

**HUMC Holdco, LLC  
HUMC Opco, LLC  
2000 Market Street, 20<sup>th</sup> Floor  
Philadelphia, PA 19103**

October 30, 2011

Hon. Elizabeth Mason, Councilmember  
Hon. Theresa Castellano, Councilmember  
Hon. Elizabeth Mason, Councilmember  
Hon. Tim Occhipinti, Councilmember  
Hon. Michael Russo, Councilmember  
Hoboken City Hall  
94 Washington Street  
Hoboken, NJ 07030

Dear Councilmembers Castellano, Mason, Occhipinti and Russo:

The bankruptcy negotiations needed to return Hoboken University Medical Center to a successful and sustainable hospital has been a challenging and stressful process for all involved. For hospital employees, physicians, municipal leaders, Hoboken residents, and the prospective buyers alike, it has been an arduous couple of months.

Nonetheless, as the prospective buyers (HUMC Holdco and HUMC Opco), we are confident that a new, revitalized hospital can come out of this process. A hospital that will thrive for generations to come. We know it is essential to the hospital's successful future that we build relationships with the Hoboken community, the entire Hoboken community. As you are aware, the owners of the buyer are owners in the entity that operates Bayonne Medical Center. Management at Bayonne has been successful in building community relationships and HUMC Opco, the entity that will operate HUMC going forward, intends to do the same in Hoboken.

We are grateful for the recent dialogue the buyer's team has had with your representatives. Unfortunately that dialogue did not take place prior to your initial vote on the long term lease of parking spaces for use by the employees of the Hospital. We hope the dialogue we have had since that vote has helped all four of you to understand the critical nature of this aspect of the transaction. Your support at this juncture is essential to the successful conclusion of the agreements that will allow the buyer to acquire the Hospital and start restoration of it.

In the course of our conversations, you have asked about a number of issues important to you about the Hospital's future operations. We would like to address specifically some of them now.

First, we want to underscore that our investment here is wholeheartedly intended to turn around this Hospital and make it a success. We want to restore HUMC's standing as a high quality healthcare institution for all and we will be investing millions of our own dollars to ensure that the Hospital will achieve that goal. And you should know that we have committed to maintaining the facility as a hospital for at least seven years and are confident that this will be a hospital for generations to come.

Second, we want to make certain you know that HUMC Opco is committed to maintaining all the clinics currently operating at the Hospital. Clinics such as Family Health, OB/Gyn, Behavioral Health, Surgery, Podiatry and Wound Care will continue to provide important health care services to the uninsured and underinsured citizens of Hoboken. And HUMC Opco has reached agreements with the major Medicaid and Medicare providers to ensure that the poor and the elderly will always have access to the Hospital through their Medicaid/Medicare providers.

Third, we appreciate your interest in understanding the types of services we will provide and your hope to see others initiated. Indeed, our first target for service upgrades is to improve the operations and infrastructure of the OBGYN services unit, and especially the maternity/delivery section. We endorse your ideas about developing sports medicine care, Alzheimer's and geriatric services, and a Women's Health Center. We would welcome any recommendations you could provide regarding physicians who would be interested in working with us to develop a sports practice at the Hospital. It is our intention that once the Hospital is stabilized, to work to expand various services and develop new ones. In fact, that is the track record at Bayonne Medical Center, where today there are more programs and services than there were the day Bayonne Medical Center was purchased by its present owner. We will further commit to you that we will instruct the new management at HUMC to undertake a feasibility review of the services you particularly pointed out to us, and within six months of HUMC Opco's acquisition, to present that report to the Board of Directors for its consideration.

We share your concerns about staffing and, in particular, layoffs. We do not relish laying off anyone, and indeed, at Bayonne, there are more employees today than when the present owners acquired the hospital. It is our hope to achieve the same success at HUMC. So far we have already exceeded our expectation on job retention. HUMC Opco had agreed to maintain 75 percent of the employees, but in fact over 90 percent of employees have been retained.

Lastly, we want to convey to you our commitment to operating the Hospital in an open, transparent fashion and our desire to unite the entire community behind our effort to save this Hospital. We cannot succeed with only half of the town behind us. We cannot restore the Hospital to its rightful status as a high quality, healthcare provider unless the employees, physicians, community leaders, religious leaders, business professionals, civic groups and elected officials are active partners in the effort.

A partnership is a two-way street. We intend to be a part of the community as well. In Bayonne, the hospital sponsors Little League teams, supports local charities, provides regular, free

health screenings and participates in civic organizations. It even played a critical role in rescuing an autism-related not-for-profit with a substantial charitable contribution which has enabled that organization to survive. HUMC Opco is committed to doing the same in Hoboken.

And in the spirit of inclusion, transparency, and partnership we invite you four to select a member to serve on HUMC Opco's Board of Directors, just as the Mayor's Office will. This body will play an instrumental role in the Hospital's future, from financial oversight to long term planning to crisis management. This role will ensure that the Council will have full access to information, ability to participate in major policy developments, and to help guide the Hospital through the restructuring it needs to ensure its survival.

Most of all, at this critical juncture, we need your help and your support. This process has been long and challenging. We hope that the information we have shared since the initial vote has helped you to understand better the challenges and limitations that we face. We hope that the commitments we have made, to maintain the Hospital for a minimum of seven years, to continue the various clinics, and to expand services where feasible, will give you the confidence in our commitment to Hoboken the Hospital and Hoboken the community. With each passing day, the Hospital's future becomes more and more tenuous. We know we are asking a lot of you to step forward and provide support now for this proposal. We thank you for your support today, and we will need to rely on it tomorrow, and next week, and the years ahead if this Hospital is to succeed. We are asking you to set aside the frustrations of the past six months by not only providing the essential votes today, but by putting to rest any further debate about the Hospital transaction. Further delays and debate will only imperil our ability to save the Hospital.

We hope you will accept our invitation to have a designee serve on the HUMC Opco Board and help us transform Hoboken University Medical Center into a high quality institution for all that will serve the residents of today and for decades to come.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jeffrey Mandler". The signature is stylized and cursive.

Jeffrey Mandler  
Principal