Corporate and other bonds	10,285	21,093	11,800	43,178
Equity securities	6,465	18,079	27,073	51,617
Commingled equity funds	–	–	18,318	18,318
Funds of hedge funds	1,144	7,989	8,401	17,534
Hedge funds	–	–	1,929	1,929
Private equity funds	–	–	775	775
Annuity investments	4,379	–	–	4,379
Interest and other receivables	633	407	372	1,412
	$ 500,220	$ 85,748	$ 115,951	701,919
Less current portion				74,336
				$ 627,583

(In Thousands)

5. Pledges Receivable

Pledges receivable at December 31, 2010 and 2009 consist of the following:

	2010	2009
Amounts expected to be collected in:		
Less than one year	**$ 53,083**	$ 51,703
One to five years	**108,294**	88,716
More than five years	**67,517**	44,968
	228,894	185,387
Less:		
Discount to present value of future cash flows (discount rates ranging from 0.6% to 6.0%)	**17,864**	12,822
Allowance for uncollectible amounts	**49,564**	45,996
Current portion of pledges receivable	**41,316**	37,121
Pledges receivable, net of current portion	**$ 120,150**	$ 89,448

6. Property, Plant and Equipment

Property, plant and equipment and accumulated depreciation and amortization at December 31, 2010 and 2009 are summarized as follows:

	2010	2009
Land	**$ 517,063**	$ 38,078
Land improvements	**13,674**	13,775
Buildings and fixed equipment	**2,181,883**	1,995,687
Movable equipment	**681,679**	543,862
Leasehold improvements	**45,100**	45,793
	3,439,399	2,637,195
Less accumulated depreciation and amortization	**1,149,267**	1,039,627
	2,290,132	1,597,568
Construction-in-progress	**384,217**	179,526
	$ 2,674,349	$ 1,777,094

The System wrote off approximately $106,000 and $156,000 of fully depreciated assets in 2010 and 2009, respectively.

(In Thousands)

6. Property, Plant and Equipment (continued)

Net interest capitalized for the years ended December 31, 2010 and 2009 was approximately $14,700 and $6,000, respectively.

Certain leases are considered to be the equivalent of installment purchases (capital leases) for purposes of accounting presentation. The liabilities relating to these assets are included in capital lease obligations. The cost, less accumulated amortization, of these assets is included in property, plant and equipment at December 31, 2010 and 2009 as follows:

	2010	2009
Buildings and fixed equipment	$ 78,000	$ 73,000
Movable equipment	15,631	13,146
	93,631	86,146
Less accumulated amortization	22,732	18,667
	$ 70,899	$ 67,479

7. Debt

Long-term debt at December 31, 2010 and 2009 consists of the following:

	2010	2009
Bonds payable at varying dates through July 2039 at variable and fixed interest rates ranging from 0.27% to 7.75%, issued through the Dormitory Authority of the State of New York and the Industrial Development Agencies of New York City, the Town of Hempstead, the Town of Islip, Suffolk County and Nassau County	$ 1,207,661	$ 1,119,406
Mortgage payable through March 2011 at floating interest rate of 3.16% at December 31, 2010	947	1,342
Bank and other loans and notes payable at varying dates through December 2029 at fixed and floating interest rates ranging from 1.04% to 5.69%	122,532	101,100
Total long-term debt	1,331,140	1,221,848
Less current portion of bonds payable	38,125	38,105
Less current portion of other long-term debt	10,774	11,487
Less unamortized fair value adjustment	2,866	–
Add net unamortized bond premium	3,964	4,101
	$ 1,283,339	$ 1,176,357

(In Thousands)

7. Debt (continued)

Annual aggregate principal payments applicable to long-term debt for years subsequent to December 31, 2010 are as follows:

	Bonds Payable	Other Long-Term Debt	Total
Year ended December 31:			
2011	$ 38,125	$ 10,774	$ 48,899
2012	40,300	20,289	60,589
2013	43,341	9,991	53,332
2014	45,680	9,618	55,298
2015	46,385	8,252	54,637
Thereafter	993,830	64,555	1,058,385
	$ 1,207,661	$ 123,479	$ 1,331,140

In September 2009, certain members of the System (the "Obligated Group") issued $421,505 of revenue bonds through the Dormitory Authority of the State of New York ("DASNY") Series 2009 bonds (Series 2009A – Series 2009E). The members of the Obligated Group are NSUH, LIJMC, Glen Cove, Plainview, Forest Hills and CECR. The Series 2009A and 2009E bonds bear interest at fixed interest rates, payable semi-annually with a final maturity date of May 1, 2037. The Series 2009B – Series 2009D bonds are variable rate demand bonds, payable monthly with a final maturity date of July 1, 2039.

The Obligated Group obtained $125,000 of irrevocable direct-pay letters of credit with three commercial banks which provide for the payment of the principal and interest of the Series 2009B – Series 2009D bonds. The reimbursement terms of the letters of credit are such that in the event a letter of credit is drawn upon due to a failed remarketing or because the letter of credit is not renewed, the amounts due under the letters of credit would convert to five-year term loans. The letters of credit are set to expire in September 2012.

7. Debt (continued)

The Series 2009A – Series 2009D bonds were issued to: (i) finance projects for the Obligated Group, (ii) pay a portion of the interest on the Series 2009A – Series 2009D bonds, (iii) fund all or a portion of the debt service reserve fund to secure the Series 2009A bonds, and (iv) pay costs of issuance incurred in connection with the issuance of the Series 2009A – Series 2009D bonds. At December 31, 2010, $146,823 of the Series 2009 bond proceeds is available for capital projects.

The proceeds of the Series 2009E bonds were used to: (i) fund the purchase and cancellation of a portion of the Obligated Group's Series 2007B bonds at a discount to par, (ii) fund the debt service fund to secure the Series 2009E bonds and a portion of the debt service reserve fund to secure the Series 2009A bonds, (iii) finance certain swap termination payments, and (iv) pay costs of issuance incurred in connection with the issuance of the Series 2009E bonds. As a result of the cancellation of a portion of the Obligated Group's Series 2007B bonds, a noncash gain on refinancing and refunding of long-term debt of $19,890 was recorded in the accompanying consolidated statement of operations for the year ended December 31, 2009.

In May 2007, the Obligated Group issued Series 2007A bonds totaling $161,545. The Series 2007A bonds were issued to: (i) finance or refinance projects for the Obligated Group, (ii) pay a portion of the interest on the Series 2007A bonds, (iii) fund all or a portion of the debt service reserve fund to secure the Series 2007A bonds, (iv) pay costs of issuance incurred in connection with the issuance of the Series 2007A bonds, and (v) finance certain swap termination payments. At December 31, 2010, $10,986 of the proceeds is available for capital projects. The Series 2007A bonds bear interest at fixed interest rates, payable semi-annually with a final maturity date of May 1, 2037.

In May 2007, the Obligated Group issued Series 2007B bonds totaling $123,265. The Series 2007B bonds were issued to: (i) refund all or a portion of the refundable bonds of the 1998 LIJMC bonds, 1998 North Shore Obligated Group bonds and 2003 NSLIJ Obligated Group bonds, (ii) fund all or a portion of the debt service reserve fund to secure the Series 2007B bonds, and (iii) pay costs of issuance incurred in connection with the issuance of the Series 2007B bonds. The Series 2007B bonds are nonputable Floating Rate Notes bearing a percent of LIBOR-based interest rates, payable quarterly and final maturity date is May 1, 2033.

7. Debt (continued)

In May 2007, in connection with the issuance of the Series 2007B bonds, the Obligated Group entered into interest rate swap agreements ("2007 Swaps") with a financial institution, matched to the term and rate of the Series 2007B bonds. Under the terms of the agreements, the Obligated Group receives variable interest payments based on LIBOR and pays fixed interest payments on an initial notional value of $123,265. The notional values of the interest rate swap agreements amortize. The swap agreements fix the interest rate at a level viewed as acceptable by the Obligated Group. These swap agreements are designated as cash flow hedges. Accordingly, changes in the fair value of the swap agreement are excluded from the performance indicator.

In connection with the Series 2009E bonds, $44,895 of the initial notional value of the 2007 Swaps was terminated, resulting in a termination payment of approximately $4,800 to the counterparty. Additionally, a notional value of $25,000 of the 2007 Swaps was renegotiated to match the terms of the Series 2009B – Series 2009D bonds, thereby changing the designation from a cash flow hedge to a derivative instrument. Under the terms of the renegotiated swap agreement, the Obligated Group receives variable rate interest payments based on LIBOR and pays fixed interest payments. The aggregate fair value of the renegotiated swap agreement is a liability of $2,873 and $1,720 at December 31, 2010 and 2009, respectively, and is reflected in other long-term liabilities in the accompanying consolidated statements of financial position. The aggregate fair value of the remaining 2007 Swaps, designated as cash flow hedges, with an initial notional value of $53,370, is a liability of $5,177 and $3,772 at December 31, 2010 and 2009, respectively, and is reflected in other long-term liabilities in the accompanying consolidated statement of financial position.

In July and August 2007, in anticipation of Series 2009 bonds, the Obligated Group entered into several forward interest rate swap agreements with financial institutions. Under the terms of the agreements, the Obligated Group receives variable interest payments, commencing January 15, 2010, and pays fixed interest payments on an initial notional value of $100,000. The notional values of the interest rate swap agreements amortize. The swap agreements fix the interest rate on $100,000 of the Series 2009B – Series 2009D bonds at a level viewed as acceptable by the Obligated Group. These swap agreements are designated as derivative agreements. Accordingly, changes in the fair value of the swap agreements are recognized in the performance indicator. At December 31, 2010 and 2009, the aggregate fair value of these swap agreements is a liability of $13,765 and $9,667, respectively, and is reflected in other long-term liabilities in the accompanying consolidated statements of financial position.

7. Debt (continued)

On April 10, 2008, Staten Island entered into a term loan agreement with a commercial bank in the amount of $60,000. The loan calls for payments of principal and interest, payable quarterly, through April 10, 2016 at a variable rate elected by the borrower of either the bank's prime rate minus 1.0% or LIBOR plus 0.75% (the variable rate elected under the loan was 1.04% at December 31, 2010). A balloon payment of $20,000 is due at maturity. The principal and interest on the loan have been guaranteed by the System. The proceeds from the loan were used primarily for the settlement of the liability resulting from the United States Department of Health and Human Services, Office of the Inspector General (the "HHS-OIG") investigation (see Note 8).

In December 2008, Staten Island entered into interest rate swap agreements with financial institutions to fix the above term loan interest rate at a level viewed as acceptable by Staten Island. Under the terms of the agreements, Staten Island will receive variable interest payments and pay fixed interest payments with an initial notional value of $57,000. The notional values of the interest rate swap agreements amortize. The System guarantees payments to the swap contract counterparties. These swap agreements are designated as derivative instruments. Accordingly, changes in the fair value of the swap agreements are recognized in the performance indicator. The aggregate fair value of the swap is a liability of approximately $2,033 and a receivable of approximately $54 at December 31, 2010 and 2009, respectively, and is reflected in other long-term liabilities in the accompanying consolidated statements of financial position.

Swap agreements expose the System to credit risk in the event of nonperformance by the counterparties. The System believes that the risk of material impact to its consolidated financial position arising from nonperformance by the counterparties is low.

Huntington maintains a letter of credit from a bank, as security for outstanding bonds, of approximately $5,700 at December 31, 2010 that expires on May 31, 2011 and is unconditionally guaranteed by the System. At December 31, 2010, no draw-downs have been made under the letter of credit agreement. The reimbursement terms of the letter of credit is such that in the event the letter of credit is drawn upon due to a failed remarketing or because the letter of credit is not renewed, the amounts due under the letter of credit would convert to a term loan, payable on terms that approximate the maturity dates of Huntington's bonds.

(In Thousands)

7. Debt (continued)

In December 2009, Lenox Hill entered into a mortgage loan with a bank for $32,600. The mortgage loan proceeds were used to repay outstanding obligations on Tax Exempt Leasing Program leases and lines of credit. The note bears interest at Lenox Hill's choice of a LIBOR-based rate or a prime-based rate, defaulting to a prime-based rate should a monthly interest rate election not be made by Lenox Hill. Interest is payable monthly through February 2012. Principal and interest are payable monthly from March 2012 through December 2029.

The System entered into a capital lease agreement with I. Park Lake Success, LLC for approximately 454,000 square feet of premises to be used for patient care and support services of the System, for a term of 25 years, commencing March 2005. The balance outstanding on the lease, exclusive of interest and executory costs, at December 31, 2010 and 2009 is $76,731 and $78,193, respectively. Interest and executory costs related to the lease were $10,403 and $9,803 for the years ended December 31, 2010 and 2009, respectively.

Capital lease obligations at December 31, 2010 and 2009 consist of the following:

	2010	2009
Minimum lease payments	**$ 278,468**	$ 280,132
Less executory costs	**110,446**	114,931
Less interest	**77,614**	79,466
Less current portion at net present value	**5,008**	4,342
Present value of net minimum long-term lease payments	**$ 85,400**	$ 81,393

Future minimum lease payments under capital lease obligations as of December 31, 2010 are as follows:

Year ending December 31:	
2011	$ 16,316
2012	15,159
2013	14,543
2014	14,453
2015	13,299
Thereafter	204,698
Total minimum lease payments	$ 278,468

7. Debt (continued)

Most of the System's debt arrangements include security agreements of various types. The agreements may include the pledging as collateral of certain of the System's assets and revenues and limitations on the use of System assets, including the transfer of assets to entities outside the System. At December 31, 2010 and 2009, substantially all of the System's assets were pledged as collateral under the terms of various debt agreements. In addition, certain debt agreements contain covenants related to the maintenance of financial ratios, including debt service coverage ratios and days cash on hand, and the maintenance of certain debt service and other reserve funds (assets limited as to use). At December 31, 2010 and 2009, the System was in compliance with the financial covenants.

Short-Term Borrowings

The System has entered into several unsecured revolving credit facilities with commercial banks. Borrowings are primarily used to provide interim financing for capital improvement projects, with repayment to be provided from revenue bonds financed by DASNY. Additionally, amounts can be used to provide financing for the support of the certificate of need process as required by NYSDOH, short-term working capital to support the monthly operating cash conversion cycle, and to bridge receipt of fundraising proceeds from capital campaigns and for other general corporate purposes. Interest options include prime-based rates, LIBOR-based rates and bank cost of funds rates. Total credit available to the System under such arrangements was $257,945 and $247,425 at December 31, 2010 and 2009, respectively. Balances outstanding from borrowings are $15,540 and $27,258 at December 31, 2010 and 2009, respectively.

8. Third-party Payer Structured Liabilities

On September 21, 1999, Staten Island agreed to settle an outstanding matter with the New York State Attorney General. This matter related to Staten Island receiving payments at various part-time clinics during the period January 1, 1994 through August 31, 1998 at an enhanced rate known as Products of Ambulatory Care. As a result of this matter, Staten Island agreed to remit to the State of New York (the "State") the gross sum of $41,200 payable over an extended period. Payments commenced in November 1999 and are being made monthly, totaling $2,000 per year for 20 years. Included in third-party payer structured liabilities is the present value of this agreement based upon a 6% discount factor. For 2010 and 2009, payments made under such arrangement totaled $2,000 for each year, including $876 and $942 recorded as interest expense in the accompanying consolidated statements of operations for 2010 and 2009, respectively.

(In Thousands)

8. Third-party Payer Structured Liabilities (continued)

Additionally, in accordance with Staten Island's mission and commitment to provide uncompensated care, Staten Island agreed to continue to provide uncompensated care and services to individuals unable to pay for such services. Such uncompensated care and services shall have value, as defined in the agreement, of not less than $1,950 per year for 20 years. As the provision of uncompensated care is not considered incremental to those uncompensated services already provided by Staten Island, no liability was recorded for such amounts. Staten Island was in compliance with such provision in 2010 and 2009.

In 2002, the Medicaid Fraud Control Unit of the New York State Attorney General's Office ("MFCU") served a grand jury subpoena duces tecum (a subpoena for production of documentation) on Chaps and Staten Island. On May 17, 2005, Staten Island agreed to settle an action commenced by the New York State Attorney General arising out of this investigation. The settlement related to the recovery of prior Medicaid payments to Chaps. Pursuant to the settlement, Staten Island agreed to remit to the State $76,500. This amount includes approximately $8,000 of Medicaid reimbursement previously withheld in 2004 by the State, in connection with its investigation of this matter. The remaining amounts are payable to the State over a 13-year period which began in 2005. During 2005, the total settlement payments aggregated $20,000, including the amount of $8,000 previously withheld by the State. Payments for years 2006 through 2011 are $5,000 per year. The payments for years 2012 through 2014 are $5,500 per year. In 2015 and 2016, payments are $3,000 each year, and the required payment for 2017 is $4,000. Staten Island has recorded the present value of these settlement payments based upon a 6% discount factor in the accompanying consolidated statements of financial position. Payments made under this settlement for 2010 and 2009 totaled $5,000 for each year, including approximately $1,732 and $1,917 recorded as interest expense in the accompanying consolidated statements of operations for the years ended December 31, 2010 and 2009, respectively. As part of the 2005 settlement agreement, Staten Island adopted a number of managerial and operational reforms that will govern the conduct of Staten Island officers, employees and Board members. The amounts payable under the 2005 settlement agreement are in addition to the amounts which continue to be payable under the 1999 settlement discussed above.

8. Third-party Payer Structured Liabilities (continued)

In September 2008, Staten Island executed a settlement with the HHS-OIG and the New York State Attorney General's Office ("NYSAG") with respect to various issues. The settlement liabilities were recorded as of December 31, 2007. In settlement of the HHS-OIG claims, Staten Island has made a one-time payment of $76,513. Staten Island funded the amount with a bank loan of $60,000 (see Note 7) and the balance from operating cash. With respect to the NYSAG claim, Staten Island has agreed to make payments totaling $12,400. Staten Island paid a lump-sum payment of $6,200 and the remaining balance of $6,200 is being paid in equal amounts over a three-year period. Staten Island has recorded the present value of the deferred payments of $6,200 based upon a 6% discount factor in the accompanying consolidated statements of financial position.

In connection with the HHS-OIG and NYSAG settlement, Staten Island also entered into a five-year Corporate Integrity Agreement ("CIA") with the HHS-OIG. This agreement obligates Staten Island to strengthen the current compliance program and implement certain management practices and initiatives. Such terms of this agreement include engaging an independent third party to act as an Independent Review Organization, enhancing the contract management policies and procedures, and expanding employee education. A material breach of the CIA could subject Staten Island to substantial monetary penalties and exclusion from participation in the Medicare and Medicaid programs. Management believes that Staten Island is in compliance with the terms and provisions of the CIA.

9. Fair Values of Financial Instruments

For assets and liabilities required to be measured at fair value, the System measures fair value based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements are applied based on the unit of account from the System's perspective. The unit of account determines what is being measured by reference to the level at which the asset or liability is aggregated (or disaggregated) for purposes of applying other accounting pronouncements.

(In Thousands)

9. Fair Values of Financial Instruments (continued)

The System follows a valuation hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels, which are described below:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2: Observable inputs that are based on inputs not quoted in active markets, but corroborated by market data.

Level 3: Unobservable inputs are used when little or no market data is available.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. In determining fair value, the System uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible and considers nonperformance risk in its assessment of fair value.

Financial assets and liabilities carried at fair value as of December 31, 2010 are classified in the following table in one of the three categories described previously:

	2010			
	Level 1	Level 2	Level 3	Total
Assets				
Cash and short-term investments	$ 657,425	$ –	$ –	$ 657,425
Fixed income obligations:				
U.S. Government obligations	682,627	–	–	682,627
Corporate and other bonds	307,634	–	–	307,634
Emerging markets	2,409	–	–	2,409
Equity securities:				
Large cap	138,665	–	–	138,665
Small cap	18,629	–	–	18,629
International	46,959	–	–	46,959
Global	107,105	–	–	107,105
Global REITs	27,044	–	–	27,044
Commodities	4,092	–	–	4,092
Annuity investments	4,669	–	–	4,669
Interest and other receivables	35,245	–	–	35,245
Liabilities				
Interest rate swap agreements	–	(23,848)	–	(23,848)
	$ 2,032,503	$ (23,848)	$ –	$ 2,008,655

(In Thousands)

9. Fair Values of Financial Instruments (continued)

Financial assets and liabilities carried at fair value as of December 31, 2009 are classified in the following table in one of the three categories described previously:

	2009			
	Level 1	Level 2	Level 3	Total
Assets				
Cash and short-term investments	$ 616,285	$ –	$ –	$ 616,285
Fixed income obligations:				
U.S. Government obligations	649,756	–	–	649,756
Corporate and other bonds	230,837	–	–	230,837
Emerging markets	1,899	–	–	1,899
Equity securities:				
Large cap	60,588	–	–	60,588
Small cap	13,739	–	–	13,739
International	25,102	–	–	25,102
Global	25,709	–	–	25,709
Global REITs	14,972	–	–	14,972
Annuity investments	4,379	–	–	4,379
Interest and other receivables	4,211	–	–	4,211
Liabilities				
Interest rate swap agreements	–	(15,105)	–	(15,105)
	$ 1,647,477	$ (15,105)	$ –	$ 1,632,372

The amounts reported in the previous tables exclude investments reported under the equity method of accounting (see Note 2) and assets invested in the System's pension plans (see Note 10).

The fair values and carrying values of the System's financial instruments that are not required to be carried at fair value are as follows at December 31, 2010 and 2009:

	2010		2009	
	Fair Value	Carrying Value	Fair Value	Carrying Value
Debt (including short-term borrowings; excluding capital lease obligations)	**$ 1,329,907**	**$ 1,347,778**	$ 1,239,738	$ 1,253,207

The fair value of debt is estimated using discounted cash flow analyses and based on market prices, where available.

(In Thousands)

10. Pension Plans

The System maintains several pension plans for its employees. The following are descriptions of such plans and the respective pension expense for the years ended December 31, 2010 and 2009.

Certain members of the System provide pension and similar benefits to their employees through defined contribution plans. Contributions to the defined contribution plans are based on percentages of annual salaries. It is the policy of these members to fund accrued costs under these plans on a current basis. Pension expense for 2010 and 2009 related to the defined contribution plans amounted to $64,716 and $51,134, respectively.

Staten Island, LIJMC, Syosset, Forest Hills, Plainview, Franklin, Southside and Lenox Hill participate in various multi-employer plans for union employees. Contributions to these plans aggregated $36,045 and $30,142 for the years ended December 31, 2010 and 2009, respectively.

In addition, certain of the System's employees participate in deferred compensation plans. The liability for these plans totaled $6,474 and $5,470 at December 31, 2010 and 2009, respectively. In connection with these plans, the System deposits amounts with trustees on behalf of the participating employees. Under the terms of the plans, the System is not responsible for investment gains or losses incurred. The assets are restricted for payments under the plans, but may revert to the System under certain specified circumstances.

For certain employees, the System also maintains Supplemental Executive Retirement Plans. The liability for these plans totaled $5,135 and $4,157 at December 31, 2010 and 2009, respectively.

Certain employees, except for certain members of the medical staff and certain employees represented by collective bargaining agreements, are covered by noncontributory defined benefit plans (the "Plans").

The System recognizes the funded status (i.e., the difference between the fair value of plan assets and the projected benefit obligations) of the defined benefit plans in its consolidated statements of financial position.

(In Thousands)

10. Pension Plans (continued)

The following tables provide a reconciliation of the changes in the Plans' benefit obligations and fair value of plan assets for the years ended December 31, 2010 and 2009 and statements of the funded status of the Plans as of December 31, 2010 and 2009:

	System Cash Balance Plan	Huntington	Staten Island	Lenox Hill	Total 2010	Total 2009
Reconciliation of the benefit obligation						
Obligation at January 1	$ 584,352	$ 196,971	$ 7,663	$ –	$ 788,986	$ 730,145
Inclusion of obligation at Acquisition Date	–	–	–	385,881	385,881	–
Service cost	28,255	8,464	–	3,218	39,937	34,397
Interest cost	36,116	12,149	441	14,146	62,852	45,142
Plan amendments	1,900	–	–	–	1,900	(1,083)
Actuarial loss	38,402	8,437	384	14,843	62,066	10,176
Benefit payments	(29,039)	(7,048)	(633)	(7,078)	(43,798)	(29,791)
Obligation at December 31	$ 659,986	$ 218,973	$ 7,855	$ 411,010	$ 1,297,824	$ 788,986
Reconciliation of fair value of plan assets						
Fair value of plan assets at January 1	$ 443,488	$ 124,856	$ 5,236	$ –	$ 573,580	$ 424,019
Inclusion of plan assets at Acquisition Date	–	–	–	257,625	257,625	–
Actual return on plan assets	52,236	15,985	497	10,951	79,669	113,719
Employer contributions	63,000	15,186	257	9,486	87,929	65,633
Benefit payments	(29,039)	(7,048)	(633)	(7,078)	(43,798)	(29,791)
Fair value of plan assets at December 31	$ 529,685	$ 148,979	$ 5,357	$ 270,984	$ 955,005	$ 573,580
Funded status						
Funded status at December 31	$ (130,301)	$ (69,994)	$ (2,498)	$ (140,026)	$ (342,819)	$ (215,406)
Accumulated benefit obligation	$ 633,739	$ 186,473	$ 7,855	$ 384,538	$ 1,212,605	$ 736,411

(In Thousands)

10. Pension Plans (continued)

The plan amendments in 2010 relate to a decrease in the eligibility age for Southside New York State Nurses Association ("NYSNA") participants and a change in the calculation of average pay used in the benefit formula for Southside NYSNA participants.

The actuarial loss in 2010 is primarily due to the decrease in the discount rate, an increase in the assumed lump-sum conversion rate and experience losses derived from the actual census data. The actuarial loss in 2009 primarily relates to a change in the cash balance crediting rate.

Included in unrestricted net assets at December 31, 2010 and 2009 are the following amounts that have not yet been recognized in net periodic benefit cost:

	2010		
	Defined Benefit Plans	**Postretirement Benefit Plans**	**Total**
Unrecognized actuarial loss	**$ (198,686)**	**$ (22,381)**	**$ (221,067)**
Unrecognized prior service (cost) credit	**(9,720)**	**13,120**	**3,400**
	$ (208,406)	**$ (9,261)**	**$ (217,667)**

	2009		
	Defined Benefit Plans	**Postretirement Benefit Plans**	**Total**
Unrecognized actuarial loss	$ (166,337)	$ (41,133)	$ (207,470)
Unrecognized prior service (cost) credit	(8,971)	14,961	5,990
	$ (175,308)	$ (26,172)	$ (201,480)

(In Thousands)

10. Pension Plans (continued)

The following table provides the components of the net periodic benefit cost for the Plans for the years ended December 31, 2010 and 2009:

	System Cash Balance Plan	Huntington	Staten Island	Lenox Hill	Total 2010	Total 2009
Service cost	$ 28,255	$ 8,464	$ –	$ 3,218	$ 39,937	$ 34,397
Interest cost on projected benefit obligation	36,116	12,149	441	14,146	62,852	45,142
Expected return on plan assets	(36,084)	(10,160)	(403)	(12,550)	(59,197)	(34,115)
Amortization of net loss	5,553	2,902	465	–	8,920	16,333
Amortization of prior service cost	452	874	–	–	1,326	1,173
Net periodic benefit cost	$ 34,292	$ 14,229	$ 503	$ 4,814	$ 53,838	$ 62,930

The net loss and prior service (cost) credit included in unrestricted net assets expected to be recognized in net periodic benefit cost during the year ended December 31, 2011 are as follows:

	Defined Benefit Plans	Postretirement Benefit Plans	Total
Net loss	$ (8,764)	$ (994)	$ (9,758)
Prior service (cost) credit	(1,271)	1,841	570
(Increase) decrease to net periodic benefit cost	$ (10,035)	$ 847	$ (9,188)

Assumptions

The measurement date for all plans is December 31. Prior service costs are amortized over the average remaining service period of active participants. Gains and losses in excess of 10% of the greater of the benefit obligations and the market-related value of assets are amortized over the average remaining service period of active participants.

(In Thousands)

10. Pension Plans (continued)

The weighted-average assumptions used in the measurement of the System's benefit obligations at December 31, 2010 and 2009 are shown in the following table:

	System Cash Balance Plan		Huntington		Staten Island		Lenox Hill	
	2010	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**
Discount rate	**6.00%**	6.25%	**6.00%**	6.25%	**5.50%**	6.00%	**6.00%**	N/A
Rate of compensation increase	**4.50**	4.50	**4.50**	4.50	**N/A**	N/A	**Graded**	N/A

The weighted-average assumptions used in the measurement of the System's net periodic benefit cost for the years ended December 31, 2010 and 2009 are shown in the following table:

	System Cash Balance Plan		Huntington		Staten Island		Lenox Hill	
	2010	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**
Discount rate	**6.25%**	6.25%	**6.25%**	6.25%	**5.50%**	6.00%	**6.00%**	N/A
Expected long-term rate of return on plan assets	**8.00**	8.00	**8.00**	8.00	**8.00**	8.00	**8.00**	N/A
Rate of compensation increase	**4.50**	4.50	**4.50**	4.50	**N/A**	N/A	**Graded**	N/A

Estimated Future Benefit Payments

Benefit payments, which reflect expected future service, as appropriate, are expected to be paid as follows:

	System Cash Balance Plan	Huntington	Staten Island	Lenox Hill
2011	$ 27,280	$ 7,938	$ 623	$ 19,247
2012	28,867	9,582	617	19,987
2013	33,084	9,645	565	20,970
2014	35,152	10,671	568	21,878
2015	38,678	11,748	580	22,956
2016 to 2020	239,625	77,108	2,879	132,547

(In Thousands)

10. Pension Plans (continued)

The fair values of the Plans' assets at December 31, 2010, by asset category, are as follows:

	Level 1	Level 2	Level 3	Total
Asset Category				
Cash and short-term investments	$ 75,030	$ –	$ –	$ 75,030
Fixed income obligations:				
U.S. Government obligations	80,116	–	–	80,116
Corporate and other bonds	84,632	3,572	–	88,204
Commingled bond funds	–	53,366	–	53,366
Equity securities:				
Large cap	118,368	710	–	119,078
Small cap	20,857	–	–	20,857
International	28,945	–	–	28,945
Global	52,853	2,958	–	55,811
Global REITs	20,561	–	–	20,561
Commodities	12,176	–	–	12,176
Commingled equity funds:				
Large cap	–	42,166	–	42,166
Small cap	–	21,926	–	21,926
International	–	37,927	–	37,927
Emerging markets	–	25,817	–	25,817
Funds of hedge funds	–	48,463	53,678	102,141
Hedge funds	–	6,643	367	7,010
Private equity funds	–	–	6,404	6,404
Interest and other receivables	150,228	–	7,242	157,470
	$ 643,766	$243,548	$ 67,691	$ 955,005

(In Thousands)

10. Pension Plans (continued)

The fair values of the Plans' assets at December 31, 2009, by asset category, are as follows:

	Level 1	Level 2	Level 3	Total
Asset Category				
Cash and short-term investments	$ 77,714	$ –	$ –	$ 77,714
Fixed income obligations:				
U.S. Government obligations	44,656	–	–	44,656
Corporate and other bonds	72,356	–	–	72,356
Commingled bond funds	–	26,187	–	26,187
Equity securities:				
Large cap	107,390	–	–	107,390
Small cap	18,021	–	–	18,021
International	20,590	–	–	20,590
Global	29,055	–	–	29,055
Global REITs	17,295	–	–	17,295
Commingled equity funds:				
Large cap	–	37,441	–	37,441
Small cap	–	16,744	–	16,744
International	–	34,290	–	34,290
Emerging markets	–	22,965	–	22,965
Funds of hedge funds	–	40,832	–	40,832
Hedge funds	–	4,823	–	4,823
Private equity funds	–	–	3,221	3,221
	$ 387,077	$ 183,282	$ 3,221	$ 573,580

Most investments classified in Levels 2 and 3 in the above tables consist of shares or units in investment funds, as opposed to direct interests in the funds' underlying holdings, which may be marketable. As the net asset value reported by each fund is used as a practical expedient to estimate the fair value of the Plans' interest therein, its classification in Level 2 or 3 is based on the Plans' ability to redeem its interest at or near the measurement date. If the interest can be redeemed in the near term, the investment is classified in Level 2. The classification of investments in the fair value hierarchy is not necessarily an indication of the risks, liquidity or degree of difficulty in estimating the fair value of each investment's underlying assets and liabilities.

(In Thousands)

10. Pension Plans (continued)

The following table sets forth a summary of changes in the fair value of the Plans' Level 3 assets for the years ended December 31, 2010 and 2009:

	2010	2009
Fair value at January 1, 2010	$ 3,221	$ –
Purchases, sales, issuances and settlements, net	52,050	3,305
Net realized and unrealized gains and losses	1,597	(84)
Acquisition of Lenox Hill plan assets	10,823	–
Fair value at December 31, 2010	$ 67,691	$ 3,221

System Cash Balance Plan

Basis Used to Determine the Expected Long-Term Rate of Return on Assets

The overall expected long-term rate of return on assets assumption is based upon a long-term building-block approach adjusted for current market conditions. First, return expectations for each asset class are developed with economic and fundamental drivers such as inflation, dividends and real earnings growth for stocks and real yields, defaults and recoveries for bonds. These expectations assume that market levels at the beginning of the forecast period are in a state of equilibrium. With the understanding that markets are more often than not in some state of disequilibrium, the "next ten year" return forecasts are adjusted to reflect the starting point for inflation expectations, interest rate levels and market risk premiums relative to historically normal market levels.

The fundamental building blocks used to develop the long-term equilibrium return expectations are based on a combination of consensus forecasts and long-term historical averages. The historical data is adjusted to reflect any fundamental changes that have occurred in the relative markets.

Once long-term equilibrium forecasts are developed, returns are adjusted for the next ten years to reflect the current environment as it relates to the key economic variables that influence returns across the capital markets. In doing so, the expected path for breakeven inflation, real interest rates and investment grade corporate bond spreads are modeled for the next ten years. In this framework, the investment grade corporate spreads are used as a proxy for the risk premium priced broadly into all asset classes within the capital markets.

(In Thousands)

10. Pension Plans (continued)

While the precise expected return derived using the above approach will fluctuate somewhat from year to year, the System Cash Balance Plan's policy is to hold this long-term assumption constant as long as it remains within a reasonable tolerance from the derived rate.

Description of Investment Policies and Strategies

The System Cash Balance Plan's overall investment strategy is to achieve wide diversification of asset types, fund strategies, and fund managers. Equity securities primarily include investments in large-cap and mid-cap companies primarily located in the United States. Fixed income securities include corporate bonds of companies from diversified industries, mortgage-backed securities, and U.S. Treasuries. Other types of investments include investments in funds of hedge funds and private equity funds that follow several different strategies.

There are specific guidelines and diversification standards for each investment manager. Eligible investments are specifically outlined. With regard to funds of hedge funds and alternative investments, each manager must disclose its strategies and report that it abides by the Employee Retirement Income Security Act of 1974 ("ERISA") rules, where applicable.

The System Cash Balance Plan's weighted average asset allocations at December 31, 2010 and 2009, by asset category, are as follows:

	2010	2009	Target Allocation
Cash and short-term investments	**8.2%**	16.8%	1.0%
Fixed income obligations	**21.3**	20.8	34.0
Equity securities, including commingled equity funds	**50.2**	51.4	40.0
Commodities	**–**	–	3.0
Funds of hedge funds	**17.9**	9.2	20.0
Hedge funds and private equity funds	**2.4**	1.8	2.0
	100.0%	100.0%	100.0%

Target allocations generally have permitted variances of plus/minus 5 points.

10. Pension Plans (continued)

The System updated the System Cash Balance Plan's asset-liability study in December 2009 to determine the appropriate investment mix to generate the expected long-term rate of return with acceptable volatility of plan assets. The resulting 2010 target allocations are noted in the previous table. The System is in the process of aligning the System Cash Balance Plan's investment portfolio with these targets.

Cash Flows

The System expects to make contributions of approximately $60,000 to the System Cash Balance Plan in 2011.

Huntington Plan

Basis Used to Determine the Expected Long-Term Rate of Return on Assets

The overall expected long-term rate of return on assets assumption is based upon a building-block method, whereby the expected rate of return on each asset class is broken down into three components: (1) inflation, (2) the real risk-free rate of return (i.e., the long-term estimate of future returns on default-free U.S. government securities) and (3) the risk premium for each asset class (i.e., the expected return in excess of the risk-free rate). All three components are based primarily on historical data, with modest adjustments to take into account additional relevant information that is currently available. For the inflation and risk-free return components, the most significant additional information is that provided by the market for nominal and inflation-indexed U.S. Treasury securities. That market provides implied forecasts of both the inflation rate and risk-free rate for the period over which currently available securities mature. The historical data on risk premiums for each asset class is adjusted to reflect any systemic changes that have occurred in the relevant markets, i.e., the higher current valuations for equities, as a multiple of earnings, relative to the longer-term average for such valuations.

Description of Investment Policies and Strategies

The investment strategy for the Huntington Plan is to seek long-term growth by maintaining a diverse, actively managed portfolio of equity and debt securities. Derivatives are not used. The Huntington Plan has an Investment Committee that monitors the performance of its investment managers and periodically uses outside analysts to analyze and comment on its investment strategy.

(In Thousands)

10. Pension Plans (continued)

The Huntington Plan's weighted-average asset allocations at December 31, 2010 and 2009, by asset category, are as follows:

	2010	2009	Target Allocation
Equity securities	**58%**	58%	65%
Debt securities	**36**	39	35
Cash and other	**6**	3	–
Total	**100%**	100%	100%

Cash Flows

Huntington expects to contribute approximately $20,750 to the Huntington Plan in 2011.

Staten Island Plan

Basis Used to Determine the Expected Long-Term Rate of Return on Assets

The expected long-term rate of return on plan assets assumption of 8.00% was selected using a building block approach described by the Actuarial Standards Board in Actuarial Standards of Practice No. 27 – *Selection of Economic Assumptions for Measuring Pension Obligations*. Based on the investment policy for the Staten Island Plan in effect as of the beginning of the fiscal year, a best estimate range was determined for both the real rate of return (net of inflation) and for inflation based on historical 30-year period rolling averages. An average inflation rate within the range equal to 4.0% was selected and added to the real rate of return range to arrive at a best estimate.

Description of Investment Policies and Strategies

The Staten Island Plan's investment strategy is to maintain or exceed a target funding level of 100% of the liabilities, defined as the market value of the portfolio assets as a percentage of the accumulated benefit obligation, including a target allocation of a conservative mix of investments, and to achieve a long-term rate of return of 8.00% as established by the Staten Island Plan's actuarial consultant.

(In Thousands)

10. Pension Plans (continued)

The Staten Island Plan's weighted-average asset allocations at December 31, 2010 and 2009, by asset category, are as follows:

	2010	2009
Equity securities	**58%**	63%
Debt securities	**37**	35
Cash	**5**	2
	100%	100%

Cash Flows

Staten Island expects to contribute approximately $385 to the Staten Island Plan in 2011.

Effective February 1995, the Staten Island Plan was frozen and stopped further accrual of benefits for all participants. The freeze had no effect on pension levels for current retirees at the time of the freeze or on former employees who were vested at their dates of termination.

Lenox Hill Plan

Basis Used to Determine the Expected Long-Term Rate of Return on Assets

The Lenox Hill Plan's long-term rate of return on assets is 8.0%. The expected long-term rate of return is based on the portfolio as a whole and not on the sum of the returns on individual asset categories. The return is based exclusively on historical returns, without adjustments.

Description of Investment Policies and Strategies

The Lenox Hill Plan's financial and investment objectives are to meet present and future obligations to beneficiaries, while minimizing Lenox Hill's contributions over the long term, by earning an adequate return on assets with moderate volatility.

(In Thousands)

10. Pension Plans (continued)

The Lenox Hill Plan's weighted-average asset allocations at December 31, 2010, by asset category, are as follows:

	2010	Target Allocation
Cash and short-term investments	**8.5%**	1.0%
Fixed income obligations	**19.4**	34.0
Equity securities	**6.6**	40.0
Commodities	**4.5**	3.0
Funds of hedge funds	**2.6**	20.0
Hedge funds and private equity funds	**0.3**	2.0
Interest and other receivables	**58.1**	–
	100.0%	100.0%

Target allocations generally have permitted variances of plus/minus 5 points.

Subsequent to the System's acquisition of Lenox Hill, the System began the process of aligning the Lenox Hill Plan's investment portfolio allocation to the System's target allocations noted above. At December 31, 2010, material amounts of the Lenox Hill Plan's assets were in the process of being redeemed and reinvested in a manner in which to more closely attain the above noted target allocation.

Cash Flows

Lenox Hill expects to contribute approximately $45,000 to the Lenox Hill Plan in 2011.

(In Thousands)

11. Postretirement Benefits Other than Pensions

Certain employees are covered by the North Shore-Long Island Jewish Health System Retiree Medical and Life Insurance Plan (the "NS-LIJ Plan") and the Huntington Hospital Retiree Health Insurance Premium Plan (the "Huntington Plan").

The NS-LIJ Plan is contributory with a 2% per year service subsidy up to 30 years (maximum 60%) for non-union employees hired prior to January 1, 2001. The subsidy for future retirees is as follows: for pre-65 retirees, a 2% per year service subsidy for years of service through 2000 and a 1% per year service subsidy for years of service for 2001 and thereafter, up to 30 years. For post-65 retirees, a 1% per year service subsidy for years of service through 2000 and a 0.5% per year service subsidy for years of service for 2001 and thereafter, up to 30 years. For non-union employees hired after January 1, 2001, the NS-LIJ Plan provides a defined dollar benefit subsidy of $2,500 per year prior to age 65 and $1,000 per year age 65 and later. To be eligible for the medical benefits, the employee must be at least 55 years old and be employed for at least fifteen years or after age 65, be employed for at least five years. Only pre-1994 retirees are eligible for the life insurance benefits. The life insurance benefit is not available to active employees. The NS-LIJ Plan is unfunded.

To be eligible for the medical benefits under the Huntington Plan, a Huntington employee must have retired on or after May 1, 2005, be at least 60 years old, but not yet age 65 at the time of retirement, be employed for at least 20 years at the time of retirement, be receiving benefits under Huntington's pension plan and not be covered under a health plan through a spouse or through employment subsequent to retirement. The Huntington Plan is unfunded.

Under a contract agreement with the New York State Nurses Association ("NYSNA"), Staten Island is required to provide a specified retiree health benefit each year until the retiree is eligible for Medicare (the "NYSNA Plan"). The retiree must first qualify for NYSNA's pension plan. This payment shall be used exclusively to reimburse the retiree for the cost of individual health coverage or out-of-pocket health expenses.

Under a contract agreement with Federation of Nursing/UFT (collectively with the NYSNA Plan, the "Staten Island Plan"), Staten Island is required to provide a specified retiree health benefit each year until the retiree is eligible for Medicare. The retiree must have 25 or more years experience with Staten Island. This payment shall be used exclusively to reimburse the retiree for the cost of individual health coverage or out-of-pocket health expenses.

(In Thousands)

11. Postretirement Benefits Other than Pensions (continued)

The following tables provide a reconciliation of the changes in the plans' benefit obligations and fair value of plan assets for the years ended December 31, 2010 and 2009 and a statement of the funded status of the plans as of December 31, 2010 and 2009:

	NS-LIJ Plan	Huntington Plan	Staten Island Plan	Total 2010	Total 2009
Reconciliation of the benefit obligation					
Obligation at January 1	$ 98,739	$ 1,614	$ 396	$ 100,749	$ 87,583
Service cost	2,684	117	15	2,816	2,757
Interest cost	5,492	114	21	5,627	5,118
Plan participants' contributions	2,423	–	–	2,423	2,089
Actuarial (gain) loss	(17,280)	253	16	(17,011)	7,437
Benefit payments	(4,420)	(25)	(43)	(4,488)	(4,605)
Federal subsidy on benefits paid	397	–	–	397	370
Obligation at December 31	$ 88,035	$ 2,073	$ 405	$ 90,513	$ 100,749
Reconciliation of fair value of plan assets					
Fair value of plan assets at January 1	$ –	$ –	$ –	$ –	$ –
Employer contributions	1,997	25	43	2,065	2,516
Plan participants' contributions	2,423	–	–	2,423	2,089
Benefit payments	(4,420)	(25)	(43)	(4,488)	(4,605)
Fair value of plan assets at December 31	$ –	$ –	$ –	$ –	$ –
Funded status					
Funded status at December 31	$ (88,035)	$ (2,073)	$ (405)	$ (90,513)	$ (100,749)

The current portion of accrued retirement benefits related to the plans, included in accrued salaries and related benefits in the accompanying consolidated statements of financial position, is $2,643 and $2,111 at December 31, 2010 and 2009, respectively.

(In Thousands)

11. Postretirement Benefits Other than Pensions (continued)

The following table provides the components of the net periodic benefit cost for the plans for the years ended December 31, 2010 and 2009:

	NS-LIJ Plan	Huntington Plan	Staten Island Plan	Total 2010	Total 2009
Service cost	$ 2,684	$ 117	$ 15	$ 2,816	$ 2,757
Interest cost on projected benefit obligation	5,492	114	21	5,627	5,118
Amortization of net loss (gain)	1,747	(48)	(17)	1,682	1,691
Amortization of prior service (credit) cost	(1,865)	40	(16)	(1,841)	(1,840)
Net periodic benefit cost	$ 8,058	$ 223	$ 3	$ 8,284	$ 7,726

Assumptions

The measurement date for the plans is December 31.

The weighted-average discount rates used in the measurement of the benefit obligation and the net periodic benefit cost for 2010 and 2009 were as follows:

	NS-LIJ Plan		Huntington Plan		Staten Island Plan	
	2010	2009	2010	2009	2010	2009
Benefit obligation	5.75%	6.00%	6.00%	6.25%	5.00%	5.50%
Net periodic benefit cost	6.00	6.00	6.25	6.00	5.50	6.00

Assumed Health Care Cost Trends

The assumed health care cost trend rates used in measuring the accumulated postretirement benefit obligation for the NS-LIJ Plan for 2010 and 2009 are as follows:

	2010	2009
Health care cost trend rate assumed for next year	8.00%	8.00%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	5.00%	5.00%
Year that the rate reaches the ultimate trend rate	2018	2015

(In Thousands)

11. Postretirement Benefits Other than Pensions (continued)

Assumed health care cost trend rates have a significant effect on the amounts reported. A 1% change in assumed health care cost trend rates would have the following effects on the NS-LIJ Plan:

	2010		2009	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Effect on total of service and interest cost components of net periodic postretirement health care benefit cost	**$ 489**	**$ (410)**	$ 541	$ (454)
Effect on the health care component of the accumulated postretirement benefit obligation	**8,924**	**(7,471)**	9,861	(8,239)

Estimated Future Benefit Payments

Benefit payments, which reflect expected future service, as appropriate, are expected to be paid as follows:

2011	$ 3,192
2012	3,761
2013	4,388
2014	5,000
2015	5,530
2016 to 2020	32,937

Prescription Drug Benefits

The Medicare Prescription Drug, Improvement and Modernization Act of 2003 (the "Prescription Drug Act") provides for a prescription drug benefit under Medicare ("Medicare Part D"), as well as a federal subsidy to sponsors of retiree health care benefit plans that provide a benefit that is at least actuarially equivalent to Medicare Part D. The expected subsidy reduced the accumulated postretirement benefit obligation at December 31, 2010 and 2009 by $6,033 and $9,860, respectively. The subsidy reduced the net periodic postretirement benefit cost for the 2010 and 2009 plan years by $874 and $1,101, respectively.

(In Thousands)

11. Postretirement Benefits Other than Pensions (continued)

Expected federal subsidies to be received in future years for the NS-LIJ Plan are as follows:

2011	$ 471
2012	348
2013	375
2014	412
2015	464
2016 to 2020	2,403

12. Malpractice and Other Insurance Liabilities

The System's hospitals provide for potential medical malpractice losses through a combination of a self-insurance program and purchased primary and excess insurance, on both a claims-made and occurrence basis, as follows:

Primary Insurance Coverage

Effective January 1, 2003, the System purchases primary malpractice insurance on an occurrence basis. The policy provides coverage with limits of $1,000 per claim and a $50,000 annual policy in the aggregate through 2009. Effective 2010, the program retained $750 of the primary coverage per indemnity claim, while aggregate limits increased to $60,000.

From January 1, 1997 to December 31, 2002, the System's hospitals primarily participated in a combined insurance program, which provided coverage on a claims-made basis. In December 2002, the System purchased a tail insurance policy to cover unreported occurrences from these prior claims-made policy periods.

The estimated undiscounted liability for the retained primary coverage and losses in excess of the primary aggregate at December 31, 2010 and 2009 is approximately $217,774 and $84,771, respectively. At December 31, 2010 and 2009, the liability is recorded at the actuarially determined present value of approximately $195,712 and $62,920, respectively, based on a discount rate of 2.0% and 4.0%, respectively.

(In Thousands)

12. Malpractice and Other Insurance Liabilities (continued)

Excess Insurance Coverage

Regional Insurance covers excess losses above the primary per claim limit, on a claims-made basis. Regional Insurance purchases reinsurance coverage for certain excess coverage layers. Reinsurance balances recoverable, included in other assets in the accompanying consolidated statements of financial position, are $39,645 and $35,421 at December 31, 2010 and 2009, respectively.

Regional Insurance's estimated undiscounted reserves for losses and loss expenses outstanding at December 31, 2010 and 2009 were approximately $272,547 and $224,090, respectively, and are recorded at the actuarially determined present value of approximately $255,818 and $200,351, respectively, based on a discount rate of 2.0% and 4.0%, respectively.

The estimated undiscounted incurred but not reported liability for claims in excess of primary layers at December 31, 2010 and 2009 was approximately $76,194 and $34,502, respectively, and is recorded at the actuarially determined present value of approximately $66,115 and $26,884, respectively, based on a discount rate of 2.0% and 4.0%, respectively.

Self-Insurance Coverage

For certain years, certain System hospitals have established trust funds to pay for claims covered under self-insured arrangements. Trustees administer the trust fund assets, and the trust fund agreements provide that the assets can be used only to investigate, litigate and settle malpractice claims. For self-insured claims and incidents, the System has accrued, based on actuarial determinations and other analyses, its best estimates of the ultimate cost of such losses at the estimated present value based on a discounted rate of 2.0% and 4.0% for those years ending December 31, 2010 and 2009, respectively. The undiscounted value of these accrued asserted and unasserted malpractice claims at December 31, 2010 and 2009 is $11,920 and $9,979, respectively, and is recorded at the actuarially determined present value of approximately $10,735 and $8,917, respectively.

Certain coverage for LIJMC has been provided through participation in a pooled program with certain other health care facilities. This participation is with captive insurance companies and commercial insurance companies. LIJMC retains ownership in the captive insurance companies associated with this program. Ownership interests range from 1.3% to 17.6%. LIJMC accounts for its interest primarily using the equity method of accounting. The carrying value of such interest, reported in other assets in the accompanying consolidated statements of financial position, was approximately $27,895 and $21,539 at December 31, 2010 and 2009, respectively.

(In Thousands)

12. Malpractice and Other Insurance Liabilities (continued)

Malpractice claims have been asserted against System hospitals by various claimants. These claims are in various stages of processing, and some may ultimately be brought to trial. There are known incidents that have occurred through December 31, 2010 that may result in the assertion of additional claims, and other claims may be asserted arising from services provided to patients in the past. It is the opinion of the System's management that adequate insurance, including self-insurance, and malpractice reserves are being maintained to cover potential malpractice losses.

13. Other Operating Revenue

Other operating revenue consists of the following for the years ended December 31, 2010 and 2009:

	2010	2009
Grants, contracts and other recoveries	$ 117,117	$ 94,950
Laboratory and other ancillary services	66,330	54,823
Capitation income	25,361	6,927
Miscellaneous	41,174	33,026
Cafeteria sales and vending machines	10,626	9,522
Parking garage	6,632	6,707
Telephone and television	1,765	1,897
Resident rotation	2,062	2,050
	$ 271,067	$ 209,902

14. Net Assets

Temporarily restricted net assets at December 31, 2010 and 2009 are available for the following health care services:

	2010	2009
Teaching, research, training and other	$ 149,727	$ 92,708
Major modernization and purchases of equipment	156,326	145,898
	$ 306,053	$ 238,606

(In Thousands)

14. Net Assets (continued)

The System follows the requirements of the New York Prudent Management of Institutional Funds Act ("NYPMIFA") passed into law effective September 2010 as they relate to its permanently restricted endowments. Prior to the enactment of the law, the System followed the requirements of the Uniform Management of Institutional Funds Act ("UMIFA"). The System has interpreted NYPMIFA, which did not have a significant effect on the System's endowment policies that were in effect prior to the enactment, as requiring the preservation of the fair value of the original gift, as of the gift date, of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the System classifies as permanently restricted net assets the original value of gifts donated to the permanent endowment funds.

The System's endowments consist of donor-restricted funds established for a variety of purposes. As required by U.S. generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The System requires the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the System classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment funds that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure. The System considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund, (2) the purpose of the donor-restricted endowment fund, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, and (6) the investment policies of the System.

The System's investment and spending policies for endowment assets seek to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the System must hold in perpetuity or for a donor-specified term. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that expects to generate a return in excess of 5.0% annually. Actual returns in any given year may vary from this amount.

(In Thousands)

14. Net Assets (continued)

To satisfy its long-term rate-of-return objectives, the System relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The System targets a diversified asset allocation that consists of equities, fixed income and alternative investments.

The System has a policy of appropriating for distribution each year, no more than a 5% return on its endowment funds' corpus. In establishing this policy, the System considered the long-term expected return on its endowments.

For the years ended December 31, 2010, the System had the following endowment-related activities:

	2010		
	Temporarily Restricted	Permanently Restricted	Total
Endowment balance, beginning of year	$ 3,736	$ 92,020	$ 95,756
Investment return:			
Investment income	3,419	–	3,419
Net appreciation	5,733	–	5,733
Recovery of fair value of endowment corpus	–	792	792
Total investment return	9,152	792	9,944
Contributions	–	5,445	5,445
Contribution received in the acquisition of Lenox Hill Hospital and Subsidiaries	564	22,959	23,523
Amounts appropriated for expenditure	(3,728)	–	(3,728)
Net change in endowment funds	5,988	29,196	35,184
Endowment balance, end of year	$ 9,724	$ 121,216	$ 130,940

(In Thousands)

14. Net Assets (continued)

For the years ended December 31, 2009, the System had the following endowment-related activities:

	2009		
	Temporarily Restricted	Permanently Restricted	Total
Endowment balance, beginning of year	$ 330	$ 82,660	$ 82,990
Investment return:			
Investment income	518	–	518
Net appreciation	5,719	–	5,719
Recovery of fair value of endowment corpus	–	8,881	8,881
Total investment return	6,237	8,881	15,118
Contributions	–	479	479
Amounts appropriated for expenditure	(2,831)	–	(2,831)
Net change in endowment funds	3,406	9,360	12,766
Endowment balance, end of year	$ 3,736	$ 92,020	$ 95,756

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the System to retain as a fund of perpetual duration. Deficiencies of this nature that are reported in unrestricted net assets are $502 and $1,294 as of December 31, 2010 and 2009, respectively. These deficiencies resulted from unfavorable market fluctuations. The individual donor-restricted endowment funds with deficiencies will retain future income and appreciation to restore the required fair value of the assets.

15. Commitments and Contingencies

Litigation, Claims and Settlements

In 2006, the System was served subpoenas duces tecum issued by the HHS-OIG concerning certain filed cost reports. The investigation was completed in 2010, and the impact on the accompanying consolidated financial statements was not material.

(In Thousands)

15. Commitments and Contingencies (continued)

In 2008, prior to the System's acquisition of Lenox Hill, Lenox Hill was served subpoenas duces tecum issued by the HHS-OIG, working in coordination with the Civil Division of the Office of United States Attorney for the Southern District of New York relating to Medicare outlier payments received by Lenox Hill on Medicare claims submitted for the period from January 1, 1997 to December 31, 2003. The full nature and scope of the investigation is not known by the System and its legal counsel, other than the aforementioned facts. The ultimate effect, if any, on the consolidated financial statements cannot be determined currently.

The System is involved in other litigation and claims which are not considered unusual to the System's business. While the ultimate outcome of these lawsuits cannot be determined at this time, it is the opinion of management that the ultimate resolution of these claims will not have a material adverse effect on the accompanying consolidated financial statements.

Operating Leases

The System leases certain office facility space, patient care facility space and equipment under operating leases that have initial or remaining noncancelable terms in excess of one year. Aggregate minimum operating lease payments are amortized on the straight-line basis over the terms of the respective leases. Rent expense under such leases is $68,476 and $59,378 for 2010 and 2009, respectively.

Future minimum lease payments under noncancelable operating leases with terms of one year or more are as follows:

2011	$ 62,537
2012	52,916
2013	33,919
2014	26,587
2015	22,977
Thereafter	151,718

15. Commitments and Contingencies (continued)

Collective Bargaining Agreements

At December 31, 2010, approximately 41% of the System's employees are union employees who are covered under the terms of various collective bargaining agreements. Certain collective bargaining agreements with NYSNA and Local 1199SEIU United Healthcare Workers East, which represent approximately 23% of union employees (10% of total employees), have expired, or will expire within the next year, and are currently being renegotiated.

Other Commitments

In March 2008, Hofstra University (the "University") and the System entered into a joint academic agreement to work in close collaboration in the development of a medical school at the University (the "Medical School"), while remaining as separate corporations with separate governance. In June 2010, the Medical School, known as the Hofstra North Shore-LIJ School of Medicine, received preliminary accreditation from the Liaison Committee on Medical Education, as well as final approval of its education program from the New York State Education Department Division of Professional Education. The Medical School began accepting applications in 2010 in order to enroll an initial class of 40 students to begin their studies in the summer of 2011. Through June 30, 2017, the System shall provide up to $50,000 to the University, as reimbursement for a portion of the Medical School's annual costs. Reimbursement payments after June 30, 2017 will be a minimum of $5,000 for each academic year, with amounts indexed to the Medical School tuition. Reimbursement payments are contingent upon annual approval by the boards of the System and the University. The System shall not advance funds to the University that have not yet been spent in connection with the Medical School. To date, the System has recorded approximately $13,900 of costs related to the Medical School. The System shall also provide $2,000 annually for funding of Medical School scholarships and $2,000 annually for funding of student loans, with amounts indexed to the Medical School tuition.

In the normal course of business, the System enters into multi-year contracts with vendors, suppliers and service providers for goods or services to be provided to the System. Under the terms of such agreements, the System may be contingently liable for termination or other fees in the event of contract termination or default. The System does not believe that such contingent liabilities, should they become due, would have a material impact on the System's consolidated financial position.

(In Thousands)

16. Subsequent Events

Management has evaluated the impact of subsequent events through April 29, 2011 representing the date at which the consolidated financial statements were issued. No events have occurred that require disclosure in, or adjustment to, the consolidated financial statements.

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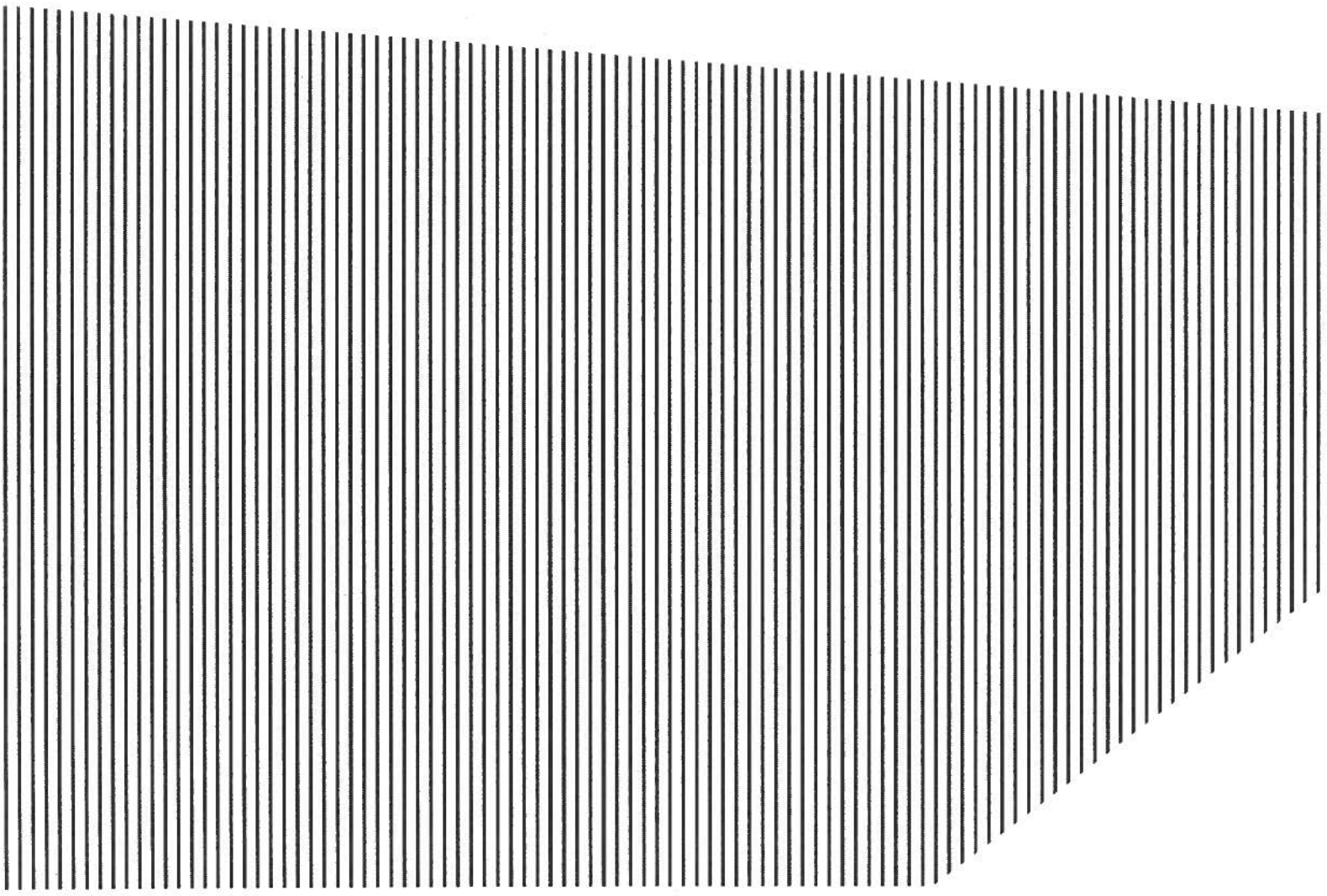


Attachment 9: 3

Lenox Hill Hospital Consolidated Financial Statements May 19, 2010 – December 31, 2010 and January 1, 2010 – May 18, 2010 and Year Ended December 31, 2009

North Shore LIJ

North Shore-Long Island Jewish Health System

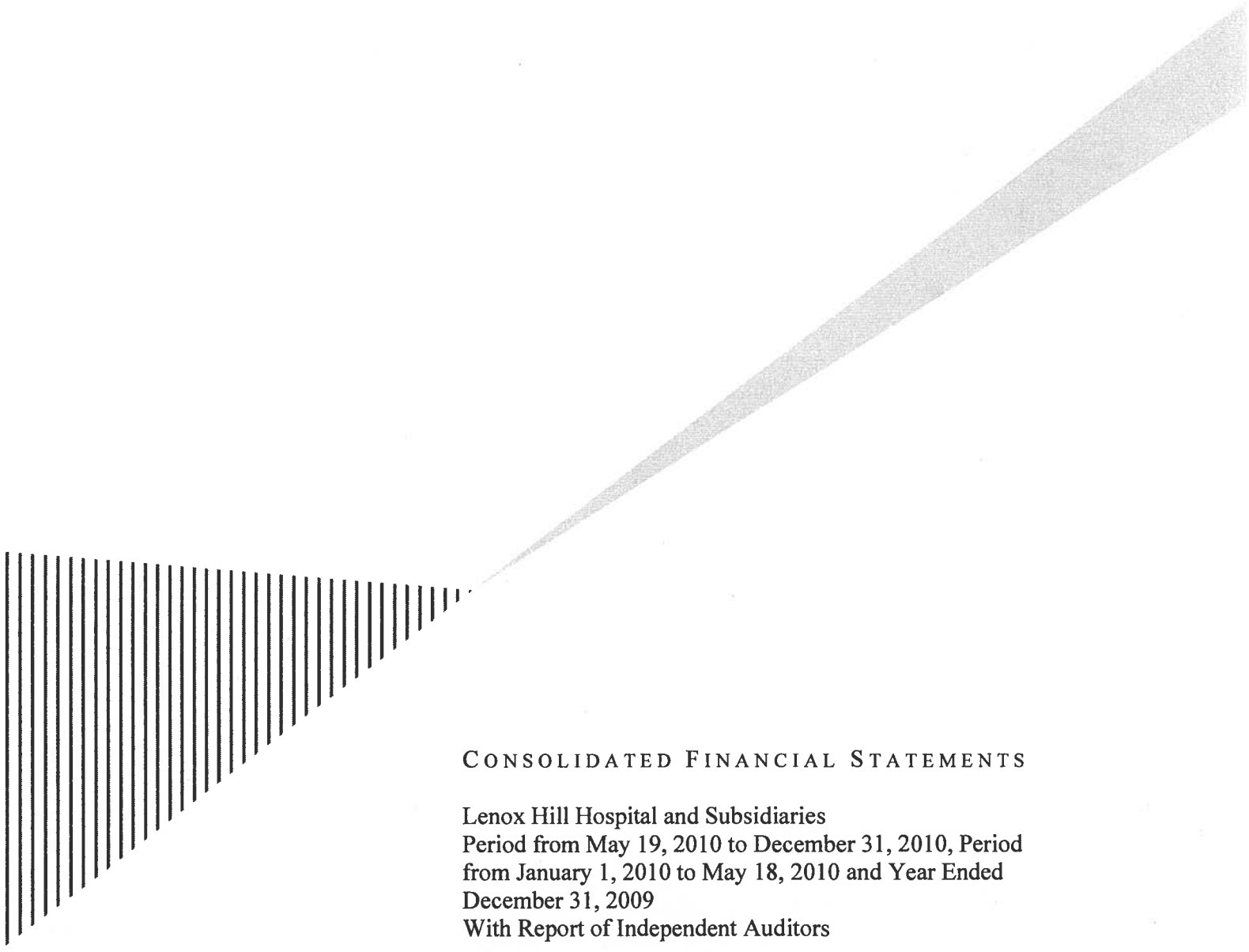
TO: Readers of the Lenox Hill Hospital and Subsidiaries Consolidated Financial Statements, For the Years Ended December 31, 2010 and 2009, with Report of Independent Auditors

To assist in the review of the Consolidated Statements, please note the following activities that occurred during the year:

1) **Acquisition of Lenox Hill Hospital and Subsidiaries by North Shore-Long Island Jewish Health System, Inc** – On May 19, 2010 (the "Acquisition Date"), the North Shore-Long Island Jewish Health System, Inc. (the "System") acquired Lenox Hill Hospital and Subsidiaries ("Lenox Hill") by means of an inherent contribution where no consideration was transferred by the System to Lenox Hill. In following authoritative purchase accounting guidance, all assets and liabilities of Lenox Hill were measured at fair value as of the Acquisition Date. The most significant impact of the fair value measurements to the Consolidated Statement of Financial Position are non-cash increases in Property, Plant and Equipment of $430 million (primarily land), Other Assets of $14 million and Other Long-Term Liabilities of $52 million. The net increase in the fair value adjustments of assets over the increase in fair value of liabilities resulted in an increase in net assets of $390 million from the closing net assets balance at May 18, 2010 to the opening net assets balance on May 19, 2010, as shown in the Consolidated Statement of Changes in Net Assets.

   Lenox Hill's Statement of Operations has also been impacted by the acquisition, in the post acquisition period, referred to as the "Successor" period in the audit. The impacts were non-cash expense reductions related to depreciation and pension expense. The decrease in depreciation expense was a result of a reduction in the carrying value of depreciable assets to the fair market value assessment and updates to their economic lives. Pension expense, associated with the defined benefit plan, was reduced due to the elimination of the amortization of prior service costs and net loss components of the expense. As of the acquisition date, all unrecognized actuarial losses and prior service costs were eliminated as part of the fair market valuation of the defined benefit plan, thereby eliminating the amortization of prior service costs and net loss components of the pension expense.

2) **Medical resident tax recovery** - In March 2010, the Internal Revenue Service ("IRS") announced that, for periods ending before April 1, 2005, medical residents would be eligible for the student exception of Federal Insurance Contributions Act ("FICA") taxes. As a result, the IRS will allow refunds for institutions that file timely FICA refund claims and provide certain information to meet the requirements of perfection, established by the IRS, for their claims applicable to periods prior to April 1, 2005. For the year ended December 31, 2010, Lenox Hill has recorded *non-recurring* non-operating revenue of $2.1 million related to FICA medical resident refund claims that are expected to meet the IRS requirements to be eligible for refunds.



CONSOLIDATED FINANCIAL STATEMENTS

Lenox Hill Hospital and Subsidiaries
Period from May 19, 2010 to December 31, 2010, Period from January 1, 2010 to May 18, 2010 and Year Ended December 31, 2009
With Report of Independent Auditors

Ernst & Young LLP

ERNST & YOUNG

Lenox Hill Hospital and Subsidiaries

Consolidated Financial Statements

Period from May 19, 2010 to December 31, 2010,
Period from January 1, 2010 to May 18, 2010 and Year Ended December 31, 2009

Contents

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Report of Independent Auditors

The Board of Trustees
North Shore-Long Island Jewish Health System, Inc.

We have audited the accompanying consolidated statement of financial position of Lenox Hill Hospital and subsidiaries (the "Hospital") as of December 31, 2010, and the related consolidated statements of operations, changes in net assets and cash flows for the period from January 1, 2010 to May 18, 2010 and the period from May 19, 2010 to December 31, 2010. These financial statements are the responsibility of the Hospital's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of Lenox Hill Hospital and subsidiaries for the year ended December 31, 2009 were audited by other auditors whose report, dated March 8, 2010, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Hospital's internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Hospital's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 2010 financial statements referred to above present fairly, in all material respects, the consolidated financial position of Lenox Hill Hospital and subsidiaries at December 31, 2010, and the consolidated results of their operations, changes in their net assets and their cash flows for the period from January 1, 2010 to May 18, 2010 and the period from May 19, 2010 to December 31, 2010 in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

May 23, 2011

Lenox Hill Hospital and Subsidiaries

Consolidated Statements of Financial Position

(In Thousands)

	December 31, 2010	Predecessor Company – December 31, 2009
Assets		
Current assets:		
Cash and cash equivalents	$ 56,149	$ 98,326
Marketable securities and other investments	145,693	63,311
Accounts receivable for services to patients, net of allowance for doubtful accounts of $7,562 in 2010 and $53,902 in 2009	76,519	66,347
Accounts receivable for physician practice services, net	5,714	6,080
Assets limited as to use, current portion	7,087	6,997
Pledges receivable, current portion	1,614	1,879
Inventories	12,892	15,185
Other current assets	8,499	12,310
Total current assets	314,167	270,435
Assets limited as to use, net of current portion	56,999	70,114
Pledges receivable, net of current portion	1,443	2,617
Property, plant and equipment, net	697,790	282,968
Other assets	25,124	4,680
Total assets	$ 1,095,523	$ 630,814
Liabilities and net assets		
Current liabilities:		
Short-term borrowings	$ –	$ 20,000
Accounts payable and accrued expenses	77,767	76,779
Accrued salaries and related benefits	27,723	22,748
Due to affiliates, net	545	–
Current portion of capital lease obligations	692	844
Current portion of long-term debt	3,590	3,410
Current portion of malpractice and other insurance liabilities	4,459	4,756
Current portion of estimated payable to third-party payers	1,248	4,055
Total current liabilities	116,024	132,592
Accrued retirement benefits	140,476	131,269
Capital lease obligations, net of current portion	4,546	4,308
Long-term debt, net of current portion	152,504	158,098
Malpractice and other insurance liabilities, net of current portion	79,760	67,783
Other long-term liabilities	88,609	20,815
Total liabilities	581,919	514,865
Commitments and contingencies		
Net assets:		
Unrestricted	446,151	49,607
Temporarily restricted	44,453	45,419
Permanently restricted	23,000	20,923
Total net assets	513,604	115,949
Total liabilities and net assets	$ 1,095,523	$ 630,814

See accompanying notes.

Lenox Hill Hospital and Subsidiaries

Consolidated Statements of Operations
(In Thousands)

		Predecessor Company	
	Period from May 19, 2010 to December 31, 2010	Period from January 1, 2010 to May 18, 2010	Year Ended December 31, 2009
Operating revenue:			
Net patient service revenue	$ 380,854	$ 219,761	$ 548,882
Physician practice revenue	30,976	19,044	49,810
Capitation revenue	22,483	16,504	43,743
Other operating revenue	6,367	4,107	11,146
Net assets released from restrictions used for operations	4,524	2,428	8,587
Total operating revenue	445,204	261,844	662,168
Operating expenses:			
Salaries	181,500	100,830	266,336
Employee benefits	46,413	31,439	77,630
Supplies and expenses	161,931	96,491	235,392
Cost related to capitation revenue	21,499	16,335	41,946
Bad debt expense	9,521	5,864	16,196
Depreciation and amortization	15,984	13,301	35,577
Interest	6,048	3,591	8,922
Total operating expenses	442,896	267,851	681,999
Excess (deficiency) of operating revenue over operating expenses	2,308	(6,007)	(19,831)
Non-operating gains and losses:			
Investment income (loss)	4,485	1,106	(366)
Change in net unrealized gains and losses and change in value of equity method investments	(1,058)	2,037	8,136
Medical resident tax recovery	2,146	–	–
Gain on refinancing and refunding of long-term debt	–	–	1,180
Other non-operating gains and losses	2,973	86	2,817
Total non-operating gains and losses	8,546	3,229	11,767
Excess (deficiency) of revenue and gains and losses over expenses	10,854	(2,778)	(8,064)
Net assets released from restrictions for capital asset acquisitions	3,128	1,333	1,521
Pension liability adjustments	(16,520)	6,460	4,768
(Decrease) increase in unrestricted net assets	$ (2,538)	$ 5,015	$ (1,775)

See accompanying notes.

Lenox Hill Hospital and Subsidiaries

Consolidated Statements of Changes in Net Assets
(In Thousands)

	Total	Unrestricted	Temporarily Restricted	Permanently Restricted
Net assets, January 1, 2009 (predecessor company)	$ 120,900	$ 51,382	$ 49,260	$ 20,258
Contributions and grants	5,113	–	4,448	665
Investment loss	(412)	–	(412)	–
Change in net unrealized gains and losses and change in value of equity method investments	2,231	–	2,231	–
Deficiency of revenue and gains and losses over expenses	(8,064)	(8,064)	–	–
Net assets released from restrictions for:				
Capital asset acquisitions	–	1,521	(1,521)	–
Operations	(8,587)	–	(8,587)	–
Pension liability adjustments	4,768	4,768	–	–
(Decrease) increase in net assets	(4,951)	(1,775)	(3,841)	665
Net assets, December 31, 2009 (predecessor company)	115,949	49,607	45,419	20,923
Contributions and grants	**2,971**	**–**	**935**	**2,036**
Investment income	**415**	**–**	**415**	**–**
Change in net unrealized gains and losses and change in value of equity method investments	**478**	**–**	**478**	**–**
Deficiency of revenue and gains and losses over expenses	**(2,778)**	**(2,778)**	**–**	**–**
Net assets released from restrictions for:				
Capital asset acquisitions	**–**	**1,333**	**(1,333)**	**–**
Operations	**(2,428)**	**–**	**(2,428)**	**–**
Pension liability adjustments	**6,460**	**6,460**	**–**	**–**
Increase (decrease) in net assets	**5,118**	**5,015**	**(1,933)**	**2,036**
Net assets, May 18, 2010 (predecessor company)	**$ 121,067**	**$ 54,622**	**$ 43,486**	**$ 22,959**
Net assets, May 19, 2010	**$ 517,253**	**$ 448,689**	**$ 45,605**	**$ 22,959**
Contributions and grants	**4,842**	**–**	**4,801**	**41**
Investment income	**1,503**	**–**	**1,503**	**–**
Change in net unrealized gains and losses and change in value of equity method investments	**196**	**–**	**196**	**–**
Excess of revenue and gains and losses over expenses	**10,854**	**10,854**	**–**	**–**
Net assets released from restrictions for:				
Capital asset acquisitions	**–**	**3,128**	**(3,128)**	**–**
Operations	**(4,524)**	**–**	**(4,524)**	**–**
Pension liability adjustments	**(16,520)**	**(16,520)**	**–**	**–**
(Decrease) increase in net assets	**(3,649)**	**(2,538)**	**(1,152)**	**41**
Net assets, December 31, 2010	**$ 513,604**	**$ 446,151**	**$ 44,453**	**$ 23,000**

See accompanying notes.

Lenox Hill Hospital and Subsidiaries

Consolidated Statements of Cash Flows

(In Thousands)

		Predecessor Company	
	Period from May 19, 2010 to December 31, 2010	Period from January 1, 2010 to May 18, 2010	Year Ended December 31, 2009
Cash flows from operating activities			
(Decrease) increase in net assets	$ (3,649)	$ 5,118	$ (4,951)
Adjustments to reconcile (decrease) increase in net assets to net cash provided by operating activities:			
Amortization of deferred financing costs	–	41	122
Depreciation and amortization	15,984	13,301	35,577
Net realized and change in net unrealized gains and losses and change in value of equity method investments	(4,336)	(3,489)	(8,117)
Changes in operating assets and liabilities:			
Accounts receivable for services to patients, net	(7,992)	(2,180)	5,895
Accounts receivable for physician practice services, net	366	–	92
Pledges receivable	1,296	143	3,171
Current portion of estimated payable to third-party payers	(6,883)	4,345	99
Accrued retirement benefits	13,233	(4,026)	1,569
Malpractice and other insurance liabilities	3,830	5,779	3,378
Net change in all other operating assets and liabilities	33,673	(9,296)	(243)
Net cash provided by operating activities	45,522	9,736	36,592
Cash flows from investing activities			
Capital expenditures	(14,543)	(2,857)	(26,380)
Proceeds from sale of fixed assets	2,509	–	–
Net cash (invested in) proceeds from sales of marketable securities and other investments and assets limited as to use	(68,702)	9,289	(10,917)
Net cash (used in) provided by investing activities	(80,736)	6,432	(37,297)
Cash flows from financing activities			
Principal payments on long-term debt and capital lease obligations	(2,806)	(325)	(16,440)
Payments on short-term borrowings	(20,000)	–	(574)
Proceeds from long-term borrowings	–	–	32,600
Net cash (used in) provided by financing activities	(22,806)	(325)	15,586
Net (decrease) increase in cash and cash equivalents	(58,020)	15,843	14,881
Cash and cash equivalents, beginning of period	114,169	98,326	83,445
Cash and cash equivalents, end of period	$ 56,149	$ 114,169	$ 98,326
Supplemental disclosure of cash flow information			
Cash paid during the period for interest	$ 5,798	$ 3,305	$ 8,982
Supplemental disclosure of noncash investing and financing activities			
Capital leases incurred	$ 707	$ –	$ –

See accompanying notes.

Lenox Hill Hospital and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2010
(In Thousands)

1. Organization and Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Lenox Hill Hospital, the Lenox Hill Physician Hospital Organization, Inc. ("PHO") and various professional corporations ("P.C.s"). These entities are collectively referred to as the "Hospital."

Lenox Hill Hospital is a not-for-profit acute care hospital that is exempt from Federal income taxes under the provisions of Section 501(a) of the Internal Revenue Code (the "Code") as an organization described in Section 501(c)(3) of the Code. It is also exempt from New York State income taxes.

PHO is an organization that contracts with managed care companies under both full and partial risk contracts. It is a taxable, not-for-profit corporation.

The following P.C.s are controlled by Lenox Hill Hospital:

- Advanced Heart Physicians and Surgeons Network, P.C. ("Advanced Heart")
- Advanced Imaging & Radiology at Lenox Hill Hospital, P.C.
- Park Lenox Surgical, P.C.
- Manhattan Minimally Invasive and Bariatric Surgery, P.C.
- Lenox Otolaryngology, Head & Neck Surgery, P.C.
- Park Lenox OBGYN, P.C.
- Park Lenox Medical, P.C.
- Park Lenox Pediatric, P.C.
- Lenox Hill Cardiology Associates, P.C.
- Park Lenox Emergency Medicine, P.C.
- Lenox Hill Emergency Medical Services, P.C.
- Lenox Hill Pathology, P.C.
- Lenox Hill Interventional Cardiac and Vascular Services, P.C.
- Park Lenox Orthopedics, P.C.
- Park Lenox Emergency Medicine, P.C.

With the exception of Advanced Heart, a Sub-Chapter S Corporation, all consolidated P.C.s are taxable C-corporations. The income taxes related to these entities are not considered material to the consolidated financial statements.

(In Thousands)

1. Organization and Principles of Consolidation (continued)

The accompanying consolidated financial statements include only the accounts and activities of the entities identified above. All accounts and activities among these entities have been eliminated in consolidation.

The Hospital maintains additional contractual arrangements with independent unconsolidated physician professional corporations for the provision of various clinical, administrative and teaching services. The terms and conditions of the additional arrangements do not provide the Hospital with any controlling financial interest, and accordingly, the accounts and activity of these organizations are excluded from consolidation.

On May 19, 2010 (the "Acquisition Date"), the Hospital was acquired by North Shore-Long Island Jewish Health System, Inc. (the "System") and its member corporations and other affiliated entities (collectively also referred to as the "System"). The System is an integrated delivery health system in the New York metropolitan area. The System is the sole member of North Shore-Long Island Jewish Health Care, Inc. ("Health Care, Inc.").

Health Care, Inc., a not-for-profit corporation organized under the laws of the State of New York, is the sole member of the Hospital. Health Care, Inc. is also the sole member of other health care entities that are not part of the Hospital. Health Care, Inc. is exempt from Federal income taxes under the provisions of Section 501(a) of the Code as an organization described in Section 501(c)(3); Health Care, Inc. is also exempt from New York State income taxes.

In connection with the acquisition, the assets acquired and liabilities assumed were marked to fair value at the Acquisition Date. The increase to the Hospital's net assets at the Acquisition Date was $396,186, when reported at fair value, as compared to the historical value of the net assets as reported by the predecessor company. The $396,186 increase in the Hospital's net assets comprised the following increases (decreases):

Property, plant and equipment	$ 429,216
Intangible assets	11,800
Other assets	6,376
Deferred financing costs	(1,661)
Long-term debt	2,197
Insurance liabilities	(2,071)
Other long-term liabilities	(51,000)
Miscellaneous	1,329
	$ 396,186

(In Thousands)

1. Organization and Principles of Consolidation (continued)

The accompanying consolidated financial statements present the financial position and results of operations for the periods prior to the Acquisition Date, which are reported as the predecessor company at historical value, and subsequent to the acquisition, which are reported using fair value as the cost basis established on the Acquisition Date.

The consolidated statements of operations, changes in net assets and cash flows disclose activity related to the periods from May 19, 2010 to December 31, 2010, January 1, 2010 to May 18, 2010 and the year ended December 31, 2009 and are hereafter referred to collectively as the "Periods under Audit."

2. Summary of Significant Accounting Policies

Consolidated Statements of Operations

The accompanying consolidated statements of operations include the excess (deficiency) of revenue and gains and losses over expenses as the performance indicator. For purposes of display, transactions deemed by management to be ongoing, major or central to the provisions of health care services are reported as operating revenue and operating expenses; peripheral or incidental transactions and unusual, nonrecurring items are reported as non-operating gains and losses.

Consistent with industry practice, contributions of long-lived assets (including assets acquired using contributions which by donor restrictions were to be used for the purpose of acquiring such assets) and pension liability adjustments are excluded from the Hospital's performance indicator.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, including accounts receivable for services to patients, and liabilities, including estimated payables to third-party payers, accrued retirement benefits and malpractice and other insurance liabilities, fair value determinations as of the Acquisition Date and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

2. Summary of Significant Accounting Policies (continued)

During 2010 and 2009, the Hospital revised estimates made in prior years to reflect the passage of time and the availability of more recent information. The change in estimates primarily relates to estimates made by management for third-party payer settlements and malpractice and other insurance liabilities. These estimates (decreased) increased the performance indicator by approximately $(3,100), $50 and $2,700, respectively, for the Periods under Audit.

Cash and Cash Equivalents

The Hospital considers all highly liquid financial instruments purchased with a maturity of three months or less, other than those held in the investment portfolio and assets limited as to use, to be cash equivalents. The Hospital maintains cash on deposit with major banks and invests in money market securities with financial institutions which exceed federally-insured limits. Management believes the credit risk related to these deposits is minimal.

Accounts Receivable and Net Patient Service Revenue

Accounts receivable result from the health care services provided by the Hospital. Additions to the allowance for doubtful accounts result from the provision for uncompensated care. Accounts written off as uncollectible are deducted from the allowance for doubtful accounts. The amount of the allowance for doubtful accounts is based upon management's assessment of historical and expected net collections, business and economic conditions, trends in Medicare and Medicaid health care coverage and other collection indicators. As a result of the acquisition described in Note 1, the Hospital's allowance for doubtful accounts was eliminated, upon the valuation of accounts receivable at fair value. The allowance for doubtful accounts reported as of December 31, 2010 results exclusively from activity subsequent to the Acquisition Date.

Net patient service revenue is reported at estimated net realizable amounts due from patients, third-party payers and others for services rendered and includes estimated retroactive revenue adjustments due to future audits, reviews and investigations. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are provided and adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews and investigations.

2. Summary of Significant Accounting Policies (continued)

Non-Medicare Reimbursement

In New York State, hospitals and all non-Medicare payers, except Medicaid, workers' compensation and no-fault insurance programs, negotiate hospitals' payment rates. If negotiated rates are not established, payers are billed at hospitals' established charges. Medicaid, workers' compensation and no-fault payers pay hospital rates promulgated by the New York State Department of Health. Effective December 1, 2009, the New York State prospective payment methodology was updated such that payments to hospitals for Medicaid, workers' compensation and no-fault inpatient services are based on a statewide rate, with retroactive adjustments for certain rate components paid concurrently with the settlement of the final rate. Prior to December 1, 2009, the retroactive adjustments were paid in future years as a component of the hospital-specific rate. Outpatient services also are paid based on a statewide prospective system that was effective December 1, 2008. Medicaid rate methodologies are subject to approval at the Federal level by the Centers for Medicare and Medicaid Services ("CMS"), which may routinely request information about such methodologies prior to approval. Revenue related to specific rate components that have not been approved by CMS is not recognized until the Hospital is reasonably assured that such amounts are realizable. Adjustments to the current and prior years' payment rates for those payers will continue to be made in future years.

Medicare Reimbursement

Hospitals are paid for most Medicare inpatient and outpatient services under the national prospective payment system and other methodologies of the Medicare program for certain other services. Federal regulations provide for certain adjustments to current and prior years' payment rates, based on industry-wide and Hospital-specific data.

The Hospital has established estimates, based on information presently available, of amounts due to or from Medicare and non-Medicare payers for adjustments to current and prior years' payment rates, based on industry-wide and Hospital-specific data. The current Medicaid, Medicare and other third-party payer programs are based upon extremely complex laws and regulations that are subject to interpretation. Noncompliance with such laws and regulations could result in fines, penalties and exclusion from such programs. The Hospital is not aware of any allegations of noncompliance that could have a material adverse effect on the consolidated financial statements and believes that it is in compliance with all applicable laws and regulations.

(In Thousands)

2. Summary of Significant Accounting Policies (continued)

Medicare cost reports, which serve as the basis for final settlement with the Medicare program, have been audited by the Medicare fiscal intermediary and settled through 2005, with the exception of the 2003 cost report, which has been audited with no final settlement yet issued. Other years remain open for audit and settlement, as do numerous issues related to the New York State Medicaid program for prior years. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount when open years are settled and additional information is obtained.

There are various proposals at the Federal and State levels that could, among other things, significantly reduce payment rates or modify payment methods. The ultimate outcome of these proposals and other market changes, including the potential effects of health care reform that has been enacted by the Federal government, cannot presently be determined. Future changes in the Medicare and Medicaid programs and any reduction of funding could have an adverse impact on the Hospital. Additionally, certain payers' payment rates for various years have been appealed by the Hospital. If the appeals are successful, additional income applicable to those years might be realized.

The Hospital grants credit without collateral to its patients, most of whom are insured under various third-party agreements. Government payer programs account for a significant portion of net patient service revenue. For the Periods under Audit, revenue from the Medicare and Medicaid programs accounted for approximately 47%, 51% and 50%, respectively, of the Hospital's net patient service revenue.

The significant concentrations of accounts receivable for services to patients from third-party payers and patients at December 31, 2010 and 2009 are comprised as follows:

	2010	2009
Medicare	**23%**	27%
Medicaid	**10**	10
Self-pay	**8**	9
Other third-party payers	**59**	54
	100%	100%

2. Summary of Significant Accounting Policies (continued)

Capitation Revenue and Related Costs

PHO has a risk contract with a health maintenance organization ("HMO") to provide health care services to subscribing participants on a capitated basis. Under this agreement, PHO records monthly capitation revenue based on the number of HMO participants. Capitation revenue is recognized during the period in which the network physicians are obligated to provide services to participants.

Network primary care physicians choose to receive either capitated or fee-for-service payments. For network primary care physicians choosing capitated payments, PHO pays the capitated network primary care physicians the monthly capitation received from the HMO. All network physicians choosing fee-for-service are paid directly by the HMO for services provided. The cost of physician services provided or contracted under the risk contract is accrued in the period in which it is provided to participants, based on projections of interim expenses, including an accrual for medical services provided but not reported. Costs related to capitation revenue include all amounts incurred under the aforementioned risk contract for services rendered, including payments by PHO to capitated network primary care physicians and HMO payments to network and out-of-network physician providers. Estimates are continually monitored and reviewed and, as settlements are made or estimates adjusted, the resulting differences are reflected in current operations. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount when claims are settled and additional information is obtained.

Charity Care

The Hospital provides services without charge, or at amounts less than its established rates, to patients who meet the criteria of its charity care policy. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, such services are not reported as revenue. For patients who were determined by the Hospital to have the ability to pay but did not, the uncollected amounts are recorded as bad debt expense. In distinguishing charity care from bad debt expense, a number of factors are considered, certain of which require a high degree of judgment.

Together, charity care and bad debt expense represent uncompensated care. The estimated cost of total uncompensated care is approximately $10,608, $6,449 and $14,952, respectively, for the Periods under Audit. The estimated cost of uncompensated care is based on the ratio of cost to charges, as determined by Hospital-specific data.

2. Summary of Significant Accounting Policies (continued)

The estimated cost of charity care provided is $7,845, $4,769 and $10,275, respectively, for the Periods under Audit. The estimated cost of charity care is based on the ratio of cost to charges, as determined by Hospital-specific data.

For the Periods under Audit, bad debt expense, at charges, is $9,521, $5,864 and $16,196, respectively. The bad debt expense is multiplied by the ratio of cost to charges for purposes of inclusion in the total uncompensated care amount identified above.

Marketable Securities and Other Investments

Marketable securities are classified as trading securities. Investments in debt securities and equity securities with readily determinable fair values are reported at fair value, based on quoted market prices. Investment income or loss (including realized gains and losses on investments, interest and dividends) and the change in net unrealized gains and losses and change in value of equity method investments are included in the performance indicator, unless the income or loss is restricted by donor or law.

The Hospital has invested in investment funds of hedge funds ("funds of hedge funds") and hedge funds, which are included in marketable securities and other investments and assets limited as to use in the accompanying consolidated statements of financial position. These Hospital investments are not readily marketable; they are reported using the equity method of accounting, which approximates fair value. The equity method reflects the Hospital's share of the net asset value of the respective funds.

Individual investment holdings of the funds of hedge funds and hedge funds may include investments in nonmarketable and market-traded securities. Valuations of these investments and, therefore, the Hospital's holdings, may be determined by the investment managers or general partners. Values may be based on estimates that require varying degrees of judgment. Recorded estimates may change by a material amount in the near term. The investments may indirectly expose the Hospital to securities lending, short sales of securities, and trading in futures and forwards contracts, options and other derivative products. However, the Hospital's risk is limited to its amounts invested. The financial statements of the funds of hedge funds and hedge funds are audited annually by independent auditors.

2. Summary of Significant Accounting Policies (continued)

Assets Limited as to Use

Assets limited as to use include funds held pursuant to debt financing arrangements, self-insurance trust agreements, internally designated funds, including internally designated malpractice self-insurance assets and other temporarily and permanently restricted assets. Amounts required to meet current liabilities are reported as current assets.

Inventory of Supplies

Inventory is stated at the lower of cost (first-in, first-out method) or market.

Pledges Receivable

Pledges (promises to give), less an allowance for uncollectible amounts, are recorded as receivables in the year made, at fair value (net present value). Pledges are recorded as temporarily restricted to reflect either time or purpose restrictions and are released from restrictions either through the passage of time or satisfaction of purpose restrictions. Pledges receivable that are due more than one year from the consolidated statements of financial position date are discounted to reflect the present value of future cash flows.

Property, Plant and Equipment

Property, plant and equipment purchased subsequent to the Acquisition Date is stated at cost, or, in the case of gifts, at fair value at the date of the gift, less accumulated depreciation and amortization. Property, plant and equipment existing at the Acquisition Date was recorded at fair value based upon an independent valuation (see Note 6). Depreciation and amortization of land improvements, buildings, and equipment is computed by the straight-line method based upon the estimated useful lives of the assets ranging from two to twenty years.

Equipment under capital lease obligations is amortized using the straight-line method over the lesser of the estimated useful life of the asset or the lease term. Such amortization is included in depreciation and amortization in the accompanying consolidated financial statements. During the period of construction of capital assets, interest costs are capitalized as a component of the cost of assets. When assets are disposed of, the carrying amounts of the assets and the related accumulated depreciation are removed from the accounts, and any resulting gain or loss on disposal is included in the performance indicator.

2. Summary of Significant Accounting Policies (continued)

Long-Lived Assets

Gifts of long-lived assets are reported at fair value at the date of contribution as unrestricted revenue, unless explicit donor stipulations specify how the donated asset must be used. Gifts of long-lived assets with explicit restrictions are reported as temporarily or permanently restricted support, as appropriate.

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If long-lived assets are deemed to be impaired, the impairment to be recognized is measured as the amount by which the carrying amount of the assets exceeds the fair value. Assets to be disposed of are reported at the lower of the carrying amount or the fair value, less costs to sell.

Deferred Financing Costs

Deferred financing costs represented costs incurred to obtain financing for various Hospital projects. Amortization of these costs was provided over the term of the applicable indebtedness. Deferred financing costs, net of accumulated amortization, were $1,495 at December 31, 2009. Unamortized deferred financing costs were written off at the Acquisition Date, in accordance with acquisition accounting requirements.

Medical Resident Tax Recovery

In March 2010, the Internal Revenue Service ("IRS") announced that, for periods ending before April 1, 2005, medical residents would be eligible for the student exception of Federal Insurance Contributions Act ("FICA") taxes. Under the student exception, FICA taxes do not apply to wages for services performed by students employed by a school, college, or university where the student is pursuing a course of study. As a result, the IRS will allow refunds for institutions that file timely FICA refund claims and provide certain information to meet the requirements of perfection, established by the IRS, for their claims applicable to periods prior to April 1, 2005. Institutions are potentially eligible for medical resident FICA refunds for both the employer and employee portions of FICA taxes paid, plus statutory interest.

2. Summary of Significant Accounting Policies (continued)

The Hospital has recorded revenue of $2,146 related to FICA medical resident refund claims that are expected to meet the IRS requirements to be eligible for refunds. At December 31, 2010, the Hospital has recorded in the accompanying consolidated statement of financial position a receivable of $3,371, included in other assets, and a liability of $1,225, included in other long-term liabilities, related to the portion of the refunds to be collected on behalf of and, therefore, to be remitted to, the medical residents. The Hospital has established these estimates based on information presently available; these estimates are subject to change as the IRS adjudicates the claims.

Intangible Assets

As a result of the acquisition described in Note 1, the Hospital recorded an intangible asset for the Lenox Hill trade name. The trade name represents an indefinite-lived intangible asset of $11,000 and is subject to impairment testing on an annual basis.

Intangible assets are included within other assets in the accompanying consolidated statements of financial position.

Other Long-Term Liabilities

Other long-term liabilities in the accompanying consolidated statements of financial position consist primarily of the long-term portion of estimated payable to third-party payers. In connection with the acquisition described in Note 1, other long-term liabilities were re-evaluated and adjusted to fair value.

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are restricted by donors or other external parties to be used for designated purposes or over specified time periods. When donor restrictions expire, that is, when a time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported as net assets released from restrictions.

Permanently restricted net assets have been restricted by donors to be maintained by the Hospital in perpetuity. Income from these net assets is available to support health, educational and other programs.

(In Thousands)

2. Summary of Significant Accounting Policies (continued)

Donor Gifts

Gifts of cash and other assets are reported at fair value when the gift is received. Donor-restricted contributions whose restrictions are met within the same year as received are classified as unrestricted contributions in the accompanying consolidated financial statements.

Functional Expenses

The Hospital provides health care services to residents primarily within its geographic areas. Expenses related to providing these services pertain to the following functional categories:

	Period from May 19, 2010 to December 31, 2010	Period from January 1, 2010 to May 18, 2010	Year Ended December 31, 2009
Health care services	**$ 403,126**	**$ 243,802**	$ 622,592
General and administrative	**39,770**	**24,049**	59,407
Total operating expenses	**$ 442,896**	**$ 267,851**	$ 681,999

Recent Accounting Standards

In January 2010, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2010-07, *Not-for-Profit Entities: Mergers and Acquisitions* ("ASU 2010-07"), which provides guidance on accounting for combinations of not-for-profit entities. The guidance is effective for acquisitions for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2009. The Hospital has adopted ASU 2010-07 effective January 1, 2010, and has applied its provisions to the Hospital's acquisition by the System.

(In Thousands)

2. Summary of Significant Accounting Policies (continued)

In August 2010, the FASB issued ASU 2010-24, *Presentation of Insurance Claims and Related Insurance Recoveries* ("ASU 2010-24"). Under ASU 2010-24, anticipated insurance recoveries and estimated liabilities for medical malpractice claims or similar contingent liabilities will be presented separately on the balance sheet. The guidance is effective for fiscal years, and interim periods within those years, beginning after December 15, 2010. The Hospital has determined that the effect of ASU 2010-24 on its consolidated financial statements will not be significant.

Reclassifications

Certain 2009 amounts in the accompanying consolidated financial statements have been reclassified from amounts previously reported to conform to the 2010 presentation. These reclassifications have no effect on the amount of net assets previously reported.

3. Marketable Securities and Other Investments

Marketable securities and other investments, stated at fair value and using the equity method of accounting, consist of the following at December 31, 2010 and 2009:

	2010	2009
Cash and short-term investments	**$ 37,850**	$ 3,612
U.S. Government obligations	**58,672**	17,708
Corporate and other bonds	**33,122**	–
Equity securities	**3,004**	256
Commodities	–	3,165
Funds of hedge funds	–	31,349
Hedge funds	–	5,978
Interest and other receivables	**13,045**	1,243
	$ 145,693	$ 63,311

In December 2010, the Hospital initiated redemptions of several of its funds of hedge funds and hedge funds. The aggregate amount of approximately $25,400 was held by the respective fund managers at December 31, 2010 and is included in interest and other receivables. The redemptions were settled in 2011.

(In Thousands)

3. Marketable Securities and Other Investments (continued)

Investment income and the change in net unrealized gains and losses and change in value of equity method investments are comprised of the following for the period from May 19, 2010 to December 31, 2010:

	Unrestricted	Temporarily Restricted	Total
Investment income:			
Interest and dividend income	$ 672	$ 118	$ 790
Net realized gains and losses	3,813	1,385	5,198
	$ 4,485	$ 1,503	$ 5,988
Change in net unrealized gains and losses and change in value of equity method investments:			
Change in net unrealized gains and losses	$ (2,034)	$ 629	$ (1,405)
Equity method investment gains and losses	(395)	(433)	(828)
Equity method investment gains and losses – other assets	1,371	–	1,371
	$ (1,058)	$ 196	$ (862)

Investment income and the change in net unrealized gains and losses and change in value of equity method investments are comprised of the following for the period from January 1, 2010 to May 18, 2010:

	Unrestricted	Temporarily Restricted	Total
Investment income:			
Interest and dividend income	$ 333	$ 214	$ 547
Net realized gains and losses	773	201	974
	$ 1,106	$ 415	$ 1,521
Change in net unrealized gains and losses and change in value of equity method investments:			
Change in net unrealized gains and losses	$ (83)	$ –	$ (83)
Equity method investment gains and losses	2,120	478	2,598
	$ 2,037	$ 478	$ 2,515

(In Thousands)

3. Marketable Securities and Other Investments (continued)

Investment income (loss) and the change in net unrealized gains and losses and change in value of equity method investments are comprised of the following for the year ended December 31, 2009:

	Unrestricted	Temporarily Restricted	Total
Investment income (loss):			
Interest and dividend income	$ 1,305	$ 167	$ 1,472
Net realized gains and losses	(1,671)	(579)	(2,250)
	$ (366)	$ (412)	$ (778)
Change in net unrealized gains and losses and change in value of equity method investments:			
Change in net unrealized gains and losses	$ (121)	$ –	$ (121)
Equity method investment gains and losses	7,192	2,231	9,423
Equity method investment gains and losses – other assets	1,065	–	1,065
	$ 8,136	$ 2,231	$ 10,367

(In Thousands)

4. Assets Limited as to Use

Assets limited as to use, including marketable securities and other investments stated at fair value and using the equity method of accounting, consist of the following at December 31, 2010 and 2009:

	2010			
	Bond Indenture, Third-Party Agreements and Other	Self-Insurance Assets	Temporarily and Permanently Restricted Assets (Including Investment Return)	Total
Cash and short-term investments	$ 10,564	$ 2,839	$ –	$ 13,403
U.S. Government obligations	22,404	3,905	–	26,309
Commodities	–	–	4,092	4,092
Hedge funds	–	–	7,659	7,659
Interest and other receivables	–	–	12,623	12,623
	$ 32,968	$ 6,744	$ 24,374	64,086
Less current portion				7,087
				$ 56,999

	2009			
	Bond Indenture, Third-Party Agreements and Other	Self-Insurance Assets	Temporarily and Permanently Restricted Assets (Including Investment Return)	Total
Cash and short-term investments	$ 10,673	$ 5,861	$ –	$ 16,534
U.S. Government obligations	30,738	7,361	–	38,099
Corporate and other bonds	–	1,555	–	1,555
Funds of hedge funds	–	–	1,964	1,964
Hedge funds	–	–	18,959	18,959
	$ 41,411	$ 14,777	$ 20,923	77,111
Less current portion				6,997
				$ 70,114

(In Thousands)

5. Pledges Receivable

Pledges receivable at December 31, 2010 and 2009 consist of the following:

	2010	2009
Amounts expected to be collected in:		
Less than one year	$ 1,690	$ 1,980
One to five years	2,779	3,917
	4,469	5,897
Less:		
Discount to present value of future cash flows (discount rates ranging from 1.5% to 4.68%)	67	195
Allowance for uncollectible amounts	1,345	1,206
Current portion of pledges receivable	1,614	1,879
Pledges receivable, net of current portion	$ 1,443	$ 2,617

6. Property, Plant and Equipment

Property, plant and equipment and accumulated depreciation and amortization at December 31, 2010 and 2009 are summarized as follows:

	2010	2009
Land	$ 479,800	$ 5,152
Land improvements	–	322
Buildings and fixed equipment	148,791	390,618
Movable equipment	82,388	361,771
	710,979	757,863
Less accumulated depreciation and amortization	15,984	503,738
	694,995	254,125
Construction-in-progress	2,795	28,843
	$ 697,790	$ 282,968

As a result of the acquisition described in Note 1, property, plant and equipment was adjusted to fair value on the Acquisition Date. The fair value adjustment increased the net property, plant and equipment balance by $429,216. At the Acquisition Date, the cost basis for property, plant and equipment was reset at fair value and accumulated depreciation was eliminated.

(In Thousands)

6. Property, Plant and Equipment (continued)

Certain leases are considered to be the equivalent of installment purchases (capital leases) for purposes of accounting presentation. The liabilities relating to these assets are included in capital lease obligations. The cost, less accumulated amortization, of these assets is included in property, plant and equipment and aggregated $8,821 and $7,046 at December 31, 2010 and 2009, respectively.

7. Long-Term Debt and Capital Lease Obligations

Long-term debt at December 31, 2010 and 2009 consists of the following:

	2010	2009
Bonds payable at varying dates through July 2030 at fixed interest rates ranging from 4.50% to 5.75%, issued through the Dormitory Authority of the State of New York	**$ 126,360**	$ 129,770
Bank loan	**32,600**	32,600
	158,960	162,370
Less current portion of bonds payable	**3,590**	3,410
Less unamortized bond discount	**–**	862
Less unamortized fair value adjustment	**2,866**	–
	$ 152,504	$ 158,098

Annual aggregate principal payments applicable to long-term debt for years subsequent to December 31, 2010 are as follows:

	Bonds Payable	Bank Loan	Total
Year ending December 31:			
2011	$ 3,590	$ –	$ 3,590
2012	3,785	1,516	5,301
2013	4,005	1,820	5,825
2014	4,235	1,820	6,055
2015	4,480	1,820	6,300
Thereafter	106,265	25,624	131,889
	$ 126,360	$ 32,600	$ 158,960

7. Long-Term Debt and Capital Lease Obligations (continued)

In July 2001, the Hospital issued $150,505 of tax-exempt revenue bonds through the Dormitory Authority of the State of New York ("DASNY") Series 2001 Bonds ("Series 2001 Bonds"). The issuance included $53,980 of serial bonds with a final maturity date of July 1, 2017, a term bond of $16,755 with a final maturity date of July 1, 2020 and a term bond of $79,770 with a final maturity date of July 1, 2030. The bonds bear interest at varying fixed interest rates and are payable semi-annually.

The Series 2001 Bonds require that the Hospital maintain insurance from insurers rated at least A minus by A.M. Best and Company. Currently, the Hospital's malpractice insurance carrier has elected not to be rated by A.M. Best and Company. The Hospital obtained a waiver from DASNY with respect to this requirement through January 1, 2012. In addition, certain land, buildings and other assets have been pledged as security under the terms of the debt.

In connection with the acquisition described in Note 1, long-term debt was adjusted to fair value and the existing unamortized bond discount was written off. The fair value adjustment was a decrease in the carrying value of the Series 2001 Bonds of $3,035 that will be amortized as interest expense using the effective interest method over the remaining life of the Series 2001 Bonds. Approximately $838 of unamortized bond discount was written off.

In December 2009, the Hospital entered into a mortgage loan with a bank for $32,600. The mortgage loan proceeds were used to repay outstanding obligations on Tax Exempt Leasing Program leases and P.C.s' lines of credit. The note bears interest at the Hospital's choice of a LIBOR-based rate or a prime-based rate, defaulting to a prime-based rate should a monthly interest rate election not be made by the Hospital. Interest is payable monthly through February 2012. Principal and interest are payable monthly from March 2012 through December 2029. The loan is secured by land, buildings and other assets.

Capital lease obligations of $5,238 and $5,152 existed at December 31, 2010 and 2009, respectively.

(In Thousands)

7. Long-Term Debt and Capital Lease Obligations (continued)

Future minimum lease payments under capital lease obligations, together with the present value of net minimum lease payments as of December 31, 2010, are as follows:

Year ending December 31:	
2011	$ 865
2012	723
2013	568
2014	433
2015	406
Thereafter	5,067
Total minimum lease payments	8,062
Less interest	2,824
Less current portion at net present value	692
Present value of net minimum long-term lease payments	$ 4,546

Most of the Hospital's debt arrangements include security agreements of various types. The agreements may include the pledging of certain of the Hospital's assets and revenues as collateral. At December 31, 2010 and 2009, substantially all of the Hospital's assets were pledged as collateral under the terms of various debt agreements. In addition, certain debt agreements include the maintenance of financial ratios, including a debt service coverage ratio, and the maintenance of certain debt service and other reserve funds (assets limited as to use). At December 31, 2010 and 2009, the Hospital was in compliance with the financial covenants.

8. Short-Term Borrowings

In July 2006, the Hospital entered into a line of credit agreement of $20,000 with a commercial bank. The interest rate on any unpaid principal amount was 2.20% at December 31, 2009. There was $20,000 outstanding on the line of credit on December 31, 2009. In September 2010, the line of credit was fully paid.

9. Fair Values of Financial Instruments

For assets and liabilities required to be measured at fair value, the Hospital measures fair value based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements are applied based on the unit of account from the Hospital's perspective. The unit of account determines what is being measured by reference to the level at which the asset or liability is aggregated (or disaggregated) for purposes of applying other accounting pronouncements.

The Hospital follows a valuation hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels, which are described below:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2: Observable inputs that are based on inputs not quoted in active markets, but corroborated by market data.

Level 3: Unobservable inputs are used when little or no market data is available.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. In determining fair value, the Hospital uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible and considers nonperformance risk in its assessment of fair value.

(In Thousands)

9. Fair Values of Financial Instruments (continued)

Financial assets carried at fair value as of December 31, 2010 and 2009 are classified in the following table in one of the three categories described previously:

	2010			
	Level 1	**Level 2**	**Level 3**	**Total**
Assets				
Cash and short-term investments	**$ 107,402**	**$ –**	**$ –**	**$ 107,402**
Fixed income obligations:				
U.S. Government obligations	**84,981**	**–**	**–**	**84,981**
Corporate and other bonds	**33,122**	**–**	**–**	**33,122**
Equity securities:				
Large cap	**3,004**	**–**	**–**	**3,004**
Commodities	**4,092**	**–**	**–**	**4,092**
Interest and other receivables	**25,668**	**–**	**–**	**25,668**
	$ 258,269	**$ –**	**$ –**	**$ 258,269**

	2009			
	Level 1	**Level 2**	**Level 3**	**Total**
Assets				
Cash and short-term investments	$ 118,472	$ –	$ –	$ 118,472
Fixed income obligations:				
U.S. Government obligations	55,807	–	–	55,807
Corporate and other bonds	1,555	–	–	1,555
Equity securities:				
Large cap	256	–	–	256
Commodities	3,165	–	–	3,165
Interest and other receivables	1,243	–	–	1,243
	$ 180,498	$ –	$ –	$ 180,498

The amounts reported in the tables above exclude investments reported using the equity method of accounting (see Note 2) and assets invested in the Hospital's pension plans (see Note 10).

(In Thousands)

9. Fair Values of Financial Instruments (continued)

The fair values and carrying values of the Hospital's financial instruments that are not required to be carried at fair value are as follows at December 31, 2010 and 2009:

	2010		2009	
	Fair Value	**Carrying Value**	**Fair Value**	**Carrying Value**
Debt (including short-term borrowings; excluding capital lease obligations)	**$ 155,818**	**$ 156,094**	$ 166,018	$ 181,508

The fair value of debt is estimated using discounted cash flow analyses and based on market prices, where available.

10. Pension Plans

The Hospital makes contributions to various union pension plans under the provisions of collective bargaining agreements. Net union pension expense, included in employee benefits in the accompanying consolidated statements of operations, pertaining to these agreements is approximately $2,923, $1,625 and $3,757, respectively, for the Periods under Audit.

The Hospital also provides pension and similar benefits to its employees through defined contribution plans. Pension expense related to the defined contribution plans amounted to $8,345, $477 and $3,785, respectively, for the Periods under Audit.

In addition, the Hospital sponsors a deferred compensation plan for certain qualifying employees. The amounts ultimately due to the employees are to be paid upon the employees attaining certain criteria, including age. The liability for this plan totaled $450 and $244 at December 31, 2010 and 2009, respectively.

The Hospital maintains a noncontributory defined benefit retirement plan covering substantially all nonunion employees and all bargaining-unit staff nurses, except resident doctors. The plan benefits are based on years of service and the employees' compensation as described in the plan documents (the "Lenox Plan").

(In Thousands)

10. Pension Plans (continued)

The Hospital froze the Lenox Plan effective January 1, 2007 for all nonunion and bargaining unit nursing personnel. As a result of the freeze, no benefits were earned or accrued, except for credit toward vesting and for purposes of early retirement; employees were permitted to continue accruing this service time after the freeze, excluding the 2007 year. Bargaining unit nurses on staff at December 31, 2007 continued in the Lenox Plan. All nonunion and bargaining unit nursing personnel hired after December 31, 2007 became eligible to participate in a service weighted defined contribution plan.

The Hospital also maintains a noncontributory defined benefit pension plan, administered through the Health Services Retirement Plan, to provide pension benefits for certain full-time, non-bargaining unit employees (the "HSR" Plan).

For purposes of the following disclosures, the Lenox Plan and the HSR Plan will hereafter be referred to collectively as the "Plans."

It is the Hospital's policy to fund pension costs in amounts no less than the minimum required by the Employee Retirement Income Security Act of 1974 ("ERISA").

The Hospital recognizes the funded status (i.e., the difference between the fair value of plan assets and the projected benefit obligations) of the Plans in its consolidated statements of financial position.

(In Thousands)

10. Pension Plans (continued)

The following table provides a reconciliation of the changes in the Plans' benefit obligation and fair value of plan assets for the years ended December 31, 2010 and 2009 and a statement of the funded status of the Plans as of December 31, 2010 and 2009:

	2010	2009
Reconciliation of the benefit obligation		
Obligation at January 1	**$ 386,041**	$ 355,148
Service cost	**5,213**	4,970
Interest cost	**22,592**	21,757
Actuarial loss	**14,843**	21,087
Benefit payments	**(17,679)**	(16,921)
Obligation at December 31	**$ 411,010**	$ 386,041
Reconciliation of fair value of plan assets		
Fair value of plan assets at January 1	**$ 255,016**	$ 225,448
Actual return on plan assets	**20,465**	31,487
Employer contributions	**13,182**	15,002
Benefit payments	**(17,679)**	(16,921)
Fair value of plan assets at December 31	**$ 270,984**	$ 255,016
Funded status		
Funded status	**$ (140,026)**	$ (131,025)
Accumulated benefit obligation	**$ 384,538**	$ 360,905

Included in unrestricted net assets at December 31, 2010 and 2009 are the following amounts that have not yet been recognized in net periodic pension cost:

	2010	2009
Unrecognized actuarial loss	**$ 16,520**	$ 131,327
Unrecognized prior service cost	**–**	20,440
	$ 16,520	$ 151,767

(In Thousands)

10. Pension Plans (continued)

The following table provides the components of the net periodic benefit cost:

	Period from May 19, 2010 to December 31, 2010	Period from January 1, 2010 to May 18, 2010	Year Ended December 31, 2009
Service cost	$ 3,218	$ 1,995	$ 4,970
Interest cost on projected benefit obligation	14,146	8,446	21,757
Expected return on plan assets	(12,550)	(7,761)	(18,663)
Amortization of net actuarial loss	–	3,662	10,478
Amortization of prior service cost	–	966	2,555
Net periodic benefit cost	$ 4,814	$ 7,308	$ 21,097

As a result of the acquisition described in Note 1, the funded status of the Plans was adjusted to fair value on the Acquisition Date. In connection with the acquisition, previously unrecognized prior service cost and actuarial loss, including amounts previously recognized in unrestricted net assets, were eliminated. Such amounts totaled $145,308.

Assumptions

The Plans' measurement date is December 31. Prior service credits are amortized over the average remaining service period of active participants. Gains and losses in excess of 10% of the greater of the benefit obligations and the market-related value of assets are amortized over the average remaining service period of active participants. As the total unrecognized loss did not exceed these thresholds at December 31, 2010, no amortization is necessary for 2011.

The discount rate used in the measurement of the Lenox Plan's benefit obligations at December 31, 2010 and 2009 was 6.00% and 5.87%, respectively. The discount rate used in the measurement of the HSR Plan's benefit obligations at December 31, 2010 and 2009 was 5.75%. The rate of compensation increase used in the measurement of the Lenox Plan's benefit obligations is based upon a graded table, with rates ranging from 3.50% to 4.50%.

(In Thousands)

10. Pension Plans (continued)

The weighted-average assumptions used in the measurement of the Hospital's net periodic benefit cost for the Periods under Audit are shown in the following table:

	Period from May 19, 2010 to December 31, 2010	Period from January 1, 2010 to May 18, 2010	Year Ended December 31, 2009
Discount rate – Lenox Plan	**6.00%**	**5.87%**	6.08%
Discount rate – HSR Plan	**6.00%**	**5.75%**	6.12%
Expected long-term rate of return on assets – Lenox Plan	**8.00%**	**8.00%**	8.00%
Expected long-term rate of return on assets – HSR Plan	**8.00%**	**8.50%**	8.50%

The rate of compensation increase used in the measurement of the Lenox Plan's net periodic benefit cost is based upon a graded table, with rates ranging from 3.50% to 4.50%.

Basis Used to Determine the Expected Long-Term Rate of Return on Assets

The Lenox Plan's long-term rate of return on assets is 8.00%. The expected long-term rate of return is based on the portfolio as a whole and not on the sum of the returns on individual asset categories. The return is based exclusively on historical returns, without adjustments.

Description of Investment Policies and Strategies

The Lenox Plan's financial and investment objectives are to meet present and future obligations to beneficiaries, while minimizing contributions over the long term, by earning an adequate return on assets with moderate volatility.

(In Thousands)

10. Pension Plans (continued)

The fair values of the Plans' assets at December 31, 2010 and 2009, by asset category, are as follows:

	2010			
	Level 1	**Level 2**	**Level 3**	**Total**
Cash and short-term investments	**$ 23,032**	**$ –**	**$ –**	**$ 23,032**
Fixed income obligations:				
U.S. Government obligations	**33,940**	**–**	**–**	**33,940**
Corporate and other bonds	**15,130**	**3,572**	**–**	**18,702**
Equity securities:				
Large cap	**6,909**	**710**	**–**	**7,619**
Global	**–**	**2,958**	**–**	**2,958**
Commodities	**12,176**	**–**	**–**	**12,176**
Funds of hedge funds	**–**	**4,169**	**2,873**	**7,042**
Hedge funds	**–**	**–**	**28,857**	**28,857**
Private equity funds	**–**	**–**	**341**	**341**
Interest and other receivables	**133,956**	**–**	**2,361**	**136,317**
	$ 225,143	**$ 11,409**	**$ 34,432**	**$ 270,984**

	2009			
	Level 1	**Level 2**	**Level 3**	**Total**
Cash and short-term investments	$ 26,481	$ –	$ –	$ 26,481
Fixed income obligations:				
U.S. Government obligations	37,538	–	–	37,538
Corporate and other bonds	2,670	3,780	–	6,450
Mortgage backed securities	–	2,143	–	2,143
International bonds	–	2,451	–	2,451
Equity securities:				
Large cap	3,849	3,616	–	7,465
Domestic real estate	32	–	–	32
Commodities	9,419	–	–	9,419
Funds of hedge funds	–	–	62,590	62,590
Hedge funds	–	–	100,253	100,253
Private equity funds	–	–	194	194
	$ 79,989	$ 11,990	$ 163,037	$ 255,016

(In Thousands)

10. Pension Plans (continued)

The following table sets forth a summary of changes in the fair value of the Plans' Level 3 assets for the years ended December 31, 2010 and 2009:

	2010	2009
Balance at January 1	**$ 163,037**	$ 154,338
Purchases, sales, issuances and settlements (net)	–	(17,449)
Net realized and unrealized gains and losses	–	26,148
Transfers out of level 3	**(128,605)**	–
Balance at December 31	**$ 34,432**	$ 163,037

The Plans' weighted average asset allocations at December 31, 2010 and 2009, by asset category, are as follows:

	2010	2009	Target Allocation
Cash and short-term investments	**8.5%**	10.4%	1.0%
Fixed income obligations	**19.4**	19.1	34.0
Equity securities	**3.9**	2.9	40.0
Commodities	**4.5**	3.7	3.0
Funds of hedge funds	**2.6**	24.5	20.0
Hedge funds and private equity funds	**10.8**	39.4	2.0
Interest and other receivables	**50.3**	–	–
	100.0%	100.0%	100.0%

Subsequent to the System's acquisition of the Hospital, the System began the process of aligning the Lenox Plan's investment portfolio allocation to the System's target allocations noted above. At December 31, 2010, material amounts of the Lenox Plan's assets were in the process of being redeemed and reinvested in a manner to more closely attain the above noted target allocation.

Target allocations generally have permitted variances of plus/minus 5 points.

(In Thousands)

10. Pension Plans (continued)

Cash Flows

The Hospital expects to make contributions of approximately $45,263 to the Plans in 2011.

Estimated Future Benefit Payments

Benefit payments, which reflect expected future service, as appropriate, are expected to be paid as follows:

2011	$ 19,247
2012	19,987
2013	20,970
2014	21,878
2015	22,956
2016 to 2020	132,547

11. Malpractice and Other Insurance Liabilities

Malpractice

The Hospital provides for potential medical malpractice losses through a combination of a self-insurance program and purchased primary and excess insurance, on both a claims-made and occurrence basis, as follows:

Primary Insurance Coverage

Effective January 1, 2005, the Hospital purchases primary malpractice insurance on a claims-made basis with a $1,000 per claim limit and an annual aggregate limit of $15,000. Effective 2010, the aggregate limit increased to $18,000. The Hospital's estimated undiscounted liability for losses in excess of the primary aggregate and per claim limit at December 31, 2010 and 2009 is approximately $45,453 and $45,977, respectively. At December 31, 2010 and 2009, the liability is recorded at the actuarially determined present value of approximately $42,407 and $39,491, respectively, based on a discount rate of 2.0% and 3.0%, respectively. These liabilities are part of the self-insurance program.

11. Malpractice and Other Insurance Liabilities (continued)

Excess Insurance Coverage

For the years ended December 31, 2005 and 2004, the Hospital entered into incurred loss retrospective rated premium agreements for excess insurance with a commercial carrier with $8,000 premium limits per year. Estimated premiums payable under these agreements of $4,010 and $6,760 are included in malpractice and other insurance liabilities in the accompanying consolidated statements of financial position at December 31, 2010 and 2009, respectively.

Effective as of the Acquisition Date, the Hospital purchases excess insurance on a claims-made basis from Regional Insurance Company, Ltd. ("RIC") to cover losses above the primary per claim limit. RIC is a captive insurance company domiciled in Bermuda and wholly owned by the System. The premium is based on a retrospective rating of losses. Should claim payments under the insurance program exceed or reduce current estimates and/or if investment interest rate assumptions are not achieved, RIC can, under the terms of the policy issued, make further premium assessment or reduce the premium. Premiums payable to RIC of $5,783 are included in malpractice and other insurance liabilities in the accompanying consolidated statement of financial position at December 31, 2010.

The Hospital's estimated undiscounted incurred but not reported liability for claims in excess of coverage limits at December 31, 2010 and 2009 is approximately $25,056 and $22,652, respectively, and is recorded at the actuarially determined present value of approximately $21,906 and $19,456, respectively, based on a discount rate of 2.0% and 3.0%, respectively.

Malpractice claims have been asserted against the Hospital by various claimants. These claims are in various stages of processing, and some may ultimately be brought to trial. There are known incidents that have occurred through December 31, 2010 that may result in the assertion of additional claims, and other claims may be asserted arising from services provided to patients in the past. It is the opinion of the Hospital's management that adequate insurance, including self-insurance, and malpractice reserves are being maintained to cover potential malpractice losses.

Workers' Compensation

The Hospital is self-insured and has retained the risk for the first $750 per occurrence of workers' compensation claims. In addition, the Hospital has purchased an excess policy for workers' compensation claims.

(In Thousands)

11. Malpractice and Other Insurance Liabilities (continued)

The Hospital has engaged an independent actuary to estimate the liability for uninsured claims for all occurrences of workers' compensation after May 31, 1979 for both reported claims and claims incurred but not reported. Included in malpractice and other insurance liabilities at December 31, 2010 and 2009 are approximately $10,113 and $6,832, respectively, of estimated workers' compensation claims, which represent ultimate costs discounted at 2.0% and 2.7% at December 31, 2010 and 2009, respectively.

The Hospital has $1,100 of U.S. treasury notes and $50 in cash on deposit with the Workers' Compensation Board to guarantee payment of claims. The Hospital has a surety bond of $12,871 and $8,710 at December 31, 2010 and 2009, respectively. Under the terms of the surety bond, the Hospital had committed $3,581 of investments as security for the $8,710 surety bond at December 31, 2009. There was no such requirement at December 31, 2010.

12. Other Operating Revenue

Other operating revenue for the Periods under Audit consists of the following:

	Period from May 19, 2010 to December 31, 2010	Period from January 1, 2010 to May 18, 2010	Year Ended December 31, 2009
Rental and employee housing income	$ 3,209	$ 2,195	$ 5,528
Cafeteria sales and vending machines	903	565	1,613
Healthfirst distribution	821	1,042	1,329
Telephone and television	142	94	339
Miscellaneous	1,292	211	2,337
	$ 6,367	$ 4,107	$ 11,146

(In Thousands)

13. Net Assets

Temporarily restricted net assets at December 31, 2010 and 2009 are available for the following health care services:

	2010	2009
Teaching, research, training and other	**$ 26,843**	$ 26,689
Major modernization and purchases of equipment	**17,610**	18,730
	$ 44,453	$ 45,419

The Hospital follows the requirements of the New York Prudent Management of Institutional Funds Act ("NYPMIFA") passed into law effective September 2010 as they relate to its permanently restricted endowments. Prior to the enactment of the law, the Hospital followed the requirements of the Uniform Management of Institutional Funds Act ("UMIFA"). The Hospital's interpretation of NYPMIFA did not have a significant effect on the Hospital's endowment policies that were in effect prior to the enactment.

The Hospital's endowments consist of donor-restricted funds established for a variety of purposes. As required by U.S. generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Hospital requires the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Hospital classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment funds that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure. The Hospital considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund, (2) the purpose of the donor-restricted endowment fund, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, and (6) the investment policies of the Hospital.

(In Thousands)

13. Net Assets (continued)

The Hospital's investment and spending policies for endowment assets seek to provide a predictable stream of funding to programs supported by its endowment, while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Hospital must hold in perpetuity or for a donor-specified term. The endowment assets are invested in a manner that expects to generate a return in excess of 5.0% annually. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate-of-return objectives, the Hospital relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Hospital targets a diversified asset allocation that consists of equities, fixed income and alternative investments.

For the period from May 19, 2010 to December 31, 2010, the Hospital had the following endowment-related activities:

	Temporarily Restricted	Permanently Restricted	Total
Endowment balance, beginning of period	$ 564	$ 22,959	$ 23,523
Investment return:			
Investment income	724	–	724
Net appreciation	86	–	86
Total investment return	810	–	810
Contributions	–	41	41
Net change in endowment funds	810	41	851
Endowment balance, end of period	$ 1,374	$ 23,000	$ 24,374

(In Thousands)

13. Net Assets (continued)

For the period from January 1, 2010 to May 18, 2010, the Hospital had the following endowment-related activities:

	Temporarily Restricted	Permanently Restricted	Total
Endowment balance, beginning of period	$ –	$ 20,923	$ 20,923
Investment return:			
Investment income	160	–	160
Net appreciation	404	–	404
Total investment return	564	–	564
Contributions	–	2,036	2,036
Net change in endowment funds	564	2,036	2,600
Endowment balance, end of period	$ 564	$ 22,959	$ 23,523

For the year ended December 31, 2009, the Hospital had the following endowment-related activities:

	Temporarily Restricted	Permanently Restricted	Total
Endowment balance, beginning of period	$ –	$ 20,258	$ 20,258
Contributions	–	665	665
Net change in endowment funds	–	665	665
Endowment balance, end of period	$ –	$ 20,923	$ 20,923

(In Thousands)

14. Commitments and Contingencies

Litigation and Claims

The Hospital is involved in litigation and claims which are not considered unusual to the Hospital's business. While the ultimate outcome of these lawsuits cannot be determined at this time, it is the opinion of management that the ultimate resolution of these claims will not have a material adverse effect on the accompanying consolidated financial statements.

In 2008, the Hospital was served subpoenas duces tecum issued by the United States Department of Health and Human Services, Office of the Inspector General, working in coordination with the Civil Division of the Office of United States Attorney for the Southern District of New York relating to Medicare outlier payments received by the Hospital on Medicare claims submitted for the period from January 1, 1997 to December 31, 2003. The full nature and scope of the investigation is not known by the Hospital and its legal counsel, other than the aforementioned facts. The ultimate effect, if any, on the consolidated financial statements cannot be determined currently.

Operating Leases

The Hospital leases certain office facility space, patient care facility space and equipment under operating leases that have initial or remaining noncancelable terms in excess of one year. Aggregate minimum operating lease payments are amortized on the straight-line basis over the terms of the respective leases. Rent expense under such leases is $4,137, $3,597 and $8,737, respectively, for the Periods under Audit.

Future minimum lease payments under noncancelable operating leases with terms of one year or more are as follows:

2011	$ 6,198
2012	5,365
2013	4,673
2014	3,782
2015	3,094
Thereafter	1,378

14. Commitments and Contingencies (continued)

Collective Bargaining Agreements

At December 31, 2010, approximately 68% of the Hospital's employees are union employees who are covered under the terms of various collective bargaining agreements.

Other Commitments

In the normal course of business, the Hospital enters into multi-year contracts with vendors, suppliers and service providers for goods or services to be provided to the Hospital. Under the terms of such agreements, the Hospital may be contingently liable for termination or other fees in the event of contract termination or default. The Hospital does not believe that such contingent liabilities, should they become due, would have a material impact on the Hospital's consolidated financial position.

15. Subsequent Events

Management has evaluated the impact of subsequent events through May 23, 2011, representing the date at which the consolidated financial statements were issued. No events have occurred that require disclosure in, or adjustment to, the consolidated financial statements.

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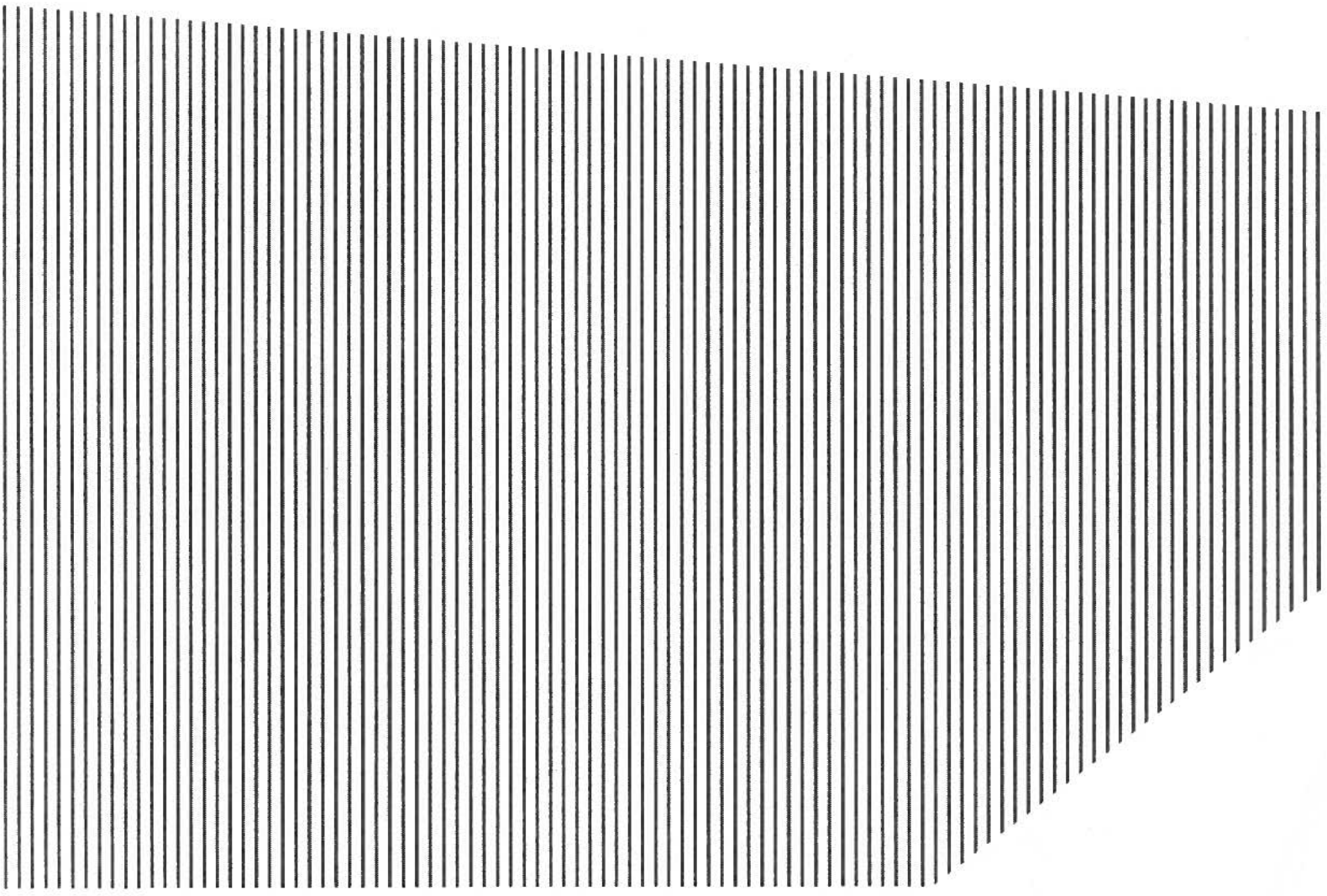


Schedule 10 – Space and Construction Cost Distribution – New Construction

Not Applicable

For Article 28, 36, and 40 Construction Projects Requiring Full, Administrative or Limited Review *
Codes for completing this table are found in Schedule 10 lookups sheet.

A				B	C	D	E	F	G	H	I
Location											
Sub project	Building	Floor	section	Functional Code			Description of Functional Code (enter Functional code in Column D, description appears here automatically)	Functional Gross SF	Construction cost per SF	Total construction cost	Alterations, Scope of work

Schedule 10 – Space and Construction Cost Distribution – Renovation Construction

For Article 28, 36, and 40 Construction Projects Requiring Full, Administrative or Limited Review *
Codes for completing this table are found in Schedule 10 lookups sheet.

A	B	C	D	E	F	G	H	I
Location								
Sub project	Building	Floor	section	Functional Code	Description of Functional Code (enter Functional code in Column D, description appears here automatically)	Functional Gross SF	Construction cost per SF	Total construction cost	Alterations, Scope of work
		C		28	Emergency Department	3,205	510.37	1,635,729	
		C		980	Other Functions: Building Support	3,818	551.00	2,103,726	
		C		980	Other Functions: Clinical support	4,889	678.75	3,318,403	
		C		960	Core Building System*	3,105	394.25	1,224,160	
		C		965	MEP*	4,728	632.28	2,989,426	
		C		960	Building System (Fit-out NIC)	6,373	394.25	2,512,584	
		C			**Subtotal**	**26,118**	**527.76**	**13,784,028**	**Major**
		1		4	Ambulance	3,750	510.37	1,913,879	
		1		28	Emergency Department	17,823	809.37	14,425,292	
		1		133	Medical/Surgical Beds	750	809.37	607,026	
		1		923	Lobby, Waiting, Public Entrance	865	656.91	568,230	
		1		980	Other Functions: Building Support	3,698	536.47	1,983,881	
		1		960	Core Building System*	1,984	394.25	782,201	
		1			**Subtotal**	**28,870**	**702.48**	**20,280,510**	**Major**
		2		960	Core Building System*	3,259	394.25	1284,875	
		2		960	Building System (Fitout NIC)	11,518	394.25	4,541,023	
		2			**Subtotal**	**14,777**	**394.25**	**5,825,898**	**Major**
		3		960	Core Building System*	3,277	394.25	1,291,972	
		3		960	Building System (Fitout NIC)	3,114	394.25	1,227,708	
		3			**Subtotal**	**6,391**	**394.25**	**2,519,680**	**Major**
		4		960	Core Building System*	3,428	394.25	1,351,504	
		4		960	Building System (Fitout NIC)	27,286	394.25	10,757,628	
		4			**Subtotal**	**30,714**	**394.25**	**12,109,132**	**Major**

Schedule 10 – Space and Construction Cost Distribution – Renovation Construction (continued)

For Article 28, 36, and 40 Construction Projects Requiring Full, Administrative or Limited Review *
Codes for completing this table are found in Schedule 10 lookups sheet.

A		B	C	D	E	F	G	H	I
Location									
Sub project	Building	Floor	section	Functional Code	Description of Functional Code (enter Functional code in Column D, description appears here automatically)	Functional Gross SF	Construction cost per SF	Total construction cost	Alterations, Scope of work
		5		901	Administration (routine)	1,560	612.85	956,050	
		5		204	Ambulatory Surgery – Multispecialty	11,667	814.61	9,504,085	
		5		109/184	Diagnostic Radiology	13,620	876.58	11,939,064	
		5		960	Core Building System*	3,427	394.25	1,351,110	
		5			**Subtotal**	**30,274**	**784.51**	**23,750,310**	**Major**
		6		960	Core Building System*	3,700	394.25	1,458,742	
		6			**Subtotal**	**3,700**	**394.25**	**1,458,742**	**Major**
					***(960) Core Building System + (965) MEP Subtotal**	**26,908**			
					TOTAL	**140,844**	**$566.08**	**$79,728,300**	**MAJOR**

The section below must be filled out and signed by the applicant, applicant's representative, project architect, project engineer or project estimator engineer.

SIGNATURE	DATE
	June 23, 2011
PRINT NAME	TITLE
Adele N. Herman	Assistant Vice President, Strategic Planning
NAME OF FIRM	
North Shore-LIJ Health System	
STREET & NUMBER	
145 Community Drive	

CITY	STATE	ZIP	PHONE NUMBER
Great Neck	NY	11021	516-465-8018

Movable Equipment - See Attachment 11: 1
Schedule 11

For Article 28, 36, and 40 Construction Projects Requiring Full or Administrative Review *

Table I: New Equipment Description

Sub project Number	Functional Code	Description, including model, manufacturer, and year manufactured where applicable.	Number of units	Lease or purchase?	Date of the end of the lease period	Lease Amount or Purchase Price
Summary of equipment and allowances:						

Total lease and purchase costs: Subproject 1	**TOTAL**	**$ 16,751,150**
Total lease and purchase costs: Subproject 2		
Total lease and purchase costs: Subproject 3		
Total lease and purchase costs: Subproject 4		
Total lease and purchase costs: Subproject 5		
Total lease and purchase costs: Subproject 6		
Total lease and purchase costs: Subproject 7		
Total lease and purchase costs: Subproject 8		
Total lease and purchase costs: Whole Project:		

Table 2: Equipment being replaced:

Sub project Number	Functional Code	Description, including model, manufacturer year manufactured where applicable.	Number of units	Disposition:	Estimated Current Value
Total estimated value of equipment being replaced: Subproject 1					
Total estimated value of equipment being replaced: Subproject 2					
Total estimated value of equipment being replaced: Subproject 3					
Total estimated value of equipment being replaced: Subproject 4					
Total estimated value of equipment being replaced: Subproject 5					
Total estimated value of equipment being replaced: Subproject 6					
Total estimated value of equipment being replaced: Subproject 7					
Total estimated value of equipment being replaced: Subproject 8					
Total estimated value of equipment being replaced: Whole Project:					

Attachment 11: 1

Itemized Equipment List and Allowances

Lenox Hill Hospital
Center for Comprehensive Care

LOUIS SGROE
EQUIPMENT PLANNING

Equipment Budget Summary

June 7, 2011

Department Name	Budget	Remarks
Medical Equipment		
Public / Support	2,400.00	
Emergency Department	3,626,305.00	(15) E/T, (1) Eye, (3) CDU, (2) Pat Rms, (1) Seclusion, (2) Trauma, (2) X-Ray, (1) CT
Ambulatory Surgery	1,742,510.00	(2) OR, (2) Exam
Diagnostic Imaging	4,237,735.00	(1) CT, (1) General X-Ray, (1) Mammo, (1) MRI, (2) US
Prep / Recovery	427,055.00	(2) Pre-Op, (9) Prep/Recovery
Stat Laboratory	240,000.00	
Blood Bank	21,250.00	
Material Management	87,895.00	
Food Service	11,000.00	
Support Services	8,330.00	
Administration	1,670.00	
Equipment Total:	**10,406,150.00**	
FFE Equipment by others		
Furniture	600,000.00	
Moving / Installation	200,000.00	
Tel / Data Equipment	4,125,000.00	
Security Systems	370,000.00	
A/V Systems	150,000.00	
Nurse Call System	100,000.00	
Interior Signs	150,000.00	
Exterior Signs	150,000.00	
Artwork / Graphics	70,000.00	
Computer Equipment	430,000.00	
FFE Total:	**6,345,000.00**	
Project Total:	**16,751,150.00**	
Alternates		
1. Hybrid OR	4,000,000.00	

Notes (Medical Equipment)

1. The budget includes cost for Owner Furnished Contractor Installed (Ref 2) and Owner Furnished Owner Installed (Ref 3 & 4) equipment items.
2. Cost for ED monitors C043B1, C043E1 & C084A2 are listed under item C090E2 Monitor System Budget, ED.
3. Budget does not include:
   a. Cost for Contractor Furnished Contractor Installed (Ref 1) equipment.
   b. Cost for medication and supply automated dispensing equipment (Omni Cell) Leased items.
   c. Cost for scrub suite automated dispensing / receiving equipment (Pyxis) Leased items
   d. Cost for TV's. Cost for TV's are identified in IT budget
   e. Cost for sharps receptacles. Sharps receptacles are included as part of hospital service and provided as no charge items.
   f. Cost of Patient Cleansing Warming equipment. No charge items.
   f. Cost for Automatic coffee makers. Leased items.
   g. Cost of Bottle-Less Water Coolers. Leased Items
4. Budget assumes all new equipment.

Project Summary

Project Summary

Key	Ref	Item Description	Req	Ext	New	Item Cost	Ext. Cost
A006B1	3	Warmer, Fluid	2	0	2	6,000.00	12,000.00
A006C1	3	Warmer, Fluid	2	0	2	2,300.00	4,600.00
A016A1	3	Ultrasound Scanner, Anesth. w/MDS	1	0	1	55,000.00	55,000.00
A024B2	3	Gas Machine, Anesthesia	3	0	3	48,000.00	144,000.00
A080C8	3	Flowmeter, Air 15LPM w/PTO	68	0	68	40.00	2,720.00
A080D9	3	Flowmeter, Oxy 15LPM w/PTO	70	0	70	40.00	2,800.00
A080M1	3	Flowmeter, Oxygen 15LPM (MR)	1	0	1	35.00	35.00
A080N1	3	Flowmeter, Air 15LPM (MRI)	1	0	1	35.00	35.00
A112C8	4	Cart, Emergency (Crash) Adult	6	0	6	1,300.00	7,800.00
A112P1	4	Cart, Emergency (Crash) Peds	2	0	2	1,660.00	3,320.00
A141A1	3	Bispectral (BIS) Index Monitor	2	0	2	9,500.00	19,000.00
A173J1	3	Laryngoscope, Video	3	0	3	15,500.00	46,500.00
A223A4	3	Anesthesia OR Charting Hardware	1	0	1	9,000.00	9,000.00
A241A8	4	Cart, Anesthesia	2	0	2	2,200.00	4,400.00
A261A2	4	Cart, Gas Cylinder, Small	2	0	2	135.00	270.00
A318A2	3	Ventilator, Respirator	1	0	1	50,000.00	50,000.00
A323A4	3	Analyzer, Blood Gas	2	0	2	24,500.00	49,000.00
A325A6	4	Stimulator, Peripheral Nerve	3	0	3	1,000.00	3,000.00
A337B4	3	Scope FO Intubation 4.1 w/Lt Source	1	0	1	10,000.00	10,000.00
B037A1		Cart, Implant Storage	1	0	1	2,500.00	2,500.00
B256A1	4	Cart, Cast	1	0	1	5,000.00	5,000.00
B259B1	3	Cast Cutter w/Vacuum	2	0	2	2,000.00	4,000.00
B343A1	3	Freezer, Bone,1 CF	1	0	1	8,000.00	8,000.00
C005C7	3	ECG System w/Cart	4	0	4	11,500.00	46,000.00
C043B1	3	Monitor, Physiologic, Emergency	20	0	20	0.00	0.00
C043C6	3	Monitor, Physiologic, Recovery	14	0	14	18,000.00	252,000.00
C043C7	3	Monitor, Physiologic w/Stand	2	0	2	23,000.00	46,000.00
C043E1	3	Monitor, Physiologic, Trauma	2	0	2	0.00	0.00
C043J4	3	Monitor, Physiologic, OR	2	0	2	44,000.00	88,000.00
C043O5	3	Monitor, Physiologic, Transport	1	0	1	19,000.00	19,000.00
C084A2	3	Monitor, Central, ED	1	0	1	0.00	0.00
C090E1	4	Monitoring Sys. Budget, ED	1	0	1	500,000.00	500,000.00
C120A6	3	Injector, Contrast Dual Pedestal (CT)	2	0	2	25,000.00	50,000.00

Project Summary

Key	Ref	Item Description	Req	Ext	New	Item Cost	Ext. Cost
C120R6	3	Injector, Contrast R.C. part of C102A6	2	0	2	0.00	0.00
C141D3	3	Monitor, Vital Signs w/Std	1	0	1	3,000.00	3,000.00
C292B9	3	Defib/Monitor w/Pacing/SpO2/NIBP	7	0	7	12,500.00	87,500.00
C329E3	3	Monitor, Vital Signs, MRI w/Std	1	0	1	50,000.00	50,000.00
C380B1	3	Doppler, Ultrasound Vascular	2	0	2	875.00	1,750.00
E237A3	3	Cabinet, ENT Treatment	1	0	1	4,000.00	4,000.00
G009A2	2	Sterilizer 16/16/26, Prevac F.S.	1	0	1	38,000.00	38,000.00
G016A2	4	Thermometer, Elec, Oral, Mobile	2	0	2	360.00	720.00
G024A9	4	Sphygmo, Aneroid, Mobile	2	0	2	230.00	460.00
G024Q2	4	Sphygmo Cuff, Child	19	0	19	35.00	665.00
G024Q6	4	Sphygmo Cuff, Large Adult	19	0	19	40.00	760.00
G040A1	4	Transfer Device, Patient, Short	2	0	2	350.00	700.00
G040A2	4	Transfer Device, Slide Board	4	0	4	300.00	1,200.00
G042A2	3	Warmer, Radiant Heat, Infant	1	0	1	3,500.00	3,500.00
G043A1	3	Incubator, Neonatal	1	0	1	22,000.00	22,000.00
G048B1	4	Bed, Platform	1	0	1	750.00	750.00
G050D1	3	Bed, Electric, Adjustable Hospital	2	0	2	10,200.00	20,400.00
G054R1	3	Ring Cutter	1	0	1	150.00	150.00
G073A5	3	Water Cooler Bottle-Less Floor	12	0	12	0.00	0.00
G100A0	4	Scale, Stand-On, Patient w/ Ht. Rd.	2	0	2	225.00	450.00
G100B5	4	Scale, Stand-On, Pat, Digital 700lb	1	0	1	2,240.00	2,240.00
G105B2	3	Pump, Infusion, 2 Channel	3	0	3	5,600.00	16,800.00
G112B4	3	Scale, Infant / Peds w/ Cart	2	0	2	2,600.00	5,200.00
G124B0	3	Regulator, Vacuum, Cont/Int w/Trap	82	0	82	500.00	41,000.00
G124M1	3	Regulator, Suction Continuous (MR)	1	0	1	450.00	450.00
G171A1	3	Diagnostic Instrument Sys w/Temp	20	0	20	1,250.00	25,000.00
G253A2	4	Stand, Basin, Single w/ Shelf	1	0	1	325.00	325.00
G253B2	4	Stand, Basin, Dual w/ Shelf	1	0	1	475.00	475.00
G285D4	2	Warming Cabinet, Double, F.S. 24"D	2	0	2	12,800.00	25,600.00
G285P1	3	Warming Cabinet, Pat. Cleansing	1	0	1	0.00	0.00
G285P4	3	Cart, Patient Cleansing Warmer	1	0	1	0.00	0.00
G294A0	4	Cart, Multipurpose	1	0	1	500.00	500.00
G294D0	4	Cart, Utility w/Drawer	5	0	5	675.00	3,375.00

Project Summary

Key	Ref	Item Description	Req	Ext	New	Item Cost	Ext. Cost
G294D1	4	Cart, Utility, SS, Sm	1	0	1	300.00	300.00
G294M1	4	Cart, Utility 1-Drawer Non-Magnetic	1	0	1	690.00	690.00
G294N1	4	Cart, Nursing w/Keyless Lk	23	0	23	4,000.00	92,000.00
G303B0	4	Chair, Recliner Treatment	4	0	4	4,800.00	19,200.00
G337C9	4	Drug Box w/Keyless Lk.	2	0	2	350.00	700.00
G390B1	4	Stool, Step, Stacking	8	0	8	180.00	1,440.00
G409A1	3	Warming Unit, Forced Air	2	0	2	1,800.00	3,600.00
G409A3	3	Warming Unit, Forced Air	2	0	2	2,500.00	5,000.00
G423A1	4	Waste Receptacle, Kick Bucket	6	0	6	175.00	1,050.00
G425A2	3	Lamp, Exam, Gooseneck, Mobile	4	0	4	1,350.00	5,400.00
G425M5	3	Ultraviolet (Woods) Lt/Magnifier	1	0	1	450.00	450.00
G474I3	2	Headwall, Vertical ED	21	0	21	3,200.00	67,200.00
G474I8	2	Headwall, Prep/Recovery	14	0	14	3,200.00	44,800.00
G476B1	3	Infuser, Rapid Blood	2	0	2	22,000.00	44,000.00
G487A3	3	Pump, Infusion, Syringe	2	0	2	3,000.00	6,000.00
G487C2	3	Pump, Infusion, PCA Syringe	1	0	1	2,500.00	2,500.00
G489A1	3	Rack, Cane/Crutch	1	0	1	200.00	200.00
G523C3	4	Stool, Foot w/Handle	29	0	29	245.00	7,105.00
G523M1	4	Stool, Foot w/Handle (MRI)	1	0	1	350.00	350.00
G535A6	3	Table Exam, Manual	2	0	2	1,650.00	3,300.00
G535O1	3	Table Exam Power (Ht/Back) OB	1	0	1	6,950.00	6,950.00
G536B1	4	Table, Overbed	34	0	34	425.00	14,450.00
G561B1	2	Track/Carrier, U-Shape Intravenous	33	0	33	250.00	8,250.00
G598A3	3	Sharps Receptacle	54	0	54	0.00	0.00
G598C0	4	Sharps Receptacle/Cart	9	0	9	0.00	0.00
G604V6	4	Cart, IV Therapy w/ Keyless Lk 42"	4	0	4	4,000.00	16,000.00
G607D2	3	Dispensing Unit, Medication	2	0	2	0.00	0.00
G607E5	3	Anesthesia Workstation, Mobile	2	0	2	0.00	0.00
G607H1	3	Disp. Unit, Med Tower, 1-Cell Main	1	0	1	0.00	0.00
G607H3	3	Disp. Unit, Med Tower, 3-Cell Main	2	0	2	0.00	0.00
G607L2	3	Lock Assembly Med Refrigerator	5	0	5	0.00	0.00
G621C3	4	Cart, Supply, Enclosed 22"	16	0	16	2,400.00	38,400.00
G621C4	4	Cart, Supply, Enclosed 42"	6	0	6	3,300.00	19,800.00

Project Summary

Key	Ref	Item Description	Req	Ext	New	Item Cost	Ext. Cost
G621H1	4	Cart, Wire Shelving, 24x18	2	0	2	1,300.00	2,600.00
G621H2	4	Cart, Wire Shelving, 30x18	2	0	2	1,395.00	2,790.00
G621H8	4	Cart, Wire Shelving, 60x18	14	0	14	2,035.00	28,490.00
G621I8	4	Cart, Wire Shelving, 60x24	52	0	52	2,415.00	125,580.00
G621M2	3	Storage Unit, Wall Hung 23x20	6	0	6	2,700.00	16,200.00
G622A5	3	Cart, Foodservice, 12 Tray	1	0	1	2,500.00	2,500.00
G623A7	4	Cart, Housekeeping w/ Bucket	3	0	3	700.00	2,100.00
G624A1	4	Cart, Linen, Clean 60"	12	0	12	2,260.00	27,120.00
G624A8	4	Cart, Soiled Linen	2	0	2	800.00	1,600.00
G635B3	2	Ice Dispenser, Wall Mtd 25Lb	2	0	2	6,000.00	12,000.00
G646A1	4	Laundry Hamper w/ Cover	18	0	18	375.00	6,750.00
G646M1	4	Laundry Hamper (MR)	1	0	1	700.00	700.00
G660D3	3	Dispensing Unit, Supply, 3-Cell	2	0	2	0.00	0.00
G668A2	4	Stretcher, Hydraulic, Bariatric	1	0	1	5,500.00	5,500.00
G668D1	4	Stretcher, Hydraulic, GYN	1	0	1	7,000.00	7,000.00
G668F8	4	Stretcher, Hydraulic, Recovery	12	0	12	5,500.00	66,000.00
G670C0	3	Television Flat Panel w/Bkt	37	0	37	0.00	0.00
G670P2	3	TV 57" LCD w/Bracket	4	0	4	0.00	0.00
G692A1	2	Washer, Flexible Endoscope	1	0	1	26,000.00	26,000.00
G692V4	2	Soak System, Ultrasound 2-Probes	2	0	2	1,250.00	2,500.00
G713A1	4	Waste Receptacle 44G	3	0	3	280.00	840.00
G713A3	4	Waste Receptacle 44G Red	1	0	1	280.00	280.00
G713K4	4	Waste Receptacle, Step-On 18G	24	0	24	120.00	2,880.00
G713K5	4	Waste Receptacle, Step-On 23G	57	0	57	175.00	9,975.00
G713L1	4	Waste Receptacle,Step-On 8G Red	20	0	20	90.00	1,800.00
G713L3	4	Waste Receptacle,Step-On 18G Red	6	0	6	120.00	720.00
G713L4	4	Waste Receptacle,Step-On 23G Red	4	0	4	175.00	700.00
G721D4	2	Boom, Equip/Light/Flatpanel	2	0	2	54,000.00	108,000.00
G721E8	2	Boom, Equipment + Dual Light	2	0	2	47,000.00	94,000.00
G721I0	2	Boom OR, Anesthesia	2	0	2	7,200.00	14,400.00
G746A1	3	Cabinet, Personal Protection (PPE)	8	0	8	90.00	720.00
G801A1	4	Stretcher, Hydraulic, Emergency	15	0	15	4,000.00	60,000.00
G801E1	4	Stretcher, Shower	1	0	1	4,300.00	4,300.00

Project Summary

Key	Ref	Item Description	Req	Ext	New	Item Cost	Ext. Cost
G802C1	4	Stretcher, Trauma	2	0	2	7,500.00	15,000.00
G802D1	4	Stretcher, Transport	2	0	2	4,800.00	9,600.00
G811B0	3	Dispenser, Glove, Triple	59	0	59	40.00	2,360.00
G820N4	4	Stretcher, Folding (MR)	1	0	1	3,500.00	3,500.00
G831A3	3	Warmer, Gel Capacity-3	3	0	3	280.00	840.00
G839A0	3	UPS Power Supply	1	0	1	88,000.00	88,000.00
G839A8	3	UPS Power Supply 300KVA	1	0	1	125,000.00	125,000.00
G856A4	3	Table, Ultrasound, Power w/Stirrups	2	0	2	6,600.00	13,200.00
G899Z2	4	Suction System (Stand) 4-Can	2	0	2	350.00	700.00
G918A6	4	Intravenous Pole, HD	7	0	7	275.00	1,925.00
G918A9	4	Intravenous Pole	11	0	11	280.00	3,080.00
G918N2	4	Intravenous Pole, (MR)	1	0	1	525.00	525.00
G934C9	4	Cart, Waste w/Lid/Door	4	0	4	975.00	3,900.00
H085A4	3	Analyzer Coagulation	2	0	2	15,000.00	30,000.00
H188A5	3	Analyzer, Chemistry, Urine	1	0	1	1,700.00	1,700.00
H234A4	3	Refrigerator, Blood Bank, 1-Door	2	0	2	9,500.00	19,000.00
H430C4	3	Analyzer, Hematology	2	0	2	16,000.00	32,000.00
H521A3	3	Centrifuge, Benchtop	1	0	1	1,600.00	1,600.00
H521A6	3	Centrifuge, Benchtop	2	0	2	1,600.00	3,200.00
I021A3	3	Slit Lamp	1	0	1	4,750.00	4,750.00
I052H2	3	Tonometer Hand Held, Applanation	2	0	2	3,000.00	6,000.00
I062A1	3	Oto/Ophthalmoscope, Wall Mtd	2	0	2	1,150.00	2,300.00
I080S1	4	Stool, Ophthalmic	1	0	1	425.00	425.00
I081A3	3	Chair, Ophthalmic, Manual	1	0	1	3,000.00	3,000.00
I145A1	3	Chart, Visual Acuity, Letters	1	0	1	25.00	25.00
I204W3	3	Table, Ophthalmic, Instrument	1	0	1	1,000.00	1,000.00
M384B0	3	Microscope, Laboratory	1	0	1	8,500.00	8,500.00
O120C1	3	Light Source, Endoscope	1	0	1	2,500.00	2,500.00
O140A4	3	Doppler, Fetal	1	0	1	675.00	675.00
P043A1	4	Finger Trap Assembly	1	0	1	275.00	275.00
P093A0	4	Wheelchair, Manual, Adult	14	0	14	300.00	4,200.00
P093G2	4	Wheelchair, Manual, Bariatric	7	0	7	600.00	4,200.00
R020A1	2	Rack, X-Ray Apron, Wall Mtd.	6	0	6	175.00	1,050.00

Project Summary

Key	Ref	Item Description	Req	Ext	New	Item Cost	Ext. Cost
R020E9	4	Apron, Lead, Radiographic w/Collar	14	0	14	375.00	5,250.00
R031B2	2	Viewbox, 2-Film, Surface Mtd	2	0	2	650.00	1,300.00
R031H4	2	Viewbox, 4-Film, Recessed	1	0	1	1,320.00	1,320.00
R062E1	3	Ultrasound Scanner OB	1	0	1	46,000.00	46,000.00
R077A3	3	X-Ray Unit, Mammo, Digital/CAD	1	0	1	551,000.00	551,000.00
R081A2	3	X-Ray Unit, Digital Mobile	1	0	1	162,000.00	162,000.00
R086M1	3	Injector, Contrast Dual Pedestal (MR)	1	0	1	25,000.00	25,000.00
R086M3	3	Injector, Contrast R.C. part of R086M1	1	0	1	0.00	0.00
R105A7	3	MRI, 1.5 Tesla	1	0	1	1,600,000.00	1,600,000.00
R114B0	3	X-Ray System, Rad, Digital	3	0	3	300,000.00	900,000.00
R138G2	3	Digitizer, Image	1	0	1	15,000.00	15,000.00
R153A1	4	MRI Breast Coil	1	0	1	102,000.00	102,000.00
R166B1	3	X-Ray Unit, Mobile C-Arm, Digital	2	0	2	100,000.00	200,000.00
R211A8	3	Ultrasound Scanner, Radiology	3	0	3	145,000.00	435,000.00
R225B4	3	Scanner, CT, 64-Slice	1	0	1	910,000.00	910,000.00
R225C9	3	Scanner, CT, 128-Slice	1	0	1	1,100,000.00	1,100,000.00
S012A1	4	Stand, Mayo, Small	2	0	2	360.00	720.00
S012A3	4	Stand, Mayo, Large	3	0	3	575.00	1,725.00
S015B3	4	Cart, OR Supply (Case)	2	0	2	3,800.00	7,600.00
S016A3	4	Stretcher, Transfer	2	0	2	3,800.00	7,600.00
S025C6	3	Video System Surgical Endoscopic	2	0	2	130,000.00	260,000.00
S025H1	3	Video System, Arthoscopy	1	0	1	45,000.00	45,000.00
S027C1	2	Light, Procedure, Ceiling Mtd.	8	0	8	3,000.00	24,000.00
S032B8	2	Light, Surgical w/ Flatpanel	2	0	2	25,000.00	50,000.00
S041L5	4	Legholder System	2	0	2	2,600.00	5,200.00
S078A1	3	Illumination System, Specula	1	0	1	300.00	300.00
S120B2	4	Stool, Adj. Upholstered Seat/Back	6	0	6	550.00	3,300.00
S121A1	4	Table, Instrument w/Shelf 30x16	2	0	2	300.00	600.00
S121A9	4	Table, Instrument, Surgical 20x16	2	0	2	300.00	600.00
S121B1	4	Table, Instrument w/Shelf 33x18	1	0	1	500.00	500.00
S194A1	3	Table, Surgical, Power	2	0	2	42,000.00	84,000.00
S219B4	3	ESU w/Cart & Smoke Evacuator	2	0	2	30,000.00	60,000.00
S231A1	3	Laser, Surgical	1	0	1	80,000.00	80,000.00

Project Summary

Key	Ref	Item Description	Req	Ext	New	Item Cost	Ext. Cost
S252A0	3	Pump, Suction, Mobile	3	0	3	2,300.00	6,900.00
S260A1	3	Tourniquet, Pneumatic	3	0	3	15,325.00	45,975.00
S260F1	3	Foot Sequential, Impulse Pump	2	0	2	4,800.00	9,600.00
S365L2	3	Cart, Malignant Hyperthermia (MH)	1	0	1	1,900.00	1,900.00
S365T3	4	Cart, Procedure, Trauma	2	0	2	2,200.00	4,400.00
S477B6	2	Sink, Surgical Scrub, 2-Bay	2	0	2	10,600.00	21,200.00
S477F8	3	Scrubsuit Dispenser/Receiver 32 Cap	1	0	1	0.00	0.00
S561A1	3	Scalpel, Harmonic	1	0	1	25,000.00	25,000.00
S598B1	3	Argon Plasma Coagulation Unit	1	0	1	25,000.00	25,000.00
T352A4	3	Analyzer, Chemistry	2	0	2	55,000.00	110,000.00
T460A8	3	Analyzer, Glucose	5	0	5	600.00	3,000.00
U106B2	3	Headlamp System Surgical w/Std	2	0	2	7,600.00	15,200.00
V033C1	3	CD Burner, Radiology	1	0	1	22,000.00	22,000.00
W001C6	3	Oven, Microwave	6	0	6	250.00	1,500.00
W002A0	3	Refrigerator / Freezer, Upright	4	0	4	1,100.00	4,400.00
W005B7	3	Refrig/Freezer Side by Side	1	0	1	2,500.00	2,500.00
W006E3	3	Refrigerator, U/C w/Lk Bracket SS	5	0	5	2,000.00	10,000.00
W006F4	3	Refrigerator Undercounter	7	0	7	1,300.00	9,100.00
W009A1	3	Freezer, Upright	1	0	1	1,500.00	1,500.00
W016B0	2	Coffeemaker, Automatic	7	0	7	0.00	0.00
W016C8	2	Coffeemaker, Automatic, Single Cup	3	0	3	0.00	0.00
Z001FS	3	Allowance, Food Service Equipment	1	0	1	11,000.00	11,000.00
Z001X0	4	Allowance, Pat. Setup Equip. CT	2	0	2	650.00	1,300.00
Z001X6	2	Allow., Pat. Setup Equip (Radiology)	3	0	3	500.00	1,500.00
Z002I5	4	Allowance, OR Instruments	2	0	2	75,000.00	150,000.00
ZZ200	4	Furniture	1	0	1	600,000.00	600,000.00
ZZ301	3	Moving/Installation	1	0	1	200,000.00	200,000.00
ZZ310	3	Tele/Data Equipment	1	0	1	4,125,000.00	4,125,000.00
ZZ313	3	Computer Equipment	1	0	1	430,000.00	430,000.00
ZZ321	3	Security Systems	1	0	1	370,000.00	370,000.00
ZZ322	3	A/V Systems	1	0	1	150,000.00	150,000.00
ZZ323	3	Nurse Call Systems	1	0	1	100,000.00	100,000.00
ZZ330	3	Interior Signs	1	0	1	150,000.00	150,000.00

Project Summary

Key	Ref	Item Description	Req	Ext	New	Item Cost	Ext. Cost
ZZ340	3	Exterior Signs	1	0	1	150,000.00	150,000.00
ZZ370	3	Artwork/Graphics	1	0	1	70,000.00	70,000.00
			Project Total:				**16,751,150.00**

Schedule 13-
CON Forms Applicable to all Article 28 Facilities

Contents:

Schedule 13 Part A. Assurances From Article 28 Applicants

Schedule 13A

Article 28 applicants seeking combined establishment and construction or construction approval only must complete this schedule.

The undersigned, as a duly authorized representative of the applicant, hereby gives the following assurances:

a) The applicant has or will have a fee simple or such other estate or interest in the site, including necessary easements and rights-of-way, sufficient to assure use and possession for the purpose of the construction and operation of the facility.

b) The applicant will obtain the approval of the Commissioner of Health of all required submissions, which shall conform to the standards of construction and equipment in Subchapter C of Title 10 (Health) of the Official Compilation of Codes, Rules and Regulations of the State of New York (Title 10).

c) The applicant will submit to the Commissioner of Health final working drawings and specifications, which shall conform to the standards of construction and equipment of Subchapter C of Title 10, prior to contracting for construction, unless otherwise provided for in Title 10.

d) The applicant will cause the project to be completed in accordance with the application and approved plans and specifications.

e) The applicant will provide and maintain competent and adequate architectural and/or engineering inspection at the construction site to insure that the completed work conforms to the approved plans and specifications.

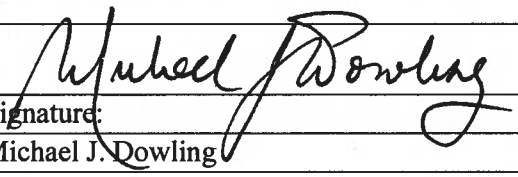
f) If the project is an addition to a facility already in existence, upon completion of construction all patients shall be removed from areas of the facility that are not in compliance with pertinent provisions of Title 10, unless a waiver is granted by the Commissioner of Health, under Title 10.

g) The facility will be operated and maintained in accordance with the standards prescribed by law.

h) The applicant will comply with the provisions of the Public Health Law and the applicable provisions of Title 10 with respect to the operation of all established, existing medical facilities in which the applicant has a controlling interest.

i) The applicant understands and recognizes that any approval of this application is not to be construed as an approval of, nor does it provide assurance of, reimbursement for any costs identified in the application. Reimbursement for all cost shall be in accordance with and subject to the provisions of Part 86 of Title 10.

Date: June 22, 2011



Signature:

Michael J. Dowling

Name

President and CEO, North Shore LIJ Health System

Title

Table 13B - 1:
For Establishment and/or Construction Requiring Full/Administrative Review

Schedule 13B

☒ Total Project
☐ Subproject number

A	B	C	D
	Number of FTEs to the Nearest Tenth		
Staffing Categories	**Current Year*** **NA**	**First Year of implementation 2014**	**Third Year of implementation 2016**
1. Management & Supervision		18.8	19.8
2. Technician & Specialist		48.3	53.6
3. Registered Nurses		37.7	53.7
4. Patient Care Associate			
5. Support Care Associate		4.5	5.7
6. Clerical Support Associate			
7. Care Coordinator			
8. Licensed Practical Nurses			
9. Aides, Orderlies & Attendants			
10. Physicians[9]			
11. PGY Physicians			
12. Physicians' Assistants		5.2	6.4
13. Nurse Practitioners			
14. Nurse Midwife- Lactation Consultant			
15. Social Workers and Psychologist**		5.2	5.2
16. Physical Therapists and PT Assistants			
17. Occupational Therapists and OT Assistants			
18. Speech Therapists and Speech Assistants			
19. Other Therapists, Assistants		5.2	5.2
20. Infection Control, Environment and 21. Food Service		14.0	14.0
22. Clerical & Other Administrative USA		27.0	29.0
23. Other Employee Classifications		9.0	9.0
Incremental Employees vs. Base			
Total Number of Employees		**174.9**	**201.6**

*Last complete year prior to submitting application
**Use only for RHCF and D and T Center proposals

Describe how the number and mix of staff were determined: ***The determination is based on volume, patient to nursing staffing ratios, acuity and case mix.***

9 The physician staffing is provided through the NSLIJ Medical Group, based upon patient volume and usage patterns. Physician staffing will be augmented as needed, by and on-call panel of physician consultant specialists.

1.) All diagnostic and treatment centers should complete the following section:

Name of medical director:	
License number of the Medical Director	

	Not Applicable:	Title of Attachment	Filename of attachment
Attach a copy of the medical director's curriculum vitae.	☐		

Acute care facility with which an affiliation agreement is being negotiated:	
In the space below, Indicate the status of those negotiations:	

	Not Applicable:	Title of Attachment	Filename of attachment
Attach a copy of a letter of intent or the affiliation agreement, if appropriate.	☐		

Distance in miles from the proposed facility to the acute care affiliate.	
Distance in minutes of travel time from the proposed facility to the acute care affiliate.	
Name of the acute care facility, nearest the proposed facility:	
Distance in miles from the proposed facility to the nearest acute care facility:	
Distance in minutes of travel time from the proposed facility to the nearest acute care facility.	

Table 13B - 2. Ambulatory surgery centers should complete the following Table: Not Applicable

List all practitioners -- including surgeons, Dentists and Podiatrists, who have expressed an interest in practicing at the Center.

NOTE: Attach copies of letters from each giving the number and type of procedures he or she expects to perform per year.

Practitioner's Name	License No.	Specialty (s)	Board Certified or Eligible	Expected Number of Procedures	List hospitals where Physician has Admitting Privileges:	Title and File Name of attachment
			YES ☐ NO ☐			
			YES ☐ NO ☐			
			YES ☐ NO ☐			
			YES ☐ NO ☐			
			YES ☐ NO ☐			
			YES ☐ NO ☐			
			YES ☐ NO ☐			

Schedule 13 Part C. Annual Operating Costs

Schedule 13C

For Establishment and/or Construction Requiring Full/Administrative Review

Use this schedule to summarize the first full year's incremental cost for the categories, which are affected by this project. The first full year is defined as the first 12 months of full operation after project completion. Project the first and third full year's direct incremental costs in current year dollars. (Show only additional operating costs to be incurred during the first full year after project completion). Enter in the column heading the year and month when this period begins and ends."

☒ Total Project
☐ Subproject Number ☐

Table 13C - 1

Categories	A Current Year 2010	B Year 1–2014 Incremental Cost Impact	C Year 3- 2016 Incremental Cost Impact
Start date of year in question:(m/d/yyyy)			
• Salaries and Wages		$10,388,300	$12,223,600
1a. FTEs		182.9	212.6
• Employee Benefits		3,428,100	4,033,800
• Professional Fees			
• Medical & Surgical Supplies		3,731,900	5,389,200
• Non-med., non-surgical Supplies		217,400	287,100
• Utilities			
• Purchased Services			
• Other Direct Expenses		3,299,600	4,276,400
• Subtotal (total 1-8)		$21,065,300	$26,210,100
• Interest		-	-
• Depreciation and Rent		6,750,400	6,750,400
• Total Incremental Operating Costs		**$27,815,700**	**$32,960,500**

	Title of Attachment	Filename of attachment
1. In an attachment, provide the basis and supporting calculations for depreciation and rent expense	Supporting calculations	Attachment #13C: 1
2. In an attachment, provide the basis for interest cost. Separately identify, with supporting calculations, interest attributed to mortgages and working capital	Supporting calculations	Attachment #13C: 1

Any approval of this application is not to be construed as an approval of any of the above indicated current or projected operating costs. Reimbursement of any such costs shall be in accordance with and subject to the provisions of Part 86 of 10 NYCRR. Approval of this application does not assure reimbursement of any of the costs indicated therein by payers under Title XIX of the Federal Social Security Act (Medicaid) or Article 43 of The State Insurance Law or by any other payers.

Basis and Supporting Calculations for Depreciation, Rent and Interest Cost

Lenox Hill Hospital
Maritime Building

Total CON Bond Principal (excl. DSRF):	$0
Total Construction, Equip. & Other	$125,000,000
DOH Filing Cost	$2,000
DOH Fees	$687,500
DOH Bond Fee (incl. in Financing Fees)	$0
Financing Fees @ 4.00%	$0
Interim Interest (net)	($0)
Total Const., Equip, Fin'ng & DOH Fees	$125,689,500
DSRF	$0
Cash Equity/Donor Funds:	$125,689,500
Debt:	$0
Combined Equity + Principal (ex. DSRF)	$125,689,500
check	$0

CON Schd.	
8b	9.2
	e
c	
n/a	n/a
17-1	
b	
n/a	n/a
	d
f	f

Construction Start (mm/dd/yy)	1-Feb-12
Construction End (mm/dd/yy)	1-Nov-13
Total Construction Months	21
First Full year after construction	2014

			depr. life	cost	Full Year depr.	2013	2014 Year 1	2015 Year 2	2016 Year 3	2017 Year 4	2018 Year 5
CON Fees			25	$689,500	$27,377	$13,688	$27,377	$27,377	$27,377	$27,377	$27,377
Moveable Equipment	13.4%		7	$16,751,150	$2,393,021	$1,196,511	$2,393,021	$2,393,021	$2,393,021	$2,393,021	$2,393,021
Constr, Fixed Eq., and Other	86.6%										
Fixed Equipment		10%	10	10,824,885	1,082,489	$541,244	$1,082,489	$1,082,489	$1,082,489	$1,082,489	$1,082,489
Construction & Other		90%	30	97,423,965	3,247,466	1,623,733	3,247,466	3,247,466	3,247,466	3,247,466	3,247,466
subtotal Construction			28.0	##########	$4,329,954	$2,164,977	$4,329,954	$4,329,954	$4,329,954	$4,329,954	$4,329,954
Capitalized Interest Amortization			30.0	($0)	($0)	($0)	($0)	($0)	($0)	($0)	($0)
Financing Fees Amortization			30.0	$0	$0	$0	$0	$0	$0	$0	$0
Interest Payments					$0	$0	$0	$0	$0	$0	$0
Full Year P&L Impact:					($6,750,000)						
Principal Payments						$0	$0	$0	$0	$0	$0
Combined Depreciation & Amortization:						$3,375,176	$6,750,352	$6,750,352	$6,750,352	$6,750,352	$6,750,352
for "current financing"						$3,375,176	$6,750,352	$6,750,352	$6,750,352	$6,750,352	$6,750,352
Year 1 Depreciation factor:						50%					

Average Depreciable Life	Allocation	Life	Asset Value	Ave Life
Moveable	13.4%	7	$16,751,150	0.9
Fixed	8.7%	10	10,824,885	0.9
Construction	77.9%	30	97,423,965	23.4
Total	100.0%		##########	25

J:\Data\Budpt_FP\Projects\Financial Planning\Certificate of Need\PAANS\Healthplex (Comprehensive Care)\Summary of CON Programs_SV.xlsx]Differences (2)

Schedule 13 Part D: Annual Operating Revenues
For Establishment and/or Construction Requiring Full/Administrative Review

This schedule is to be used for all proposals except (a) establishment applications for RHCFs and D&TCs, and (b) RCHF and D&TC applications which will increase total year current costs by more than 10%.

One schedule must be completed for the total project and one for each of the subprojects. Indicate which one is being reported by checking the appropriate box at the top of the schedule.

Use this schedule to summarize the current year's operating revenue, and the first and third year's incremental operating revenue for the categories that are affected by this project.

Table 1. Enter the current year data in column 1. This should represent the total revenue for the last complete year before submitting the application, using audited data.

Indicate in column 2 and column 3 respectively a projection of the first and third year incremental revenues (i.e., additional operating revenues (i.e., additional operating revenues to be received during the first and third years of operation after project completion). Use current year dollars. Show revenue reductions in parentheses.

Tables 2a and 2b. Enter current year data in the appropriate block. This should represent revenue by payer for the last complete year before submitting the application, using audited data.

Indicate in the appropriate blocks incremental revenues (i.e., additional operating revenues by payer to be received during the first and third years of operation after project completion). As an attachment, provide documentation for the rates assumed for each payer. Where the project will result in a rate change, provide supporting calculations. For managed care, include rates and information from which the rates are derived, including payer, enrollees, and utilization assumptions.

The total of Inpatient and Outpatient Services at the bottom of tables' 2a and b should equal the totals given on line 10 of table 1.

Provide as an attachment to this schedule a cash flow analysis for the first year of operations after the changes proposed by the application, which identifies the amount of working capital, if any, needed to implement the project. Please complete Schedule 5, Working Capital Schedule, in conjunction with the cash flow analysis.

Table 13D – 1

Schedule 13D

Categories	A Current Year 2010	B Year 1 –2014 Incremental Revenue Impact	C Year 3 –2016 Incremental Revenue Impact
1. Start date of year in question:(m/d/yyyy)			
2. Daily Hospital Services			
3. Ambulatory Services			
4. Ancillary Services			
5. Total Gross Patient Care Services Rendered			
6. Deductions from Revenue			
3. Net Patient Care Services Revenue		$24,016,700	$33,644,700
4. Other Operating Revenue (Identify sources)			
5. Total Operating Revenue (Total 1-7)		$24,016,700	$33,644,700
6. Non-Operating Revenue			
7. Total Project Revenue		$24,016,700	$33,644,700

Table 13D - 3

Inpatient Services Source of Revenue		Total Current Year			First Year Incremental			Third Year Incremental		
		Cases	Net Revenue*		Cases	Net Revenue*		Cases	Net Revenue*	
			%	Dollars ($)		%	Dollars ($)		%	Dollars ($)
Commercial	Fee for Service									
	Managed Care				84	34.8%	807,400	126	34.8%	1,211,100
Medicare	Fee for Service				20	8.2%	169,300	30	8.2%	254,000
	Managed Care				7	2.9%	61,700	11	2.9%	92,500
Medicaid	Fee for Service				45	18.5%	317,600	67	18.5%	476,400
	Managed Care				32	13.2%	190,900	48	13.2%	286,300
Private Pay					54	22.4%	105,200	81	22.4%	157,800
OASAS										
OMH										
Charity Care										
Bad Debt										
All Other										
Total					242	100%	1,652,100	363	100%	2,478,100

Table 13D - 4

Schedule 13D

Outpatient Services** Source of Revenue		Total Current Year			First Year Incremental			Third Year Incremental		
		Visits	Net Revenue*		Visits	Net Revenue*		Visits	Net Revenue*	
			%	Dollars ($)		%	Dollars ($)		%	Dollars ($)
Commercial	Fee for Service									
	Managed Care				32,364	53.5%	$14,945,900	45,304	53.1%	$20,794,200
Medicare	Fee for Service				11,071	18.3%	3,700,800	15,164	17.8%	5,058,700
	Managed Care				3,897	6.4%	1,380,500	5,335	6.3%	1,904,900
Medicaid[10]	Fee for Service				3,975	6.6%	1,007,400	5,925	6.9%	1,477,500
	Managed Care				4,361	7.2%	1,102,200	6,372	7.5%	1,610,600
Private Pay					4,854	8.0%	227,800	7,231	8.4%	320,700
OASAS										
OMH										
Charity Care										
Bad Debt										
All Other										
Total					**60,522**	**100%**	**22,364,600**	**85,331**	**100%**	**31,166,600**
Total of Inpatient and Outpatient Services					**60,764**	**100%**	**24,016,700**	**85,694**	**100%**	**33,644,700**

[10] Outpatient payor mix data is inclusive of the ED, ASU, and Imaging services. The payor mix assumptions for the ED are based on the historic payor mix of St. Vincent's "treat and release" ED volume. Medicaid and Self-pay patients represent 54.1% of Year 1 and Year 3 projected ED volumes, Commercial 34.8%, and Medicare 11.1%.

CON Forms Specific to Hospitals

Contents:

Schedule 16 Part A. Hospital Program Information for Establishment and/or Construction Requirin Full/Administrative Review

Instructions: Briefly indicate how the facility intends to comply with state and federal regulations specific to the services requested, such as cardiac surgery, bone marrow transplants. For clinic services, please include the hours of service for each day of operation, name of the hospital providing back-up services (indicating the travel time and distance from the clinic) and how the facility intends to provide quality oversight including credentialing, utilization and quality assurance monitoring.

Schedule 16 A. Hospital Program Information

Instructions: Briefly indicate how the facility intends to comply with state and federal regulations specific to the services requested, such as cardiac surgery, bone marrow transplants. For clinic services, please include the hours of service for each day of operation, name of the hospital providing back-up services (indicating the travel time and distance from the clinic) and how the facility intends to provide quality oversight including credentialing, utilization and quality assurance monitoring.

The Center for Comprehensive Care will be established as a Hospital Division of Lenox Hill Hospital. It will focus on meeting the emergency and medical needs of the surrounding communities. This hybrid model of care will be anchored by a Freestanding, 24-hour Emergency Department, a first-of-its-kind ED in the New York metropolitan area and a model for emergency care that is being implemented across the country. The Emergency Department will be complemented by a full-service Imaging Center, an Ambulatory Surgery facility, ambulance transport services and ancillary support services. Thus, it would combine access to emergency care available through a community hospital with specialized diagnostic and treatment services commonly found at a Diagnostic and Treatment Center.

The ED Divison of Lenox Hill Hospital will provide exemplary emergency medical care that is efficient, readily accessible and linked to a continuum of care. Care will be provided to patients without regard to insurance status. Patients and the community will also benefit from:

- 24-hour access to Board-Certified Emergency Medicine Physicians, as well as about 30 specially trained nurses and other staff experienced in treating a wide range of symptoms and conditions;
- 24-hour access to specialist consultations through the network of North Shore-LIJ physicians to provide additional clinical resources to determine the best course of treatment;
- Access to a observation and clinical decision unit that provides clinicians the ability to follow patients for less than 24 hours, ensuring that their condition is properly evaluated and that safe, informed judgments are made before they are treated and discharged;
- Two (2) inpatient beds for patients requiring observation and/or treatment for 24 hours or greater;
- When indicated, rapid transfer to an appropriate local physician or hospital chosen by the patient or by the emergency room physician's assessment of the best location for treatment;
- The ability for patients to actively participate in their care and decide which doctors or hospitals they will go to for follow-up care;
- The presence of on-site imaging, diagnostic and laboratory testing capabilities, which will enable North Shore-LIJ staff to respond more rapidly in caring for their patients and reduce waiting times;
- A multi-slice CT scanner for rapid detection or exclusion of cardiac blockages;
- A picture archiving and communication system (PACS) that will transmit images to North Shore-LIJ radiologists, who will quickly interpret results;
- Coordinated follow-up care to either the patient's physician, a neighboring primary care provider or a range of specialists;
- For those returning home who require in-home assistance, access to the home care provider of their choice or services provided through the North Shore-LIJ Home Care Network;
- Follow-up referrals to manage a patient's chronic conditions or other medical issues discovered during the course of treatment;
- Referrals to preventative care or education and support programs that will help avoid illnesses or injuries from worsening;
- An inter-operable electronic medical record accessible to all providers in the Health System's network who provide post-visit care to the patient; and

- An emergency care center that is accountable and meets all the same regulatory standards as traditional on-site hospital Emergency Departments (The Joint Commission Accreditation, NYS Article 28 and U.S. Centers for Medicare and Medicaid Services).

With few exceptions, the Freestanding Emergency Department will offer emergent care services and diagnostic capabilities similar to that of a community hospital, including advanced life support services. The emergency clinicians will be able to treat a full range of illnesses and injuries, including—but not limited to—the following:

- Chest pain and other cardiac symptoms
- Early-onset stroke
- Shortness of breath
- Respiratory illnesses (asthma, pneumonia, chronic bronchitis and emphysema)
- Concussions
- Fractures and joint injuries
- Motor vehicle injuries
- Severe cuts
- Mild to moderate burns
- Abdominal pain
- Allergic reactions
- Ear infections
- Gastrointestinal illnesses
- Influenza (flu)
- Occupational injuries
- Sports injuries
- Behavioral health issues

A more detailed list of conditions which could successfully be treated at the Center appears in Attachment 16A: 1 This list is based upon the emergency department patients formerly treated and released from St. Vincent's and those who were treated and admitted with a length of stay of two (2) days or less.

Freestanding Emergency Departments are similar to community, hospital-based Emergency Departments in terms of staff and services. Like most other community hospitals that do not accommodate trauma patients or provide cardiac interventional services, there are limitations to the types of patients who can be treated in these facilities. As proscribed in the State Health Code, 10 NYCCR Section 405.19, or established through protocols basic to the training of all FDNY and private EMT's, any patients requiring an ambulance transport would not be brought to a community hospital or a Freestanding Emergency Department if their clinical conditions indicate the need for care at a regional trauma center or immediate surgical intervention. This includes patients with severe trauma (gunshot wounds, major motor vehicle accidents, open fractures), and those requiring immediate surgical or cardiac interventions. However, if patients presenting at the Freestanding Emergency Department suffer an apparent heart attack or stroke, the advanced life support technologies available on site combined with the expertise and experience of staff would permit them to successfully evaluate and stabilize patients, and rapidly transport them to a hospital licensed to provide the appropriate service.

As indicated above, most other community hospitals do not accommodate severe trauma patients, provide interventional cardiac services, or complex neurosurgical and orthopedic procedures. On the other hand, some community hospitals are unable to staff their Emergency Departments entirely with Board-Certified Emergency Medicine Physicians, as proposed for this Freestanding Emergency Department.

The concept of a Freestanding Emergency Department is new to the majority of community residents and relatively new to many health care providers. As a consequence North Shore-LIJ has undertaken a significant effort to inform and educate community leaders about the Freestanding Emergency Department and address a myriad of questions which have been posed. It may be helpful to highlight some of the significant similarities and differences between the Freestanding Emergency Department and community hospitals:

- The Freestanding Emergency Department will occupy approximately 21,000 square feet, which is larger than the Emergency Department previously operated by St. Vincent's and many others. The facility is designed to accommodate over 30,000 emergency patient visits annually.

- The Freestanding Emergency Department will serve as a 911 receiving facility and possess the expertise, facilities and equipment to provide care to the majority of patients seen at most community hospitals without a trauma center.
- Like many other community hospitals, the Center for Comprehensive Care will also contain full-service imaging capabilities, including digital x-ray, computed tomography (CT) inclusive of cardiac imaging, magnetic resonance imaging (MRI) and ultrasound.
- Many community hospitals lack the specialized facilities to treat patients who present with behavioral health problems. The Freestanding Emergency Department will have dedicated facilities to accommodate some patients with behavioral health conditions and will coordinate aftercare with community-based mental health providers. It will not be able to treat patients with an acute behavioral episode.
- The Freestanding Emergency Department will be staffed by physicians who are board-certified in either adult or pediatric emergency medicine. Not all community hospitals are able to provide this level of experience and training in their Emergency Departments.
- Similar to other community hospitals in New York City, patients requiring diagnostic or interventional cardiac catheterization, electrophysiology studies, cardiac bypass surgery, complex neurosurgery, or major orthopedic or microsurgery will be evaluated, stabilized and then transferred to a hospital of the patient's choice or Lenox Hill Hospital which provides all of these services.
- The Freestanding Emergency Department will be able to access the clinical expertise at Lenox Hill Hospital and the resources available throughout North Shore-LIJ Heath System and community providers.

The Center will enter into affiliation and transfer agreements with neighboring hospitals such as Beth Israel, Roosevelt Hospital, New York Downtown, NYU and Bellevue. Specifically, relationships will be developed with Bellevue Hospital for major trauma and with New York Presbyterian Hospital and Staten Island University Hospital for burn patients. In the event an admission is required, community residents will have the ability to be transferred to the institution and physician of their choice. If a patient has no physician, one will be made available at Lenox Hill Hospital.

From a patient safety and quality standpoint, a major benefit of the Freestanding Emergency Department is its inclusion in North Shore-LIJ's $400 million investment in an Electronic Health Record system that automates inpatient and outpatient records in all medical settings, including North Shore-LIJ's 15 hospitals, all outpatient setting and the offices of more than 9,000 affiliated physicians. It represents the nation's largest deployment of an Electronic Health Record system. The technology allows all entities and providers to access patient records electronically, which is critically important for coordinating care and communication among providers.

Coordination with FDNY-EMS

North Shore-LIJ will work closely with DOH and FDNY Emergency Medical Services to develop and perfect protocols based on the capabilities and limitations of the Freestanding Emergency Department. These protocols will serve to guide medical control decisions about when to bring a patient to the Center or another facility.

North Shore-LIJ currently provides ambulance coverage in Manhattan, Queens and Staten Island under contract with NYC FDNY and has entered into discussions with FDNY to increase coverage in Manhattan in the coming months. The dispatch of North Shore-LIJ ambulances within FDNY EMS program is controlled by the NYC FDNY system. In addition, North Shore-LIJ operates the largest hospital-based inter-facility ambulance transport service in the metropolitan region. An ambulance will be available at the Freestanding Emergency Department to provide for the rapid transport of patients to a higher level of care.

Compliance with Relevant State and Federal Codes

As a Division of Lenox Hill Hospital, the Center's programs will be subject to the same high standards adhered to at Lenox Hill Hospital. All programs and services will comply with all relevant Federal, New York State and New York City codes, rules and regulations, as well as with relevant standards of The Joint Commission. The Center for Comprehensive Care will utilize all operational policies and procedures that are currently in effect at Lenox Hill Hospital and will modify all relevant policies and procedures at Lenox Hill Hospital to incorporate the Center and its clinical role within the hospital's clinical quality management, management and support infrastructure.

Relative to codes, rules and regulations for example, the Center for Comprehensive Care will comply with:

- NYCRR Title 10:
  - 405.19 - Emergency Services
  - 708.5 (h) - Emergency Department
  - 712-2.4 - New Hospital Construction
- 42 CFR
  - 413.65 (CMS Hospital off-campus Emergency Department Regulations)
  - 482.1 through 482.45 (Hospital Conditions of Participation (CoP))
  - 482.55 (Hospital CoP for Emergency Services)
  - 489.20 and 489.24 (Dedicated Emergency Department and Emergency Medical Treatment and Active Labor Act (EMTALA))
- New York City FDNY-EMS rules and those developed and adapted specific to the Center.

Like all providers of emergency services in the nation, North Shore-LIJ must comply with all the provisions of the Emergency Medical Treatment and Active Labor Act, also referred to as EMTALA. This regulation requires that any patient who comes to an Emergency Department requesting examination or treatment for a medical condition be provided with an appropriate medical screening examination to determine if he/she is suffering from an emergency medical condition. If that is the case, then all providers are obligated to either provide treatment until the patient is stable to either return home, admitted for further treatment or transferred to another hospital.

Serving Patients Without Regard to Insurance Status

The Center will accept all patients for care, regardless of ability to pay. North Shore-LIJ maintains contracts for its hospitals with all major private and public insurers. Further, North Shore-LIJ has pioneered one of the most progressive financial assistance programs available in New York for underinsured and uninsured patients, subsidizing care for patients with household incomes up to five times the federal poverty level. In monetary terms, that means a family of four with a household income of $110,000 qualifies for financial help. In the event patients are uninsured and do not qualify for public health insurance such as Medicaid, Child Health Plus or Family Health Plus, they may be able to reduce their hospital and medical bills based upon family size and income. The Health System financial assistance policy and practices are recognized as a national model policy and have been adopted by other providers.

Hours of Operation

The hours of operations for the programs at the Center for Comprehensive Care are:

- Freestanding Emergency Department: 24 hours/7 days a week
- Diagnostic Imaging:
  - Outpatient-8AM-6PM/Monday-Friday (May be adjusted to accommodate patient care needs and preferences).
  - Emergency Department: 24/7 – CT, X-ray, and Ultrasound located within ED; MRI after outpatient hours on call.
- Ambulatory Surgery: 7AM-6PM/Monday-Friday (May be adjusted to accommodate patient care needs and preferences).

Transfer Agreements

The Center will enter into transfer agreements as required by regulation or for services that would be needed at area hospitals including:

- Trauma- HHC Bellevue Hospital (1.3 miles)
- Burns- SIUH (11.5 miles) and NYP- Weill Cornell (3.0 miles)
- Level 3 Perinatal- Beth Israel (0.9 miles)
- Stroke Center- Beth Israel (0.9 miles)
- New York University Medical Center (1.4 miles)
- New York Downtown (1.8 miles)
- St. Luke's Roosevelt- Roosevelt Hospital (2.4 miles)
- Other Area Hospitals (as needed)

Quality Oversight

North Shore-LIJ is recognized for its ongoing commitment to providing high-quality, transparent, patient-centered healthcare throughout the New York metropolitan area. In 2010, the Health System was the first in New York to receive the prestigious National Quality Forum's (NQF) National Quality Healthcare Award. NQF, which works to raise standards for healthcare, presents this annual award to an organization that is a national leader in delivering outstanding quality-driven healthcare. An integral aspect of its success is North Shore-LIJ's Patient Safety Institute – the nation's largest patient simulation center. The Patient Safety Institute embodies North Shore-LIJ's promise to its staff to support their life-long commitment to learning, continuous improvement and mastery of the changing competencies required to attain the highest standards of clinical care. It is the culture of quality which will incubate and guide the development and provision of clinical services at the Center.

The North Shore-LIJ Health System Performance Improvement/Patient Safety Plan sets forth guidelines to assess and improve the performance of clinical, organizational and support processes and to evaluate how the System has anticipated and is responding to the health care needs of the communities it serves. It delineates the Quality Management (QM) process for ensuring that safe, appropriate and consistent care is delivered to all patients in all facilities and services that comprise the System. The Plan provides a framework for the Performance Improvement/Patient Safety Plans for its facilities, including Lenox Hill Hospital and the Center for Comprehensive Care.

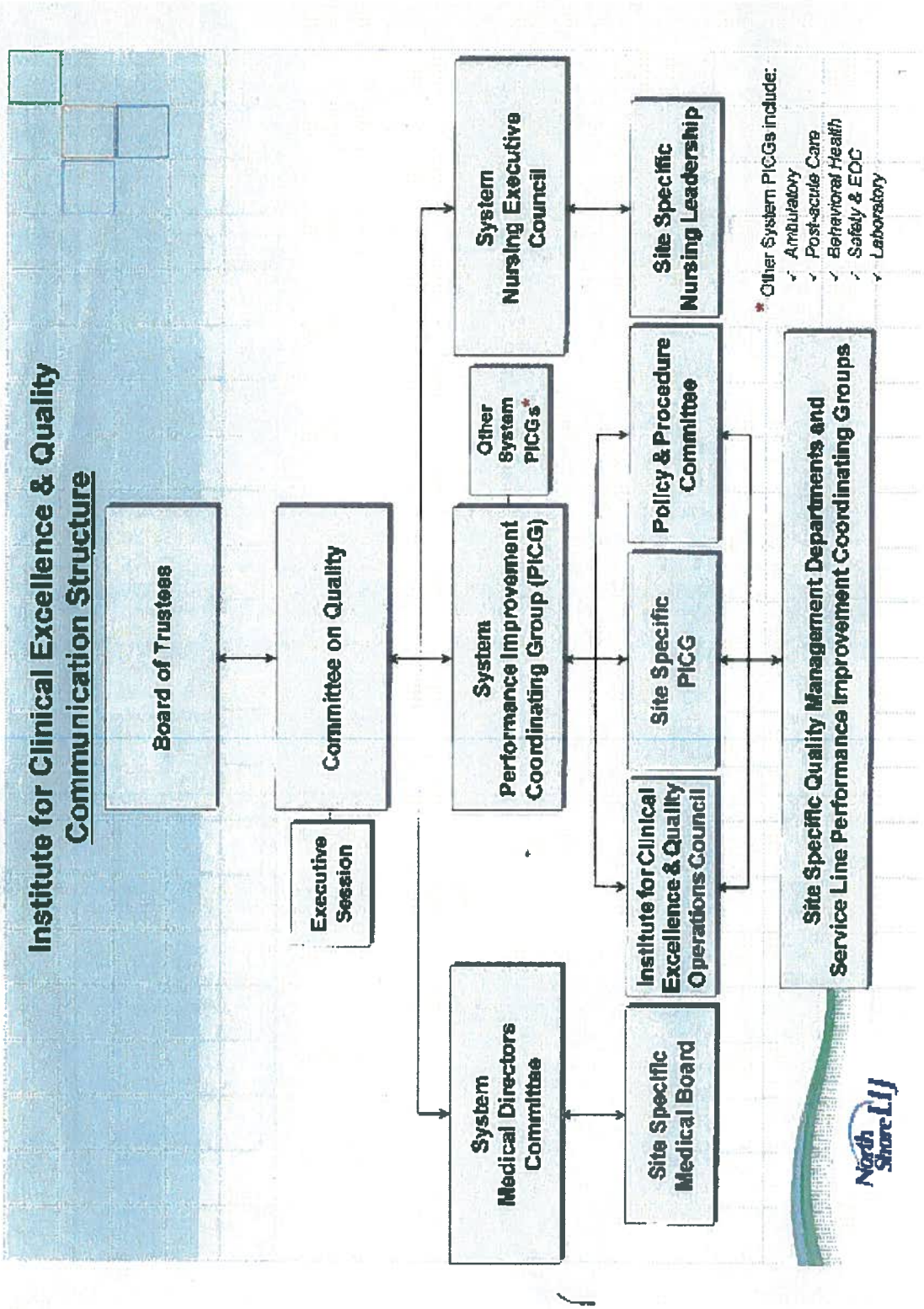
The Role of the Institute for Clinical Excellence and Quality (Institute)

North Shore-LIJ created the Institute to foster a deep-rooted culture in which patient safety is guaranteed. The Institute provides the framework for each North Shore-LIJ facility's performance improvement/safety program, supports each component in its activities to improve the quality of care delivered and improves organizational performance. The duties and responsibilities of the Institute are to:

- Develop and implement a health system-wide Performance Improvement and Patient Safety Plan utilizing the NQF priorities, CMS regulations, Joint Commission (JC) standards and New York State Department of Health's requirements;
- Provide oversight and support for continued survey-readiness at component sites through mock surveys and feedback;
- Act as a liaison for regulatory and other governmental agencies (e.g. JC, IPRO, OSHA, CMS);
- Maintain a comprehensive occurrence and tracking system for adverse and sentinel events and ensure that these events are reported to the appropriate agency based on New York State (NYS) requirements and JC guidelines. Identify trends and patterns for components and across the health system;
- Coordinate with site-specific Quality Management Departments to provide for the receipt and resolution of patients' complaints and grievances in a timely manner;
- Establish a culture of safety and teamwork and support continuous learning and education;
- Provide support and education to the Committee on Quality (COQ) of the Board of Trustees;
- Collaborate with the health system's Patient Safety Institute to design a patient safety curriculum with simulations based upon sentinel events and clinical situations that pose the greatest risk to patient safety;
- Direct and support the Quality Management Leadership through the Clinical Excellence Leadership Council (CELC), Clinical Excellence Operations Council and Performance Improvement Coordinating Group (PICG) at each component;
- Assure, through the Quality Management Leadership (QML), or designated person at each component, that staff at all levels, especially those at the patient care level, are routinely and systematically apprised of performance improvement activities and that steps are taken to proactively identify and resolve problems whenever appropriate;
- Participate in clinical standardization initiatives to reduce overuse and variation in practice;
- Collaborate with other North Shore-LIJ Health System departments (e.g. Finance, Regional Risk Management Services, Planning, Materials Support Services, Human Resources, and Information Systems etc.) to improve performance and promote patient safety.

Communication Structure-Oversight and Accountability

All components have a quality leader/director on site that is accountable for the Performance Improvement/Safety Program. At the facility level, the leader/director of QM establishes a quality management program that encompasses all aspects of care for all departments. Accountability is achieved by reporting activities and measurements through the QM communication structure in accordance with the expectations of the site administrator and the Vice President of the Institute. Communication effectively travels from the bedside caregiver to the Board of Trustees and across the entire continuum of services from pre-hospitalization and the Center for Emergency Medical Services to acute care services through home care, hospice, rehabilitation, and the nursing homes. In this way, leadership ensures that processes are in place to coordinate, measure, assess and improve all clinical and support functions (see following chart):



Methodology for Improving Performance and Patient Safety

The methodology utilized is based on quality concepts from the business and industrial sectors developed by Juan, Crosby, Deming and Shewhart that have been suitably adapted to health care improvement. The model was developed for scientifically monitoring quality improvement: the Plan, Do, Check, Act cycle (PDCA) – and is designed to standardize processes and minimize variation. Using the PDCA cycle, staff measure key organizational functions across a variety of settings: in-patient, critical care, emergency care, ambulatory, home care, hospice, behavioral health, rehabilitation, and long term care.

Another business methodology that the System has embraced is Six Sigma. This rigorous, focused, high-impact process is complementary to the PDCA methodology for performance improvement. In addition other methodologies such as Lean, Clinical Microsystems, case findings, prevalence studies, surveys/questionnaires, mock regulatory agency surveys, failure modes and effects analyses, root cause analyses and concurrent/retrospective medical record review are used to prioritize, plan, implement and evaluate the System's performance improvement initiatives.

Education

Educational programs are designed to improve scientific knowledge, clinical skills and professional concern for the safety and rights of patients. The Institute provides education to employees on patient safety at the System's corporate university, the Center for Learning and Innovation (CLI), The Feinstein Institute, and at the Patient Safety Institute. Evidence based guidelines are communicated through various forums, such as grand rounds, teleconferences, train the trainer programs, lectures, in-services and on-line training.

Additional Reporting

Each facility will also prepare an annual evaluation that summarizes the accomplishments of the year, indicating goals that were met and the new goals for the coming year. Employees from across the continuum will understand how their services fit into the organization's overall performance. Each facility will be responsible for developing mechanisms to obtain practitioner and employee views regarding current performance and opportunities for improvement. Quality Management places emphasis on the interrelationship of disciplines and services in the delivery of care and on adequate communication among the providers.

Conditions Treated in SVCMC Emergency Department

Conditions for Which Residents of the Lower Westside Were Treated in the St. Vincent's Emergency Department and Will Also Be Able to Be Treated in the Emergency Department of the North Shore-LIJ Lenox Hill Center for Comprehensive Care

Most Common Conditions for which Patients have and will Use the Emergency Department
COMMON VISITS (100 OR MORE VISITS)

Abdominal pain
Acute bronchitis
Alcohol-related disorders
Allergic reactions
Anxiety disorders
Asthma
Back pain or problems
Calculus of urinary tract
Cardiac dysrhythmias
Conditions associated with dizziness or vertigo
Connective tissue disease
Disorders of teeth and jaw
Ear and sense organ disorders
Epilepsy; convulsions
Fever of unknown origin
Fracture of lower limb
Fracture of upper limb
Gastrointestinal disorders
Genitourinary symptoms and ill-defined conditions
Headache; including migraine
Hypertension
Immunizations and screening for infectious disease
Inflammation; infection of eye
Injuries and conditions due to external causes
Intracranial injury
Joint disorders and dislocations
Lower respiratory disease
Malaise and fatigue
Mood disorders
Nausea and vomiting
Noninfectious gastroenteritis
Nonspecific chest pain
Non-traumatic joint disorders
Open wounds of extremities
Open wounds of head; neck; and trunk
Otitis media and related conditions

North Shore LIJ

Conditions for Which Residents of the Lower Westside Were Treated in the St. Vincent's Emergency Department and Will Also Be Able to Be Treated in the Emergency Department of the North Shore-LIJ Lenox Hill Center for Comprehensive Care

Pneumonia
Screening for suspected conditions
Skin and subcutaneous tissue infections
Skin disorders
Sprains and strains
Substance-related disorders
Superficial injury; contusion
Syncope
Upper respiratory infections and diseases
Urinary tract infections
Viral infection

Most Frequent Conditions for which Patients Have and will Use the Emergency Department
FREQUENT VISITS (25 to 100 VISITS)

Abdominal hernia
Acquired deformities
Acute and chronic tonsillitis
Adjustment disorders
Anal and rectal conditions
Attention-deficit, conduct, and disruptive behavior disorders
Biliary tract disease
Blindness and vision defects
Bone disease and musculoskeletal deformities
Burns (minor)
Cardiac and ventricular fibrillation (Cardiac arrest resuscitation)
Chronic obstructive pulmonary disease
Chronic ulcer of skin
Complications of pregnancy
Complications of surgical procedures or medical care
Deficiency and other anemia
Delirium, dementia, and other cognitive disorders
Diabetes mellitus with and without complications
Diseases of mouth; excluding dental
Diverticulosis and diverticulitis
Esophageal disorders

Conditions for Which Residents of the Lower Westside Were Treated in the St. Vincent's Emergency Department and Will Also Be Able to Be Treated in the Emergency Department of the North Shore-LIJ Lenox Hill Center for Comprehensive Care

Essential hypertension
Eye disorders
Female genital disorders
Fluid and electrolyte disorders
Gastritis and duodenitis
Gastrointestinal hemorrhage
Hemorrhoids
Inflammatory conditions of male genital organs
Inflammatory diseases of female pelvic organs
Influenza
Intestinal infection
Lymphadenitis
Male genital disorders
Medical examination/evaluation
Menstrual disorders
Miscellaneous disorders
Mycoses
Nervous system disorders
Nonmalignant breast conditions
Osteoarthritis
Other fractures
Other infections; including parasitic
Other inflammatory condition of skin
Ovarian cyst
Phlebitis
Pleurisy
Poisoning by nonmedicinal substances
Poisoning by other medications and drugs
Sickle cell anemia
Skull and face fractures
Varicose veins of lower extremity

Conditions for Which Residents of the Lower Westside Were Treated in the St. Vincent's Emergency Department and Will Also Be Able to Be Treated in the Emergency Department of the North Shore-LIJ Lenox Hill Center for Comprehensive Care

Most Infrequent Conditions for which Patients Have and will Use the Emergency Department INFREQUENT (25 OR FEWER VISITS)

Acute and unspecified renal failure
Acute cerebrovascular disease
Acute myocardial infarction
Acute posthemorrhagic anemia
Aspiration pneumonitis; food/vomitus
Blindness and vision defects
Bone disease and musculoskeletal deformities
Cancer of bone and connective tissue
Cancer of bronchus; lung
Cancer of colon
Cancer of head and neck
Cancer of prostate
Cancer of rectum and anus
Coagulation and hemorrhagic disorders
Complication of device; implant or graft
Conduction disorders
Congestive heart failure; nonhypertensive
Coronary atherosclerosis and other heart disease
Delirium, dementia, and amnesic and other cognitive disorders
Digestive congenital anomalies
Diseases of veins and lymphatics
Diseases of white blood cells
Disorders of stomach and duodenum
Endocrine disorders
Gout and other crystal arthropathies
Heart valve disorders
Hereditary and degenerative nervous system conditions
HIV infection
Hyperplasia of prostate
Ill-defined cerebrovascular disease
Impulse control disorders, NEC
Infective arthritis and osteomyelitis
Intestinal obstruction without hernia
Leukemias (related complications)
Lymphadenitis
Meningitis (except that caused by tuberculosis or sexually transmitted disease)

Conditions for Which Residents of the Lower Westside Were Treated in the St. Vincent's Emergency Department and Will Also Be Able to Be Treated in the Emergency Department of the North Shore-LIJ Lenox Hill Center for Comprehensive Care

Miscellaneous disorders
Multiple sclerosis
Neoplasms of unspecified nature or uncertain behavior
Nonmalignant breast conditions
Normal pregnancy and/or delivery
Occlusion or stenosis of precerebral arteries
Osteoarthritis
Other circulatory disease
Other inflammatory condition of skin
Other nutritional; endocrine; and metabolic disorders
Ovarian cyst
Pancreatic disorders (not diabetes)
Pathological fracture
Peri-; endo-; and myocarditis; cardiomyopathy
Peripheral and visceral atherosclerosis
Peritonitis and intestinal abscess
Poisoning by psychotropic agents
Regional enteritis and ulcerative colitis
Retinal detachments; defects; vascular occlusion; and retinopathy
Rheumatoid arthritis and related disease
Sickle cell anemia
Spontaneous abortion
Thyroid disorders
Transient cerebral ischemia
Varicose veins of lower extremity

Conditions for which Patients Have Used the St. Vincent Emergency Department and Should Not Use the Emergency Department at the North Shore-LIJ/Lenox Hill Center for Comprehensive Care

Acute uncontrollable psychiatric patients (939) including schizophrenia and other active psychotic disorders
Acute myocardial infarction patients including those with confirmed ST elevation
Burn patients (moderate to major)
Dialysis patients
Severe Head-injured or spinal-cord injured patients;
High-Risk maternity patients;
Neonates or Pediatric patients in need of intensive care;
Replantation patients
Severe Trauma, crushing injury and multiple injury patients;

North Shore LIJ

Schedule 16 B. Community Need
(For Article 28 Hospitals and hospital sponsored clinics only)

This schedule is required for Establishment Applications and for Construction Applications requiring Full Review.

Public Need Summary:
Briefly summarize on this schedule why the project is needed. Use additional paper, as necessary. If the following items have been addressed in the project narrative, please cite the relevant section and pages.

1. **Identify the relevant service area (e.g., Minor Civil Division(s), Census Tract(s), street boundaries,**

2. **Provide a quantitative and qualitative description of the population to be served. Data may include median income, ethnicity, payor mix, etc.**
   a. **Age**
   b. **Diversity**
   c. **Socioeconomic Indicators**

3. **Document the current and projected demand for the proposed service. If the proposed service is covered by a DOH need methodology, demonstrate how the proposed service is consistent with it.**
   a. **Current Demand:**
   b. **Future Demand:**

4. **Describe how this project is consistent with your facility's Community Service Implementation Plan (voluntary not-for-profit hospitals) or strategic plan (other providers).**

5. **Describe where and how the population to be served currently receives the proposed services.**

6. **Describe how the proposed services will address specific health problems prevalent in the service area, including any special experience, programs or methods that will be implemented to address these health issues.**

Schedule 16 B. Community Need/Public Need Summary: Briefly summarize on this schedule why the project is needed. Use additional paper, as necessary. If the following items have been addressed in the project narrative, please cite the relevant section and pages.

The justification for the need for the Center for Comprehensive Care should start with a review of the recent past. As recently as December 2006 when the results of the NYS Commission on Health Care Facilities in the 21st Century issued its final report, no recommendation was made concerning St. Vincent's other than the closure of its mid-town campus. In 2008, when the hospital had developed plans to rebuild its facilities on an adjacent parcel of land, no one questioned whether or not St. Vincent's would receive the necessary Department of Health approvals for the project. When St. Vincent's was considering filing for bankruptcy, Governor Patterson established a Task Force to "Save St. Vincent's" and keep it open. Again the question of the need for the services provided by this facility was not raised. Confronting mounting losses and a crushing debt burden, St. Vincent's closed on April 30, 2010 after 160 years of service to the community.

The Hospital was an integral part of the community healthcare system providing over 67,000 emergency room visits and major employer with 4,500 employees who supported local business and cared for patients from the New York metropolitan region. Its closure, devastating to many on so many levels, created a vacuum or a rip in the health care delivery fabric of the community. This resulted in the Department of Health, FDNY-EMS and existing hospitals and other health providers to rapidly step in to fill the void. Their swift and focused actions attempted to mitigate and minimize the impact of the inevitable disruption so as to provide access and continuity of health care for the communities most affected by these events.

As a result of the closure there is a new reality to consider. For over a year, no health provider has come forward to indicate that they could have restructured the finances of St. Vincent's and maintain it as a hospital prior to its declaring

bankruptcy nor has any provider come forward after its closure and proposed a plan to reopen St. Vincent's as a hospital. This new reality doesn't include St. Vincent's as a health provider.

In response, in August 2010, a number of elected officials and community leaders came together to initiate the West Village Community Health Needs Assessment (Needs Assessment). The Needs Assessment is a systematic method of identifying the health needs of the residents of the Lower West Side. North Shore-LIJ volunteered to make available its community health planning resources to the community, as North Shore-LIJ had reviewed relevant community health data used to prepare its proposal to DOH to operate an Urgent Care Center. It was joined by faculty from the Hunter College School of Urban Public Health and representatives from Fulton Youth, a grassroots community organization, who were recruited to incorporate the opinions and voice of the community into the study.

The Assessment Study evaluated the demographics of the community, the health status of residents, availability of current health care resources, access to care and historic utilization patterns. Community health survey initiatives (e.g. leadership interviews, focus groups, on-line survey and structured discussions with community groups) were used to complement secondary data sources and identify service needs and gaps. The goal of the study is to identify opportunities to improve the delivery system to better meet the needs of the communities affected by the closure of St. Vincent's.

The Steering Committee is composed of the following representatives and organizations:

- Manhattan Community Boards 2 and 4
- NYC Council Speaker Christine C. Quinn
- Senator Thomas K. Duane
- Assembly Member Richard N. Gottfried
- Assembly Member Deborah J. Glick
- Representative Jerrold R. Nadler
- Borough President Scott M. Stringer
- Councilmember Margaret Chin
- Center for Medical Consumers
- Commission on the Public's Health System
- Callen-Lorde Community Health Center
- Ryan-NENA Community Health Center
- Ryan/Chelsea-Clinton Community Health Center
- Charles B. Wang Community Health Center
- Institute for Family Health
- VillageCare
- Caring Community
- Hudson Guild
- Greenwich House
- Penn South Program for Seniors
- Jewish Association for Services for the Aged (JASA)
- Gay Men's Health Crisis
- Bailey House
- God's Love We Deliver
- New York AIDS Coalition (NYAC)
- Center for Independence for the Disabled (CIDNY)
- SEIU 1199
- Nurses Local-NYSNA
- Committee of Interns and Residents (CIR-SEIU)
- New York Professional Nurses Union
- West Side Neighborhood Alliance (WSNA)
- Greenwich Village-Chelsea Chamber of Commerce
- Fulton Houses/Fulton Youth
- Elliot-Chelsea Houses
- St. Vincent's Medical Center Physicians
- Beth Israel Medical Center
- New York Downtown Hospital
- Housing Conservation Coordinators

- LGBT Community Center
- New York Immigrant Coalition
- Salvation Army
- Mental Health Association of New York City

Based upon an initial work plan approved by the Steering Committee, North Shore-LIJ's study organized and provided secondary (existing) data to the Steering Committee. The study has produced some initial results profiling the health status of the community, and documented where patients sought inpatient and emergency care pre- and post-closure. The process has been completely transparent and all of the work presented thus far can be accessed through the web site of Community Board 2[11].

The Health Assessment is ongoing. Separate surveys of community residents conducted by the Hunter School of Urban Public Health (Hunter College) and Committee on the Public's Health System/Fulton Youth of the Future (CPHS/FYF) describe some of the barriers residents are experiencing in accessing health care.

The Hunter College Survey Report, Attachment 1B: 1, was presented at the May 26, 2011 Steering Committee meeting. The draft Qualitative Community Health Survey prepared by the Commission on the Public's Health System (CPHS) on behalf of Fulton Youth of the Future was also presented at this Steering Committee meeting. The CPHS/FYF survey results were presented as a draft and the authors requested that further analysis was required before the survey can be fully considered. Therefore, the survey results were not available to be referenced in this Certificate of Need application.

The Hunter College Survey Report obtained 1,438 valid responses with 898 respondents having sought out care at St. Vincent's in the past five years. Some of the key findings related to the proposed project include:

- 3 out of 4 (75%) had used the St. Vincent's ED with approximately 30% of respondents using inpatient and specialty services.
- Slightly more than 1 in 4 (26.1%) had sought ED care post-closure of St. Vincent's.
- Approximately 71% reported that it was more difficult to obtain health care post St Vincent's closure.
- When asked "Since the closing of St. Vincent's Medical Center, are there health care services that are NO LONGER AVAILABLE to you?" 44% responded affirmatively and the majority talked about "needing an ER."
- Asked about accessing services previously not available, 11% stated affirmatively but it was noted that the respondents thought this question was confusing.
- Half (51%) reported that it took more time or they traveled longer distances to obtain health care.
- Approximately 33% reported waiting longer to get an appointment or to be seen.
- There were over 630 open-ended responses which were coded into 37 themes. Examples include:
    - Unsure of where to go for general healthcare
    - No nearby ER/trauma center now, unsure where to go for emergency
    - No (other specialty) now
    - Experienced doctor changes or affected decisions about doctors
    - Neighborhood business losses
    - Healthcare too expensive in general – concerns re healthcare expense
    - Need for "full" hospital
    - Negative comment regarding elected officials
    - Fear, anxiety
    - Respondent never used SVCMC
    - Other facilities too far and/or other ERs or mentioned traffic
    - Other facilities too crowded, or understaffed, or too expensive
    - SVCMC was better/best
    - Positive/negative anecdote at SVCMC
    - Positive/negative anecdote regarding other facilities, or post-closing
    - Respondent gave birth at SVCMC
    - SVCMC gave poor quality of care
    - Used word "insecurity" or "loss of security" after closing
    - No changes in personal health care since closing
    - Used word "sad" or "unhappy" to describe feelings post closing

11 http://www.nyc.gov/html/mancb2/html/community_health_assess/community_health_assess.shtml

The Needs Assessment is ongoing; however, the need to access health care on an emergency basis is a recurring theme in all interactions with the community. We acknowledge that few residents conceived of receiving emergency care outside of the context of a full-service hospital; however, we believe the proposed project can meet the community's need for emergency care.

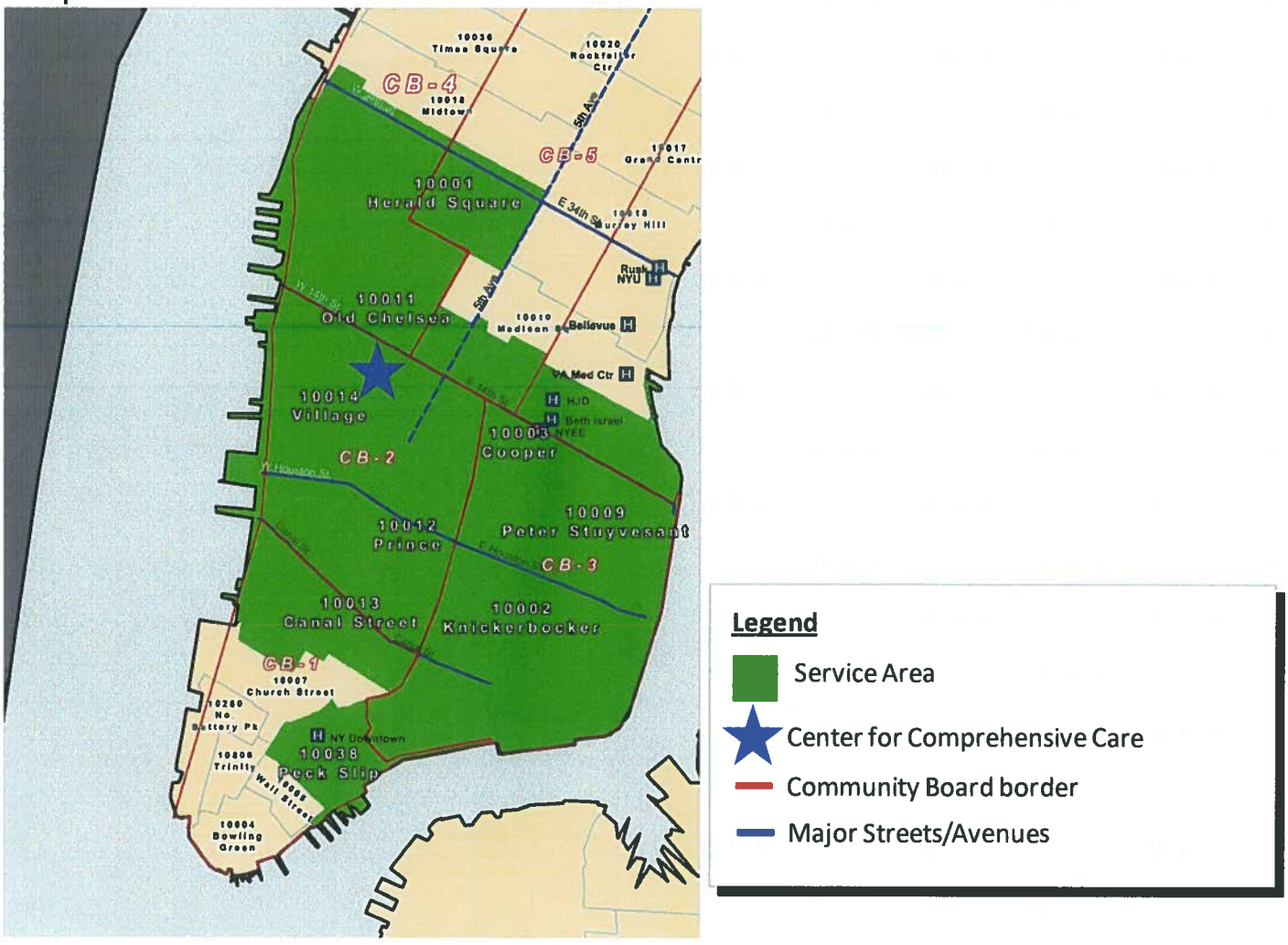
1. **Identify the relevant service area** (e.g., Minor Civil Division(s), Census Tract(s), street boundaries, Zip Code(s), Health Professional Shortage Area (HPSA) etc.)

The Center for Comprehensive Care will be located in the Greenwich Village community of Manhattan at 30 Seventh Avenue (10011) at the site of the former St. Vincent's O'Toole Building, also referred to as the National Maritime Building. The facility's service area was based on a patient origin analysis of St. Vincent's conducted for the Community Health Assessment Steering Committee (Steering Committee). Thus, North Shore-LIJ utilized the Service Area boundaries as described by the community believed most impacted by the closure of St. Vincent's. The service area as defined by the Steering Committee is comprised of the following communities:

- 10001 – Herald Square
- 10002 – Knickerbocker
- 10003 – Cooper
- 10009 – Peter Stuyvesant
- 10011 – Old Chelsea
- 10012 – Prince
- 10013 – Canal Street
- 10014 – Village
- 10038 – Peck Slip

This service area defined by the Community Health Assessment Steering Committee is composed of the communities which are proximate to St. Vincent's and were dependent upon it for health care. Essentially, the service area is bounded (but not precisely) by 34th Street to the North, Broome Street to the South, the Hudson River to the West and the lower East side/East River to the East. It comprises all of Community Boards 2 and 3 and portions of 1 and 4.

Map 1: Service Area

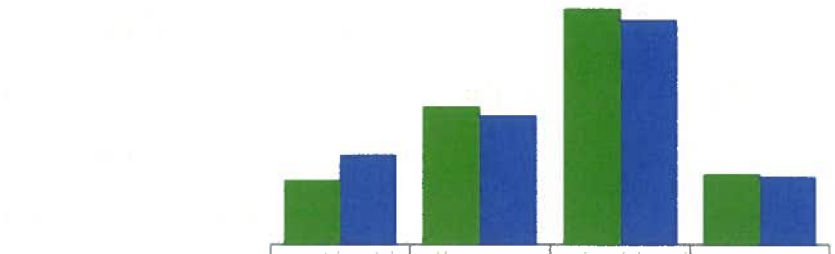


2. **Provide a quantitative and qualitative description of the population to be served.** Data may include median income, ethnicity, payor mix, etc.

   a. **Age**

   The service area is comprised of 385,792 residents. The service area residents are slightly older than Manhattan resident's overall.

2010 Population



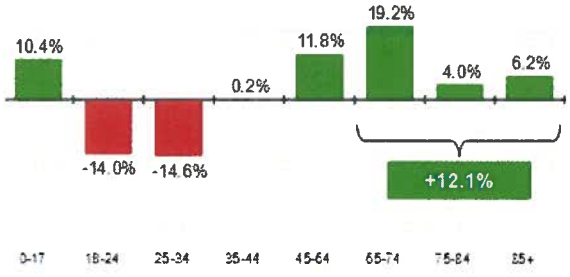
	0-17	18-34	35-64	65+
Service Area (n = 385,792)	12.7%	27.2%	46.3%	13.8%
Manhattan (n = 1,641,573)	17.4%	25.3%	44.1%	13.2%

Source: Thomson Reuters; accessed November 5, 2010

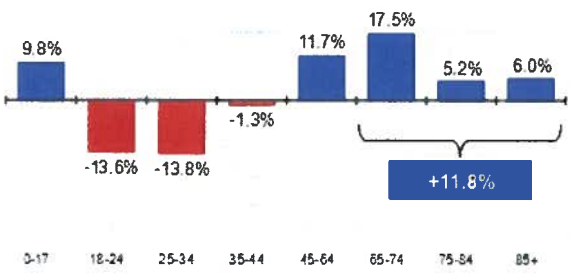
This population is projected to increase by another 8,533 residents or 2.2% by 2015. The most significant growth will be seen in the adult population age 45 and older, which is projected to increase 12.1% by 2015. There will be an increased demand for health care services based upon the aging of the population.

2010-2015
Population Growth

Service Area
+2.2% Growth (+8,533 residents)



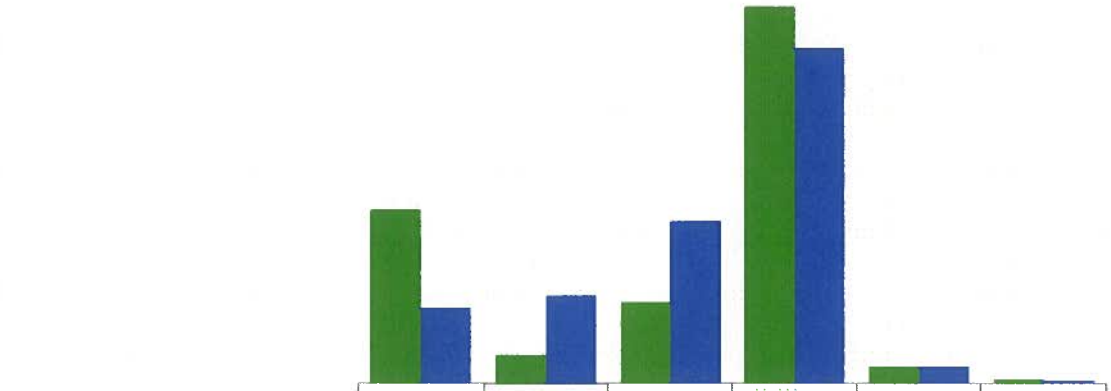
Manhattan
+2.5% Growth (+40,429 residents)



Source: Thomson Reuters; accessed November 5, 2010

b. Diversity (Language, Race/Ethnicity, Types of Disability)

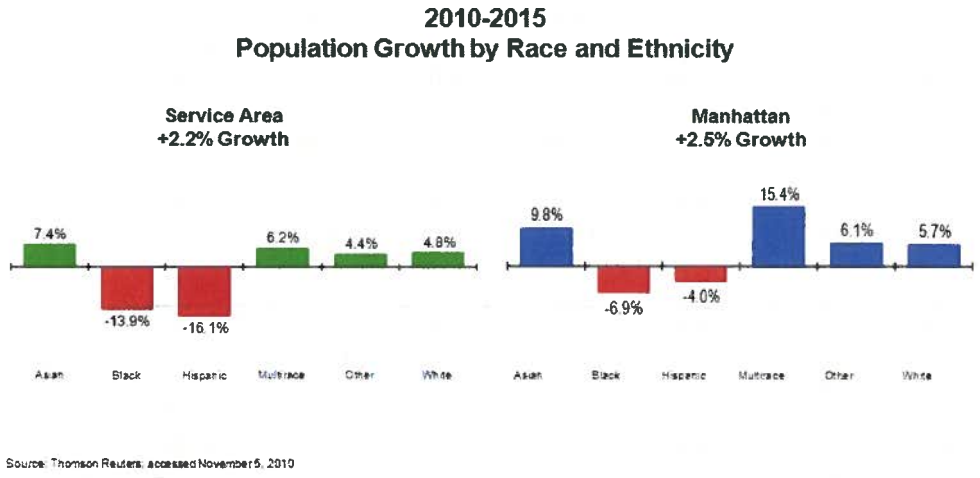
The service area is racially and ethnically diverse with 45% non-White. One in four residents is Asian (25.4%), followed by Hispanic (12.0%), Black (4.1%), Multirace (2.5%) and Other (0.6%).



	Asian	Black	Hispanic	White	Multirace	Other
Service Area (n = 385,792)	25.4%	4.1%	12.0%	55.3%	2.5%	0.6%
Manhattan (n = 1,641,573)	11.0%	12.8%	23.9%	49.2%	2.5%	0.6%

Source: Thomson Reuters; accessed November 5, 2010

Projections through 2015 show a decline in the Black (-13.9%) and Hispanic (-16.1%), populations, while Asian is projected to grow 7.4% and 4.8% in the White population.



Source: Thomson Reuters; accessed November 5, 2010

The languages spoken at home illustrate the service area's rich and diverse immigrant population. According to the 2000 Decennial Census (the most recent census information available), 43.3% of the service area population speaks a language other than English at home. The top three languages spoken at home other than English are Chinese at 17.2%, Spanish 14.9% and French 1.8%.

Languages Spoken at Home

Service Area

Language Spoken	Total Service Area	% Total Service Area
Speak only English	197,237	56.7%
Chinese	59,698	17.2%
Spanish or Spanish Creole	51,919	14.9%
French (incl. Patois, Cajun)	6,229	1.8%
Italian	4,181	1.2%
Japanese	3,401	1.0%
German	2,528	0.7%
Other Indic languages	1,991	0.6%
Hebrew	1,783	0.5%
Other Slavic languages	1,754	0.5%
All other languages	17,146	4.9%
Total	347,867	100.0%

Manhattan

Language Spoken	Total Manhattan	% Total Manhattan
Speak only English	849,603	58.1%
Spanish or Spanish Creole	364,141	24.9%
Chinese	75,876	5.2%
French (incl. Patois, Cajun)	32,200	2.2%
German	13,053	0.9%
Japanese	12,515	0.9%
Italian	12,319	0.8%
Hebrew	10,077	0.7%
Russian	9,144	0.6%
Korean	7,816	0.5%
All other languages	75,271	5.1%
Total	1,462,015	100.0%

Source: 2000 Decennial Census, Summary File-3 (SF3), Table PCT10 (Age by Language Spoken at Home for the Population of 5+ Years), accessed November 8, 2010

c. Socioeconomic Indicators

Median Household Income

In 2010, the median household income in the service area was $65,820 compared to $80,592 for Manhattan. According to the 2000 Census, there are communities living below the poverty level nearby the Center with larger concentrations of residents located in the east side of the service area.

Median Household Income & Poverty Level

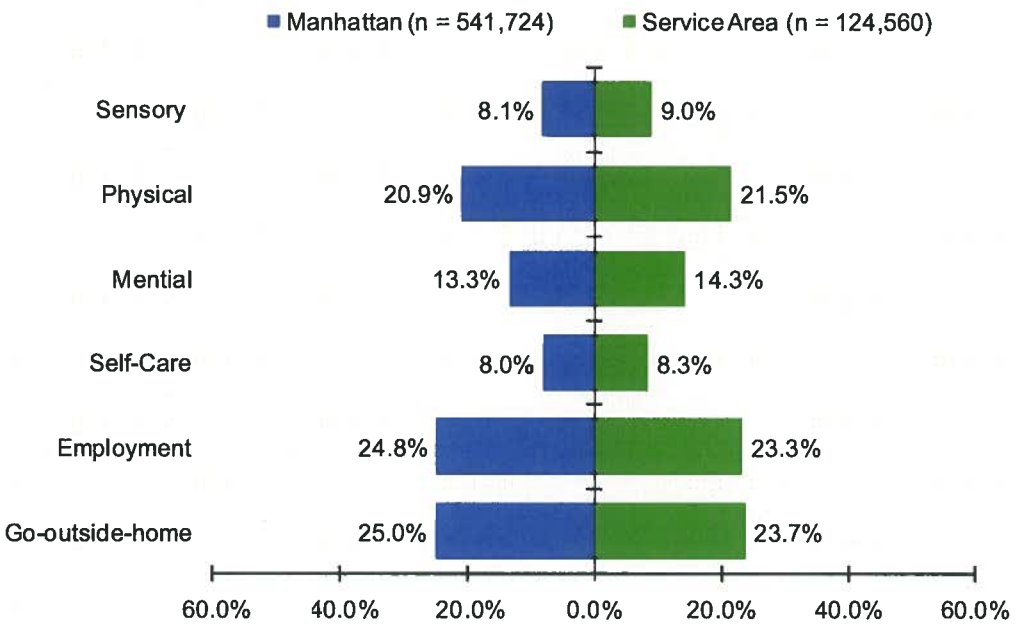
	Median Household Income			%Living Below Poverty Level
	2000	2010	2015	
Service Area	$43,418	$65,820	$74,956	18.9%
Manhattan	$49,963	$80,592	$78,156	20.0%

Source: Thomson Reuters Healthcare; 2000 Decennial Census, Summary File-3 (SF3), Table P87 (Poverty Status in 1999) Accessed November 8, 2010

Disability

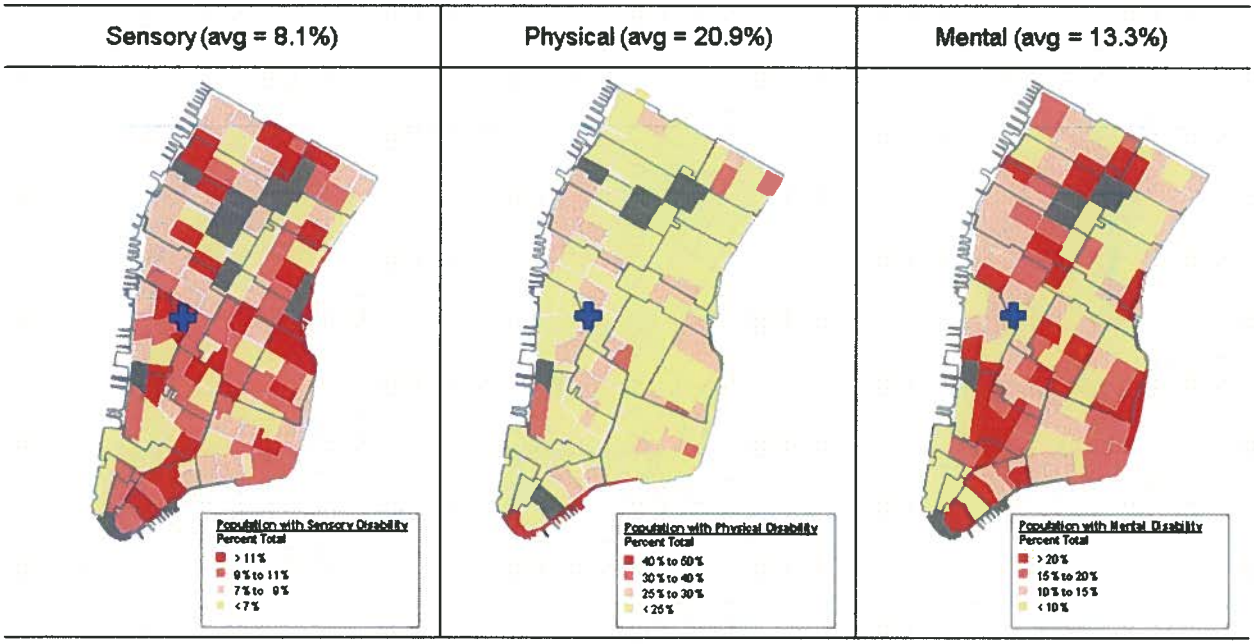
In measuring rates of Non-Institutionalized Disability, the service area has higher rates of sensory, physical, mental, and self-care disability than all of New York County. Residents of this sizeable group (33% with at least one disability) without any at-home assistance face many personal and environmental impediments when trying to reach the closest healthcare provider for emergency care or specialized testing or treatment as their travel time has lengthened due to the closure of St. Vincent's.

Non-Institutionalized Disability
2000 Population



Source: 2000 Decennial Census, Summary File-3 (SF3), Table P41 (Types of Disability for the Civilian Noninstitutionalized Population 5 Years and Over); accessed November 8, 2010
- Sensory disability – blindness, deafness or a severe vision or hearing impairment
- Physical disability – a condition that substantially limits one or more basic physical activities, such as walking, climbing stairs, reaching, lifting or carrying
- Mental disability – learning, remembering, or concentrating

Types of Disability by Census Tract
2000 Population



Source: 2000 Decennial Census, Summary File-3 (SF3), Table P41 (Types of Disability for the Civilian Noninstitutionalized Population 5 Years and Over); accessed November 8, 2010
- Sensory disability – blindness, deafness or a severe vision or hearing impairment
- Physical disability – a condition that substantially limits one or more basic physical activities, such as walking, climbing stairs, reaching, lifting or carrying
- Mental disability – learning, remembering, or concentrating

Payor Mix

In 2009, the payor mix for the service area was over 60% Medicaid and Self-Pay/Other. While Medicare patients are currently the smallest payor in the service area, it is expected that with an aging population a growing percent of residents will be Medicare making the region a predominately government-based payor community. The Center will provide medical care, regardless of ability to pay and North Shore-LIJ offers one of the most progressive financial assistance programs available in New York for underinsured and uninsured patients, subsidizing care for patients with household incomes up to five times the federal poverty level.

Service Area Inpatient Payor Mix

Payor	Total Service Area	Total Manhattan	Pct Total Service Area	Pct Total Manhattan
Commercial	9,334	34,752	22.8%	23.4%
Medicare	16,226	55,214	39.7%	37.2%
Medicaid	12,166	46,031	29.7%	31.0%
Self-Pay/Other	3,189	12,350	7.8%	8.3%
Total	**40,915**	**148,347**	**100.0%**	**100.0%**

Source: SPARCS ver01.03.11; excludes Newborns and Neonates by MS-DRG

Service Area Treat & Release Payor Mix

Payor	Total Service Area	Total Manhattan	Pct Total Service Area	Pct Total Manhattan
Commercial	22,670	84,871	26.0%	21.4%
Medicare	10,685	43,344	12.3%	10.9%
Medicaid	32,750	175,555	37.6%	44.2%
Self-Pay/Other	21,069	93,723	24.2%	23.6%
Total	**87,174**	**397,493**	**100.0%**	**100.0%**

Source: SPARCS ver01.03.11

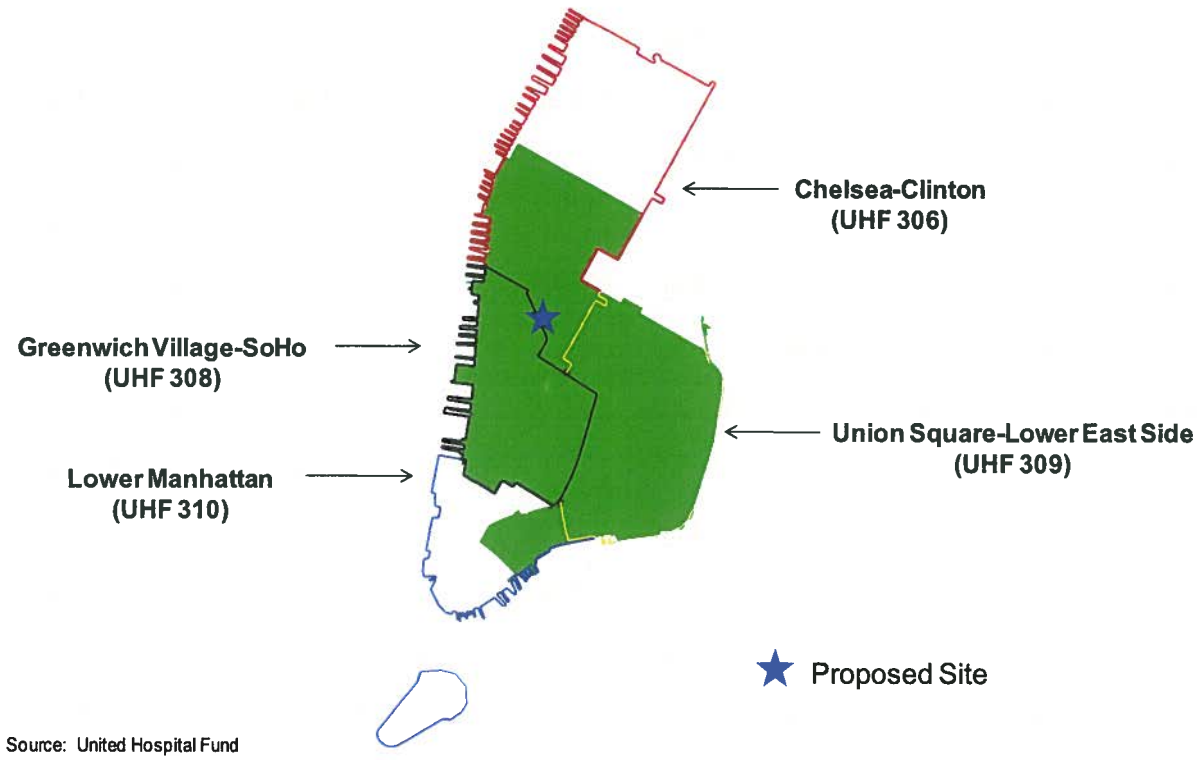
d. Community Health Status

Annually, the New York City Department of Health and Mental Hygiene (NYCDOHMH) conducts a Community Health Survey of New York City residents, sampling a cross-section of approximately 10,000 adults aged 18 and older from all five boroughs. This telephone survey provides robust self-reported data on a broad range of chronic diseases and behavioral risk factors. The results are reported by neighborhood, borough and citywide estimates.

The survey utilizes United Hospital Fund (UHF) neighborhoods which are different geographies than the service area. Neighborhoods best represent the entire community – given the demographics, economic, and social diversity often found there. The map on the following page (see Map 2) illustrates the overlap of the service area with the UHF neighborhoods and identifies the location of the Center (blue star).

Map 2: Redefining the Service Area for Health Status Survey Responses

(United Hospital Fund Neighborhoods)



Source: United Hospital Fund

For the purposes of understanding the health status of the service area communities based on the Community Health Survey findings the UHF designated neighborhoods listed below and highlighted on the map (see Map 2) were used:

- Chelsea-Clinton (includes 2 zip codes: Herald Square and Old Chelsea)
- Greenwich Village-SoHo (includes 3 zip codes: Village, Prince, and Canal Street)
- Union Square-Lower East Side (includes 3 zips codes: Cooper, Peter Stuyvesant, and Knickerbocker)
- Lower Manhattan (includes one zip code: Peck Slip

The Center is located on the border of Greenwich Village – SoHo and Chelsea - Clinton communities. The survey results are presented below combining Chelsea – Clinton with Greenwich Village – SoHo (Chelsea/Greenwich Village) and combing Union Square – Lower East Side with Lower Manhattan (Union Square/Lower Manhattan). In the charts below, each of these areas is benchmarked to Manhattan and New York City.

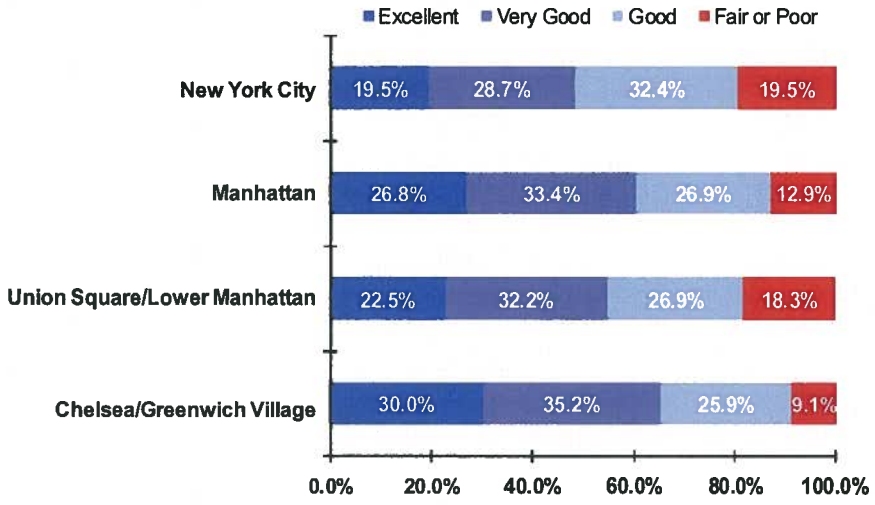
The survey findings below are categorized into 9 health care domains:

- General physical and mental health
- Weight, exercise and nutrition
- Chronic conditions
- Cigarette smoking and alcohol
- Asthma
- Access to health care
- HIV, sexual orientation and behavior
- Cancer screening
- Vaccination

GENERAL PHYSICAL AND MENTAL HEALTH

Self-reported health status

Q: Would you say that in general your health is Excellent, Very Good, Good, Fair or Poor?



Source: New York City Department of Health and Mental Hygiene Epidemiology Services – EpiQuery NYC Interactive Data, 2009 Community Health Survey (https://a816-healthpsi.nyc.gov/epiquery/EpiQuery/CHS/index2009.html)

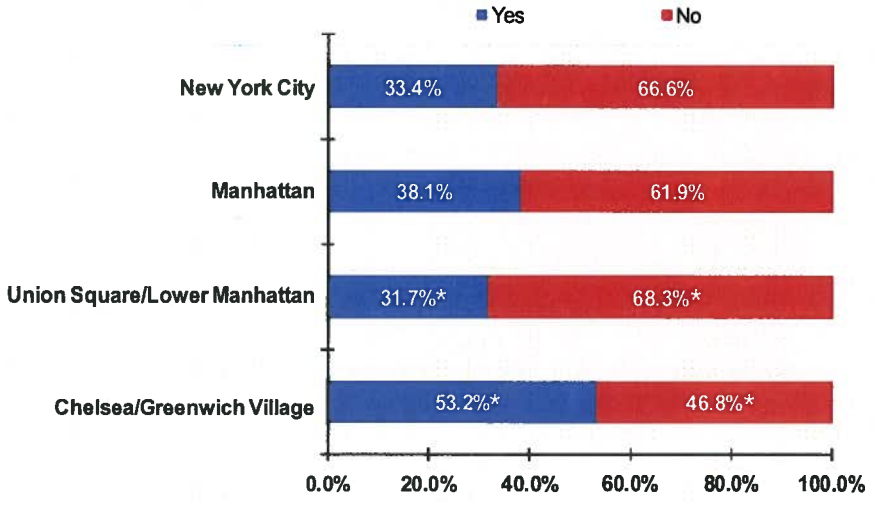
Chelsea/Greenwich Village residents' rated their health the best with 65% indicating Excellent and Very Good. In comparison, almost 55% of the Union Square/Lower Manhattan residents' reported their health as Excellent or Very Good. The Union Square/Lower Manhattan area residents reported a higher percentage of Fair or Poor health status when compared to Manhattan residents.

GENERAL PHYSICAL AND MENTAL HEALTH

Mental health counseling or treatment

Q: In the last 12 months, have you received any counseling or taken a prescription medication for a mental health problem?

Results restricted to adults with non-specific psychological distress



Notes:

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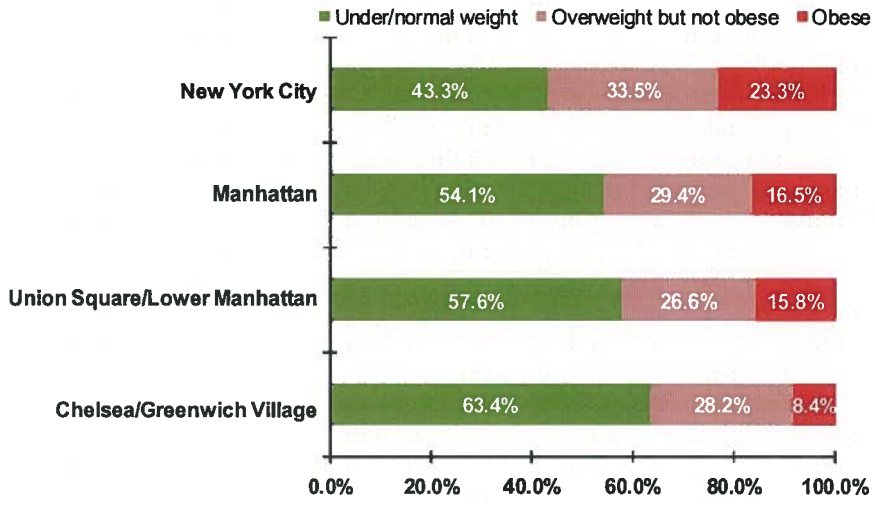
Source: New York City Department of Health and Mental Hygiene Epidemiology Services – EpiQuery NYC Interactive Data, 2009 Community Health Survey (https://a816-healthpsi.nyc.gov/epiquery/EpiQuery/CHS/index2009.html)

Over half (53.2%) of Chelsea/Greenwich Village residents' reported receiving mental health counseling or taken prescription medications for a mental health problem in the past 12 months. For the other comparison communities above, approximately a third of the residents' reported seeking mental health counseling or treatment.

WEIGHT, EXERCISE, NUTRITION

Overweight and Obesity

Body Mass Index (BMI) is calculated based on respondents' self-reported weight and height. A BMI between 25.0 and 29.9 is classified as overweight, and a BMI of 30 or greater is classified as obese.



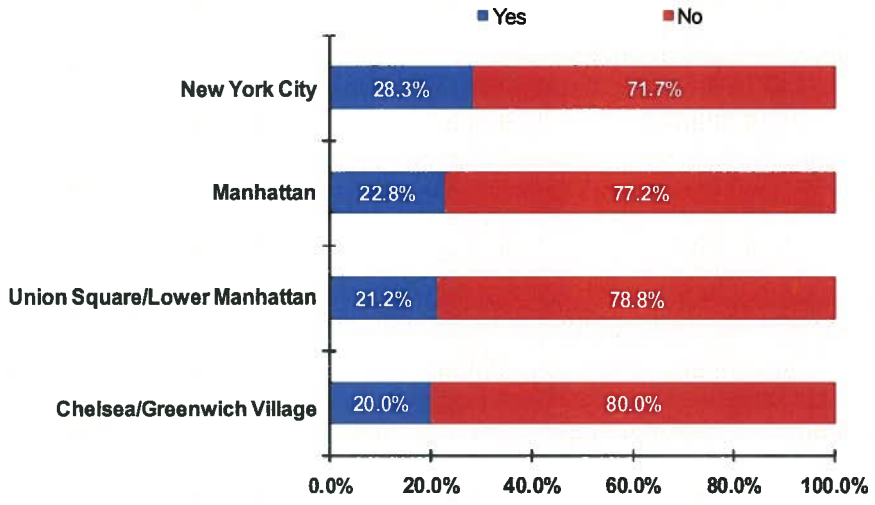
Source: New York City Department of Health and Mental Hygiene Epidemiology Services – EpiQuery NYC Interactive Data, 2009 Community Health Survey (https://a816-healthpsi.nyc.gov/epiquery/EpiQuery/CHS/index2009.html)

Chelsea/Greenwich Village had the lowest percentage of overweight/obese residents (36.6%) while Union Square/Lower Manhattan had a slightly higher percentage (42.4%) reporting being overweight / obese.

CHRONIC CONDITIONS

High blood pressure ever

Q: Have you ever been told by a doctor, nurse or other health professional that you have hypertension, also called high blood pressure?



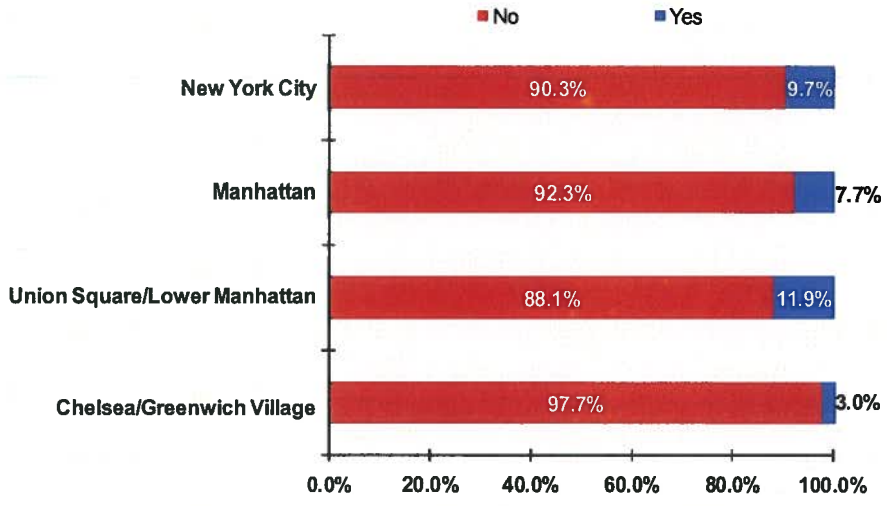
Source: New York City Department of Health and Mental Hygiene Epidemiology Services – EpiQuery NYC Interactive Data, 2009 Community Health Survey (https://a816-healthpsi.nyc.gov/epiquery/EpiQuery/CHS/index2009.html)

Self-reported high blood pressure (hypertension) is about the same (20%) for Chelsea/Greenwich Village and Union Square/Lower Manhattan.

CHRONIC CONDITIONS

Diabetes ever

Q: Have you ever been told by a doctor, nurse or other health professional that you have diabetes?



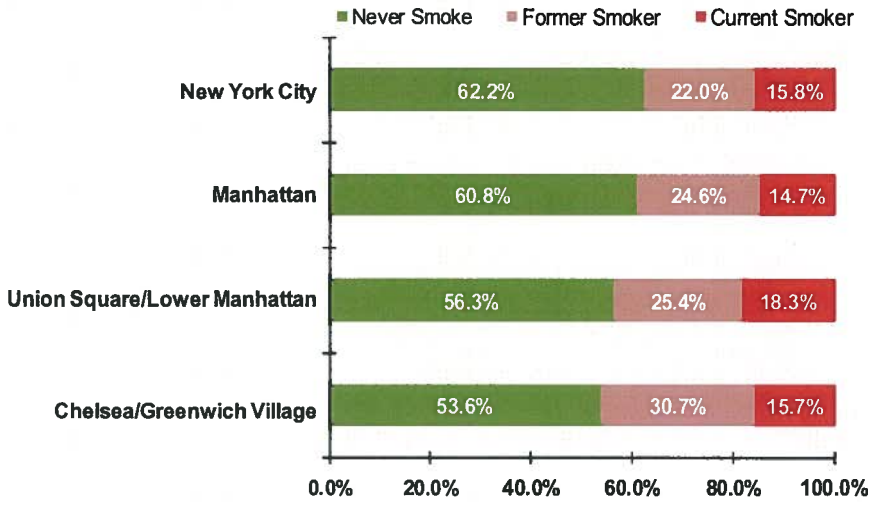
Source: New York City Department of Health and Mental Hygiene Epidemiology Services – EpiQuery NYC Interactive Data, 2009 Community Health Survey (https://a816-healthpsi.nyc.gov/epiquery/EpiQuery/CHS/index2009.html)

Only 3% of the Chelsea/Greenwich Village residents reported having diabetes, the Union Square/Lower Manhattan residents reported a rate almost four times higher. The Union Square/Lower Manhattan diabetes rates were even higher than overall Manhattan.

CIGARETTE SMOKING AND ALCOHOL

Smoking status

Smoking status is defined as being a current or former smoker or having smoked less than 100 cigarettes ever (never smoker).



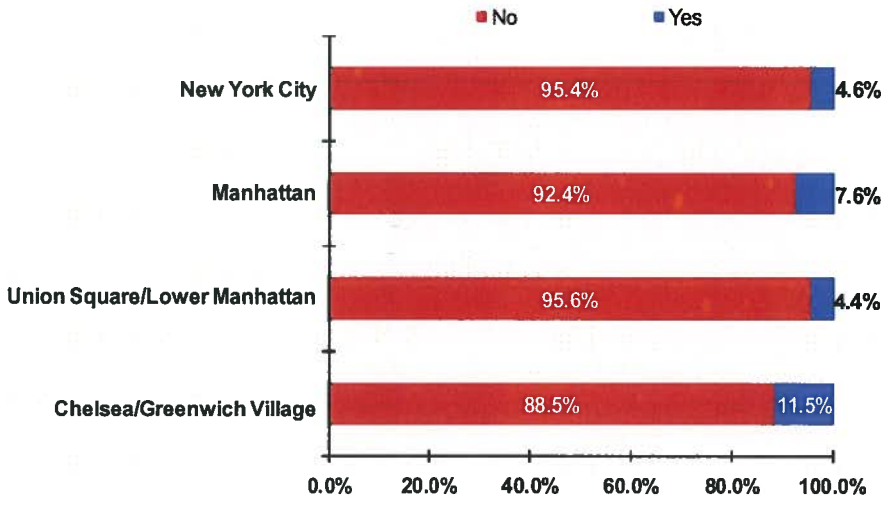
Source: New York City Department of Health and Mental Hygiene Epidemiology Services – EpiQuery NYC Interactive Data, 2009 Community Health Survey (https://a816-healthpsi.nyc.gov/epiquery/EpiQuery/CHS/index2009.html)

The Chelsea/Greenwich Village residents reported the lowest percentage of never having smoked (53.6%) and 15.7% are current smokers. Union Square/Lower Manhattan residents had a higher percentage never smoking (56.3%) but the highest percentage of current smokers (18.3%).

CIGARETTE SMOKING AND ALCOHOL

Heavy drinking

Heavy drinking is defined as an average of more than 2 drinks per day for men and more than 1 drink per day for women.



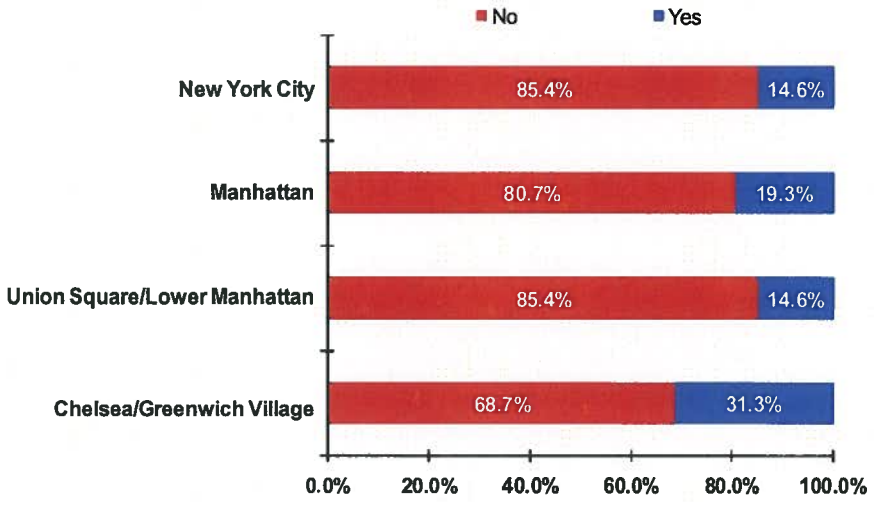
Source: New York City Department of Health and Mental Hygiene Epidemiology Services – EpiQuery NYC Interactive Data, 2009 Community Health Survey (https://a816-healthpsi.nyc.gov/epiquery/EpiQuery/CHS/index2009.html)

There are more self-reported heavy drinkers (11.5%) among Chelsea/Greenwich Village residents compared to Union Square/Lower Manhattan (4.4%) and overall Manhattan (4.4%).

CIGARETTE SMOKING AND ALCOHOL

Binge drinking

Binge drinking is defined as five or more drinks on one occasion in the past 30 days.



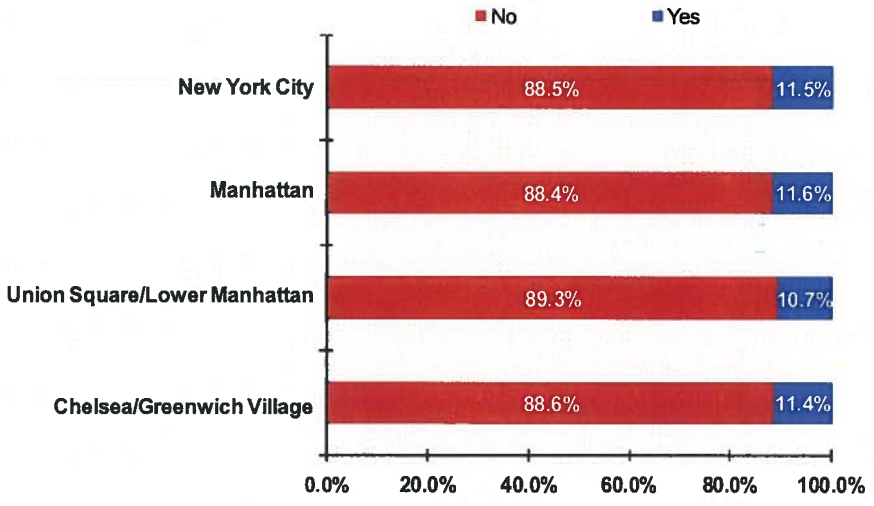
Source: New York City Department of Health and Mental Hygiene Epidemiology Services – EpiQuery NYC Interactive Data, 2009 Community Health Survey (https://a816-healthpsi.nyc.gov/epiquery/EpiQuery/CHS/index2009.html)

Similar to the heavy drinking findings, for Chelsea/Greenwich Village almost one of every three residents reported binge drinking (five or more drinks on at least one occasion in the past 30 days). When compared to Chelsea/Greenwich Village, Union Square/Lower Manhattan residents report half the rate of binge drinking.

ASTHMA

Asthma ever

Q: Have you ever been told by a doctor, nurse or other health professional that you had asthma?



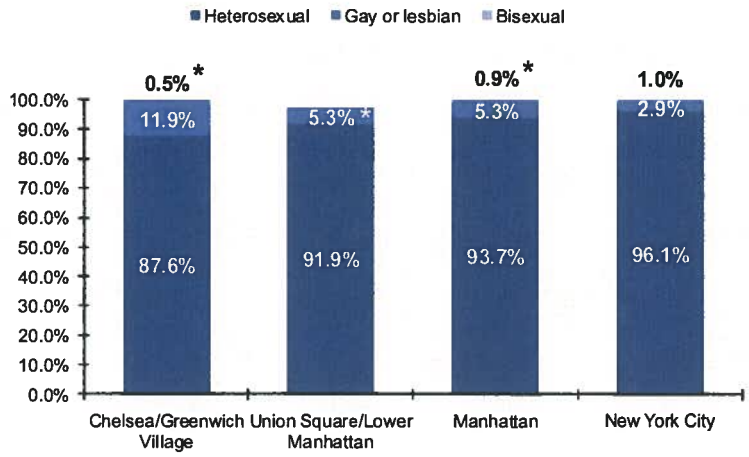
Source: New York City Department of Health and Mental Hygiene Epidemiology Services – EpiQuery NYC Interactive Data, 2009 Community Health Survey (https://a816-healthpsi.nyc.gov/epiquery/EpiQuery/CHS/index2009.html)

There doesn't appear to be any difference in either of the neighborhoods or Manhattan overall with each reporting about 11% of the residents having asthma.

HIV TESTING, SEXUAL ORIENTATION AND BEHAVIOR

Sexual Identity (unadjusted for age)

Now I'll read a list of terms people sometimes use to describe themselves -- heterosexual or straight; homosexual, gay or lesbian; and bisexual. As I read the list again, please stop me when I get to the term that best describes how you think of yourself.



Notes:
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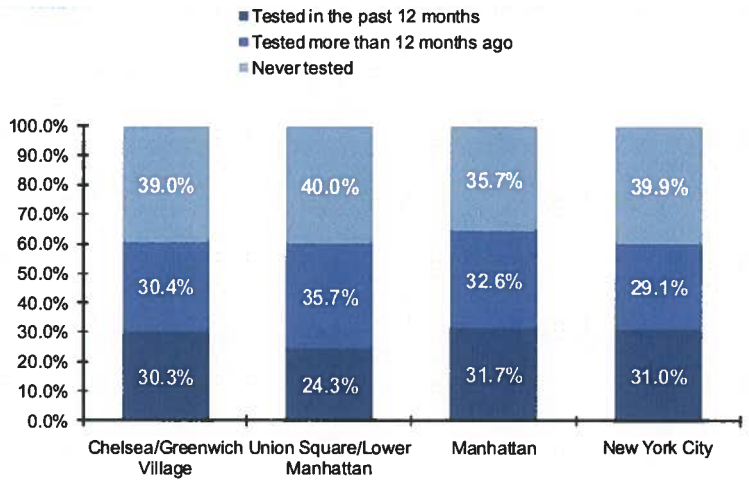
Source: New York City Department of Health and Mental Hygiene Epidemiology Services – EpiQuery NYC Interactive Data, 2009 Community Health Survey (https://a816-healthpsi.nyc.gov/epiquery/EpiQuery/CHS/index2009.html)

Chelsea/Greenwich Village has a higher percentage of residents reporting their sexual orientation as LGBT, which is slightly more than twice the percentage reported by Union Square/Lower Manhattan and overall Manhattan.

HIV TESTING, SEXUAL ORIENTATION AND BEHAVIOR

HIV Testing

Respondents were asked if they had an HIV test in the past 12 months, or ever.



Source: New York City Department of Health and Mental Hygiene Epidemiology Services – EpiQuery NYC Interactive Data, 2009 Community Health Survey (https://a816-healthpsi.nyc.gov/epiquery/EpiQuery/CHS/index2009.html)

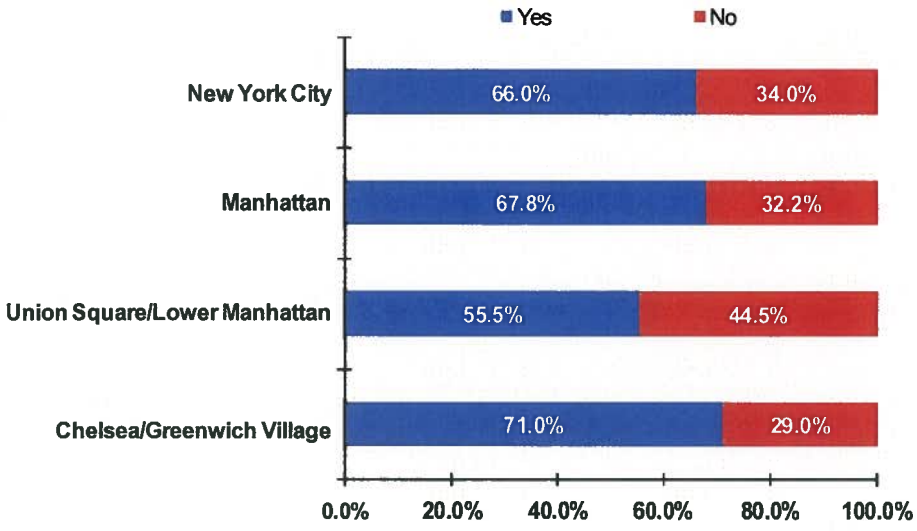
The two neighborhoods had equally high rates (40%) of never being tested for HIV.

CANCER SCREENING

Colon cancer (timely colonoscopy)

Timely colon cancer screening is defined as having had a colonoscopy in the past 10 years.

Results restricted to adults aged 50 and older.



Source: New York City Department of Health and Mental Hygiene Epidemiology Services – EpiQuery NYC Interactive Data, 2009 Community Health Survey (https://a816-healthpsi.nyc.gov/epiquery/EpiQuery/CHS/index2009.html)

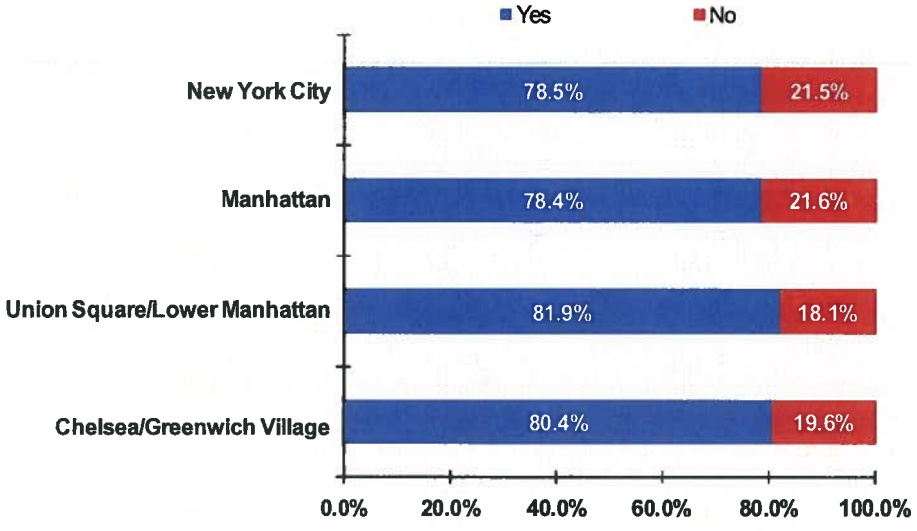
For adults aged 50 and older, 55.5% of Union Square/Lower Manhattan residents had colon cancer screening (which is defined as having had a colonoscopy in the past 10 years). This is the lowest rate among the comparison neighborhoods. Chelsea/Greenwich Village residents had the highest rate (71%).

CANCER SCREENING

Breast cancer (timely mammography)

Timely breast cancer screening is defined as having had a mammography in the past 2 years.

Results restricted to women aged 40 and older.



Source: New York City Department of Health and Mental Hygiene Epidemiology Services – EpiQuery NYC Interactive Data, 2009 Community Health Survey (https://a816-healthpsi.nyc.gov/epiquery/EpiQuery/CHS/index2009.html)

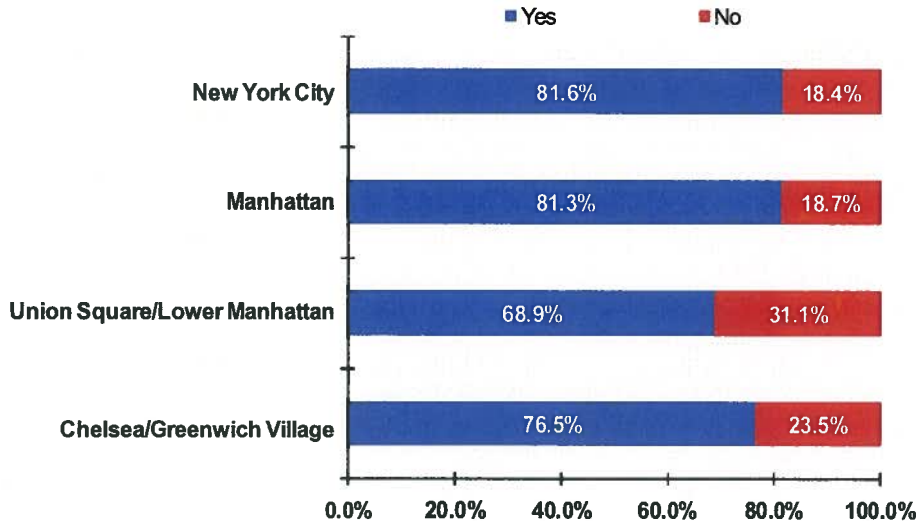
Among women aged 40 and older, both neighborhoods had 80% or greater of their residents receiving timely mammography screening. This rate is much higher than seen in the previous chart for colon cancer screening.

CANCER SCREENING

Cervical cancer (timely Pap test)

Timely cervical cancer screening is defined as having had a pap test in the past 3 years.

Results restricted to women.



Source: New York City Department of Health and Mental Hygiene Epidemiology Services – EpiQuery NYC Interactive Data, 2009 Community Health Survey (https://a816-healthpsi.nyc.gov/epiquery/EpiQuery/CHS/index2009.html)

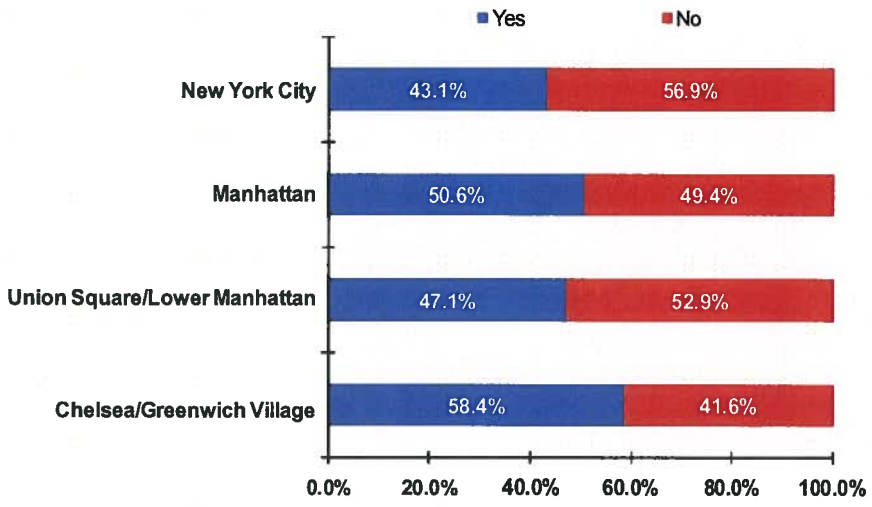
Again, the Union Square/Lower Manhattan residents had the lowest percentage of cancer screening with women receiving timely pap smear testing for cervical cancer. Three in ten women had not received timely cervical cancer screening. Chelsea/Greenwich Village residents' did a little better with 76.5% receiving timely cervical cancer screening. However, for this neighborhood almost one in four women did not have timely cervical cancer screening. Two major cancers – cervical and colorectal – are preventable. Colonoscopies, Pap tests and the human papillomavirus (HPV) vaccine, all underused in New York City, are critical to prevent these cancers.

VACCINATION

Flu vaccination

Q: During the past 12 months, have you had a flu shot in your arm or a flu vaccine that was sprayed in your nose?

Results restricted to adults aged 50 and older.



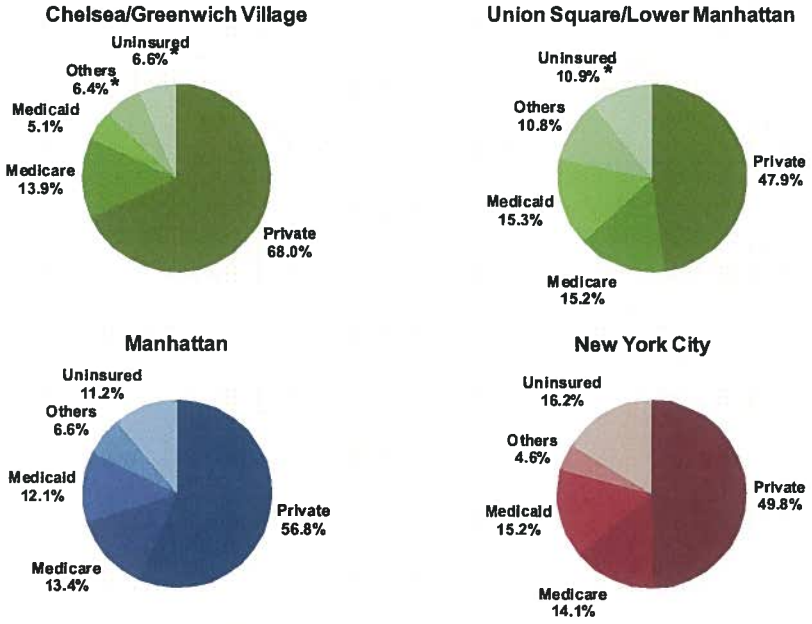
Source: New York City Department of Health and Mental Hygiene Epidemiology Services – EpiQuery NYC Interactive Data, 2009 Community Health Survey (https://a816-healthpsi.nyc.gov/epiquery/EpiQuery/CHS/index2009.html)

Vaccination is the best way to protect against flu. Chelsea/Greenwich Village, adults aged 50 and older, had the highest percentage receiving flu vaccinations, but over 40% did not. The Union Square/Lower Manhattan residents had even lower percentage of receiving a flu vaccination within the last 12 months, less than half of the residents received a flu vaccination.

ACCESS TO HEALTH CARE

Health insurance

Respondents were asked if they were personally covered by a number of different types of health insurance, or if they had no health insurance at all.



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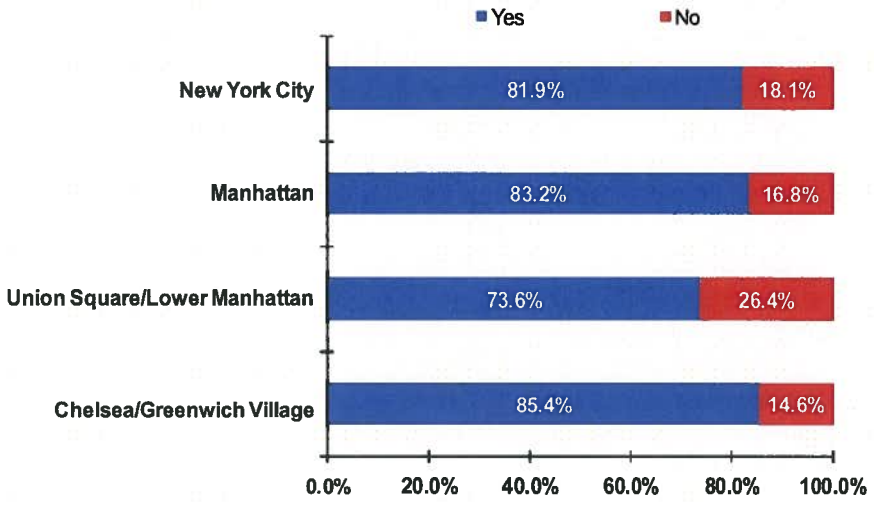
Source: New York City Department of Health and Mental Hygiene Epidemiology Services – EpiQuery NYC Interactive Data, 2009 Community Health Survey (https://a816-healthpsi.nyc.gov/epiquery/EpiQuery/CHS/index2009.html)

Chelsea/Greenwich Village neighborhood had higher Private insurance when compared to Union Square/Lower Manhattan and Manhattan. Union Square/Lower Manhattan had highest percentages of Government insurers (Medicare and Medicaid) and slightly lower percentage of Uninsured compared to Manhattan.

ACCESS TO HEALTH CARE

Personal doctor

Do you have one person (or more than one person) you think as your personal doctor health care provider?



Source: New York City Department of Health and Mental Hygiene Epidemiology Services – EpiQuery NYC Interactive Data, 2009 Community Health Survey (https://a816-healthpsi.nyc.gov/epiquery/EpiQuery/CHS/index2009.html)

Chelsea/Greenwich Village residents of are more likely to have a personal doctor than residents of overall Manhattan, while Union Square/Lower Manhattan have the lowest percentage of residents with a personal doctor (26.4%).

Mortality

For the Top 10 Leading Causes of Mortality, the neighborhoods are broken down in greater detail (see Table 2). This analysis shows higher rates in red as compared to Manhattan. The Chelsea/Clinton neighborhood, just to the north of the Center, has higher mortality rates when compared to all Manhattan neighborhoods for: Diseases of the Heart, Malignant Neoplasms, Cerebrovascular Disease, Chronic Lower Respiratory Diseases, Human Immunodeficiency Virus Disease, Accidents Except Drug Poisoning (also high in Green Village/SoHo), and Mental and Behavioral Disorder due to Accidental Poisoning and Other Psychoactive Substance use.

The Lower East Side also has higher mortality rates when compared to all Manhattan neighborhoods for: Malignant Neoplasms, Influenza (Flu) and Pneumonia, Chronic Lower Respiratory Diseases, HIV Disease, Accidents Except Drug Poisoning, Mental and Behavioral Disorders due to Accidental Poisoning and Other Psychoactive Substance Use, and Essential Hypertension and Renal Diseases.

Table 2: Top 10 Leading Cause of Mortality, 2007

Age adjusted per 100,000 Population

Top 10 Leading Causes of Mortality	Chelsea Clinton	Greenwich Village/SoHo	Lower East Side	Lower Manhattan	Manhattan	NYC
Diseases of Heart	203.6	165.7	183.2	200.1	201.7	282.7
Malignant Neoplasms	177.8	162.9	173.3	236.5	172.7	175.4
Influenza (Flu) and Pneumonia	29.2	26.3	31.8	*	30.9	29.6
Cerebrovascular Disease	23.9	19.8	20.9	*	21.1	20.7
Diabetes Mellitus	13.8	*	13.0	*	20.0	20.7
Chronic Lower Respiratory Diseases	20.4	*	17.5	*	17.4	18.9
Human Immunodeficiency Virus Disease	23.6	*	23.3	*	16.2	14.4
Accidents Except Drug Posioning	15.4	15.2	12.2	*	10.5	13.2
Mental and Behavioral Disorders due to Accidental Poisoning and Other Psychoactive Substance Use	14.2	*	12.8	*	8.8	10.7
Essential Hypertension and Renal Diseases	12.8	*	13.3	*	12.9	10.5
All Other/Censored Causes	105.8	93.9	133.7	126.5	117.2	114.3

Notes:
*Age-adjusted rates based on small numbers are unreliable and therefore suppressed.
*All Censored Causes" Include deaths recorded to protect confidentiality.
RED denotes higher than Manhattan
Source: New York City Department of Health and Mental Hygiene Epidemiology Services – EpiQuery NYC Interactive Data Vital Statistics Death/Mortality Data (2000-2007) (https://a816-healthpsi.nyc.gov/epiquery/EpiQuery/VS/index.html)

Prevention Quality Indicators

The Prevention Quality Indicators (PQIs), developed by the federal Agency for Healthcare Research and Quality (AHRQ), are used in assessing the quality of outpatient care for "ambulatory care sensitive conditions12" (ACSCs). ACSCs are conditions for which good and timely outpatient care can potentially prevent the need for hospitalization or for which early intervention can prevent complications or more severe disease. PQIs measures are expressed as rates of admission to the hospital for these conditions in a given population.

The PQIs can be used as a "screening tool" to help flag potential health care quality problem areas that need further investigation; identify unmet community health care needs; monitor complications from a number of common conditions that are being avoided in the outpatient setting, and compare performance of local health care system across communities. For the service area, there are higher rates of PQIs for Dehydration, Bacterial Pneumonia, Urinary Tract Infection, and Chronic Obstructive Pulmonary Disease (COPD). These conditions are most prominently found in the elderly whether living at home or in a skilled nursing home setting. The service area also had high rates of hospitalization for Congestive Heart Failure, Adult Asthma and Diabetes Long-Term Complications although these conditions did not have higher rates when compared to the rest of Manhattan.

12 AHRQ Quality Indicators Overview < http://www.qualityindicators.ahrq.gov/Default.aspx>

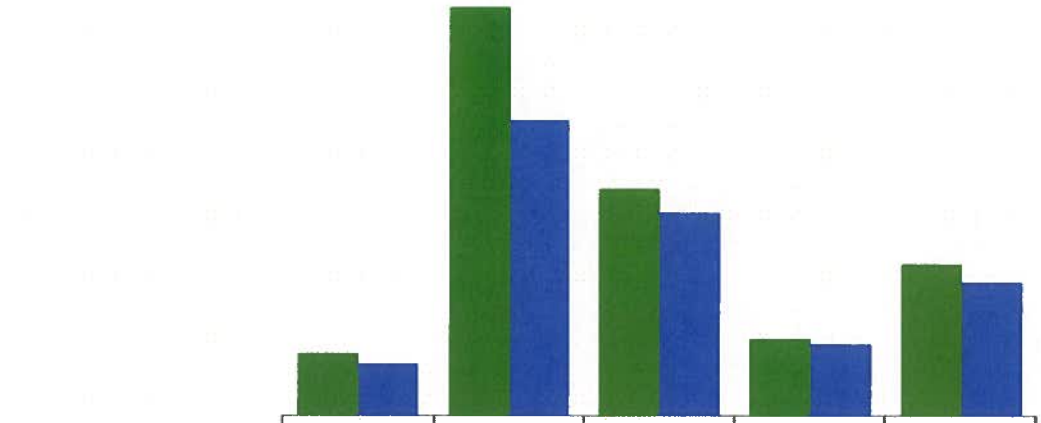
Prevention Quality Indicators (PQIs)
Adjusted Rate for Ambulatory Case-Sensitive Condition Admissions, 2006

	Conditions	Service Area	Rest of Manhattan
Acute	Dehydration	**122.0**	121.0
	Bacterial Pneumonia	**418.0**	391.0
	Urinary Tract Infection	**179.0**	174.0
Circulatory	Hypertension	55.0	70.0
	Congestive Heart Failure (CHF)	343.0	442.0
	Angina without Procedure	32.0	34.0
Diabetes	Diabetes Short-Term Complications	40.0	60.0
	Diabetes Long-Term Complications	159.0	201.0
	Uncontrolled Diabetes	34.0	48.0
	Lower-Extremity Amputation among Patients with Diabetes	36.0	44.0
Resp	Chronic Obstructive Pulmonary Disease (COPD)	**131.0**	125.0
	Adult Asthma	193.0	232.0

Source: NYS DOH (https://apps.nyhealth.gov/statistics/prevention/quality_indicators/start.map); accessed November 5, 2010
RED denotes higher than Rest of Manhattan

The New York State Department of Health made available a Prevention Quality Indicator web-based tool to help identify gaps in primary and preventative care by user-defined geographic regions that help measure PQI hospital admission rates through several lenses including race and ethnicity. The following charts by PQI condition show a consistent finding of a higher admission rate for all minority groups when compared to their counterparts in overall Manhattan. The Black (292%), Hispanic (163%), and Other (109%) groups have higher than expected admission rate for all PQI conditions when compared to what would be expected as an admission rate in the service area as a whole (94%).

Prevention Quality Indicators (PQIs) – All Conditions
Adjusted Rate for Ambulatory Case-Sensitive Condition Admissions, 2006
As % Expected by Race & Ethnicity

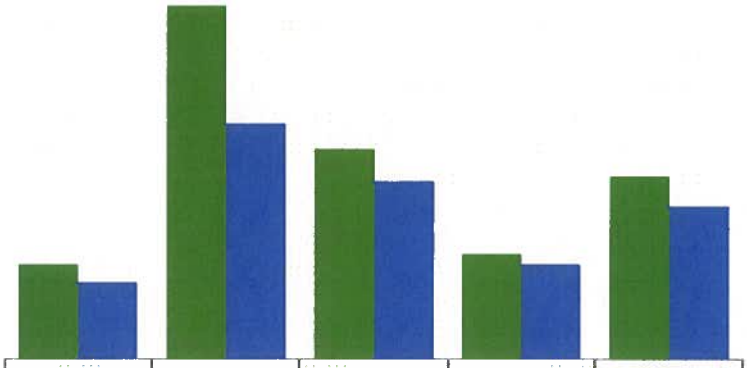


	Asian	Black	Hispanic	White	Other
Service Area (94%)	45%	292%	163%	55%	109%
Manhattan (103%)	37%	212%	146%	51%	96%

Source: NYS DOH (https://apps.nyhealth.gov/statistics/prevention/quality_indicators/start.map); accessed November 5, 2010

The charts below compare each PQI condition Admission rates based on the % Expected by Race and Ethnicity. Higher rates than expected for Black and Hispanic service area residents include: All Acute Conditions, Circulatory Conditions (e.g., hypertension), Diabetes Conditions (e.g., Long-Term Complications from Diabetes) and Respiratory Conditions (e.g., COPD).

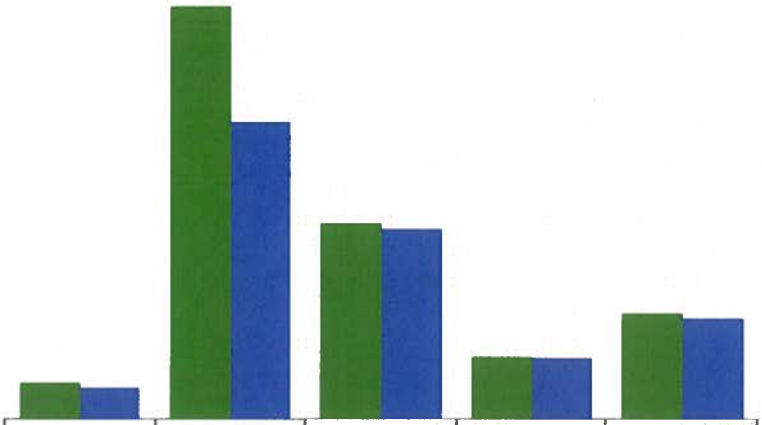
Prevention Quality Indicators (PQIs) – Acute Condition
Adjusted Rate for Ambulatory Case-Sensitive Condition Admissions, 2006
As % Expected by Race & Ethnicity



	Asian	Black	Hispanic	White	Other
Service Area (108%)	68%	253%	151%	75%	131%
Manhattan (104%)	55%	168%	127%	68%	109%

Source: NYS DOH (https://apps.nyhealth.gov/statistics/prevention/quality_indicators/start.map); accessed November 5, 2010

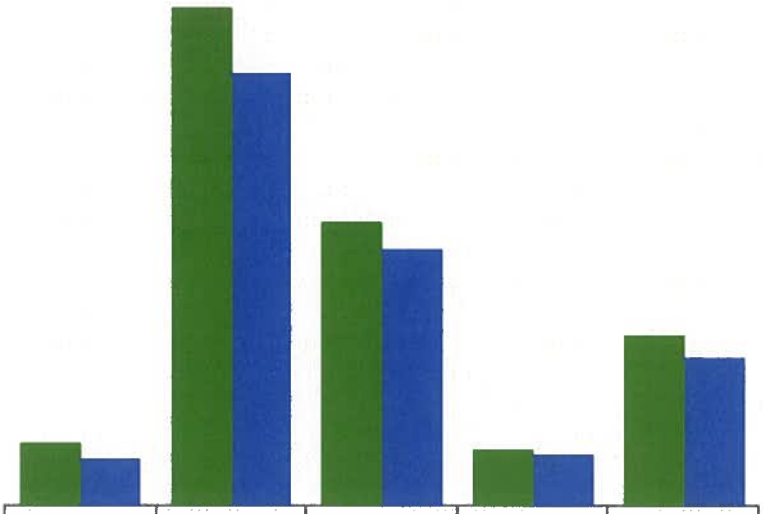
Prevention Quality Indicators (PQIs) – Circulatory Condition
Adjusted Rate for Ambulatory Case-Sensitive Condition Admissions, 2006
As % Expected by Race & Ethnicity



	Asian	Black	Hispanic	White	Other
Service Area (78%)	25%	295%	140%	45%	75%
Manhattan (93%)	22%	212%	135%	44%	72%

Source: NYS DOH (https://apps.nyhealth.gov/statistics/prevention/quality_indicators/start.map); accessed November 5, 2010

Prevention Quality Indicators (PQIs) – Diabetes Condition
Adjusted Rate for Ambulatory Case-Sensitive Condition Admissions, 2006
As % Expected by Race & Ethnicity

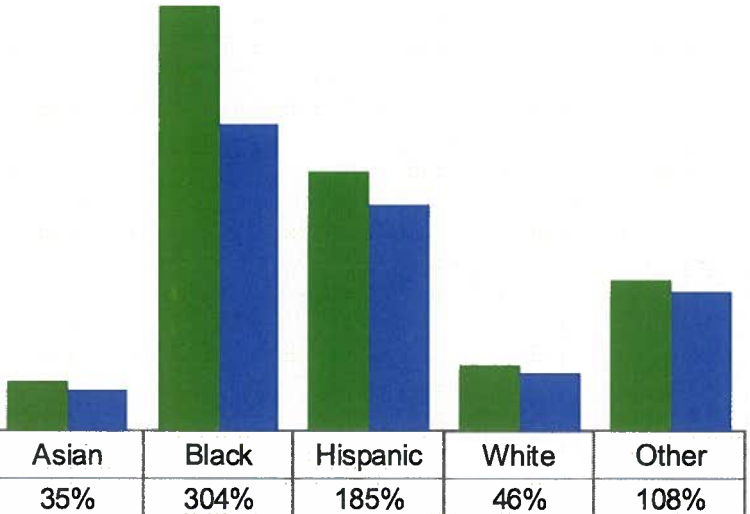


	Asian	Black	Hispanic	White	Other
Service Area (95%)	44%	357%	203%	40%	122%
Manhattan (117%)	33%	310%	184%	36%	106%

Source: NYS DOH (https://apps.nyhealth.gov/statistics/prevention/quality_indicators/start.map); accessed November 5, 2010

Diabetes according to the self-reported NYCDOHMH 2009 health status report and 2007 mortality figures appears to be less of an issue as a disease in the community. However, according to NYSDOH PQI data, diabetes patients have higher rates of admission for inpatient services when compared to overall Manhattan, particularly, among Blacks, Hispanics and Others who have higher rates than what typically is expected in the service area.

Prevention Quality Indicators (PQIs) – Respiratory Condition
Adjusted Rate for Ambulatory Case-Sensitive Condition Admissions, 2006
As % Expected by Race & Ethnicity



	Asian	Black	Hispanic	White	Other
Service Area (93%)	35%	304%	185%	46%	108%
Manhattan (103%)	29%	219%	162%	41%	99%

Source: NYS DOH (https://apps.nyhealth.gov/statistics/prevention/quality_indicators/start.map); accessed November 5, 2010

Emergency Services Utilization

The top ranked reasons for adult service area residents seeking emergency care and then being released are: Alcohol Related; Upper Respiratory Infections; Superficial Injury/Contusion; Back Pain and Abdominal Pain. In the pediatric population (age less than 18 years old) the top reasons for seeking emergency care and being treated, then released is for Respiratory and Viral Infections, Ear Aches (Otitis Media), Superficial Injury/Contusion and Upper Body Open Wounds.

Service Area ED Visits (Treat & Release) Rank Order by Age Group, 2009

Age Category	ED Utilization (Rank)				
	1	2	3	4	5
0-17	Other Upper Respiratory Infection	Viral Infection	Otitis Media	Superficial Injury Contusion	Open wounds to head, neck and trunk
18-34	Other Upper Respiratory Infection	Superficial Injury Contusion	Alcohol Related	Abdominal Pain	Viral Infection
35-64	Alcohol Related	Back Pain	Superficial Injury Contusion	Connective tissue disease	Other Upper Respiratory Infection
65+	Superficial Injury Contusion	Back Pain	Other connective tissue disease	Other injuries and conditions	Abdominal Pain
Adutls	Alcohol Related	Other Upper Respiratory Infection	Superficial Injury Contusion	Back Pain	Abdominal Pain

Source: NYS DOH SPARCS (Statewide Planning and Research Cooperative System)
ED Utilization based on AHRQ CCS Classification

3. **Document the current and projected demand for the proposed service.** If the proposed service is covered by a DOH need methodology, demonstrate how the proposed service is consistent with it.

The closure of St. Vincent's, devastating to many on so many levels, created a vacuum in the health care delivery system for the communities dependent on the hospital for access to inpatient, emergency and other health services. The Department of Health, FDNY-EMS, existing hospitals and other health providers rapidly stepped in to fill the void. Their swift and focused actions attempted to mitigate and minimize the impact of the inevitable disruption to provide access and continuity of health care for the communities most affected by the St. Vincent's closure.

However, a critical aspect of St. Vincent's service offerings, specifically access to emergency care, has not been fully addressed. Neighboring emergency departments appear to have accommodated the medical demand. However, the St. Vincent's closure has strained these emergency departments resulting in increased travel and wait times. Additionally, although neighboring facilities are undergoing expansion, these renovations are focused on rightsizing their facilities for their pre-closure emergency volume and their project scope never anticipated the post-closure demand accompanying the closure of St. Vincent's.

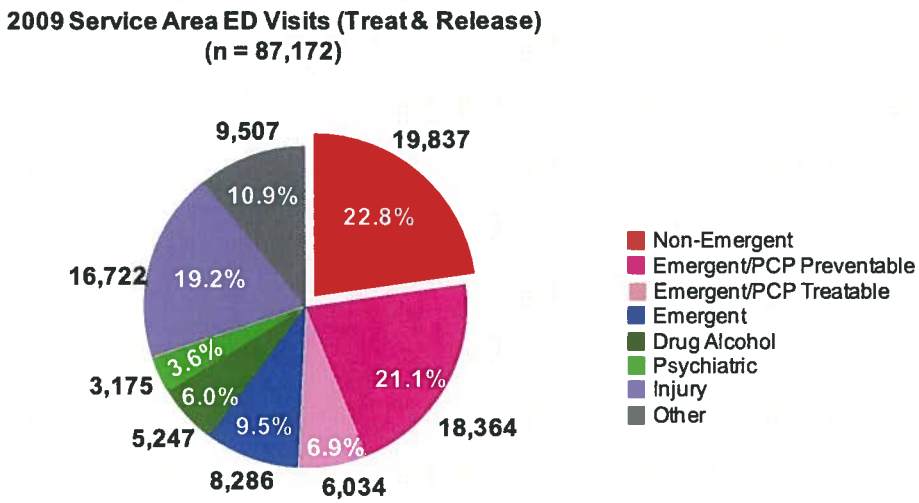
Service area residents accounted for approximately 106,000 emergency visits in 2009, of which 87,172 were treat and release. St. Vincent's had 67,000 total emergency department visits. The population using the emergency department comprises a disproportionately high percentage of Medicaid (38%) and self-pay/no-pay (24%). These are groups that traditionally have difficulty accessing healthcare services. The freestanding emergency department will take all patients regardless of insurance or ability to pay.

Service Area Demand for Emergency Services

In response to a New York State DOH request for applications to create an urgent care center in the Greenwich Village community, a HEAL 16 grant (RGA #. 1004071212) was awarded to North Shore Long Island Jewish Health Care Inc, an established article 28 health care network and parent to Lenox Hill Hospital (LHH). LHH proposed to develop and operate an urgent care center in the former St. Vincent's emergency room. However, negotiations for leasing the St. Vincent's Emergency Department space reached a standstill. In pursuit of alternative space to expeditiously locate an urgent care center (UCC) in the community, North Shore-LIJ formed a partnership with longtime community healthcare provider, VillageCare of NY, which provided a temporary location for the UCC at 121A West 20th Street, New York 10011. The UCC provides services utilizing the primary care facilities of VillageCare Community Health Center during hours it is not operational. As a result, there is now 24/7 health care coverage at the site. The UCC opened on March 8, 2011 and is operational at the following times: Monday through Friday 7pm-8am; Saturday 5pm-8am; Sunday 8am-Monday 8am). A more permanent Urgent Care Center is proposed for an adjacent space. Volume has been steadily increasing as residents become increasingly aware of the UCC presence.

The Agency for Healthcare Research and Quality (AHRQ) and the NYS Department of Health (NYSDOH), recognizes that not all Emergency Department Treat and Release Visits are appropriate for an emergency department and could be avoided with appropriate afterhours access to primary care. Justification for the grant came, in part, from an analysis of Emergency Department utilization using the NYU Health Service Research algorithm (aka, the NYU Algorithm) to classify Emergency Department utilization. The Emergency Department Treat and Release Visits for the service area processed through the NYU Algorithm indicates approximately 23% of visits were classified as non-emergent. The remaining treat and release visit categories appears in Table 3 and are generally higher acuity and require more immediate attention and the capabilities of an emergency department.

Table 3: 2009 Service Area ED Visits (Treat & Release)
NYU Algorithm

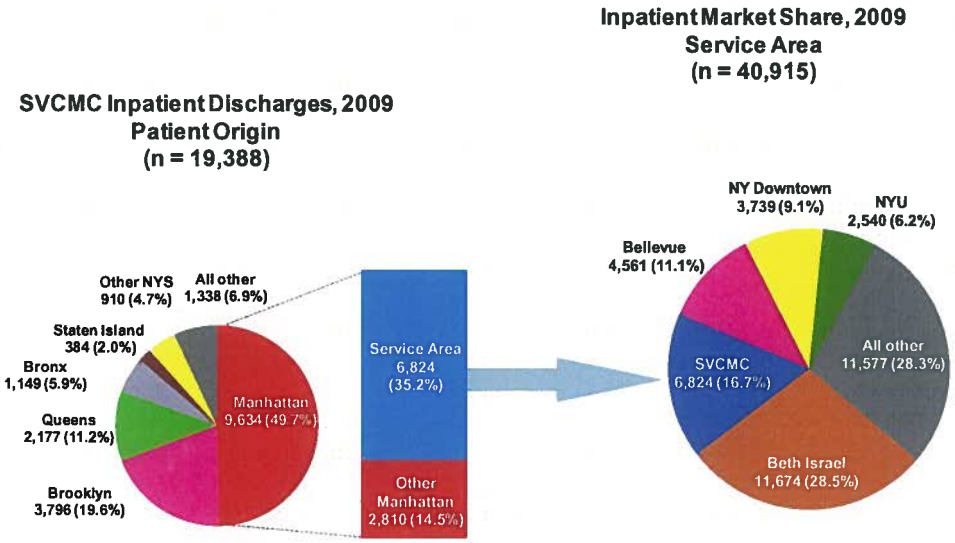


Sources: NYU Algorithm; NYS DOH SPARCS ver01.03.11

In projecting the demand for the Freestanding Emergency Department, the following factors were taken into consideration: the historic utilization and market share of service area residents who used the St. Vincent's Emergency Department; an estimate for the percent of patients that would require inpatient care (based on normative admission percentages of existing Freestanding Emergency Departments), and an annual growth rate. The service area communities are very popular destinations and offer many activities which characterize a vibrant and robust nightlife. Thus, additional utilization was projected for out-of-area patients that may use the Emergency Department. It is estimated that during the first year of operation, 20,000 visits are projected for the emergency department (see Table 5). This projection represents the total number of service area residents seen at St. Vincent's Emergency Department for Treat and Release visits, assumes a 25% immigration of out of area patients, a 6% admission rate and 3% annual growth rate.

Once the Center has become firmly established as a part of the health care delivery infrastructure of the community and demonstrates high quality and patient satisfaction, the visit volume is a projected to approach 32,000 visits by the fifth year of operation. With 22 treatment spaces programmed for the Emergency Department it will be able to accommodate the projected volume based upon the DOH utilization standard of 1,500 visits per treatment bay. It should be noted that the planning guideline of 1,500 visits per treatment space is based upon the waiting times of current hospital-based emergency departments. To the degree the North Shore-LIJ Center is more efficient it should be able to accommodate a larger number of visits. For example, a 15% improvement in efficiency to 1,800 visits per bay results in a visit capacity of almost 40,000 visits.

Table 4. SVCMC Patient Origin and Service Area Market Share by Hospital, 2009



Source: SPARCS; excludes newborns and neonates by MS-DRG; accessed October 6, 2010

Table 5

Emergency Department Demand Model

	Service Area Treat & Release	SVCMC Share	Projected ED Treat & Release
Service Area	87,172	22.3%	**19,410**
Projected ED T & R Visits		**19,410**	
25% Inmigration[1]		6,740	
6% Admitted[2]		1,652	
Sub-Total		27,802	
3% annual growth for 5 years		4,116	
Total		**31,918**	

[1] In 2009, SVCMC ED-Ingmigration was 59%

[2] In 2009, SVCMC Admitted 22% of ED visits

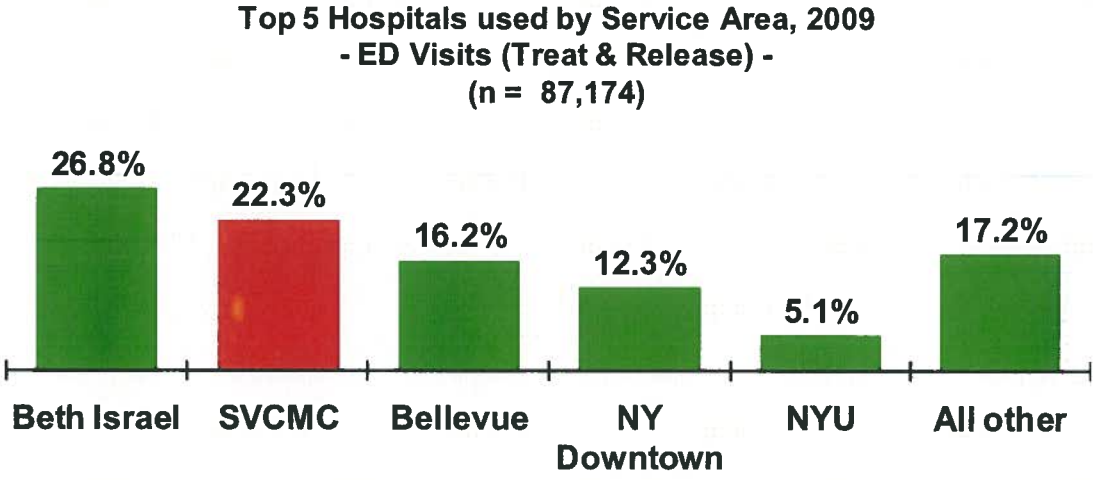
Impact of St. Vincent's Closure on the Emergency Departments of Neighboring Hospitals

The impact of the closure of St. Vincent's was analyzed using SPARCS data and comparing the three month post-closure period of May, June and July 2010 to the same three month period pre-closure in 2009. We had also conducted a ten year review of this three month period with the Steering Committee and determined it was not an atypical period to make comparisons to. As of the writing of this application, North Shore-LIJ had access to a SPARCS tape for the eight month period, January – August 2010. Thus, the analysis regarding post-closure activity can only be described in relative rather than absolute terms.

St. Vincent's was a significant provider of emergency services in the lower west side of Manhattan accounting for over 20% of total emergency visit volume. Since its closure the visit volume and associated admissions from the emergency department have shifted to neighboring hospitals. Prior to the closure of St. Vincent's, 27% of service area residents used Beth Israel Medical Center (Beth Israel) for Emergency Department treat and release services. The other hospitals the service area residents relied on, in descending order, are: Bellevue, NY Downtown and NYU (see Table 6). These hospitals have responded well but have been challenged to accommodate this increase in volume. Dr. Lewis Goldfrank, Bellevue's chief of Emergency Medicine, described the nature of this challenge. *"We are seeing people in rapid succession continuously in every space we've got and trying to achieve excellence in the face of substantial chaos a good part of the day and night".*[13] This challenge has also increased the demand of previously unused inpatient beds, as described by the local paper The Villager. *"Beth Israel has also increased its number of active hospital beds by 30, he added. The hospital is licensed for 900 beds, but previously only had 600 active."*[14]

Post-closure, Beth Israel experienced an 11% increase in service area market share which indicates this provider received approximately half of the displaced service area residents emergency treat and release visits. As expected, other area hospitals also showed an increase in emergency treat and release visits from service area residents, but not as significant as Beth Israel; New York Downtown Hospital (+4.1% points); NYU Hospital (+2.1% points); and Bellevue Hospital (+0.8% points), Table 7 contains comparison of market share for pre-closure 2009 and post-closure 2010 for a three month period.

Table 6

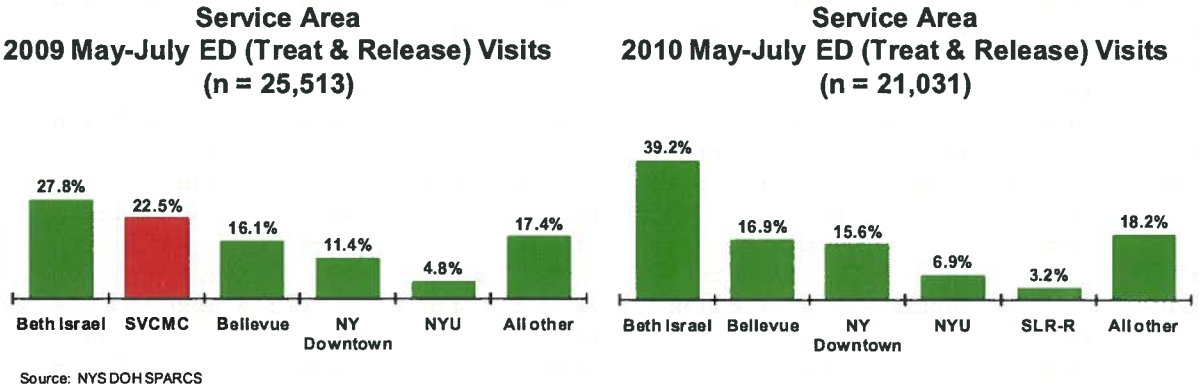


Source: NYS DOH SPARCS

13 Evans, Heidi. New York Daily News "St. Vincent's Hospital closing was a 'significant disaster,' says Bellevue chief" October 10, 2010.
14 Anderson, Lincoln. The Villager "Ambulances, E.R.'s scramble to deal with St. Vincent's loss" June 29, 2010.

Table 7

Service Area ED Visits (Treat & Release)
Pre and Post Closure Impact Comparison



Source: NYS DOH SPARCS

According to the a *Press Ganey 2010 Pulse Report – Patient Perspective on American Health Care*, patients seeking care at New York hospitals spend nearly five hours in emergency rooms – among the worst rates in the country. New York hospitals are tied with Mississippi and ranked 46th in the nation for the length of time patients spend in emergency departments. In 2009 the Emergency Department wait time grew by 18 minutes, while in the neighboring states of New Jersey, Connecticut and Pennsylvania this time either remained the same or decreased. The American Hospital Association reports that 69% of urban hospital Emergency Departments are operating at or over capacity. "More worrisome is a burgeoning volume of literature linking emergency department crowding to suboptimal patient outcomes."[15]

The Center will provide additional capacity and alleviate a portion of the burden to provide timely emergency care to residents of New York which accompanied the closure of St. Vincent's. Programmatically, the ED possesses the essential components and experienced staff to provide the same level of emergency care that a patient would receive at a community hospital emergency department. To further illustrate the increased burden and challenges of accommodating the increased emergency patient volume, an analysis of current and projected emergency department capacity at neighboring hospitals was conducted using SPARCS Emergency Department data[16] (accessed April 6, 2011). This analysis indicates that these facilities are experiencing volumes that are exceeding the suggested DOH planning standard of 1,500 visits per emergency treatment bay per year.

According to SPARCS Emergency Department data, in 2010, New York University Medical Center (NYU) had 41,937 visits and based on the first two months of 2011, is estimated to have a total 40,632 emergency department visits. At 1,500 visits per treatment room, the current Emergency Department need is for 28 treatment bays (41,937/1,500 = 28). At 18 treatment bays, the current NYU Emergency Department is undersized, operating at 155% of capacity.

Prior to the St. Vincent's closure, NYU submitted a CON (Project #092184-C). Pursuant to the CON Schedule 1B narrative, this multi-phase project was intended to "triple the size of the emergency department … and increase patient care capacity from 18 positions to 39…". NYU attributed all of its projected growth to "its participation in the 911 system, its Basic Life Support (BLS) ambulance, its designation as a Stroke Center, as well as the closing of two Emergency Departments in Manhattan (Cabrini and St. Vincent's Midtown) that resulted from the recommendations of the NYS Commission on the Future of Healthcare in the 21st Century." In addition, NYU projected an increase in volume due to population growth, as well as referenced the increasing burden of accommodating increased volume from the uninsured and underinsured.

15 Wiler, Jennifer L., et al. "Optimizing Emergency Department Front-End Operations" Annals of Emergency Medicine. Feb 2010: v. 55, no. 2, p 142.
16 http://www.health.state.ny.us/statistics/sparcs/reports/edaud10.htm, & edaud09.htm, & edaud11.htm

In the DOH review of this CON, the DOH staff report stated:

> **"The facility is requesting 39 treatment bays; however, 7 of these will be disposition rooms, leaving 32 to actually treat ED patients. Based on the standard of 1,500 visits per bay, the hospital currently needs 27 bays.... The additional five will allow for surge and peak day utilization and provide extra capacity to handle some of the patients that used the now-closed St. Vincent's Hospital." (Project #092184 Exhibit Page 6).**

NYU's project is now underway and is expected to be completed in 2013. Since the closure of St. Vincent's, a modest increase of 2.1% in emergency department Treat and Release Visits was reported at NYU indicating that patients are self-selecting to utilize hospitals closer to the service area, particularly Beth Israel.

Beth Israel submitted an Emergency Department expansion project in 2006 (Project # 061231 superseded by #102213) which was approved by DOH and in September 2010, nearing project completion, submitted an amendment for a cost increase. Beth Israel indicated in both CON submissions that their emergency department expansion project would address current capacity needs and modest growth based on historical trends. Stated in the CON,

> **"The renovated space will provide more treatment spaces and a more cohesive plan... There will be 60 treatment stations." (Attachment 3, Perkins Eastman Project Narrative, CON# 102213).**

The amendment was submitted on September 14, 2010, five and a half months after the closure of St.Vincent's. According to the Beth Israel CON:

> **"this is a modernization of an existing emergency room which dates back to 1991 and only has 40 treatment spaces. Volumes has increased by 50% by 2010 which makes this modernization a necessity to provide care to existing caseload." (Schedule 16B, Question 3, CON# 102213).**

There was no mention on the effects of the St. Vincent's closure in the supplemental filings made by Beth Israel.

As previously described, a majority of service area residents chose to seek emergency care at Beth Israel. In the 2010 SPARCS Emergency Department Audit report17, Beth Israel reported 96,620 emergency department visits (both Admissions through emergency department and Treat and Release). Using the DOH planning standard of 1,500 visits per treatment room, Beth Israel would require a minimum of 65 treatment rooms (96,620 / 1,500 = 64.4). However, 2010 total Emergency Department visits does not accurately reflect the real need and impact of the Service Area residents utilization of Beth Israel's Emergency Department. The new baseline volume at Beth Israel should be based upon the post-closure activity level for the eight month period May through December, 2010. During this period, Beth Israel reported 68,158 emergency department visits which annualizes to 102,237 visits resulting in a minimum need for 68 treatment rooms (102,237/1,500 = 68.2).

In 2011, with over 100,000 emergency department visits and 60 treatment rooms, Beth Israel is operating at approximately 114% occupancy (based on DOH standard of 1,500 visits per treatment room). This high occupancy has been driven by the service area residents and others that used to rely on the St. Vincent's Emergency Department as well as those patients who used Cabrini Medical Center after it closed in 2008. To bring the capacity more in line with utilization and being able to respond to surges in utilization an Emergency Department should operate between 75% and 85% of capacity. Applying these standards to Beth Israel it would result in a need for between 80 and 91 treatment rooms; an increase of between 20 to 31 treatment rooms over that recently approved to be available at Beth Israel.

The Center for Comprehensive Care Freestanding Emergency Department proposed by North Shore-LIJ is planned to operate 22 treatment rooms which will accommodate the emergency department volume needs of service area residents. The Center will provide a critical public health resource in a densely populated geographic region of the city. In review of CON applications of neighboring hospitals undergoing ED expansions (as referenced earlier), their projected volumes and project scopes did not anticipate additional ED volume attributable to the St Vincent's closure.

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17 (accessed April 6, 2011, http://www.health.state.ny.us/statistics/sparcs/reports/edaud10.htm, edaud09.htm, and edaud11.htm).

2009 & 2010 Pre and Post SVCMC Closure ED Visits by Neighboring Hospitals

	Total ED Visits				
Hospital Name	2009	2010 Pre-Closure	2010 Post-Closure	Total 2010	2010(a) Post-Closure
Bellevue	92,502	31,304	64,254	95,558	96,381
Beth Israel	81,450	28,462	68,158	96,620	102,237
NYU	38,734	13,094	28,842	41,936	43,263
NY Downtown	29,569	10,032	22,993	33,025	34,490
St. Luke's Roosevelt	65,521	22,449	50,701	73,150	76,052
SVCMC	59,613	14,843	-	14,843	-

	OETs per 1,500			
Hospital Name	2009 OETs	2010 OETs	2010(a) Post-Closure OETs	Current Available OETs
Bellevue	61.7	63.7	64.3	N/A
Beth Israel	54.3	64.4	68.2	60
NYU	25.8	28.0	28.8	18
NY Downtown	19.7	22.0	23.0	N/A
St. Luke's Roosevelt	43.7	48.8	50.7	N/A
SVCMC	39.7	9.9	-	-

Source: NYS DOH SPARCS Emergency Department Audit Report ((http://www.health.state.ny.us/statistics/sparcs/audit.htm); accessed April 6, 2010
Pre-Closure: Jan-Apr 2010; Post-Closure: May-Dec 2010
2010(a) denotes Annualized
N/A denotes data not available
Observation Evaluation Treatment (OET) based on NYS DOH standard of 1,500 visits

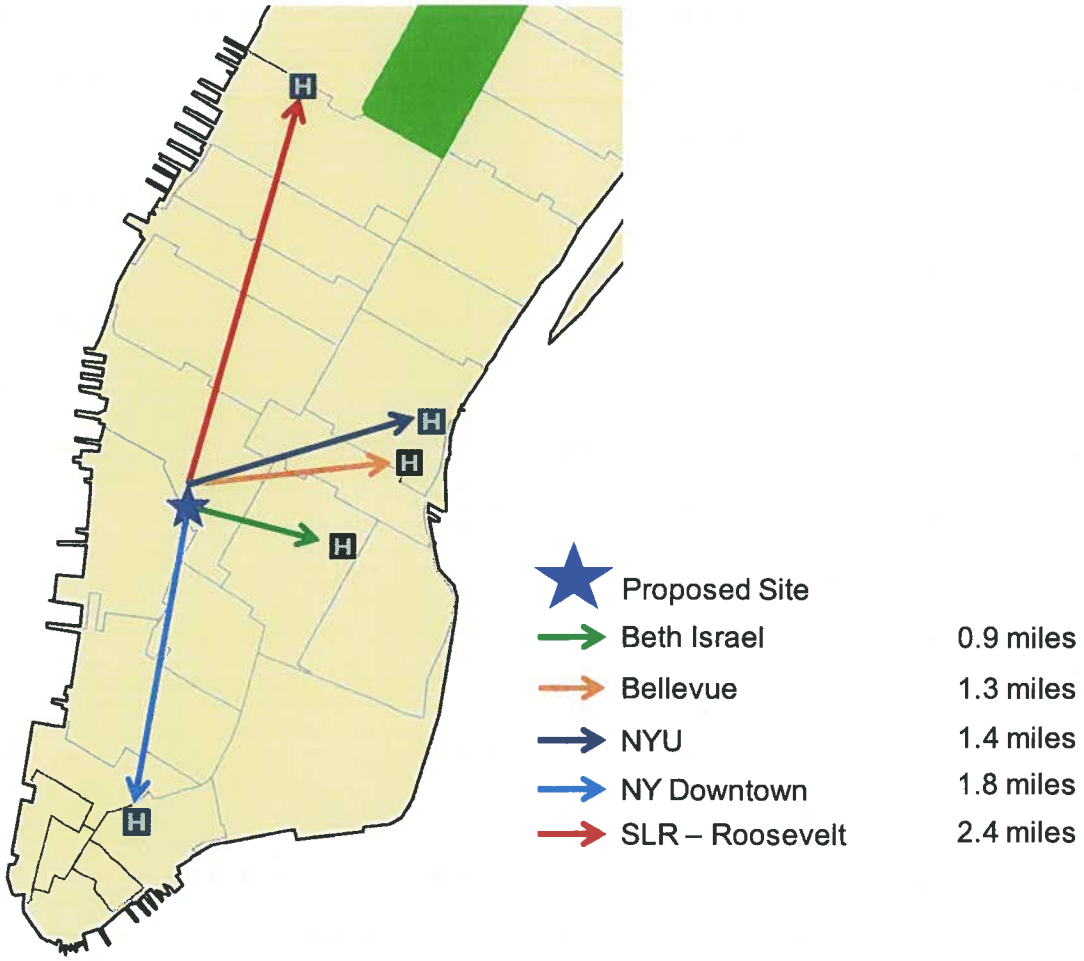
Ambulance Travel Time

In a FDNY-EMS Operations report the impact of the closure of St. Vincent's was analyzed for travel and turnaround time for ambulance posts serving the Lower West Side. Post closure ambulance travel times to hospital Emergency Departments increased in a range of 2 minutes and 16 seconds to 3 minutes and 57 seconds, an increase ranging from 28% to 68% greater time to reach a hospital Emergency Department. Interestingly, Emergency Department turnaround time decreased indicating that the hospitals may have become more efficient in triaging the increased volume of patients and releasing the ambulance crew for the next call. Turnaround time decreases ranged from 13 seconds to 4 minutes and 22 seconds.

The Center for Comprehensive Care will be located at 30 Seventh Avenue in Greenwich Village, across the street from St. Vincent's, a site both familiar and accessible within the service area to residents, police, fire and emergency responders. One of the major concerns voiced by community residents and leaders regarding the closure of St. Vincent's was the location of the nearest Emergency Department. The closest Emergency Department to the site is Beth Israel 0.9 miles to the East, while NY Downtown is 1.8 miles to the South and to the North, on the West Side of Manhattan, is the Roosevelt Division of St. Luke's Roosevelt on 58th Street at a distance of 47 city blocks or 2.4 miles from the Center for Comprehensive Care.

In many other areas of New York State these distances may be considered trivial, particularly to those New York residents living in rural areas who may have to travel 20 or more miles to the closest emergency department. However, the density of the daytime population in New York City, combined with the never ending infrastructure projects, lane closures and the inevitable, unpredictable, but predictably frequent, emergencies all contribute to Manhattan's world famous traffic congestion. It is no coincidence that when you research the origins and use of the term 'gridlock' it is often accompanied with a reference to New York City or an aerial view of its famous grid pattern of streets. It is not uncommon at certain times of day for persons who live 20-30 miles away to take as much time to travel to Manhattan as it takes to traverse its two mile width from the East River to the Hudson River.

Therefore, for the majority of service area residents who will neeed access to emergency care and will not arrive with the assistance of the blaring horns and flashing lights of an ambulance, the travel distance is of great concern. The geographic location of the Center will provide timely access to emergency care to a large portion of persons resident on the lower westside of Manhattan.

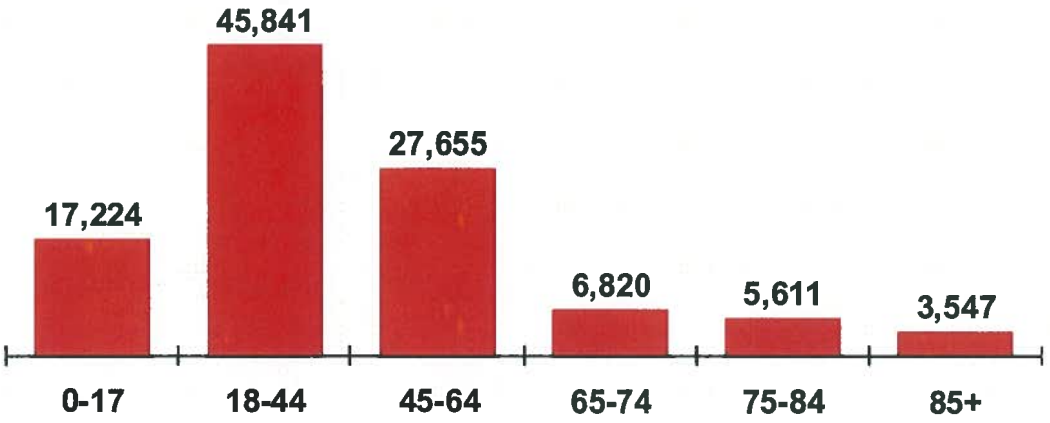


Population Growth

Population growth is also expected to increase the demand for health services including emergency services within the service area. The aging population will be increasing in the service area in the next five years by 12.1%. This age group uses emergency services at a higher rate (see Table 8), and demand for emergency care will be increasing as the population ages. When the 2015 population estimates are applied to the 2009 emergency department visits use rate for the service area, it is estimated there would be a demand for 4,700 additional emergency department visits due to the aging of the population.

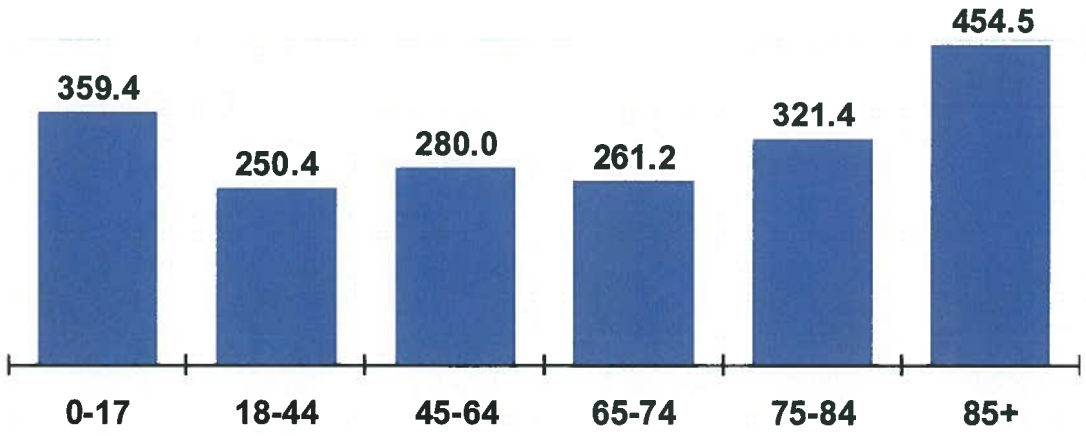
Table 8

2009 Service Area ED Visits
(n = 106,698)



Source: SPARCS ver01.03.11
ED Visits includes Treat and Release and ED Admits.
ED Admits based on Emergency Room revenue code (045*)

2009 Service Area ED Visits
Use Rate per 1,000 Population (avg = 279.9)



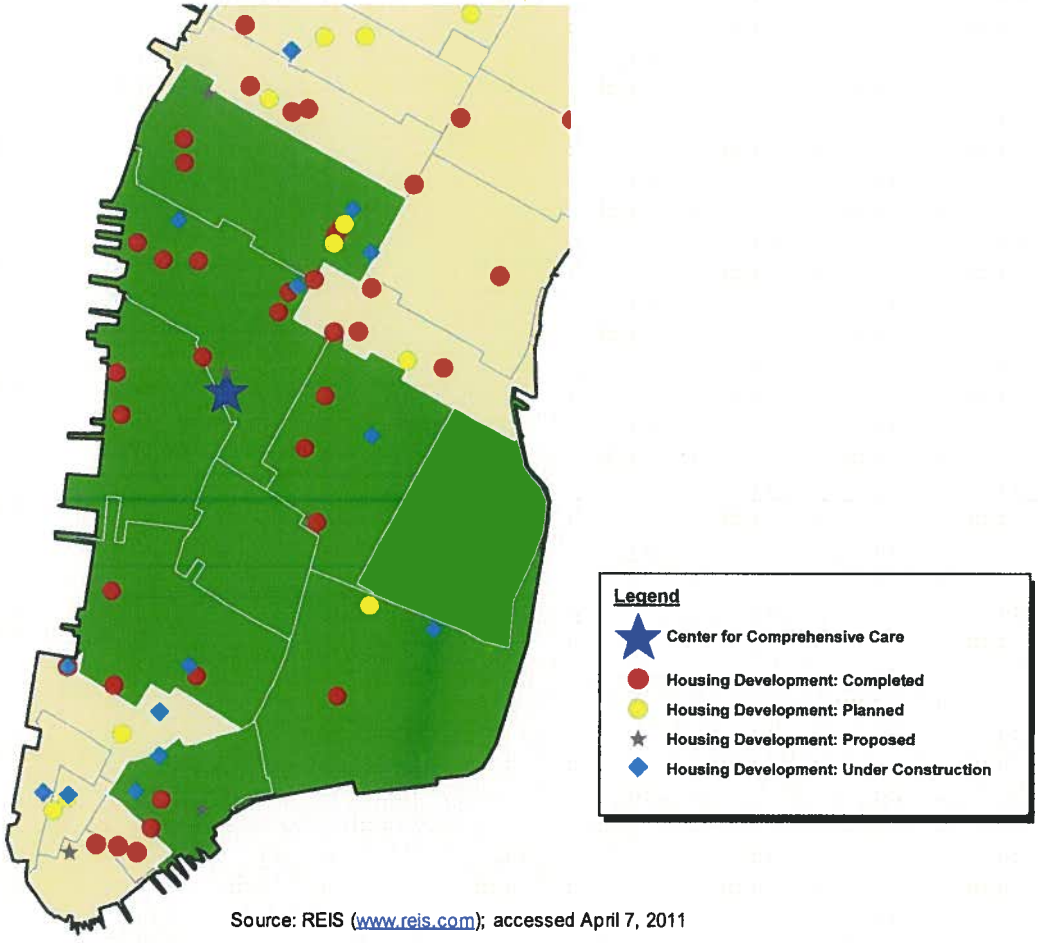
Source: SPARCS ver01.03.11
ED Visits includes Treat and Release and ED Admits.
ED Admits based on Emergency Room revenue code (045*)

New Housing Development

The Service Area is an attractive housing option in Manhattan and several significant residential projects are planned to be developed in the years ahead. According to the New York City Department of City Planning18, an anticipated 12,900 new residential housing units are being proposed in and around the immediate service area. Some of these developments include: Hudson Yards, located in the northwest portion of the service area; the redevelopment of St. Vincent's site located across the street from the Center which would add 300 housing units; and additional projects in the West Chelsea portion of the service area referred to as the High Line.

Research conducted by Reis, Inc. a provider of real estate development information identified 16,307 units that are either under construction, newly constructed or in development since 2009. Using an average household size of 2.3 this would indicate that the potential exists that between 30,000 and 38,000 residents may move into the service area over the next several years. When the projected additional population is applied to the 2009 emergency department visit rate of 280 per 1,000 population there may be an additional demand for between 8,000 and 10,000 more emergency department visits. This volume represents an additional five to seven treatment bays of emergency department activity. The planned housing development would further tax the current emergency department capacity of the neighboring hospitals. The availability of the Center would provide an additional resource to accommodate a portion of the projected demand generated by residential development within the service area. The map below (see Map 3) illustrates the locations of some of these new residential housing projects in relation to the Center for Comprehensive Care.

Map 3: Housing Development – Service Area



Source: REIS (www.reis.com); accessed April 7, 2011

18 http://www.nyc.gov/html/dcp/html/hyards/hymain.shtml

Surge Capacity to Manage Public Health Crises

According to a 2006 analysis conducted by the Institute of Medicine on the state of emergency care19, "despite the lifesaving feats performed everyday by emergency departments and ambulance services, the nation's emergency medical system as a whole is overburdened, underfunded, and highly fragmented…". Emergency Departments are viewed as an essential service along with law enforcement, fire and rescue services. This critical access point to the healthcare delivery system is often a vital resource during a disaster situation. Over the years, St. Vincent's assumed this important role and was the primary site for treating those affected by the sinking of the Titanic in 1912, treating New Yorkers after the 9/11 attack, and the passengers and crew of the Hudson River landing of US Airways Flight 1549 in 2009[20]. The American College of Emergency Physicians, indicated in a 2007 report the need to strengthen and expand the emergency care capability of the country, "the future potential for a terrorist or natural disaster (such as pandemic influenza) to stress our emergency system is increasingly likely. This potential, coupled with the stresses in access to emergency care in "normal" conditions, increases the urgent need to address this issue now[21]."

With the closure of St. Vincent's, the community lost a resource that would have otherwise been able to respond to a public health emergency. The Center would become a new resource which could assume a vital role in accommodating the need for city-wide inoculations, triaging volume away from other emergency departments during disaster scenarios with multiple trauma or mass casualties or the need to rapidly treat large volumes of patients without otherwise disrupting inpatient operations of neighboring facilities.

Ambulatory - Surgery

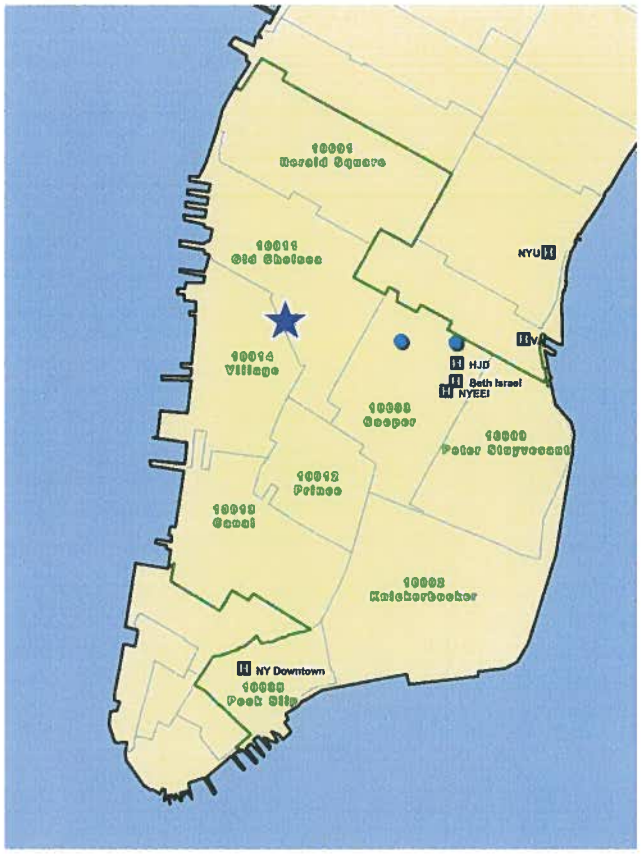
The Center is also proposing to perform ambulatory surgery which will fill a gap in access to this level of care left by the closure of St. Vincent's. There are no Article 28 ambulatory surgery centers operating in the lower west side of Manhattan (see Map 4). The St. Vincent's 2008 Institutional Cost Report stated that, 13,525 ambulatory surgeries were performed at the hospital. Using SPARCS ambulatory surgery data for St. Vincent's, 23% or 3,110 of St. Vincent's ambulatory surgery patients came from the service area. According to SPARCS, the service area residents accounted for over 28,000 ambulatory surgery discharges. The Center will have two multi-specialty operating rooms able to accommodate the volume of service area patients who had ambulatory surgery at St. Vincent's.

19 Institute of Medicine "The Future of Emergency Care in the U.S. Health System", June 13, 2006

20 http://topics.nytimes.com/top/reference/timestopics/organizations/s/st_vincents_hospital_manhattan/index.html

21 Members of the Public Health Committee. "Public Health and Access to Emergency Care" *American College of Emergency Physicians* May 2007.

Map 4: Ambulatory Surgery Facilities – Service Area



Legend

- Ambulatory Surgery Centers
- Center for Comprehensive Care

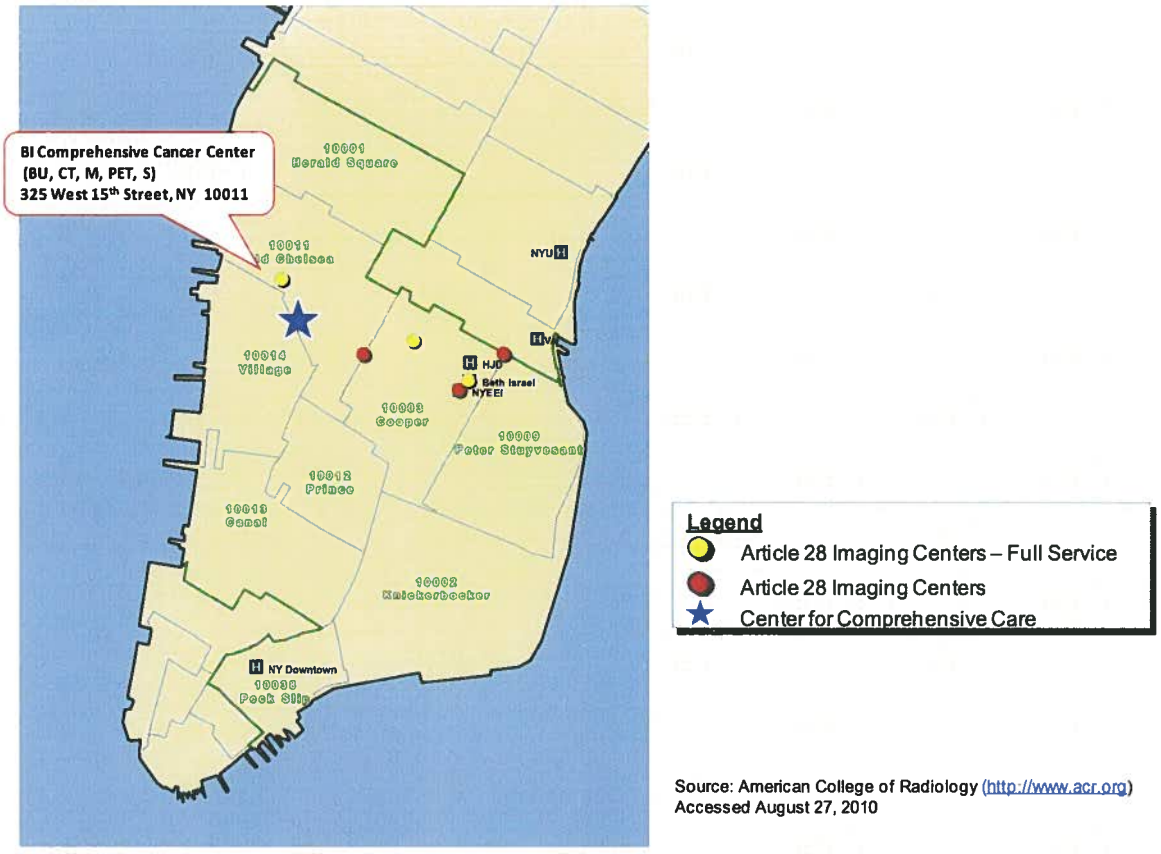
Source: 2008 SVCMC ICR,; SPARCS ver06.10.10; NYS DOH (http://www.health.state.ny.us/nysdoh/hcra/provider/provamb.htm) accessed August 27, 2010

Diagnostic Imaging

In the Lower West Side there is one Article 28 comprehensive diagnostic imaging center, the former St. Vincent's Comprehensive Cancer Center site at 325 W. 15th Street, which is currently being operated by Beth Israel. In its 2008 Institutional Cost Report, St. Vincent's reported it performed 2,857 MRI and 3,688 CT scans on an ambulatory basis, however, it is not possible to separate the number of ambulatory scans that by site of care.

The Center for Comprehensive Care will have state-of-the-art imaging in the emergency department and a dedicated area for physician referred ambulatory imaging. The emergency department imaging will have 2 digital x-ray rooms and one multi-slice CT scanner. The multi-slice CT will be able to be used for routine CT emergency department examinations and for cardiac imaging to quickly rule out problems related to cardiac insufficiency (heart attacks or blockages). The ambulatory imaging center will possess a comprehensive array of imaging modalities including CT, 3T MRI, ultrasound, digital x-ray, and mammography. A PACS System will be located in the emergency department and the Ambulatory Imaging Center to quickly retrieve previous images and transmit images to radiologists at Lenox Hill Hospital or other facilities across the Health System for immediate consultation by the appropriate specialist (e.g., musculo-skeletal, neurological).

Imaging Centers – Service Area



Source: American College of Radiology (http://www.acr.org)
Accessed August 27, 2010

In addition to its emergency room and inpatient services, St. Vincent's provided ambulatory care services, including primary and preventative care, for thousands of New Yorkers. Following the closure of St. Vincent's, a $4.6 million grant was awarded by DOH to support expansion of services at local federally qualified health centers in the service area. These providers include: the Callen-Lorde Community Health Center; The Charles B. Wang Community Health Center; Ryan Chelsea-Clinton Community Health Center; and the Ryan-NENA Community Health Center. Nearly all of the outpatient services that were once operated by St. Vincent's have been transferred to or absorbed by another health care provider. A list of current providers of St. Vincent's has been prepared by Senator Thomas K. Duane from the 29th Senatorial District and incorporated into a publication entitled, *Brief Guide to Health Care Services Following the Closure of St. Vincent's Hospital* that outlines all the programs and appears in Attacment 16B: 1. While most of the former St. Vincent's outpatient programs have been successfully transitioned at this point, emergency services, ambulatory surgery, imaging services and inpatient beds have not been addressed. These gaps are of vital concern to the residents and healthcare providers from the service area.

4. **(a) Describe how this project responds to and reflects the needs of the residents in the community you propose to serve.**

St. Vincent's was a significant health care resource for the communities of lower Manhattan for over 160 years. Notwithstanding the efforts of the Governor, elected and community officials and the Department of Health the financial and operational challenges confronting St. Vincent's could not be overcome and the hospital closed its doors in April, 2010.

Beginning in 2005 with St. Vincent's initial bankruptcy, throughout the deliberations and report of the NYS Commission on Health Facilities in the 21st Century, followed by St. Vincent's emergence from the initial bankruptcy in 2009 with a plan to build a new hospital on the site of the O'Toole Building, and its subsequent closure in 2010, no analysis, study or elected or appointed official indicated that the programs and services offered through St. Vincent's were not needed. In hindsight, if St. Vincent's had shifted its focus from rebuilding the hospital to reinventing the hospital it is quite possible that St. Vincent's would be the sponsor of a variation of this CON application.

North Shore-LIJ recognizes that with the closure of the hospital the service area residents experienced a sudden and severe disruption in access to their health care. Physicians moved their privileges to other facilities; ambulances were rerouted to nearby hospitals; and new relationships with trusted health providers were severed as new providers stepped in to maintain access to essential ambulatory programs (i.e. HIV/AIDS program, Mental Health programs). The immediate and proximate availability of emergency care and specialized services in the community such as ambulatory surgery vanished.

Lenox Hill Hospital, a member hospital of North Shore-LIJ Health System, in response to a DOH request for applications was selected to develop an Urgent Care Center in the service area. Staffed by Board-Certified Emergency Medicine Physicians, the facility is located adjacent to VillageCare Primary Care Center and complements services offered to the community when VillageCare is closed, primarily 6:00pm-8:00am and 24/7 during weekends.

North Shore-LIJ's understanding of the importance of access to emergency services deepened as it conducted analyses directed by the West Village Healthcare Needs Assessment Committee members. It is through these analyses and discussions with community representatives that North Shore-LIJ recognized the need for community need to reestablish access to emergency care and other specialized ambulatory services. However, the bankruptcy proceedings were rapidly moving to closure and an opportunity to acquire the O'Toole Building from the St. Vincent's Board and receive a ten million dollar contribution toward a project from the Rudin Organization appeared. These opportunities permitted North Shore-LIJ to acquire an ideal location to provide critical emergency and related health services to the communities impacted by the closure of St. Vincent's.

North Shore-LIJ would have preferred to wait until the Healthcare Needs Assessment Study was completed to advance its proposal for the Center for Comprehensive Care in a more deliberate manner but the timing of events did not allow for this to happen. The Health System has continued to work with community leaders and providers in discussing the project. We expect that once the community assessment is completed, there will be additional opportunities to shape the provision of additional health care services by North Shore-LIJ, and to join the area providers who are committed to address identified health needs of the community.

The proposed program is based on successful models currently employed in New Jersey, Connecticut, Virginia, Colorado, the State of Washington and eleven other states to improve access, reduce emergency room waiting times and provide high-quality care. Most importantly the Center will provide quality health care and patient access to emergency and other services along the care continuum to a large number of service area residents. The proposed site is a familiar and visible location by the community. The Center will provide:

- The first Freestanding, around-the-clock Emergency Department in the New York metropolitan area;
- A full-service Imaging Center featuring digital x-ray, computed tomography (CT), magnetic resonance imaging (MRI) and ultrasound; and
- A specialized ambulatory surgery facility focusing on elective interventional treatments for children, adults and the elderly.

Based on the focus of national health reform, the challenges of funding and operating hospitals within New York State and the availability of excess inpatient beds in New York City, the solution advanced by North Shore-LIJ will address a critical aspect of the healthcare needs confronting residents of Manhattan's Lower West Side. These residents now have to travel out of their neighborhoods to access emergency care in locations relatively distant from their neighborhood. Neighboring facilities, even those who have recently expanded their Emergency Department are challenged to accommodate their pre-closure volumes since they never anticipated the increase in Emergency Department volume due to the closure of St. Vincent's.

The proposal for the Center to include a Freestanding Emergency Department would provide access proximate to a large population of patients, accommodate a portion of New York City's hospitals' burden in providing timely access to care. Another benefit is to provide geographic diversity in the locus of emergency care providers and increasing the availability of facility and staff resources to the arsenal of resources needed to respond to a city-wide public health crisis. The inclusion of inpatient beds is provided so that the Center would be able to be licensed and comply with New York State hospital regulations in the provision of emergency care. These beds will be used to provide extended treatment of patients and observation that would take longer than twenty-four hours.

This will be a full-service emergency department, similar to a community hospital emergency room. Like other community emergency departments, the Center will coordinate its care with the Regional Trauma Centers, Stroke Centers and STEMI Centers. There are neighboring hospitals such as, Bellevue, Beth Israel, Roosevelt and NY Downtown that have these designations. Just like a community hospital, the Center will have transfer agreements for patients in need of these specialized services. In part because of the active use of transfer agreements and movement of patients to appropriate levels of care, freestanding emergency departments generally treat lower acuity cases and have higher patient throughput. According to a 2006 Health Care Advisory Board report entitled *Overview of New Urgent-Emergent Care Models*, the average time to patient disposition in hospital based emergency rooms is 180 minutes while the average time to patient disposition in freestanding programs is 90 minutes.

The economic realities of today's shrinking healthcare landscape in New York City and throughout the State of New York make it highly unlikely that the full spectrum of inpatient acute care and trauma services provided by St. Vincent's could be replicated at this site. That reality is reflected in the fact that not one other healthcare provider had come forward with plans to reopen beds since St. Vincent's announced plans to close more than a year ago. As the owner of the landmarked National Maritime Building, St. Vincent's had applied and received a hardship waiver to demolish the building and erect a new facility in its place. North Shore-LIJ, as a new owner, cannot receive a hardship waiver when it acquires an existing landmarked building. The feasibility of building a new 400-bed hospital would approach approximately $800 million, which would be economically unfeasible to build in the current environment. Putting the cost issue aside – any provider proposing to open additional beds in Manhattan would also have to confront the reality that there is existing unused bed capacity with several hospitals proximate to the site operating at occupancy rates less than 85%, some as low as 70% based upon licensed bed capacity.

The question that needs to be answered is: will the Center for Comprehensive Care proposed by North Shore-LIJ be beneficial and valued by the majority of the service area residents and does it provide a useful hybrid model of care to better link communities to the care continuum in the wake of a hospital closure?

In the third year of operation, it is projected that more than 80,000 patients annually will be treated at the Center, including 30,000 at the Emergency Department, 52,930 at the full-service imaging center and 3,301 in the ambulatory surgery facility. This Center will have the capacity to treat a substantial number of patients and it certainly addresses a significant portion of the community's health needs which had been previously filled by an acute care hospital.

The Center, which would employ about 400 full-time permanent workers, would be established as a division of Lenox Hill Hospital, a highly regarded provider of quality medical care who has already faithfully cared for New Yorkers for over 150 years. Former workers of St. Vincent's qualified to fill positions at the Center would be welcomed additions to the North Shore-LIJ workforce of more than 42,000 employees. North Shore-LIJ's goal is to recruit the best doctors and staff to this facility. That said, at least fifty-three physicians from St. Vincent's have already been recruited to practice at Lenox Hill Hospital. If approved to move ahead with this project, North Shore-LIJ/Lenox Hill Hospital plans to actively recruit other Board-Certified Emergency Medicine Physicians prior to the opening of the Freestanding Emergency Department. It would be in the interest of the Emergency Department and the service area communities if these physicians had prior work experience in the St. Vincent Emergency Department and possessed relationships with physicians

practicing in the area. It would improve coordination of care, facilitate communication for pre-and post emergency treatment.

Freestanding Emergency Departments have existed in the United States since the 1960's and from a patient perspective, this type of Emergency Department offers numerous advantages. Patients typically obtain faster care in these Emergency Departments. The presence of on-site lab and imaging – and a lower admission rate – enable staff to provide more efficient service than at a hospital–based Emergency Department.

As a division of the Lenox Hill Hospital Emergency Department, the emergency services delivered at the Center would be subject to the same standards adhered to by all community hospitals in New York. The Center will provide emergency medical care that is efficient, readily accessible and linked to a continuum of care to anyone, regardless of insurance status. Patients and the community will also benefit from:

- 24-hour access to Board-Certified Emergency Medicine Physicians, as well as about 30 specialty trained nurses and other staff experienced in treating a wide range of symptoms and conditions;
- 24-hour access to specialist consultations through the network of North Shore-LIJ physicians to provide additional clinical resources to determine the best course of treatment;
- Access to a observation and clinical decision unit that provides clinicians the ability to follow patients for less than 24 hours, ensuring that their condition is properly evaluated and that safe, informed judgments are made before they are treated and discharged;
- Access to a 24-hour plus observation and clinical decision unit that provides clinicians the ability to follow patients for an extended period of time, ensuring that their condition is properly evaluated and that safe, informed judgments are made before they are treated and discharged;
- Two (2) inpatient beds for patients requiring observation and/or treatment for 24 hours or greater;
- When indicated, rapid transfer to an appropriate local physician or hospital chosen by the patient or by the emergency room physician's assessment of the best location for treatment;
- The ability for patients to actively participate in their care and decide which doctors or hospitals they will go to for follow-up care;
- The presence of on-site imaging, diagnostic and laboratory testing capabilities, which will enable North Shore-LIJ staff to respond more rapidly in caring for their patients and reduce waiting times;
- A multi-slice CT scanner for rapid detection or exclusion of cardiac blockages;
- A picture archiving and communication system (PACS) that will transmit images to North Shore-LIJ radiologists, who will quickly interpret results;
- Coordinated follow-up care to either the patient's physician, a neighboring primary care provider or a range of specialists;
- For those returning home who require in-home assistance, access to the home care provider of their choice or services provided through the North Shore-LIJ Home Care Network;
- Follow-up referrals to manage a patient's chronic conditions or other medical issues discovered during the course of treatment;
- Referrals to preventative care or education and support programs that will help avoid illnesses or injuries from worsening;
- An interoperable electronic medical record accessible to all providers in North Shore-LIJ network who provide post-visit care to the patient; and
- An emergency care center that is accountable and meets all the same regulatory standards as traditional on-site hospital Emergency Departments (The Joint Commission Accreditation, NYS Article 28 and US Centers for Medicare and Medicaid Services).

With few exceptions described below, the Freestanding Emergency Department will offer emergent care services and diagnostic capabilities similar to that of a community hospital, including advanced life support services. The emergency clinicians will be able to treat a full range of illnesses and injuries, including—but not limited to—the following:

- Chest pain and other cardiac symptoms
- Early-onset stroke
- Shortness of breath
- Respiratory illnesses (asthma, pneumonia, chronic bronchitis and emphysema)
- Concussions
- Fractures and joint injuries
- Motor vehicle injuries
- Severe cuts
- Minor and Moderate burns
- Abdominal pain
- Allergic reactions
- Ear infections
- Gastrointestinal illnesses
- Influenza (flu)
- Occupational injuries
- Sports injuries
- Behavioral health issues

Freestanding Emergency Departments are similar to hospital-based Emergency Departments in terms of staff and services. Like most other community hospitals that do not accommodate trauma patients or provide cardiac interventional services, there are limitations to the types of patients who can be treated in these facilities. As proscribed in the State Health Code 10 NYCRR Section 405.19 or, established through protocols basic to the training of all FDNY and private EMT's, any patients requiring an ambulance transport to a specialized center would not be brought to a community hospital or a Freestanding Emergency Department if their clinical conditions indicate the need for care at a trauma center or immediate surgical intervention. This includes patients with severe trauma (gunshot wounds, major motor vehicle accidents, open fractures), and those requiring immediate surgical or cardiac interventions. However, if patients presenting at the Emergency Department suffer an apparent heart attack or stroke, its advanced life support technologies would enable staff to successfully evaluate and stabilize patients, and then prepare them for transport to a hospital.

As indicated above, most other community hospitals do not accommodate severe trauma patients, provide interventional cardiac services, or complex neurosurgical and orthopedic procedures. On the other hand, some community hospitals are unable to staff their Emergency Departments entirely with Board-Certified Emergency Medicine Physicians, as proposed for this Emergency Department. The Emergency Departments at many hospitals are undersized, which often contributes to delays in evaluating and caring for patients. Highlighted below are some of the significant similarities and differences between the Freestanding Emergency Department and community hospitals:

- The Freestanding Emergency Department is designed to accommodate over 30,000 emergency patient visits annually. The facility will occupy approximately 19,000 square feet, which is larger than the Emergency Department previously operated by St. Vincent's.
- The Freestanding Emergency Department will serve as a 911 receiving facility and possess the expertise, facilities and equipment to provide care to the majority of patients seen at most community hospitals without a trauma center.
- Like many other community hospitals, the Center for Comprehensive Care will also contain full-service imaging capabilities, including digital x-ray, computed tomography (CT) inclusive of cardiac imaging, magnetic resonance imaging (MRI) and ultrasound.
- North Shore-LIJ/Lenox Hill Hospital will work closely with FDNY Emergency Medical Services to develop protocols based on the capabilities and limitations of the Emergency Department. These protocols will serve to guide medical control decisions about when to bring a patient to the Center or another facility.

- North Shore-LIJ provides ambulance coverage in Manhattan and elsewhere in New York in conjunction with FDNY EMS, and is entering into discussions with EMS to assume responsibility for additional posts in lower Manhattan. When manning EMS posts, dispatch of North Shore-LIJ ambulances is similarly controlled by the NYC 911 system. In addition, North Shore-LIJ operates the largest hospital-based inter-facility ambulance transport service in the metropolitan region. With over 80 ambulances in the fleet, an ambulance will be stationed at the Emergency Department to provide for the rapid transport of patients to a higher level of care.
- The Freestanding Emergency Department is designed to accommodate patients with behavioral health conditions and will coordinate aftercare with community-based mental health providers. Many community hospitals lack the specialized facilities to treat patients who present with behavioral health problems.
- The Freestanding Emergency Department will be exclusively staffed by experienced physicians who are Board-Certified in either adult or pediatric emergency medicine. Not all community hospitals are able to provide this level of experience and training in their Emergency Departments.
- Similar to other community hospitals in New York City, patients at the Emergency Department requiring diagnostic or interventional cardiac catheterization, electrophysiology studies, cardiac bypass surgery, complex neurosurgery, or major orthopedic or microsurgery will be evaluated, stabilized and then transferred to another hospital.
- Many community hospitals affiliate with larger health care systems to provide access to specialists and cutting-edge technology not available at the hospital. Most common among these is access to regional burn centers and trauma centers.
- The Emergency Department will access the clinical expertise at Lenox Hill Hospital and the resources available throughout North Shore-LIJ Heath System.
- From a patient safety and quality standpoint, a major differentiator of the Emergency Department is its inclusion in North Shore-LIJ's $400 million investment in an Electronic Health Record system that automates inpatient and outpatient records in all medical settings, including North Shore-LIJ's 14 hospitals, all outpatient setting and the offices of up to 9,000 affiliated physicians. It represents the nation's largest deployment of an Electronic Health Record system. The technology allows all entities and providers to access patient records electronically, which is critically important for coordinating care and communication among providers.
- In addition to the commitment of resources and expertise from Lenox Hill Hospital, transfer relationships will be develop with Bellevue Hospital for major trauma, New York Presbyterian Hospital and Staten Island University Hospital for burn patients and Beth Israel Medical Center for other services.

Compliance and EMTALA

Like all providers of emergency services in the nation, North Shore-LIJ must comply with all the provisions of the Emergency Medical Treatment and Active Labor Act, also referred to as EMTALA. This regulation requires that any patient who comes to an Emergency Department requesting examination or treatment for a medical condition be provided with an appropriate medical screening examination to determine if he/she is suffering from an emergency medical condition. If that is the case, then all providers are obligated to either provide treatment until the patient is stable to either return home, admitted for further treatment or transferred to another hospital.

Serving Patients without regard to Insurance Status

The Center will accept all patients for care, regardless of ability to pay. North Shore-LIJ maintains contracts for its hospitals with all major private and public insurers.

Further, North Shore-LIJ has pioneered one of the most progressive financial assistance programs available in New York for underinsured and uninsured patients, subsidizing care for patients with household incomes up to five times the federal poverty level. In monetary terms, that means a family of four with a household income of $110,000 qualifies for financial help. In the event patients are uninsured and do not qualify for public health insurance such as Medicaid, Child Health Plus or Family Health Plus, they may be able to reduce their hospital and medical bills based upon family size and income. The health system financial assistance policy and practices are recognized as a national model policy and have been adopted by other providers.

In collaboration with the NYS Department of Health, EMS will create policies that triage appropriate patients to the Emergency Department and redirect patients who might require specialized care and tertiary inpatient admission to nearby hospitals. As part of the planning process, North Shore-LIJ staff has started to meet with representatives of FDNY-EMS to review the proposed program, facilities and procedures. An important part of this process is for DOH to determine the

appropriate criteria that EMS will need to adopt for transporting patients to the Center's Emergency Department or nearby hospitals.

The North Shore-LIJ Center for Emergency Medical Services (CEMS), which operates an ambulance service in the five boroughs of New York City and on Long Island, is committed to having transport service available at the Emergency Department for patients in need of a higher level of care. If appropriate, North Shore-LIJ Health System could also provide transports of patients in the neighborhood to the Emergency Department. CEMS provides a paramedic level of care and has extensive experience in the City of New York.

In recent years, a number of hospital providers across the country have established freestanding emergency centers such as the one proposed. There are now over 220 community-based emergency centers operating in at least 16 states. According to the American Hospital Association, 191 of those emergency centers are sponsored or affiliated with a hospital, offering emergency care services that are typically available in the Emergency Department of a community hospital. Many of those have also been accredited by The Joint Commission through their affiliated hospitals.

The growth in these types of facilities has been primarily in response to increased overcrowding in hospital-based emergency departments, such as those in New York City. Freestanding emergency centers have been also used to bridge the healthcare needs of communities experiencing barriers to inpatient treatment. The health system's proposal adheres to the U.S. Centers for Medicare and Medicaid Services (CMS) rules and standards for Freestanding Emergency Departments, as well as the national architectural guidelines for the design and construction of these facilities.

(4b) Describe how this project is consistent with your facility's Community Service Implementation Plan (voluntary not-for-profit hospitals) or strategic plan (other providers).

The North Shore-LIJ Health System Mission is:

> **"To improve the health and quality of life for the people and communities we serve by providing world-class service and patient-centered care"**

Lenox Hill Hospital's Community Service Plan places a strong emphasis on community involvement and community education. With the closure of Saint Vincent's, Lenox Hill Hospital and the North Shore-LIJ Health System have reached out and increased community involvement in the lower west side. Their first action was to open a new urgent care center followed by sharing information and knowledge with community leaders about the health status and needs of the community. North Shore-LIJ was then invited to assist elected and community leaders to conduct a Community Health Needs Assessment Study as well as support a survey of community residents through the work of Hunter School of Urban Public Health and Fulton Youth.

In furtherance of its mission, North Shore-LIJ is seeking to further meet the needs of the community it now serves by undertaking the proposed project and assuming a portion of the role St. Vincent's provided for over 160 years with respect to emergency care and specialized ambulatory services. As the Health System further develops the continuum of care for service area residents, this project along with other initiatives will promote the appropriate utilization of outpatient and ambulatory care.

5. **Describe where and how the population to be served currently receives the proposed services.**

In addition to its emergency room and inpatient services, St. Vincent's provided outpatient (or ambulatory care) services, including primary and preventive care, for the service area residents. The following health centers provide high-quality comprehensive health care services emphasizing prevention and wellness for the service area residents.

Behavioral Health

- Adult Outpatient and Trauma Wellness – F.E.G.S. Health and Human Services
- Child and Adolescent Outpatient and Trauma Wellness – Jewish Board of Family and Children Services – Manhattan South/ Youth Counseling League
- Adolescent Inpatient Beds (15) – Bellevue Hospital Center
- Adult Inpatient Beds (27) – Lincoln Medical and Mental Health Center and Bellevue
- Continuing Day Treatment Program – Postgraduate Center for Mental Health
- Chemical Dependence Clinics – Greenwich House

Cancer Center

- Cancer Center, Cystic Fibrosis Program, and Geriatric Program – Beth Israel Comprehensive Cancer Center – West Side Campus
- Multiple Myeloma Service and Bone Marrow Transplant Program – Tisch Cancer Institute at NYU
- The Mount Sinai Medical Center

Community Medicine

- Primary Care Clinic – Lutheran Family Health Centers in partnership with Mount Sinai Medical Center
- Single Room Occupancy (SRO) Homeless Program - Lutheran Family Health Centers in partnership with Mount Sinai Medical Center
- Chelsea-Village Program – Mount Sinai Medical Center

Federally Qualified Health Centers

- Callen-Lorde Health Center
- Charles B. Wang Health Center
- Institute for Family Health Center
- VillageCare Health Center
- William F. Ryan Chelsea/Clinton Health Center
- William F. Ryan Nena Health Center

HIV/AIDS Center

- HIV/AIDS Program – St. Luke's-Roosevelt and Mount Sinai Medical Center

Home Care

- Long Term Home Health Care Program (LTHHCP) – Visiting Nurse Service of New York
- Certified Home Health Agency (CHHA) – North Shore-LIJ Health System
- Visiting Nurse Service of New York

Hospice

- Hospice Program - Visiting Nurse Service of New York

Obstetrics and Gynecology

- Obstetrics and Gynecology physicians- New York Downtown Hospital

Rape Crisis Program

- Rape Crisis Program- St. Luke's-Roosevelt West Village Division of the Crime Victims Treatment Center

Senior Health

- Senior Health – Beth Israel Medical Center

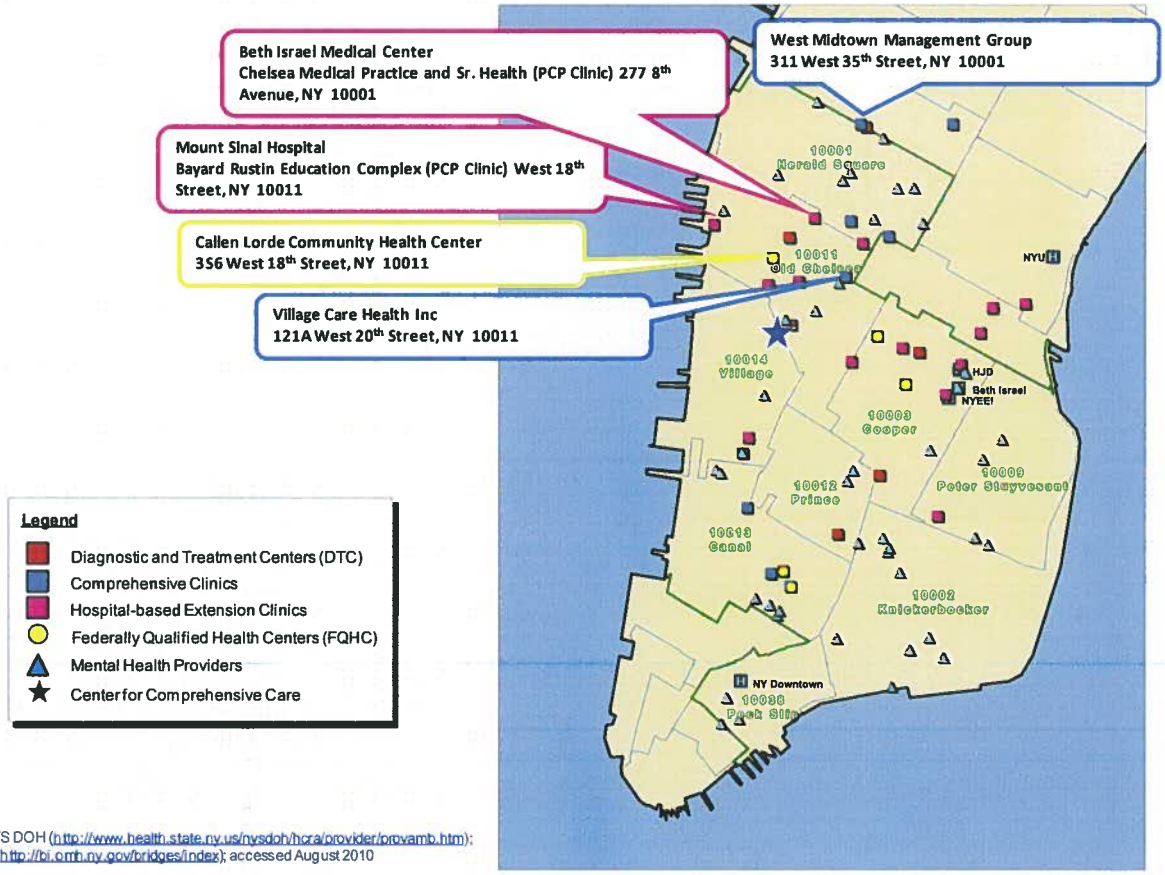
Specialty Clinics

- Neurology, Endocrinology, Rheumatology, Dermatology, Gastroenterology, Podiatry, Internal Medicine, Pediatrics – Raymond Naftali Rehabilitation Center

WIC Program

- WIC Program - Chinatown
- WIC Program – Eastside WIC (Bellevue Hospital)

FQHC, DTC, Extension Clinics, Comprehensive Clinics and Mental Health Providers



Source: NYS DOH (http://www.health.state.ny.us/nysdoh/hcra/provider/provamb.htm); NYS OMH (http://bi.omh.ny.gov/bridges/index); accessed August 2010

6. **Describe how the proposed services will address specific health problems prevalent in the service area, including any special experience, programs or methods that will be implemented to address these health issues.**

North Shore-LIJ Capabilities

Some background about North Shore-LIJ's capabilities may be helpful in evaluating its ability to successfully develop this project and operate the Center. North Shore-LIJ's culture of innovation is among the reasons the Health System is considered as one of the most successful in the nation. North Shore-LIJ's goals are focused around the needs of its patients, as the Health System strives to deliver high-quality care efficiently and in a manner that meets the expectations of patients and their families. North Shore-LIJ measures the performance in all of those areas. North Shore-LIJ's success in meeting its goals for patient care was a major reason why North Shore-LIJ was recognized with the highly coveted National Quality Forum's 2010 National Healthcare Quality Award – the only provider in the New York metropolitan area to receive this distinction.

North Shore-LIJ owns and manages 14 hospitals that contain more than 5,000 beds, including five tertiary (Lenox Hill Hospital, North Shore University Hospital, Long Island Jewish Medical Center Staten Island University Hospital and most recently, Southside Hospital), two specialty (Cohen Children's Medical Center and Zucker Hillside Hospital in Queens) and eight community hospitals in New York City and on Long Island. North Shore-LIJ has approximately 2,000 full-time faculty physicians and over 7,000 community physicians on its medical staffs, employs more than 10,000 nurses, and has a total workforce of about 42,000. It is the ninth-largest employer in the City of New York.

Most recently, the Health System partnered with Hofstra University to develop the Hofstra North Shore-LIJ School of Medicine, the first new allopathic medical school in New York in 40 years. The Medical School will welcome its first class this August and has already garnered national attention because of its innovative and visionary approach to medical education.

In addition to its hospitals, North Shore-LIJ possesses a comprehensive continuum of care that includes the largest hospital-based ambulance and emergency management response system in the East, over 200 specialized ambulatory care programs in 110 locations, and a full complement of home care, rehabilitation, long-term care and hospice care services. Those vital programs and related diagnostic, therapeutic and prevention services make North Shore-LIJ particularly well positioned to meet all of its patients' healthcare needs, as well as the needs of the communities served throughout Manhattan, Queens, Staten Island and Long Island.

Through Lenox Hill Hospital and its clinical leadership, North Shore-LIJ will oversee and be accountable for all the care and services delivered at the proposed Center for Comprehensive Care. To ensure success, the new Emergency Department will draw on the collective knowledge of North Shore-LIJ's 200 emergency physicians, more than 300 EMS personnel and approximately 2,000 Emergency Department staff, who have gained their experience operating 14 Emergency Departments that treat more than 600,000 people and transport about 67,000 patients annually.

Figure 1

It is well documented that many emergency departments serve as the front door access to health care for large segments of New Yorkers. Over the past decade five emergency departments in Manhattan have closed (two of which were located in the Service Area). Many residents utilize an emergency department because they do not have consistent access to basic primary care providers and those that do generally can only be seen by physicians and other health providers during weekday hours with limited availability on evenings and weekends. Furthermore, when patients have to confront the sudden and serious onset of symptoms their providers typically direct them to emergency departments which possess a range of specialized diagnostic and imaging services required to rapidly diagnose and initiate treatment. Just like many community hospitals, the Center for Comprehensive Care will, through the development of medical protocols with FDNY-EMS approved by DOH, possess the ability to accept and care for patients who arrive by ambulance or, through North Shore-LIJ's outreach with physicians and the community, care for patients who enter under their own power.

Thus for most patients, the emergency department not only serves as the nexus point for access to inpatient services but also to the continuum of health care located outside the walls of the inpatient facility. Traditionally, the patient is referred and cared for within the physician network, programs and services comprising the care continuum of the hospital where the patient was seen as an emergency patient.

Based on growing and aging population in the proposed service area, the development of this Emergency Department would not only improve access to care but would also connect the community to a continuum of health care services, a role which St. Vincent's diligently assumed for the community for over 160 years. For those patients requiring inpatient care, the Center will operate inpatient beds which will be used to safely stabilize and transfer patients to nearby hospitals and physicians of their choosing. However, the vast majority of the patients seen at the Center will be treated and released and require follow-up care.

Therefore, an important part of the services provided at the Center will be to facilitate follow-up access to a network of providers which comprise a comprehensive community care continuum around the Center, see Figure 1. North Shore-LIJ

is particularly experienced in connecting communities to a comprehensive continuum of care, much of it managed by the Health System and significant portions provided through partnerships with other organizations.

The Center will also serve as the new front door for the community to access health care. It blends the roles of first point of contact emergency care, social services, community health coordination and post-discharge planner. The Center must re-invent how the community will be able to more effectively access the continuum of health care, social and community based services.

Education will be an integral part of this model. Through specific programs, this model will seek to influence the following audiences:

- **Residents/Patients -** Community programs will education residents and patients about the new level of care available and the importance of seeking care appropriate to their medical needs. Patients will also be made aware of the benefits of follow-up care and compliance with medical advice.
- **Community Physicians** – Physicians practicing in the community will be encouraged to refer their patients needing care after-hours to this facility. They will be confident that the service will be available 24/7 and that the care available will meet their patients' needs. They will also benefit from enhanced communication through the availability of interoperable medical information.
- **FDNY-EMS and Local Ambulance and Rescue Squads** – Emergency responders will learn that a significant portion of emergency care particularly for those conditions which predominantly result in a treat and release visit can be safely provided in this setting.

A unique unifying feature of the Center will be how medical information will be digitally available among providers. This will be accomplished either through a North Shore-LIJ electronic medical record, or through an interoperable technology platform developed by regional health information organizations which will interface with systems used by other medical providers. There are approximately 2,794 physicians with offices and forty licensed Article 28 providers operating within the Service Area. This includes federally qualified health centers, diagnostic and treatment centers and mental health providers. In order to be valued, the Center must connect patients to other key core partners serving the community, it cannot operate as an isolated island.

When operational in 2013, a major opportunity for the Center is to showcase and take advantage of the power of interoperability and meaningful use. Every patient seen at the Center will have the opportunity to create and manage their own personal health record through North Shore-LIJ's patient health record, a product currently in development as part of NSLIJ's $400 million information technology investment to create a digitally connected continuum of care bringing together patients and their providers. North Shore-LIJ expects this investment to facilitate unprecedented improvements in the efficiency and quality of care provided to communities across the metropolitan region.

The Health System's strategy for the Center and its information technology investments are based upon North Shore-LIJ's expanded commitment to evolve from managing the health of a patient to managing the health of populations across an integrated continuum of providers and care settings serving the broad geography of the New York metropolitan region. To do so effectively, information technology is a mission critical service. This strategic vision has driven the concept of a digitally connected community, see Figure 2.

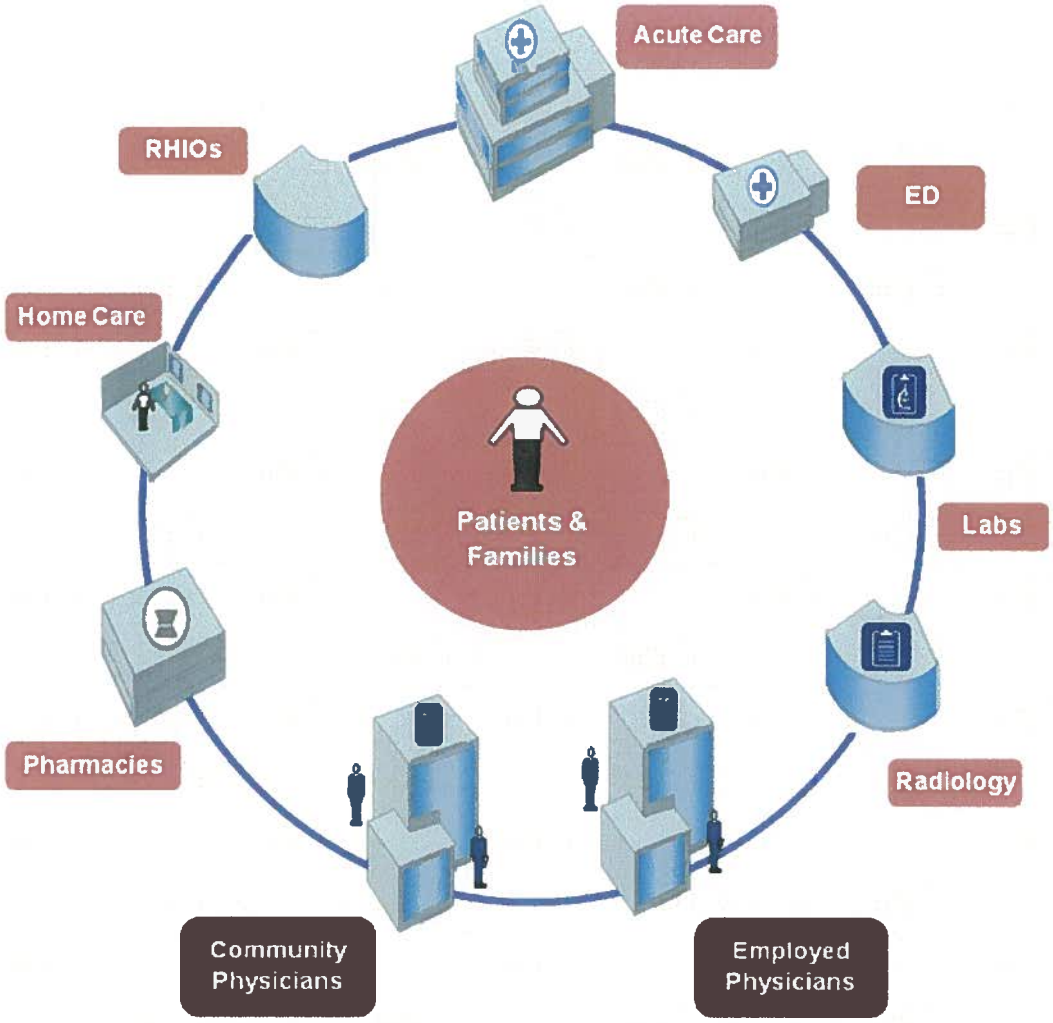


FIGURE 2

North Shore-LIJ's Vision for a Connected Community

The Health System's objective is to develop and support effective integration of clinical activities across the communities it serves by allowing for appropriate sharing of clinical data to support safe, effective and efficient practice and an enhanced experience for patients. In doing so North Shore-LIJ will use advanced technology to:

- Connect patients and physicians in the community to support delivery of cutting-edge care;
- Facilitate coordination of care across practitioners, communication among practitioners, and seamless transitions in care between environments;
- Manage entire "episodes of care" across practitioners and environments supported by proven care guidelines.
- Improve the quality of care delivery and facilitate participation in quality initiatives.

This capability is also accompanied by great responsibility to protect the privacy and security of patient information. The North Shore-LIJ system is being designed to help protect patient privacy more effectively than paper records. Personal health information is protected by doctor-patient confidentiality, the federal Health Insurance Portability and Accountability Act (HIPAA) and the state privacy regulations

Only authorized medical professionals can access patient information, and doctors will not see patient information unless the patient provides consent. Thus, the ability for a patient to access their own health information and for this information to be made available and communicated among providers will be under the control of the patient. The patient must give permission not only for the sharing of their medical information but will be able to determine which providers can view their information and which ones cannot. North Shore-LIJ will employ the most advanced information safeguards

available, and give patients the ability to audit their records and see which health care providers have accessed their information.

This new hybrid model of health care access will strengthen the collegial and institutional relationships which will be established with partner organizations that are bound by their unifying mission to serve the residents of lower Manhattan. Initiatives can be developed such as reducing readmissions through effective transition out of emergency/inpatient care settings and improving primary care linkages and chronic care management (establishing a medical home for patients) would be made possible with the partnerships that the Center of Comprehensive Care has and is currently finalizing with local providers.

Brief Guide to Health Care Services Following Closure of SVCMC

SENATOR THOMAS K. DUANE

29th SENATORIAL DISTRICT · NEW YORK STATE SENATE

Brief Guide to Health Care Services
Following the Closure of St. Vincent's Hospital
October 2010

AMBULATORY CARE SERVICES:

In addition to its emergency room and inpatient services, St. Vincent's provided outpatient (or ambulatory care) services, including primary and preventive care, for many thousands of New Yorkers. To help those who relied upon St. Vincent's for such care find a new health care home, your local elected officials helped secure a $4.6 million grant from New York State to support expansion of services at four well-established community health care clinics in the St. Vincent's service area.

The following health centers provide high-quality comprehensive health care services emphasizing prevention and wellness for all who need it. Many insurance plans are accepted, including Medicaid, Family Health Plus, Child Health Plus, Medicare, as well as most private insurance plans. Services are provided on a sliding fee scale if you do not have insurance.

CALLEN LORDE COMMUNITY HEALTH CENTER

Callen-Lorde Community Health Center
356 West 18th Street (between 8th and 9th Aves)
Phone: (212) 271-7200

HOURS:

Monday	8:30 am - 8:00 pm
Tuesday	8:30 am - 12:30 pm AND 2:15 pm - 8:00 pm
Wednesday	8:30 am - 8:00 pm
Thursday	8:30 am - 8:00 pm
Friday	8:30 am - 4:30 pm
Saturday	8:30 am - 3:00 pm (some services not available)

LANGUAGES SPOKEN: English, Spanish, Hebrew, German, Swahili, Mandarin (limited), Vietnamese, Portuguese, Russian, French, ASL

DIRECTIONS: Take the 1 subway line to 18th Street, the 2/3 or A/C/E subway lines to 14th Street. The site is within blocks of the M14, M20 and M11 bus lines.

Warning signs that indicate a medical emergency (continued)

- Changes in vision
- Confusion or changes in mental status
- Any sudden or severe pain
- Uncontrolled bleeding
- Severe or persistent vomiting or diarrhea
- Coughing or vomiting blood
- Suicidal feelings
- Difficulty speaking
- Shortness of breath
- Unusual abdominal pain

Children have unique medical problems and may display different symptoms than adults. Symptoms that are serious for a child may not be as serious for an adult. Children may also be unable to communicate their condition, which means an adult will have to interpret their behavior. Always get immediate medical attention if you think your child is having a medical emergency.

"If you or a loved one think you need emergency care, come to the emergency department and have a doctor examine you," advises Dr. Frederick Blum, President of American College of Emergency Physicians. "If you think the medical condition is life-threatening or the person's condition will worsen on the way to the hospital, then you need to call 9-1-1 and have your local Emergency Medical Services provider come to you."

The emergency rooms and full-service hospitals
closest to the former St. Vincent's are:
Beth Israel Medical Center
at 1st Avenue and 16th Street • Phone: (212) 420-2000
Roosevelt Hospital
at 10th Avenue and 59th Street • Phone: (212) 523-4000
Bellevue Hospital Center
at 1st Avenue and 27th Street • Phone: (212) 562-4141
New York Downtown Hospital
At Beekman Street and William Street • Phone: (212) 312-5000

Further Health Care Questions? Contact New York State Senator Tom Duane
District Office: 322 8th Avenue, Suite 1700, New York, NY 10001 • (212) 633-8052
www.duane.nysenate.gov • duane@senate.state.ny.us

FORMER ST. VINCENT'S SERVICES:

The following is list of outpatient services which St. Vincent's formerly provided and have since been transferred to or absorbed by another health care provider. This list has evolved over time and will continue to evolve as more programs progress through bankruptcy court and NY State Department of Health approvals.

Behavioral Health

Inpatient

New York State recently awarded two HEAL NY grants to The New York City Health and Hospitals Corporation (HHC) which will allow Bellevue Hospital Center to develop a 15 bed adolescent unit and Lincoln Medical and Mental Health Center to develop an additional 27 adult beds.

Bellevue Hospital Center
462 1st Avenue
(Between East 26th and East 29th Streets)
New York, New York 10016
212-562-1000

Lincoln Medical and Mental Health Center
234 East 149th Street
(Between Park and Morris Avenues)
Bronx, New York 10451
718-579-5000

In addition, 25 emergency inpatient beds were approved for a 6 month period ending later this month, with the potential for extending approval for another 6 months at the following hospitals: Lenox Hill Hospital, Kingsbrook Jewish Medical Center, Bronx-Lebanon Hospital, Bronx-Lebanon Hospital Children, Holliswood Hospital, and St. Vincent's Westchester (which is in the process of being sold to St. Joseph's Medical Center).

Adult Outpatient and Trauma Wellness

Current operator:	F.E.G.S. Health and Human Services
Current location:	80 Vandam Street (at Hudson Street) New York, NY 10014
Hours:	Walk-in clients are accepted without previous appointments Tuesday and Thursday: 1:00 p.m. – 3:00 p.m.
Contact:	212-366-8289

Child and Adolescent Outpatient and Trauma Wellness

Current operator:	Jewish Board of Family and Children Services – Manhattan South/Youth Counseling League
Current location:	386 Park Avenue South, Suite 401 (between East 27th & 28th Streets) New York, NY 10016
Hours:	Monday – Thursday: 9:00 a.m. – 7:00 p.m. Friday: 9:00 a.m. – 5:00 p.m.
Contact:	212-481-2500

Continuing Day Treatment Program

Current operator:	Postgraduate Center for Mental Health
Current location:	344 West 36th Street (between 8th & 9th Avenues) New York, NY 10018
Hours:	Monday and Wednesday: 9:00 a.m. – 5:00 p.m. Friday: 9:00 a.m. – 7:00 p.m. Tuesday and Thursday: 9:00 a.m. – 7:30 p.m.
Contact:	212-560-6767
Notes:	Postgraduate Center for Mental Health absorbed many St. Vincent's clients into its program, which is converting into a Personalized Recovery-Oriented Services program.

Chemical Dependence Clinics

Current operator:	Greenwich House
Current location:	122 West 27th Street, 6th Floor (between 6th & 7th Avenues) New York, NY 10001
Hours:	Monday – Thursday: 9:00 a.m. – 8:00 p.m. Friday: 9:00 a.m. – 5:00 p.m.
Contact:	212-691-2900

Cancer Center

Cancer Center, Cystic Fibrosis Program, and Geriatric Program

Current operator:	Beth Israel Comprehensive Cancer Center - West Side Campus (BICCC-WEST)
Current location:	325 West 15th Street (between 8th & 9th Avenues) New York, NY 10011
Hours:	The treatment area is open 24 hours a day, seven days a week
Contact:	1-888-44-CANCER (1-888-442-2623)

Multiple Myeloma Service and Bone Marrow Transplant Program

Current operator:	Tisch Cancer Institute at The Mount Sinai Medical Center
Current location:	One Gustave L. Levy Place (off 5th Avenue at approximately East 100th Street) New York, NY 10029-6574
Hours:	Monday – Friday: 8:00 a.m. – 6:00 p.m.
Contact:	212-241-6756

Chinatown Clinic

The St. Vincent's Chinatown Clinic has been closed and many patients are now being served by the Charles B. Wang Community Health Center, whose location, hours and other details may be found on page two of this document.

Community Medicine

Primary Care Clinic

Current operator:	Lutheran Family Health Centers in partnership with Mount Sinai Medical Center
Current location:	O'Toole Building - 36 7th Avenue (between 12th & 13th Streets) New York, NY 10011
Hours:	Monday – Friday: 9:00 a.m. – 5:00 p.m.
Contact:	Lutheran Family Health Centers: 718-630-8616
Notes:	Location in O'Toole Building is temporary.

Single Room Occupancy (SRO) Homeless Program

Current operator:	Lutheran Family Health Centers in partnership with Mount Sinai Medical Center
Current location:	Administrative offices: O'Toole Building - 36 7th Avenue (between 12th & 13th Streets) New York, NY 10011
Contact:	Lutheran Family Health Centers: 718-630-8616
Notes:	The program has 22 homeless-serving sites, with 17 located throughout Manhattan, 3 in Brooklyn, 1 in the Bronx and 1 in Staten Island.

Chelsea-Village Program

Current operator:	Mount Sinai Medical Center
Contact:	212-241-4141
Notes:	Former Chelsea-Village Program patients have been absorbed into Mount Sinai Medical Center's Visiting Doctors Program.

HIV/AIDS Center

Current operator:	Mount Sinai Medical Center and St. Luke's-Roosevelt Hospital
Current location:	O'Toole Building - 36 7th Avenue (between 12th and 13th Streets) New York, NY 10011
Hours:	**St. Luke's-Roosevelt:** Monday – Friday: 8:30 a.m. - 5:00 p.m. **Mount Sinai Medical Center:** Monday, Wednesday and Friday: 9:00 a.m. – 4:00 p.m. Tuesday and Thursday: 9:00 a.m. – 7:00 p.m.
Contact:	Mount Sinai Medical Center: 212-604-1701 St. Luke's-Roosevelt Hospital: 212-523-8100
Notes:	Mount Sinai Medical Center, which absorbed the majority of former-St. Vincent's HIV/AIDS Center physicians, and St. Luke's-Roosevelt Hospital will jointly maintain services at O'Toole Building through 2010 and will split upon relocation.

Senior Health

Current operator:	Beth Israel Medical Center
Current location:	275 8th Avenue (at West 24th Street) New York, NY 10001
Hours:	Monday – Friday: 8:30 a.m. – 5:00 p.m.
Contact:	212-463-0101

Specialty Clinics

Neurology, Endocrinology, Rheumatology, Dermatology, Gastroenterology, Podiatry, Internal Medicine, Pediatrics

Current operator:	Raymond Naftali Rehabilitation Center
Current location:	508 West 26th Street (between 10th & 11th Avenues) New York, NY 10001
Hours:	Monday – Friday: 9:00 a.m. – 5:00 p.m.
Contact:	646-230-9292

Ophthalmology

Current operator:	The New York Eye and Ear Infirmary
Current location:	310 East 14th Street (at 2nd Avenue) New York, NY 10003
Hours:	Monday – Friday: 8:00 a.m. – 3:00 p.m.
Contact:	212-979-4192

WIC Program - Chinatown

Current operator:	Eastside WIC (Bellevue)
Current location:	221 Canal Street (at Baxter Street) New York, NY 10013
Hours:	Monday – Friday: 8:45 a.m. – 4:00 p.m. Some weekend hours are available by appointment.
Contact:	212-274-9655

Additional St. Vincent's Information

To access medical records, please go to St. Vincent's website (**http://www.svcmc.org/**) and complete the Medical Record Request form and mail to:

St. Vincent's Medical Center
Attn: Medical Records
170 West 12th Street
New York, NY 10011

For questions regarding Medical Records please call 212-604-7777.

For Patient Care please call Ombudsman Daniel T. McMurray 800-726-0688.

For Information on bankruptcy proceedings please visit http://chapter11.epiqsystems.com/SV2

Further Health Care Questions? Contact New York State Senator Tom Duane
District Office: 322 8th Avenue, Suite 1700, New York, NY 10001 • (212) 633-8052
www.duane.nysenate.gov • duane@senate.state.ny.us

Schedule 16C

Schedule 16 Part C. Impact of CON Application on Hospital Network Operating Certificate

Name of Active Parent:(if applicable): **North Shore-LIJ Health Care, Inc.**
Name of Facility: **Lenox Hill Hospital**
Address of Facility: **100 East 77th Street, New York, NY 10021**

Table 16C Authorized Beds

Category	Code	Current Capacity	Add	Remove	Transfer	Proposed
AIDS[22]	31	0	☐	☐		
Bone Marrow Transplant	21		☐	☐		
Burn Care	09		☐	☐		
Chemical Dependence Detox[23]	12		☐	☐		
Chemical Dependence Rehab[24]	13		☐	☐		
Coma Recovery	26		☐	☐		
Coronary Care	03	27	☐	☐		
Intensive Care	02	27	☐	☐		
Maternity	05	33	☐	☐		
Med/Surg	01	478	☐	☐	2 beds to proposed Division	476 remain at main campus
Neonatal Continuing Care	27	10	☐	☐		
Neonatal Intensive Care	28	10	☐	☐		
Neonatal Intermediate Care	29	8	☐	☐		
Pediatric	04	32	☐	☐		
Pediatric ICU	10		☐	☐		
Physical Medicine and Rehabilitation	07		☐	☐		
Prisoner			☐	☐		
Psychiatric	08	27	☐	☐		
Respiratory			☐	☐		
Special Use			☐	☐		
Swing Bed Program			☐	☐		
Transitional Care Demonstration			☐	☐		
Transitional Care RHCF	33		☐	☐		
Traumatic Brain Injury	11		☐	☐		
TOTAL		**652**	☐	☐		

Does the applicant have previously submitted CON applications that have not been completed involving addition or decertification of beds:

NO ☐
YES ☐ Enter CON numbers below.

[22] Approval for conversion of 12 AIDS beds to 12 ICU beds had not been appropriately reflected on operating certificate based on utilization approval of CON # 982382C (corrected via 8/25/10 letter to MARO.
23 Requires additional approval by Office of Alcohol and Substance Abuse services (OASAS)
24 Requires additional approval by Office of Alcohol and Substance Abuse services (OASAS)

Table 16C-2 Authorized Services

Mobile Clinic Designation ☐	217 For each site where the mobile clinic vehicle will be parked to provide services, a separate Mobile Clinic Site Approval Request must be attached.				
Service	Code	Current	Add	Remove	Proposed at New Division
Abortion			☐	☐	
AIDS	144	yes	☐	☐	no
AIDS Center		yes	☐	☐	no
Ambulance		yes	☐	☐	yes
Ambulatory Surgery[25]	117		☐	☐	
• Single specialty			☐	☐	
• Single specialty gastroenterology			☐	☐	
• Single specialty ophthalmology			☐	☐	
• Single specialty orthopedics			☐	☐	
• Multispecialty		yes	☐	☐	yes
• Stepdown procedures			☐	☐	
Audiology	159	yes	☐	☐	no
Birthing Service O/P			☐	☐	
Burns Care	125		☐	☐	
Burns Center			☐	☐	
Burns program			☐	☐	
Cardiac Catheterization (Adult Diagnostic)	012	yes	☐	☐	no
Cardiac Catheterization (Adult Interventional)		yes	☐	☐	no
Cardiac Catheterization (Adult Interventional Emergency)			☐	☐	
Cardiac Catheterization (Pediatric Diagnostic))	013		☐	☐	
Cardiac Catheterization (Pediatric Interventional Elective)			☐	☐	
Cardiac Electrophysiology Diagnostic Adult	214		☐	☐	
Cardiac Electrophysiology Interventional Adult	215		☐	☐	
Cardiac Surgery Adult	062	yes	☐	☐	no
Cardiac Surgery Pediatric	063		☐	☐	
Certified Mental Health O/P	084	yes	☐	☐	no
Chemical Dependence Rehab	192		☐	☐	
Chemical Dependence Withdrawal O/P			☐	☐	
Clinic Part Time Services			☐	☐	
Clinic OMRDD Article 16 Service			☐	☐	
Clinical Laboratory Services		yes	☐	☐	yes
Comprehensive Epilepsy Center	168		☐	☐	
Comprehensive Psych Emergency Program	174		☐	☐	
Ct Scanner	135		☐	☐	
Dental	145	yes	☐	☐	no
Emergency Department	075	yes	☐	☐	yes
Family Planning O/P	148		☐	☐	
Health Fairs O/P			☐	☐	
Hyperbaric Chamber			☐	☐	

25 Requires additional medicare approval.

Table 16C-2 Authorized Services (continued)

Service	Code	Current	Add	Remove	Proposed at New Division
Linear Accelerator			☐	☐	
Lithotripsy	171		☐	☐	
Magnetic Resonance Imaging	119	yes	☐	☐	yes
Medical Social Services		yes	☐	☐	yes
Methodone Maintenance O/P	149		☐	☐	
Multiphasic Screening Facility			☐	☐	
Multiphasic Screening O/P			☐	☐	
Nuclear Medicine (Diagnostic)	067	yes	☐	☐	no
Nuclear Medicine (Therapeutic)	088	yes	☐	☐	no
Nutritional			☐	☐	
Ob/Gyn	082		☐	☐	
Ophthalmology O/P	175		☐	☐	
Optometry O/P	065		☐	☐	
Pet CT Scanner			☐	☐	
Pet Scanner			☐	☐	
Pediatric O/P			☐	☐	
Podiatry	076		☐	☐	
Poison Control Center	077		☐	☐	
Pharmaceutical Service		yes	☐	☐	yes
Physical Medicine Rehabilitation	049		☐	☐	
Prenatal	065		☐	☐	
Primary Medical Care O/P			☐	☐	
Psychology			☐	☐	
Radiology Diagnostic		yes	☐	☐	yes
Radiology Therapeutic	110	yes	☐	☐	no
Regional Perinatal Center			☐	☐	
Renal Dialysis, Acute	033	yes	☐	☐	no
Renal Dialysis, Chronic (See Part 757)	016		☐	☐	
Renal Dialysis Home Training O/P	037	yes	☐	☐	no
Respiratory Care			☐	☐	
Sexual Assault Forensic Exam (SAFE)			☐	☐	
Stroke Center			☐	☐	
Surgery Outpatient	068		☐	☐	
Therapy – Occupational	146		☐	☐	
Therapy – Physical	147	yes	☐	☐	no
Therapy – Respiratory O/P			☐	☐	
Therapy - Speech Language Pathology	098	yes	☐	☐	no
Therapy – Vocational Rehab O/P			☐	☐	
Transfusion Services – Full			☐	☐	
Transfusion Services - Limited			☐	☐	
Transplant Bone Marrow	157		☐	☐	
Transplant Heart Adult	143		☐	☐	
Transplant Heart Pediatric			☐	☐	
Transplant Kidney	045		☐	☐	
Transplant Liver	158		☐	☐	
Trauma Center			☐	☐	
Traumatic Brain injury			☐	☐	
Well Child Care O/P			☐	☐	
Other			☐	☐	

Hospital Outpatient Department – Utilization Projections

a	b	c	d
	Current Year 2010	**First Year 2014**	**Third Year 2016**
	Visits		
Abortion			
AIDS/AIDS Center			
Audiology			
Ambulance			
Burns Care			
Burns Center			
Burns Program			
Cardiac Catheterization – Adult			
Cardiac Catheterization – Pediatric			
Cardiac – Electrophysiology (EP) – Adult			
Chemical Dependence, Screening			
Chemical Dependence, Rehabilitation			
Chemical Dependence, Withdrawal			
Clinical Laboratory Services			
Clinic OMRDD Article 16 Services			
Clinic Part-Time			
Comprehensive Epilepsy Center			
Comprehensive Psych Emergency Program			
Computerized Tomography (CT)			
Dental			
Emergency Department (ED)		19,400	29,100
Family Planning			
Health Fairs			
Hyperbaric Chamber			
Linear Accelerator			
Lithotripter			
Magnetic Resonance Imaging			
Medical Social Services			
Mental Health Services – Certified			
Methadone Maintenance			
Multiphasic Screening			
Non-surgical Eye Care			
Nuclear Medicine (Diagnostic)			
Nuclear Medicine (Therapeutic)			
Nutritional			

Hospital Outpatient Department – Utilization Projections (continued)

a	b	c	d
Service	**Current Year 2010**	**First Year: 2014**	**Third Year: 2016**
	Visits		
Ophthalmology			
Optometry			
Pediatric			
Pharmaceutical Services			
Physical Medicine & Rehabilitation			
Podiatry			
Poison Control			
Prenatal			
Primary Medical Care			
Psychology			
Radiology – Diagnostic		38,764	52,930
Radiology – Therapeutic			
Renal Dialysis, Chronic			
Renal Dialysis, Chronic, Home Training			
Regional Perinatal Center			
Sexual Assault Forensic Exam (SAFE)			
Stroke Center			
Surgery – Ambulatory		2,358	3,301
Surgery – Outpatient			
Therapy – Occupational			
Therapy – Physical			
Therapy Respiratory O/P			
Therapy – Speech Language Pathology			
Therapy – Vocational			
Transfusion Services, Full			
Transfusion Services, Limited			
Trauma Center			
Well Child			
OTHER, specify			
OTHER, specify			
OTHER, specify			
Total		60,522	85,331

Note: In the case of an extension clinic, the service estimates in this table should apply to the site in question, not the hospital or network as a whole.

Schedule 16 Part E. Utilization/discharge and patient days

Schedule 16E

Utilization/Discharge and Patient Days

Service (Beds) Classification	Current Year 2010		1st Year 2014		3rd Year 2016	
	Discharges	Days	Discharges	Days	Discharges	Days
AIDS						
Bone Marrow Transplant						
Burns Care						
Chemical Dependency Detox						
Chemical Dependency Rehab						
Coma Recovery						
Coronary Care						
Intensive Care						
Maternity						
Medical/Surgical			242	595	363	893
Neonatal Continuing Care						
Neonatal Intensive Care						
Neonatal Intermediate Care						
Pediatric						
Pediatric Intensive Care						
Physical Medicine & Rehab						
Prisoner						
Psychiatric						
Respiratory						
Special Use						
Swing Bed Program						
Transitional Care Demo						
Transitional Care RHCF						
Traumatic Brain Injury						
SNF						
Other						