

GARFUNKEL WILD, P.C.
111 Great Neck Road
Great Neck, New York 11021
Telephone: (516) 393-2200
Telefax: (516) 466-5964
Burton S. Weston
Afsheen A. Shah

*Proposed Counsel for the Debtors
and Debtors in Possession*

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
In re:

SOUND SHORE MEDICAL CENTER OF
WESTCHESTER, et al.

Debtors.

Chapter 11
Case No. 13- _____ ()

(Joint Administration Pending)

-----X
**DEBTORS' *EX PARTE* APPLICATION FOR ENTRY OF A SCHEDULING ORDER
AND DEBTORS' MOTION FOR ENTRY OF (I) AN ORDER (A) APPROVING
BIDDING PROCEDURES FOR THE SALE OF THE DEBTORS' REAL ESTATE AND
DESIGNATED PERSONAL PROPERTY ASSETS, (B) SCHEDULING AN AUCTION
AND A SALE HEARING RELATED THERETO, (C) APPROVING THE FORM OF
NOTICE OF THE AUCTION AND SALE HEARING, (D) APPROVING A BREAK-UP
FEE AND EXPENSE REIMBURSEMENT; AND (II) AN ORDER (A) APPROVING
SUCH SALE OF THE ASSETS FREE AND CLEAR OF LIENS, CLAIMS,
ENCUMBRANCES AND OTHER INTERESTS, (B) THE ASSUMPTION AND
ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED
LEASES IN CONNECTION WITH SUCH SALE, (C) ALLOWING THE
PAYMENT OF CERTAIN VALID LIEN CLAIMS AND (D) RELATED RELIEF**

Sound Shore Medical Center ("**SSMC**") and certain of its debtor affiliates (each a
"**Debtor**" and collectively, the "**Debtors**")¹ in these chapter 11 cases (the "**Chapter 11 Cases**"),
by and through their attorneys, Garfunkel Wild, P.C., hereby file a motion (the "**Motion**") for the

¹ The debtors in these Chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number include: Sound Shore Health System, Inc. (1398), Sound Shore Medical Center of Westchester (0117), The Mount Vernon Hospital, Inc. (0115), Howe Avenue Nursing Home d/b/a Helen and Michael Schaffer Extended Care Center (0781), NRHMC Services Corporation (9137), The M.V.H. Corporation (1514) and New Rochelle Sound Shore Housing, LLC (0117). There are certain additional affiliates of the Debtors who are not debtors in these Chapter 11 Cases and have not sought relief under Chapter 11.

entry of the pre-fixed scheduling order (the "**Scheduling Order**") and (I) the entry of an order substantially in the form attached hereto as Exhibit A (the "**Bidding Procedures Order**") (a) approving bidding procedures and bidder protections (the "**Bidding Procedures**") substantially in the form attached as Schedule 1 to the Bidding Procedures Order for the sale and auction (the "**Auction**") of the Debtors' Acquired Assets (as hereinafter defined); (b) scheduling an Auction and a hearing to approve the sale of the Acquired Assets (the "**Sale Hearing**"); (c) approving the form and manner of the Notice of the Auction and Sale Hearing substantially in the form attached as Schedule 2 to the Bidding Procedures Order (the "**Sale Notice**"); and (d) approving the Break-Up Fee and Expense Reimbursement (as hereinafter defined); and (II) entry of an Order, substantially in the form attached hereto as Exhibit B (the "**Sale Order**"), (i) approving a sale of the Acquired Assets, free and clear of all liens, claims and encumbrances, security interests and other interests except as expressly assumed in the Purchase Agreement (as hereinafter defined), to Montefiore SS Operations, Inc., Montefiore MV Operations, Inc., Montefiore HA Operations, Inc, and Montefiore SS Holdings, LLC, Montefiore MV Holdings, LLC, and Montefiore HA Holdings, LLC, (collectively referred to as "**MMC**" or "**Buyer**") or any other successful bidder at the Auction as determined by the Bidding Procedures; (ii) approving certain procedures related to the assumption and assignment of certain executory contracts and unexpired leases related to the Acquired Assets (the "**Assignment Procedures**"), and fixing the Cure Amounts (as hereinafter defined), and (iii) related relief (the "**Sale Motion**"). In support of the Motion, the Debtors rely in part upon the Affidavit of John Spicer pursuant to Local Rule 1007-2 and in Support of First Day Motions filed on the Petition Date (the "**Spicer Affidavit**"), and respectfully state the following:

I. SUMMARY OF RELIEF SOUGHT

1. The relief sought by this Motion encompasses a two part request pursuant to which the Debtors are seeking to sell substantially all of their real property and certain related personal property assets (collectively, the "**Acquired Assets**") to MMC, subject to higher or better offers and this Court's approval. After a marketing process described below and extensive negotiations, the Debtors and MMC have entered into an Asset Purchase Agreement dated as of May __, 2013 (the "**Purchase Agreement**"), a copy of which is attached hereto as Exhibit C².

2. In the first instance, the Debtors are requesting entry of a Bidding Procedures Order, substantially in the form of Exhibit A hereto, approving among other things (i) the Bidding Procedures, (ii) the time, date, and place for the Auction of the Acquired Assets and the Sale Hearing, (iii) the Sale Notice, annexed as Schedule 2 to the Bidding Procedures Order, and (iv) approval of, and authorization to pay, a break-up fee (the "**Break-Up Fee**") and expense reimbursement (the "**Expense Reimbursement**") to MMC in accordance with the terms of the Purchase Agreement (the "**Bidding Procedures Motion**").

3. By the second prong of this Motion the Debtors seek entry of the Sale Order, substantially in the form of Exhibit B, approving, among other things, at the conclusion of the Sale Hearing, (i) the sale of the Acquired Assets, free and clear of all liens, claims, encumbrances, and other interests with such liens, claims and encumbrances and other interests to attach to the proceeds of such sale, and the assumption and assignment of the Assigned Contracts (as hereinafter defined) to MMC or other Successful Bidder at the Auction; and (ii) the segregation of funds for the payment of the Break-Up Fee and Expense Reimbursement, as may

² Capitalized terms used in this Motion, unless herein defined, are used with the meanings ascribed to such terms in the Purchase Agreement.

be allowed by the Court (the "Sale" or "Sale Transaction"). The sale of the Acquired Assets to MMC will maximize value for the Debtors' estates and their creditors.

4. The continuing losses experienced by the Debtors over the course of the past several years, changing demographics and declining reimbursement rates, all coupled with the Debtors' inability to implement required system updates and capital improvements necessary to streamline their ongoing operations necessitate a prompt consummation of the sale of the Acquired Assets to MMC or any other Successful Bidder. Indeed, a prompt sale is essential to preserving and maximizing values for the benefit of the Debtors' creditors.

5. Despite significant efforts by the Debtors and their management to increase revenue and decrease costs, consistent losses and a serious, but ever present erosion of the Debtors' cash position have stymied all efforts to survive as a stand-alone health care system. The Debtors face the eventual and real risk that costs will outstrip its revenue stream, jeopardizing patient care and the Debtors' ability to continue funding operations. Absent the proposed sale to MMC, the closure of the Medical Centers and a potential forced liquidation of the Debtors' assets could be necessary. A sale on the other hand, would permit an orderly transition of the Debtors' operations to MMC and allow for the continued delivery of healthcare services at the Debtors' sites under the MMC banner to an underserved population consistent with the Debtors' existing not-for-profit mission. Significantly, the New York State Department of Health ("DOH") has indicated that it supports the proposed transaction. With DOH's support, the receipt of any required regulatory approvals will be substantially easier to obtain.

6. Under the circumstances, the proposed sale of the Debtors' Acquired Assets to MMC unquestionably represents an exercise of the Debtors' sound business judgment. It is further anticipated that the procedures proposed by this Motion and the sale of the Acquired

Assets to MMC will maximize value for the Debtors' estates to the benefit of the creditors generally.

II. JURISDICTION AND VENUE

7. This Court has jurisdiction over this Application pursuant to 28 U.S.C. §§ 157 and 1334. Consideration of this motion is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(N).

8. Venue is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409.

9. The statutory predicates for the relief sought herein are sections 105(a) and 363(b)(d) and (f), 365, 503 and 507 of title 11 of the United States Code (the "**Bankruptcy Code**"), and Rules 2002 and 6004 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**"), Rules 6004-1, 6006-1 and 9006-1 of the Local Rules of the Bankruptcy Court for the Southern District of New York (the "**Local Rules**"), and General Order M-383 of the Bankruptcy Court for the Southern District of New York ("**General Order M-383**").

III. CASE BACKGROUND AND HISTORY OF DEBTORS

10. On the date hereof (the "**Petition Date**"), each of the Debtors filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code. The Debtors are authorized to operate their business and continue to manage their businesses as debtors-in-possession pursuant to Bankruptcy Code sections 1107 and 1108. Contemporaneously with the filing of this Motion, the Debtors have filed an application seeking the joint administration of their cases for procedural purposes only.

11. No trustee, examiner or creditors' committee has been appointed in these cases.

IV. THE DEBTORS' HISTORY AND THEIR BUSINESSES

12. A significant portion of the Debtors' core business is focused around Sound Shore Medical Center of Westchester ("**SSMC**"). SSMC is a not-for-profit 242-bed, community-based teaching hospital offering primary, acute, emergency and long-term health care to the working class residents of southern Westchester. Founded in 1892 and located in New Rochelle, New York, SSMC is a teaching affiliate of New York Medical College. SSMC is home to a comprehensive orthopedic program and stroke and bariatric centers of recognized excellence. The hospital also boasts the only trauma center in southern Westchester as well as a reputable level 3 perinatal hospital.

13. SSMC's affiliate, Mount Vernon Hospital ("**MVH**"), is a voluntary, not-for-profit, 176-bed hospital located in Mount Vernon, New York. Since its founding in 1891, MVH has housed a full range of diagnostic and therapeutic medical and surgical services, specialty programs and ambulatory clinics. MVH also offers comprehensive inpatient and outpatient behavioral health programs consisting of psychiatric services designed specifically for individuals whose needs have not been met through traditional approaches

14. Howe Avenue Nursing Home d/b/a Helen and Michael Schaffer Extended Care Center ("**SECC**") is a 150-bed, comprehensive facility offering short-term rehabilitation/sub-acute care, as well as skilled long-term care. SECC dedicates 100-beds for long-term skilled medical management for individuals with chronic conditions or disabilities who are no longer capable to live independently. The remaining 50-beds are utilized for short-term stays and rehabilitation to accommodate patients recovering from heart surgery, heart attacks, strokes, and orthopedic surgery. (SSMC, MVH and SECC are sometimes collectively referred to as the "**Medical Centers**")

15. SSMC, MVH and SECC (with their affiliated Debtors) together comprise the Sound Shore Health System, Inc. ("SSHS" or the "System") which was formed in 1997 when the three affiliated healthcare institutions joined together to create one of the largest regional healthcare systems between New York City and Albany. Today, the System provides a range of specialized services, including orthopedic surgery, behavioral health, pediatrics, OB/GYN, continuing care facilities, a nursing home and community care clinics providing primary care services for the indigent and uninsured. Their affiliation with the New York College of Medicine also enables the Debtors to provide a teaching environment in multiple disciplines to their community and patients.

V. PREPETITION OPERATIONAL AND LIQUIDITY ISSUES

16. As the largest "safety net" providers for southern Westchester County, the Medical Centers serve a disproportionate share of patients in the Medicaid and uninsured populations. Annually, they are responsible for approximately 13,000 acute discharges, 55,000 emergency department visits and 60,000 indigent care clinic visits.

17. As is true with many community hospitals serving a working class constituency, the Medical Centers have been beset by the financial pressures caused by cuts in Medicare and Medicaid funding, declining indigent pool payments, and changing demographics in the communities served by the Debtors. Commencing in 2006 and increasingly each year thereafter, the Debtors experienced a progressive decline in patient volume and discharges and reduction in acuity of the case mix. Operating revenues decreased, leading to significant losses in the years preceding these Chapter 11 filings. The Debtors' cash book balances were frequently negative, and vendor payables increased to over 225 days past due. With a substantial portion of their assets liened, the Debtors had limited ability to obtain sufficient working capital financing.

Simultaneously, the Debtors are faced with a significant change in demographics and increased competition from other regional healthcare providers.

18. To address one component of this liquidity crisis, vendor payables, the Debtors engaged in a voluntary restructuring and reduction of unsecured indebtedness and in 2008 effectuated a creditor compromise with respect to a substantial portion of such indebtedness. Indeed, more than \$20 million of unsecured indebtedness obligations were settled at significant discounts. Coupled with cost cutting measures, the Debtors were repositioned to improve financially.

19. Additionally, in order to increase overall efficiency in their operations, in October 2011, MVH and SSMC implemented a new electronic medical record and billing system. Multiple problems were encountered during the conversion process which still have not been fully remedied. As a result of these issues, MVH and SSMC experienced major delays in billing and cash collections ultimately leading to increased patient account denials and bad-debt write offs. To avoid continued delays and losses, it became necessary for MVH and SSMC (at a significant cost) to dedicate additional resources to resolve the conversion issues, resulting in a further drain on available cash and resources. As a consequence, liquidity again became a pressing issue, this time preventing the Debtors from implementing critical system updates vital to improving its infrastructure and physical plant.

20. Liquidity delays have also extended vendor disbursements. The mounting trade payable liabilities led, in some cases, to the immediate termination of necessary service relationships. In other cases, the Debtors were forced to renegotiate their contractual relationships on terms less favorable than previously existing terms including payment in advance or payment upon delivery, as well as the payment of outstanding liabilities.

Simultaneously, the Debtors were facing a decrease in volume and a shift over the course of the last two years from the provision of inpatient care to increased ambulatory care at lower reimbursement rates. During this same period of time, provider costs continued to increase.

21. As the Debtors' financial condition continued to deteriorate, the Debtors began to actively search for a viable healthcare partner or other affiliation for the Medical Centers. The Debtors recognized that a merger or affiliation with a strong healthcare partner was critical to their ability to maintain operations and their charitable mission, achieve administrative efficiencies and reduce overhead costs, attract and retain quality physicians, gain increased access to much needed capital, make necessary capital improvements and implement long overdue technological upgrades.

22. Thus, commencing in or about, August, 2012, the Debtors set out to explore a potential strategic transaction with another hospital or healthcare institution. Working with their financial advisor, Alvarez & Marsal ("A&M"), the Debtors looked at the downstate market and attempted to identify those hospitals or healthcare systems that might have an interest and the financial wherewithal to partner with the Debtors. The Debtors also consulted with DOH, which would have to approve any transaction. DOH advised that would only accept an active parent arrangement, *i.e.* where the acquirer would commit meaningful financial support to the transaction and the ongoing system. Given the not-for-profit hospital structure in New York, the list of potential acquirors was limited and excluded almost all out of state prospects as the substantially majority of those are for profit institutions. The active parent requirement further limited the pool of likely partners.

23. The Debtors and A&M concluded that Westchester County Health Care Corporation ("WCHCC"), the owner of Westchester Medical Center, was the only likely

candidate in the Westchester County, New York area; and that no other hospital or system in the region would have the financial ability, experience and strategic design to absorb the Medical Centers. Potential active parents in the New York Metropolitan region included: Montefiore Medical Center ("MMC"), North Shore-LIJ Health System, ("NS/LIJ") and NYU Medical Center ("NYU"). The lone out of state prospect, given its size and not-for profit ownership was Yale-New Haven Health System ("Yale").

24. Each of those potential candidates were approached and provided a sizeable and comprehensive package of information regarding the Debtors, a detailed description of the proposed strategic arrangement and the financial requirements. Furthermore, the process was not run in secret. DOH and DASNY were kept apprised of the Debtors' efforts, and the search for a strategic partner was known generally to the healthcare community at large. Thus, any other party certainly could have expressed interest, but did not. NS/LIJ advised the Debtors early in the review process that the Westchester market was not a priority in their long range strategic plan. NYU and Yale each met with SSHS on a number of occasions but opted out as well. The only two seriously interested parties were MMC and WCHCC. The Debtors' board met and determined to first pursue the WCHCC proposal given WCHCC's expressed desire to pursue the transaction without a bankruptcy.

25. In November, 2012, SSHS and WCHCC entered into a memorandum of understanding which contemplated a full asset merger between the parties and several months of extensive negotiations followed. However, the parties were unable to finalize a transaction with sufficient purchase consideration.

26. As a result, the Debtors re-commenced discussions with MMC regarding a potential transaction. Following intensive, arms length, good faith negotiations among the

Debtors and MMC, the parties entered into an asset purchase agreement (the "**Purchase Agreement**"). As part of their restructuring strategy, the Debtors intend to sell all of their Owned Real Property, Furniture, Fixtures, Inventory, Assigned Contracts and related operating assets, which collectively comprise the Acquired Assets (all as defined in the Purchase Agreement), to MMC. The aggregate Purchase Price for the Acquired Assets totals \$54,000,000 plus the appraised value of the Furniture, Inventory and Equipment designated by the Buyer. Payment of the Purchase Price is to be made as follows: (a) assumption of the Assumed Liabilities, (b) satisfaction of the Cure Amounts up to a maximum amount of Three Million (\$3,000,000) Dollars, (c) payment of amounts due under the Guaranty, (d) assumption of the Assumed Employee Liabilities; and (e) payment of cash in an amount equal to the balance of the Purchase Price.

27. It is a condition of the Purchase Agreement that the Sale Transaction be consummated pursuant to the provisions of section 363 of the Bankruptcy Code, and subject to higher and better offers. In furtherance of that effort, the Debtors' respective Boards voted to approve the filing of Chapter 11 petitions for the Debtors.

VI. CAPITAL STRUCTURE AND PREPETITION INDEBTEDNESS

A. Sun Life Assurance Company of Canada (US) ("Sun Life").

28. On April 4, 2006, SSMC executed a Promissory Note (the "**Sun Life Note**") and Mortgage and Security Agreement (the "**Sun Life Mortgage**") in favor of Sun Life in the original principal amount of \$12 million, secured by a first mortgage on the SSMC main hospital campus and ambulatory care facility. There is currently due to Sun Life approximately \$8.98 million under the Sun Life Mortgage.

B. Dormitory Authority of the State of New York (“DASNY”).

29. Pursuant to a First Amended Reimbursement Agreement, dated as of February 13, 2008, DASNY loaned the sum of \$2 million to SSMC (the “**First Amended Reimbursement Agreement**”) for the purpose of implementing a business plan. The First Amended Reimbursement Agreement consolidated SSMC’s obligations to DASNY under a prior reimbursement agreement, dated January 29, 2002, pursuant to which SSMC had received the first installment of a restructuring pool loan in the amount of \$1 million (the “**Original Reimbursement Agreement**”). The loans were based on SSMC’s participation and qualification for the Health Facility Restructuring Program established by DASNY and the New York State Housing Finance Agency. Neither the Original Reimbursement Agreement nor the First Amended Reimbursement Agreement provided for the grant of a security interest in favor of DASNY.

30. On April 14, 2008, DASNY and SSMC agreed to further amend the terms of the Original and First Amended Reimbursement Agreements through the execution of a Second Amended Reimbursement Agreement (the “**Second Amended Reimbursement Agreement**”), whereby DASNY agreed to loan an additional \$2 million to SSMC. At the time the Second Amended Reimbursement Agreement was executed, SSMC owed DASNY the sum of \$2,146,606.91 for its obligations under the Original Reimbursement Agreement and the First Amended Reimbursement Agreement. Thus, following the execution of the Second Amended Reimbursement Agreement, the aggregate principal loan amount due to DASNY was \$4,146,606.91. The additional funds loaned by DASNY under the Second Amended Reimbursement Agreement were also issued on an unsecured basis.

31. Subsequently, on August 11, 2009, the parties agreed to enter into a second Reimbursement Agreement (the "**2009 Reimbursement Agreement**") which provided for advances by DASNY in the amount of \$5 million to SSMC for the purpose of providing working capital to SSMC and facilitating refinancing of SSMC's existing credit facility with CIT with a facility from MidCap (as defined hereinafter). As security for DASNY's advances under the 2009 Agreement, DASNY was granted a lien in SECC's real property. To later facilitate the refinancing of SSMC's credit facility with MidCap Funding, DASNY agreed to subordinate its mortgage lien on SECC's real property to MidCap Funding. As of the Petition Date, the outstanding amount of the DASNY 2009 SSMC Loan is approximately \$5.187 million.

32. On October 1, 2010, DASNY entered into a First Amended Reimbursement Agreement with MVH (the "**MVH Amended Reimbursement Agreement**"), which provided for the extension of a \$2 million loan to MVH. The loan was in addition to a \$500,000 loan previously issued to MVH under the first MVH Reimbursement Agreement, dated as of August 31, 2010. Following the execution of the MVH Amended Reimbursement Agreement, the aggregate principal amount of the MVH debt to DASNY was increased to \$2.5 million. The funds loaned by DASNY under the MVH Amended Reimbursement Agreement were originally secured by a HEAL grant which was received and utilized by MVH. Thus, this obligation remains unsecured.

33. Finally, on August 14, 2012, DASNY and SSMC agreed to execute an additional reimbursement agreement (the "**2012 SSMC Agreement**"), pursuant to which DASNY loaned the amount of \$2.9 million to SSMC for working capital. As security for the 2012 SSMC Agreement, DASNY was granted a second lien and security interest on the MVH real property

and a lien on the proceeds of any HEAL NY Grants awarded to SSMC. As of the Petition Date, the outstanding balance of the DASNY 2012 SSMC Loan is approximately \$2.92 million.

34. As of the Petition Date, DASNY was owed an aggregate outstanding principal balance of approximately \$11.5 million with respect to all DASNY loans. The outstanding principal balances of the indebtedness: (i) under the 2009 Reimbursement Agreement secured by a subordinate mortgage lien on SECC's real property is approximately \$5.0 million and (ii) under the 2012 SSMC Agreement secured by a second lien on the MVH real property is approximately \$2.9 million.

C. Hudson Valley Bank ("HVB").

35. On April 6, 2004 and October 28, 2005, MVH procured two revolving lines of credit from HVB in the amounts of \$2 million and \$3 million respectively, which were ultimately consolidated into a single revolving line of credit (the "**HVB Revolving Loan**") in the aggregate amount of \$5 million pursuant to a mortgage modification and extension agreement, dated as of October 28, 2005. As security for the HVB Revolving Loan, HVB was granted a first lien in the MVH real property. In addition, HVB was granted a first lien on all of MVH's revenues, receipts, income, accounts, accounts receivables, inventory, personal property and general intangibles. As part of the arrangement, MVH also executed an Assignment of Leases and Rents, assigning all of MVH's rights as lessor under any leases affecting the Property. As of the Petition Date, HVB is owed approximately \$702,970.

D. MidCap Financial, LLC and MidCap Funding IV, LLC ("MidCap").

36. Pursuant to that certain Credit and Security Agreement dated April 8, 2011 and related financing documents (the "**Original Credit Agreement**") by and between SSMC and MidCap Financial, LLC (the "**Prepetition Revolving Loan Agent**"), the Prepetition Revolving

Loan Agent made available to SSMC a revolving credit facility in an amount up to Fifteen Million Dollars (\$15,000,000) (the "**Original Loan**"), which Original Loan was secured by SSMC's accounts receivable arising out of the performance or delivery of any medical, surgical, diagnostic, dental or other professional services and/or the supply of goods related to such services (the "**Prepetition Accounts**"). The Prepetition Revolving Loan Agent immediately assigned its rights and obligations as agent under the Original Credit Agreement to MidCap Funding IV, LLC ("**MidCap Funding**").

37. Subsequently, pursuant to a certain Amended and Restated Credit and Security Agreement dated June 8, 2011, and related financing documents (the "**Prepetition Revolving Credit Agreement**"), the Original Credit Agreement was modified to add SECC as a borrower and increase the amount of the Original Loan to a revolving loan in an amount up to Eighteen Million Dollars (\$18,000,000) (the "**Prepetition Revolving Loan**"). In addition, in connection with the Prepetition Revolving Credit Agreement and Prepetition Revolving Loan, each of SSMC and SECC granted a lien in their respective Prepetition Accounts to secure the Prepetition Revolving Loan and a certain Prepetition Term Loan (as defined below). The outstanding principal balance of the Prepetition Revolving Loan Obligations is approximately \$16.2 million

38. On the same date, SECC and MidCap Financial, as lender and agent, entered into a Credit and Security Agreement and related Mortgage, Assignment of Leases and Rents and Security Agreement (collectively, the "**Prepetition Term Loan Agreement**"), pursuant to which MidCap extended SECC a \$7 million term loan (the "**Prepetition Term Loan**") secured by a first priority mortgage lien (the "Prepetition Mortgage") on SECC's real property at 75 Glover Johnson Place, New Rochelle, NY (the "SECC Property"). The outstanding principal balance of the Prepetition Term Loan Obligations is approximately \$5.8 million.

E. Pension Plan/Pension Benefit Guaranty Corporation (“PBGC”).

39. SSMC sponsored the Cash Balance Retirement Plan for the benefit of its employees (the “**SSMC Pension Plan**”) which was a defined benefit pension plan insured by the Pension Benefit Guaranty Corporation (the “**PBGC**”) under Title IV of the Employee Retirement Income Security Act of 1974 (“**ERISA**”), 29 U.S.C. §§ 1301-1461, et seq. The Pension Plan was subject to the minimum funding requirements of ERISA and § 412 of the Internal Revenue Code.

40. SSMC failed to meet the terms of its minimum funding waiver under the SSMC Pension Plan for the 1995 and 1997. Consequently, to secure its obligations to the PBGC, SSMC granted PBGC mortgage liens in the original principal amount of \$2.582 million in April, 1997 and \$3.488 million in November, 1998 encumbering certain parking lots (the “**SSMC Lots**”) situate on the SSMC hospital campus (the “**PBGC Lot Mortgages**”). As of the Petition Date, the outstanding amount of the SSMC Pension Plan Claim is approximately \$5.763 million.

41. In 2003, SSMC was again unable to meet its minimum funding requirements under the SSMC Pension Plan and a voluntary distress termination of the plan ensued. On October 31, 2003, as amended on December 31, 2008, SSMC and the PBGC entered into a Settlement Agreement pursuant to which SSMC remains obligated under a note to PBGC for termination payments aggregating approximately \$15.820 million (the “**Settlement Amount**”). In addition to the lien on the SSMC Lots under the PBGC Lot Mortgages, the Settlement Amount was to be further secured by a subordinated security interest in the amount of \$9.620 million on the SSMC hospital campus (the “**PBGC Subordinated Lien**”). It does not appear, however, that the PBGC Subordinated Lien was ever perfected by the filing of a mortgage or other recording instrument.

42. On July 31, 2010, MVH terminated the Mount Vernon Hospital Employees' Retirement Plan (the "**MVH Pension Plan**"). PBGC asserted a claim for unfunded benefit liabilities as of the Plan termination date, *i.e.* the shortfall in plan assets necessary to pay all benefits promised under the MVH Pension Plan in the alleged amount of \$4.032 million (the "**MVH Pension Plan Claim**"). On July 15, 2010, PBGC filed a Notice of Federal Lien under IRC Section 412(n) against the MVH hospital real and personal property (the "**PBGC MVH Lien**").

F. Other Judgments and Liens.

43. 1199 SEIU Healthcare Workers ("**1199**"), one of the Debtors' principal unions, has obtained multiple judgments against each of SSMC and MVH for unpaid contributions and benefit payments due the 1199 Funds and has recorded the judgments against SSMC and MVH real property. 1199 currently asserts judgments liens on the SSMC and MVH real property in the amount of \$908,000 and \$494,000 respectively. New York State Department of Labor, in turn, has recorded judgments against SSMC in the aggregate amount of \$21,800 and against MVH in the aggregate amount of \$117,670.

44. Various mechanics lien have also been asserted of record as follows (collectively, the "**Mechanics Liens**"): (A) as against SSMC: (i) Graybar Electric Company, Inc- \$17,458 recorded May 29, 2012; (ii) D&D Elevator Maintenance, Inc - \$525,880 recorded August 22, 2012; and (iii) Omega Environmental Services, Inc. - \$138,742, recorded February 13, 2013; and (B) as against MVH: (i) StonCor Group, Inc. - \$4995.40, recorded May 25, 2012.

VII. THE PROPOSED SALE

A. The Sale to MMC

45. As noted above, after the failed negotiations with WCHCC and a period of extensive discussions and negotiations with MMC, the Debtors entered into the Purchase Agreement with MMC. Pursuant to the Purchase Agreement MMC has agreed to purchase the Acquired Assets, free and clear of liens, claims and encumbrances (except as expressly assumed) for aggregate consideration to the Debtors' estates in the amount of \$54,000,000 (the "**Purchase Price**"). The total Purchase Price is comprised of: (a) assumption of the Assumed Liabilities, (b) satisfaction of the Cure Amounts, and (c) payment of amounts due under the Guaranty, (d) assumption of the Assumed Employee Liabilities in an amount of up to \$9,000,000; and (e) payment of cash in an amount equal to the balance of the Purchase Price. The Purchase Agreement contemplates the sale of substantially all of the Debtors' real estate and operating assets to MMC.

46. In addition, as the stalking horse bidder, MidCap required, and Buyer has agreed to provide, *inter alia*, a Guaranty in an amount of \$7 million to \$10 million to collateralize certain of the Debtors' postpetition loan obligations and has agreed to grant a continuing lien in post-closing accounts receivable to guaranty any shortfall in the collection of certain of the Debtors' postpetition revolving loan obligations in an amount not to exceed \$5 million. Absent the Guaranty, MidCap would not have provided the DIP Financing.

47. The Debtors believe that MMC has the financial capability and logistical resources to purchase and integrate the Acquired Assets and implement critical upgrades to existing systems and facilities so as to ensure the continued provision of health care to the communities currently served by the Medical Centers for years to come. MMC also has the experience and reputation as one of the State's finest hospitals, which the Debtors hope will facilitate and expedite the approval process.

48. An expeditious sale of the Debtors' assets will (i) ensure the continuation of essential healthcare services to two communities with underserved populations without interruption and (ii) optimize the value of the Debtors assets, all of which will inure to the benefit of the Debtors, their employees, patients, creditors, and communities at large. The Debtors fully expect to continue operating in the ordinary course of business pending the consummation of the sale, which is anticipated to occur not later than October 31, 2013. Absent such a sale, the Debtors will face a liquidity crisis which could force them to immediately curtail and ultimately shut down operations entirely, to the detriment of their patients, the communities they serve and the public interest.

49. The Debtors believe that the Purchase Agreement is fair and reasonable and in the best interest of the Debtors' estates, their creditors and all other parties in interest. Notwithstanding, it is contemplated that the proposed Sale will be tested by an additional solicitation process and Auction during which higher and/or better offers will be considered. Accordingly, in order to ensure that the highest and best offer is realized for the Acquired Assets, the Debtors are seeking approval of the Bidding Procedures which will enable the Debtors to continue marketing the Acquired Assets, and conduct an Auction if additional parties are interested in making higher or better offers. The Debtors believe the Bidding Procedures, in conjunction with the Purchase Agreement, are the best possible means for maximizing value for the benefit of the Debtors' estates and their respective creditors.

50. Additionally, as is customary in a Sale Transaction of this nature, the Purchase Agreement provides for the payment of a Break-Up Fee in the amount equal to three percent (3%) of the Purchase Price and an Expense Reimbursement not to exceed \$750,000, each subject to this Court's approval, in the event that a higher or better offer (a "**Competing Bid**") is

accepted by Seller and the Bankruptcy Court issues a Sale Order approving the proposed transaction with the party making such Competing Bid or confirming a plan which does not involve the Sale of the Assets to MMC (an "Alternate Transaction"). The Break-Up Fee and Expense Reimbursement are in consideration of MMC having expended considerable time and effort in negotiating the Purchase Agreement. The Break-Up Fee and Expense Reimbursement are payable solely from the proceeds of the Alternate Transaction and upon the consummation of a sale resulting from a Competing Bid.

51. The Sale Transaction and Purchase Agreement are also conditioned upon (i) Attorney General and New York State Supreme Court approval consistent with the New York Not-For-Profit Laws; and (ii) all requisite approvals required by DOH and any other regulatory authority asserting jurisdiction over the Debtors.

B. The Purchase Agreement

52. The following is a summary of the material terms of the Purchase Agreement³:

(a) Purchase Price. Buyer shall provide Sellers with aggregate consideration of \$54,000,000, plus the appraised value of the Furniture, Equipment and Inventory identified by Buyer. The Purchase Price shall be payable as follows: (a) assumption of the Assumed Liabilities; (b) satisfaction of the Cure Amounts, (c) payments of amounts due under the Guaranty, (d) assumption of the Assumed Employee Liabilities; and (e) payment of cash in an amount equal to the balance of the Purchase Price.

(b) Deposit. Buyer shall deposit a sum equal to ten percent (10%) of the Purchase Price upon the execution of the Purchase Agreement, to be held in escrow pending the approval of the Sale

³ The summary contained below is intended to provide the Court and parties in interest with the salient terms of the Purchase Agreement, to the extent there are any inconsistencies between the summary description of the Purchase Agreement contained herein and the actual terms and conditions of the Purchase Agreement, the terms of the Purchase Agreement control. Capitalized terms contained in the summary description of the Purchase Agreement that are not defined herein shall have the meaning ascribed to them in the Purchase Agreement.

(c) Acquired Assets. The assets being sold to MMC include, *inter alia*, (a) all Owned Real Property of the Sellers; (b) the interests of the Sellers, whether as landlord or tenant, under the Real Property Leases for the Leased Real Property; (c) all Furniture and Equipment and Inventory identified by Buyer; (d) Assigned Contracts; (e) Intellectual Property; (f) all books and records, unless otherwise specified in the Purchase Agreement; (g) all Prepaid Deposits; (h) insurance claims relating to any Acquired Asset; (i) all supplier warranties relating to any Acquired Asset; and (j) goodwill; and (k) to the extent transferable, any donor restricted assets and endowment funds held by the Sellers.

(d) Excluded Assets. Property excluded from the Sale includes all assets which are not being expressly purchased by Buyer (the "Excluded Assets").

(e) Assumed Liabilities. The Buyer has agreed to assume liabilities of any Seller that are owed solely under (a) the Assigned Contracts, but only to the extent of they accrue from and after the Closing Date and relate solely to dates of service from and after the Closing Date; (b) all Debt of the Sellers listed on Schedule 2.3(b) of the Purchase Agreement; and (c) all Liabilities incurred or accrued on or after the Closing Date by Buyer; (d) certain liabilities accruing to eligible former employees of the Sellers as set forth in Section 2.3 of the Purchase Agreement; and (e) the Cure Amounts relating to the Assigned Contracts up to Three Million (\$3,000,000) Dollars.

(f) Excluded Liabilities. Buyer is assuming only the Assumed Liabilities and is not assuming any other liability or obligation of (or Claim against) any Seller of whatever nature, whether presently in existence or arising hereafter, known or unknown, disputed or undisputed, contingent or non-contingent, liquidated or unliquidated, or otherwise.

(g) Warranties. Except as expressly set forth in the Purchase Agreement, neither Sellers nor any of their respective affiliates make any representation or warranty, express or implied, at law or in equity, as to the accuracy or completeness of any information regarding the Sellers, the Business, the Acquired Assets, or Liabilities (including the Assumed Liabilities), or the transactions contemplated by the Agreement, and shall not have any liability to Buyer for the distribution of such information.

(h) As Is Transaction. Seller is transferring and Buyer shall accept the Acquired Assets at the Closing "as is" and "where is."

(i) Employees. MMC is not assuming any of the Debtors' collective bargaining agreements or any other obligations relating to the Sellers' employees. Notwithstanding, MMC expects to offer employment on a probationary basis to substantially all employees of the Debtors who: (a) at the time this Agreement was signed were employed by the Debtors; (b) in Buyer's sole discretion, meet Buyer's job qualifications as of the Closing and (c) agree to resign from employment with Debtors.

(j) Closing Conditions Required by MMC. Other than regulatory and governmental approvals and legal constraints, including any approvals required under applicable non-bankruptcy law, MMC's closing conditions include, among other things: (i) the accuracy of the Sellers' representations and warranties; (ii) compliance by the Sellers with all of their covenants and agreements hereunder in all material respects through the Closing;

(iii) all authorizations, consents, and approvals of, or no notices of objections from Governmental Authorities; (iv) no Material Adverse Change shall have occurred with respect to Seller, (v) Buyer shall have received reasonably acceptable assurances from appropriate regulatory agencies that Buyer shall have no successor liability from the contemplated transaction (vi) DASNY, PBGC and the 1199 Funds shall not have objected to the sale of the Acquired Assets or any objections shall be overruled; (vii) entry of the Bidding Procedures Order within 35 days of the Petition Date and entry of the Sale Order within 100 days of the Petition Date; and (viii) the delivery of customary closing deliverables, including ancillary agreements and regulatory requirements .

(k) Closing Conditions Required by the Debtors. Other than regulatory and governmental approvals and legal constraints, the Debtors' closing conditions will be limited, among other things, to: (i) the accuracy of MMC's representations and warranties; (ii) MMC's compliance with covenants and performance of agreements and obligations; (iii) DASNY, PBGC and the 1199 Funds shall not have objected to the sale of the Acquired Assets or any objections shall be overruled; (iv) the delivery of customary closing deliverables, including ancillary agreements; and (v) entry of the Bidding Procedures Order and the Sale Order.

(l) Termination of the Purchase Agreement. The Purchase Agreement may be terminated upon, including, but not limited to, the occurrence of the following events:

- (i) by mutual agreement of the Parties;
- (ii) if an Alternate Transaction is approved;
- (iii) if: (A) the Bidding Procedures Order is not entered within thirty five (35) days after the Petition Date; (B) the Bankruptcy Court has not entered the Sale Order within one hundred (100) days of the Petition Date; (C) if an order approving a Competing Bid (subject to the limitations in the Bidding Procedures Order); or (D) the sale of substantially all of the assets of Sellers occurs;
- (iv) dismissal or conversion of the Chapter 11 Cases or the appointment of a Chapter 11 trustee, examiner or other person with expanded powers in the Debtors' Chapter 11 Cases;
- (v) granting of relief from the automatic stay to permit foreclosure or the exercise of other remedies on the material assets of any the Debtor;
- (vi) Debtor's modification or consent to any modification of the Purchase Agreement, in each case, without the prior agreement of the Purchaser;
- (vii) by Buyer if there is a Material Adverse Effect;
- (viii) by Seller, if there is a material breach by Buyer of any provisions of this Agreement.

C. Break-Up Fee and Expense Reimbursement

53. As noted above, the Purchase Agreement contemplates the payment of the Break-Up Fee and Expense Reimbursement in certain circumstances. The Break-Up Fee will be granted an administrative expense priority pursuant to Bankruptcy Code sections 503(b) and 507(b) and shall be payable solely from the first proceeds of such Alternate Transaction.

54. The Debtors believe that (a) approval of the Break-Up Fee and Expense Reimbursement is an integral part of the Purchase Agreement, (b) in the absence of the Debtors' obligation to pay the Break-Up Fee and Expense Reimbursement, MMC would not have entered into the Purchase Agreement, (c) the entry of the Purchase Agreement is necessary for preservation of the Debtors' estates and is beneficial to the Debtors, and (d) the Break-Up Fee and Expense Reimbursement are reasonable in relation to MMC's efforts and to the magnitude of the transactions and consideration contemplated by the Purchase Agreement.

55. The Purchase Agreement further provides that if the Break-Up Fee and Expense Reimbursement are not approved by the Bankruptcy Court, MMC shall have the right, but not the obligation, to terminate the Purchase Agreement and neither party shall have any further obligations to the other.

VIII. THE PROPOSED BIDDING PROCEDURES AND AUCTION

A. The Scheduling Order

56. The Debtors seek entry of the prefixed Scheduling Order setting the time and notice requirements for the hearing on the Bidding Procedures and the Break-Up Fee and Expense Reimbursement. Specifically, the Debtor requests that notice of the hearing on the Bidding Procedures, Break-up Fee, Expense Reimbursement and related relief be sufficient if the Scheduling Order and the Motion are served by (i) overnight mail, or (ii) electronic transmission

followed by regular first class mail, within two (2) days of entry of the Scheduling Order on: (a) the Debtor's thirty (30) largest unsecured creditors (on a consolidated basis) and, upon its appointment, counsel for the official committee of unsecured creditors (the "**Creditors Committee**"); (b) each of the Debtor's five (5) largest secured creditors (c) the Office of the United States Trustee for the Southern District of New York; (d) all parties in interest who have requested notice pursuant to Bankruptcy Rule 2002; (e) all counter-parties to the Assigned Contracts (hereinafter defined); (f) the following state and local taxing and regulatory authorities: (i) the Centers for Medicare and Medicaid Services, (ii) the New York State Department of Health, (iii) the United States Attorney for the Southern District of New York, (iv) the Attorney General of the State of New York; (v) the Westchester County Attorney; (vi) the New Rochelle City Attorney, (vii) the Mount Vernon City Attorney; (viii) the Internal Revenue Service; (ix) the New York State Department of Taxation and Finance; (g) counsel to the Buyer; (h) the United States Department of Justice, Commercial Litigation Division; (i) the United States Department of Health and Human Services; and (j) all parties who are known to assert a Lien on the Purchased Assets and Properties (collectively, the "**Notice Parties**").

57. The shortened notice period is necessary given the limited remaining resources of the Debtors and the surmounting losses being incurred by the Debtors on a continual basis.

B. Summary of the Bidding Procedures

58. In order to ensure that the maximum potential value for the Acquired Assets is obtained, the Debtors seek entry of the Bidding Procedures Order and approval of the Bidding Procedures. The Debtors believe that the solicitation procedures and Auction contemplated pursuant to the Bidding Procedures will maximize value of the Assets.

59. The Bidding Procedures (annexed as Schedule 1 to the Bidding Procedures Order) provide, in relevant part, as follows:

(a) Qualified Bidders: In order to participate in the bidding process and to have a bid considered by the Debtors, each potential bidder (a "**Potential Bidder**") must deliver a written, irrevocable offer, for some or all of the Debtors' Acquired Assets, satisfying the below criteria. A BID MAY BE MADE FOR ALL OR ONLY A PORTION OF THE ASSETS. A "Qualified Bidder" is a Potential Bidder that delivers a binding bid that in the Debtors' discretion, after consultation with the Creditors Committee, satisfies the following (a "**Qualified Bid**"):

(i) Bid Deadline. Each Bid Package (as defined below) must be delivered in written form to: (i) counsel to the Debtors, Burton Weston, Esq., and Afsheen Shah, Esq., Garfunkel Wild, P.C., 111 Great Neck Road, Great Neck, NY 11021, (ii) counsel for the Creditors Committee, _____, Attn: _____, and (iii) counsel for any postpetition debtor in possession lender (the "**DIP Lender**"), Waller Lansden Dortch & Davis, LLP, 511 Union Street, Suite 2700, Nashville, TN 37219, Attn: Katie G. Stenberg and Daniel Flournoy, in each case so as to actually be received no later than 4:00 p.m. (prevailing Eastern Time) on June ____, 2013 (the "**Bid Deadline**").

(ii) Bid Package. Each bid must include (collectively, the "**Bid Package**"): (i) a written and signed irrevocable offer stating that (x) the bidder offers to consummate a sale transaction on terms and conditions no less favorable than in the Purchase Agreement and in an amount at least equal to the Minimum Bid (as defined below), (y) confirming that the bid will remain irrevocable until the earlier of (i) ninety (90) days following entry of the final Sale Order (as defined below), and (ii) closing with the Successful Bidder and (z) that the Bidder has had the opportunity to conduct due diligence prior to its offer and does not require further due diligence, has relied solely upon its own independent review and investigation and did not rely on any written or oral representation except as expressly provided with Modified Purchase Agreement (as defined below); (ii) an executed copy of the Purchase Agreement as modified by the bidder in accordance with its bid (the "**Modified Purchase Agreement**"); and (iii) an electronic markup of the Agreement clearly showing the revisions in the Modified Purchase Agreement (formatted as a Microsoft Word document or such other word processing format acceptable to the Debtors) and the electronic markup of the Purchase Agreement. The Debtors, in consultation with the Creditors Committee and the DIP Lender, shall determine whether any Modified Purchase Agreement that modifies the Purchase Agreement in any respect beyond the identity of the purchaser and the purchase price under the Agreement is a Qualified Bid.

(iii) Minimum Bid. The amount of the purchase price in such bid must provide for net cash (or cash equivalent) that is at least in the amount of: \$100,000 more than the base price contained in the Purchase Agreement, plus the amount of the

Break Up Fee and Expense Reimbursement (the "**Minimum Bid**"). Any Minimum Bid must provide for the guaranty and/or repayment of any postpetition financing to the same extent repayment is agreed to by Buyer. Buyer has agreed to provide a Guaranty in an amount of \$7 million to \$10 million to collateralize certain of the Debtors' postpetition loan obligations and has agreed to grant a continuing lien in post-closing accounts receivable to guaranty any shortfall in the collection of certain of the Debtors' postpetition revolving loan obligations in an amount not to exceed \$5 million. Any Minimum Bid must provide for these terms; and for the avoidance of doubt, in the event that a Qualified Bidder, other than the Buyer, becomes the Successful Bidder (as defined below), the Successful Bidder shall assume all of Buyer's obligations, with respect to the Guaranty, and Buyer shall be made whole in connection therewith.

(iv) Financial Information. The Bid Package must contain such financial and other information that will allow the Debtors to make a determination as to the bidder's financial and other capabilities to consummate the transactions contemplated by the Modified Purchase Agreement, including any proposed conditions to Closing and adequate assurance of such bidder's ability to perform under any Assigned Contracts (and to pay all cure amounts required to assume and assign any such Assigned Contracts).

(v) Additional Bid Protections. The bid must not request or entitle the Potential Bidder to any transaction or break-up fee, expense reimbursement, or similar type of payment.

(vi) Identity of Bidders. Each Potential Bidder must fully disclose the identity of each entity that will be bidding for the Acquired Assets, as well as disclose the organization, form and the business conducted by each entity and what, if any, connection the Potential Bidder has with the Debtors. Potential Bidders shall be required to provide such additional information as the Debtors may require regarding a bidder's ability to satisfy the requirements of the transaction contemplated by the Modified Purchase Agreement.

(vii) Due Diligence. The bid must not contain any contingencies of any kind, including, among others, obtaining (i) financing; (ii) shareholder, board of directors or other approval; or (iii) the outcome or completion of due diligence. Each Potential Bidder must also affirmatively acknowledge that the Potential Bidder (i) had an opportunity to conduct due diligence regarding the Acquired Assets prior to making its offer and does not require further due diligence, (ii) has relied solely upon its own independent review, investigation, and/or inspection of any documents and/or the Acquired Assets in making its bid, and (iii) did not rely upon any written or oral statements, representations, promises, warranties, or guaranties whatsoever, whether express, implied, by operation of law, or otherwise, regarding the Acquired Assets, or the completeness of any information provided in connection therewith except as expressly stated in these Bidding Procedures.

(viii) Consents. Each Potential Bidder must represent that it obtained all necessary organizational (not regulatory) approvals to make its competing bid and to enter into and perform the Modified Purchase Agreement.

(ix) Deposit. A Potential Bidder must deposit 10% of the initial purchase price set forth in Modified Purchase Agreement, plus the amount of the Break-Up Fee and Expense Reimbursement, with the Debtors in the form of a certified check or wire transfer on or before the Bid Deadline. The Potential Bidder or the Backup Bidder (defined below) shall forfeit the Deposit if (i) the Potential Bidder or the Backup Bidder is determined to be a Qualified Bidder and withdraws or modifies its bid other than as provided herein before the Bankruptcy Court approves the Debtors' selection of the Successful Bidder, or (ii) the bidder is a Successful Bidder (defined below) and (x) modifies or withdraws the bid without the Debtors' consent before the consummation of the sale contemplated by the bid, or (y) breaches any of the Modified Purchase Agreement. The Deposit shall be returned to the bidder (i) as soon as practicable if the bidder is not determined to be a Qualified Bidder or (ii) no later than five (5) business days after entry of the Sale Order if the bidder is a Qualified Bidder (who has not otherwise forfeited its Deposit), but is not the Successful Bidder or the Backup Bidder, provided, however, in the event MMC is not the Successful Bidder, its Deposit shall be returned to it promptly upon termination of the Purchase Agreement but in no event later than five (5) business days from such termination. The Debtors will maintain any Deposit in a non-interest bearing Debtor account.

(x) As Is. Where Is: Any Modified Purchase Agreement must provide that the Sale will be on an "as is, where is" basis and without representations or warranties of any kind except and solely to the extent expressly set forth in the Modified Purchase Agreement of the Successful Bidder. Each Qualified Bidder shall be deemed to acknowledge and represent that it has had an opportunity to conduct any and all due diligence regarding the Acquired Assets prior to making its bid and that it has relied solely upon its own independent review and investigation in making its bid.

(xi) Debtors' Considerations: The Debtors, after consultation with the Creditor's Committee, will have the right to determine that a bid is not a Qualified Bid if either of the following conditions is satisfied: (A) the ability of the Potential Bidder to use the Acquired Assets is not consistent with the Debtors' mission; or (B) the terms of the bid are materially more burdensome or conditional than the terms of the Purchase Agreement and are not offset by a material increase in purchase price, which determination may take into consideration: (1) whether the bid requires any indemnification of such Qualified Bidder; (2) whether the bid does not provide sufficient cash consideration to pay transfer taxes, cure costs or other cash costs of the transaction (including professionals' fees and the Breakup Fee); (3) whether the bid includes a non-cash instrument or similar consideration that is not freely marketable; or (4) any other

factors the Debtors, after consultation with the Creditor's Committee, may deem relevant. For avoidance of doubt, the Purchase Agreement is deemed a Qualifying Bid, and MMC is deemed a Qualifying Bidder.⁴

- (b) Sale to MMC. If no Qualified Bid other than Buyer's is submitted by the Bid Deadline, the Debtors shall not hold the Auction, but may proceed with the Sale Hearing and seek approval of the Purchase Agreement and the transactions contemplated thereby
- (c) Auction. In the event that the Debtors timely receive at least one Qualified Bid (excluding Purchaser's) by the Bid Deadline for all or any portion of the Acquired Assets, the Debtors shall conduct the Auction with respect to the Acquired Assets. The Auction will take place at the offices of counsel to the Debtors, Garfunkel Wild, P.C., 111 Great Neck Road, Great Neck, NY 11021 on June _____, 2013, starting at 10:00 a.m. (prevailing Eastern Time), or at such other later date and time or other place, as may be determined by the Debtors at or prior to the Auction. The Auction shall be governed by the following procedures:
- (d) Participation. Only the Qualified Bidders that have submitted a Qualified Bid and provided a Deposit(s) will be eligible to participate in the Auction, and each Qualified Bidder shall appear in person at the Auction (and any attorney for a Qualified Bidder may appear at the Auction at the discretion of the Qualified Bidder). In the event a Qualified Bidder does not attend the Auction, the relevant Qualified Bid shall nonetheless remain fully enforceable against that Qualified Bidder in accordance herewith. The Debtors, in consultation with the Creditors' Committee, will evaluate all Qualified Bids received and will select the Qualified Bid that reflects the highest or best offer for all or any portion of the Assets, and otherwise complies with the bid requirements set forth herein, as the "Starting Auction Bid". The Debtors may consider a variety of factors to determine the Starting Auction Bid including changes to the Purchase Agreement and the Qualified Bidder's ability to consummate the Sale.
- (e) Bidding. Bidding at the Auction shall commence at the amount of the Starting Auction Bid. Qualified Bidders may then submit successive bids in increments of \$100,000 (the "Bid Increment"); provided, however, that the Debtors, in consultation with the Creditors' Committee, shall retain the right to modify the Bid Increment at the Auction. Any bid submitted after the conclusion of the Auction shall not be considered for any purpose.
- (f) Higher and Better. The Debtors reserve the right, in consultation with the Creditors' Committee, to determine whether any bid is better, if not higher, than another bid submitted during the Auction. The Debtors may consider a variety of factors in making this decision, including without limitation, the ability of a Bidder to obtain the necessary regulatory approvals, whether the bid is materially more burdensome than the terms of the Modified Purchase Agreement, any proposed conditions to closing, whether

⁴ Notwithstanding the Qualifying Bid procedures, the Debtors reserve the right to entertain bids for the Assets that do not conform to one or more of the requirements set forth herein and in the Bidding Procedures.

the bid includes any non-cash components and provides significant cash consideration for the payment of required costs of the transaction, and any other factors deemed relevant.

(g) Successful Bid. The Auction shall continue until there is only one collective offer or separate offers for separate Assets, that the Debtors, in consultation with the Creditors' Committee, determines, subject to Court approval, is (or are) the highest or otherwise best offer(s) from among the Qualified Bids submitted at the Auction (the "**Successful Bid(s)**"). The bidder submitting such Successful Bid shall become the "Successful Bidder(s)," and shall have such rights and responsibilities of the purchaser, as set forth in the Modified Purchase Agreement, or the Purchase Agreement, as applicable. Within one business day after the conclusion of the Auction (but in any event prior to the commencement of the Sale Hearing), the Successful Bidder(s) shall (i) complete and execute all Purchase Agreements, contracts, instruments or other documents evidencing and containing the terms and conditions upon which the Successful Bid(s) was made, and (ii) supplement its Deposit by wire transfer or other immediately available funds so that, to the extent necessary, such Deposit equals 10% of the Successful Bid(s) plus the amount required for the payment of the Expense Reimbursement.

(h) Anti-Collusion. At the commencement of the Auction, each Qualified Bidder shall be required to confirm that it has not engaged in any collusion with any other bidder or potential bidder with respect to the bidding or the sale contemplated by the Purchase Agreement (the "**Sale**").

(i) Conduct of Auction. The Auction may be conducted openly with the proceeding being transcribed and each Qualified Bidder being informed of the terms of the previous bid; the Debtors or its counsel may meet privately with any Qualified Bidder to negotiate the terms of its bid. The Debtors, in consultation with the Creditors' Committee, may adopt other rules for the conduct of the Auction at the Auction which, in their judgment, will better promote the goals of the Auction.

(j) Backup Bid. At the conclusion of the Auction, the Debtors will also announce the second highest or otherwise best bid(s) from among the Qualified Bids submitted at the Auction (the "**Backup Bid(s)**"). The bidder(s) submitting such Backup Bid(s) shall become the "Backup Bidder(s)," and subject to the rights of the Successful Bidder, shall have such rights and responsibilities of the Buyer, as set forth in the Modified Purchase Agreement or the Purchase Agreement, as applicable. The Backup Bid shall remain open and irrevocable until the earlier of (x) ninety (90) days following entry of the Sale Order and (y) closing of the Sale, provided, however, if the Buyer's bid is deemed the Backup Bid, the Buyer's rights and obligations with respect to such bid shall be subject to the terms of the Purchase Agreement. The Backup Bidder's Deposit will be returned by the Debtors upon consummation of the Sale of the Acquired Assets to the Successful Bidder(s) or will be otherwise applied or forfeited as provided in Section (ix) above, and the Bid Procedures, if the Backup Bidder is determined to be the Successful Bidder, except for the Deposit of the Buyer, if deemed the Backup Bidder, which shall be subject to the terms of the Purchase Agreement.

(k) Extensions/Adjournment. The Debtors reserve their rights, in the exercise of their judgment, in consultation with the Creditors' Committee, to modify any non-material

provisions of the Bidding Procedures at or prior to the Auction, including, without limitation, extending the deadlines set forth in the Auction procedures, modifying bidding increments, adjourning the Auction at the Auction and/or adjourning the Sale Hearing in open court without further notice consistent with the Purchase Agreement and Bid Procedures Order.

C. Auction and Sale Hearing Notice

60. Within three (3) days after entry of the Bid Procedures Order, the Debtors shall serve copies of the Bid Procedures Order, the Bidding Procedures and the notice of the hearing on the Notice Parties. In addition, within three (3) business day after entry of the Bid Procedures Order, the Debtors shall cause to be served a copy of the Sale Notice on the Notice Parties, all creditors of the Debtors who are listed on the Schedules filed by the Debtors or who have filed proofs of claim against the Debtors' estates ("**Scheduled and Filed Creditors**") and all parties in interest who have requested notice pursuant to Bankruptcy Rule 2002 ("**2002 Parties**").

61. No later than twenty-one (21) days prior to the Sale Hearing, the Debtors shall supplement service by causing a copy of the Sale Notice (annexed as Schedule 2 to the Bid Procedures Order) to be served on any additional parties disclosed by the title reports asserting a lien on or interest in the Acquired Assets. Further, as soon as practicable after entry of the Bidding Procedures Order, the Debtors will submit the Sale Notice to be published once in the New York Times (Local Edition).

D. Objections to Bidding Procedures and Sale

62. The Debtors propose that objections, if any: (i) to the Bidding Procedures shall be filed with this Court, so as to be received no later than 4:00 p.m. (prevailing Eastern Time) seven days prior to the Bidding Procedures Hearing (the "**Bidding Objection Deadline**"), and (ii) to the Sale Motion shall be filed with this Court, so as to be received no later than 4:00 p.m. (prevailing Eastern Time) seven days prior to the Auction (the "**Sale Objection Deadline**"), by:

(a) the Office of the United States Trustee, 33 Whitehall Street, New York, New York 10004, Attn: Susan D. Golden, Esq. and William E. Curtin, Esq., (b) counsel to the Debtors, Garfunkel Wild, P.C., 111 Great Neck Road, Great Neck New York, 11021, Attn: Burton Weston, Esq. and Afsheen Shah, Esq.; (c) counsel for MMC, Togut, Segal & Segal LLP, One Penn Plaza, Suite 3335, New York, New York 10119, Attention: Frank A. Oswald, Esq.; (d) counsel to the DIP Lender, Waller Lansden Dortch & Davis, LLP, 511 Union Street, Suite 2700, Nashville, TN 37219, Attn: Katie G. Stenberg and Daniel Flournoy; and (e) counsel to the Creditors' Committee, _____.

E. Sale Hearing

63. The Successful Bid and Backup Bid will each be subject to entry of the Sale Order after the Sale Hearing that the Debtors propose take place on or around _____, 2013. The Sale Hearing may be adjourned from time to time without further notice to creditors or parties in interest other than by announcement of the adjournment in open court. Upon approval of the Backup Bid by the Court, the Backup Bid (except for the Buyer if its bid is deemed the Backup Bid) shall remain open and irrevocable until the consummation of the Successful Bid.

IX. EXTRAORDINARY PROVISIONS OF THE PROPOSED SALE ORDER

64. Pursuant to this Court's Guidelines for the Conduct of Asset Sales, adopted by General Order No. 383, dated as of December 1, 2009, the Debtors are required to highlight any "extraordinary provisions" of the proposed Sale. The extraordinary provisions in the proposed Sale are as follows:

(a) Use of Proceeds. Under the Purchase Agreement, the first proceeds from the Sale pursuant to a Competing Bid will be used to pay the Break-Up Fee and Expense

Reimbursement. The Sale Order also provides that: the liens existing on the Acquired Assets will attach to the net proceeds of the sale to the same extent, validity and priority that existed prior to the sale after taking into account the costs of the Sale and the Debtors shall be authorized to use such proceeds to pay any such secured claims in the order of their relative priority, as allowed by the Court.

(b) Record Retention. The Purchase Agreement provides that the Debtors will retain or otherwise have reasonable access to their books and records to enable the Debtors to be able to administer their estates. Patient records will be maintained in accordance with applicable law.

(c) Relief from Bankruptcy Rule 6004(h). The proposed form of Sale Order contains a waiver of the stay imposed by Bankruptcy Rule 6004(h). The Debtors submit such relief is appropriate under the circumstances because there is an immediate need for the successful Buyer to commence the lengthy DOH approval process.

(d) Successor Liability. The proposed form of Sale Order contains findings and provisions limiting the Buyer's successor liability. The parties intend that the transfer of the Acquired Assets to MMC will not subject MMC to any liability other than Assumed Liabilities and a finding that the Sale can be made free and clear of successor liability claims in the Sale Order complies with applicable principles of sales free and clear of successor liability claims pursuant to section 363(f) of the Bankruptcy Code and applicable non-bankruptcy law. The Debtors propose to provide notice of the Sale in accordance with the notice procedures set forth herein and submit that such notice is appropriate and adequate under the circumstances.

X. ASSIGNED CONTRACTS

65. Section 365 of the Bankruptcy Code provides in relevant part, that "the trustee, subject to the court's approval, may assume or reject any executory contract or unexpired lease of the Debtors." 11 U.S.C. § 365(a). Pursuant to Schedule 2.1(d) of the Purchase Agreement, the Assigned Contracts consist of specified executory contracts and unexpired leases which have been designated to be assumed by the Debtors and assigned to Buyer.

66. In connection with the Sale of the Assets, the Debtor may seek to assume and assign to MMC, and may if provided by the Successful Bid, assume and assign to the Successful Bidder(s) if different from MMC, certain executory contracts and/or leases designated by MMC or another Successful Bidder (the "Assigned Contracts") pursuant to Section 365 of the

Bankruptcy Code and in accordance with the procedures set forth herein (the “Assignment Procedures”).

67. The Debtor will file a schedule of the Assigned Contracts (the “Assumption Schedule”) no later than fifteen (15) days prior to the Objection Deadline, and to concurrently serve notice of such filing upon all counterparties to the Assigned Contracts, the Notice Parties the 2002 Parties. The Assumption Schedule will include any amount the Debtor believes is required to be paid pursuant to section 365(b) of the Bankruptcy Code to cure any defaults under the agreements listed on the Assumption Schedule (the “Cure Amounts”). Subject to the terms of the APA, the Successful Bidder(s) will be fully responsible for satisfying the requirements of section 365(b), including payment of the Cure Amounts and establishing adequate assurance of future performance.

68. Counter-parties to the Assigned Contracts will have until the Objection Deadline to file an objection to the proposed assumption and assignment of any Assigned Contract or any Cure Amount. Any such objection must set forth with specificity the basis for the objection and, if applicable, any counter-proposed Cure Amount.

69. The Debtor, with the consent of MMC or the Successful Bidder(s), as applicable, shall have the right to amend the Assumption Schedule at any time prior to thirty (30) business days before the Closing Date to add or remove an Assigned Contract. In such event, the Debtor shall file and serve an applicable notice of amendment (the “Amendment Notice”), reflecting appropriate changes to the Assumption Schedule, including changes to any proposed Cure Amounts, on all counter-parties to the Assigned Contracts removed or added to, or otherwise modified by, the amendment to the Assumption Schedule. All affected parties shall thereafter have fifteen (15) days to object to file an Assumption Objection to the Amendment Notice.

70. If an Assumption Objection is filed, and is not consensually resolved, the Debtors propose the Court hold a hearing on the objection on a date specified by the Court. To the extent the objection relates solely to a proposed Cure Amount, the Debtors propose that they have the right to have the Assigned Contract assumed and assigned to MMC or Successful Bidder(s), as applicable, with an appropriate amount being held in escrow for payment of the Cure Amount pending the resolution of the Assumption Objection by the parties or the Court. The Debtors further request that the parties be authorized to settle, compromise or otherwise resolve any disputed Cure Amounts without the need for further Court Order or notice to other parties.

71. If no Assumption Objection is timely filed and served, and subject to entry of an Order by this Court at the Sale Hearing approving the Sale and proposed assumption and assignment of the Assigned Contracts in connection therewith, the Cure Amounts set forth in the Assumption Schedule, as may be amended, shall be controlling, notwithstanding anything to the contrary in such Assigned Contracts, and the non-debtor parties shall be barred from asserting against the Debtors or the Buyer (or the Successful Bidder(s)) any other claim arising from the applicable Assigned Contracts.

72. The effective date of the assumption and assignment of any Assigned Contract shall be the Closing Date of the Sale. All Cure Amounts will be paid by MMC (or Successful Bidder(s)) either prior to, upon, or promptly after the closing of the Sale, or as otherwise agreed upon between the parties to the Assigned Contracts.

XI. THE BIDDING PROCEDURES ORDER SHOULD BE ENTERED

A. The Bidding Procedures Should be Approved

73. The Bidding Procedures, which are standard for the sale of assets in large chapter 11 cases, will ensure that the Debtors' estates receive the greatest benefit available from the sale of the Acquired Assets. The Bidding Procedures have been structured to attract the maximum number of Qualified Bids for the Acquired Assets while allowing the Debtors the flexibility to select the bid or bids that provide the greatest overall value to the Debtors' estates giving weight to the Debtors' not-for-profit healthcare mission and the best likelihood of closing. Finally, the Bidding Procedures set out a time frame that will allow potential purchasers sufficient time to construct and submit informed Qualified Bids, while still providing for the expeditious sale of the Acquired Assets.

74. The Debtors submit that the Bidding Procedures are reasonably designed to ensure that the Debtors' estates receive the maximum benefit available from the sale of the Acquired Assets, and therefore warrant Court approval.

B. The Break-Up Fee And Expense Reimbursement Should Be Approved

75. The Debtors are also requesting approval of the provisions of the Purchase Agreement and the Bidding Procedures regarding the Break-Up Fee equal to approximately 3% of the Purchase Price and Expense Reimbursement no to exceed \$750,000. The Break-Up Fee and Expense Reimbursement are payable solely from the first proceeds of an Alternate Transaction.

76. As noted above, approval of the Break-Up Fee and Expense Reimbursement is an integral part of the Purchase Agreement, in the absence of which MMC would not have entered into Purchase Agreement. The Debtors submit that the Break-Up Fee and Expense Reimbursement are reasonable in relation to MMC's efforts and to the magnitude of the transactions and consideration contemplated by the Purchase Agreement. Further, MMC's bid

establishes an appropriate floor value for the Acquired Assets after diligent marketing and discussions with numerous potentially interested bidders.

77. Bankruptcy courts have approved bidding incentives similar to the Break-Up Fee and Expense Reimbursement under the “business judgment rule,” and such arrangements are presumptively valid provided that (i) the Trustee’s or Debtors’ decision to agree to the break-up fee is not tainted by bad faith or self-dealing, (ii) the break-up fee does not hamper bidding, and (iii) the amount of the break-up fee is reasonable. See Official Comm. of Subordinated Bondholders v. Integrated Res., Inc. (In re Integrated Res., Inc.), 147 B.R. 650, 656-57 (S.D.N.Y. 1992), appeal dismissed, 3 F.3d 49 (2d Cir. 1993). A break-up fee serves as an “incentive payment” offered to an unsuccessful bidder who places the Debtors’ property in a “sales configuration mode,” thereby attracting other bidders to the auction. Specifically, break-up fees (i) attract or retain a potentially successful bid, (ii) establish a bid standard or minimum for other bidders to follow, and (iii) attract additional bidders. Integrated Res., at 661-62.

78. In the instant case, the Break-Up Fee and Expense Reimbursement is the product of good faith, arm’s-length negotiations between the Debtors and MMC, each of whom was represented by counsel. The Break-Up Fee and Expense Reimbursement provide a material benefit to the estates by enabling the Debtors to obtain a commitment from the Buyer which has and will continue to expend money, time and effort formulating and negotiating an offer for the Acquired Assets, notwithstanding that Purchase Agreement is subject to higher or better offers. In the Debtors’ business judgment, the Break-Up Fee is fair and reasonable when considering the time, effort, cost, and expense that MMC has incurred in negotiating the Purchase Agreement, and necessary to reimburse MMC for its costs and expenses in the event an Alternate Transaction is consummated.

79. Moreover, the Break-Up Fee and Expense Reimbursement do not hamper any other party's ability to offer a higher or better bid for the Acquired Assets. Given the size of the Break-Up Fee and Expense Reimbursement relative to the total amount of consideration provided for the Acquired Assets pursuant to the Purchase Agreement, and relative to the "overbid" requirements set forth in the Bidding Procedures, the fee is not so large as to have a "chilling effect" on other prospective bidders' interest in the Acquired Assets. Because the Purchase Agreement has created a floor for any additional bids, MMC has provided significant value to the Debtors' estates. The Debtors submit that the Break-Up Fee and Expense Reimbursement is appropriate under these circumstances.

80. Finally, the Break-Up Fee and Expense Reimbursement are reasonable in relation to the size of the proposed sale and under the facts and uncertainties of this transaction. The Break-Up Fee and Expense Reimbursement together equal approximately three percent (3%) of the Purchase Price. Courts in this District have approved breakup fees in approximately the same amount as measured in proportion to the proposed purchase price offered for a debtor's assets. See In re New York Westchester Square Medical Center, Case No. 06-13050 (Bankr. S.D.N.Y. Feb. 1, 2013); (approving a break-up fee of 3% on a \$15.3 million assets sale); In re HMX Acquisition Corp., Case No. 12-14300 (ALG) (Bankr. S.D.N.Y. Nov. 29, 2012) (approving breakup fee of approximately 3.0% of the purchase price); In re Bos. Generating, LLC, No. 10-14419 (SCC) (Bankr. S.D.N.Y. Oct. 12, 2010); In re Saint Vincent Catholic Medical Center, et al., Case No. 10-11963 (Bankr S.D.N.Y, June 30, 2011) (approving a break-up fee of 2% on a \$34 million sale of assets); In re Cabrini Med. Ctr., Case No. 09-14398 (AJG) (Bankr. S.D.N.Y. Dec. 30, 2009) (approving a break-up fee of 3.75% for an \$80 million sale); In re Tronox Inc., Case No. 09-10156 (ALG) (Bankr. S.D.N.Y. Sept. 23, 2009) (approving a break-up fee and expense reimbursement totaling 3.7% of total purchase price); In re Bearingpoint,

Inc., No. 09-10691 (REG) (Bank. S.D.N.Y. Apr. 7, 2009) (approving a break-up fee of 3% on a \$350 million sale); In re Silicon Graphics, Inc., Case No. 09-11701 (MG) (Bankr. S.D.N.Y. Apr. 3, 2009) (approving a break-up fee and expense reimbursement totaling approximately 6% of total purchase price); In re Fortunoff Fine Jewelry & Silverware, LLC, No. 08-10353 (JMP) (Bankr. S.D.N.Y. Feb. 22, 2008) (approving breakup fee of 2.8% of the purchase price); In re Bally Total Fitness of Greater N.Y., Inc., Case No. 07-12395 (BRL) (Bankr. S.D.N.Y. Aug. 21, 2007) (approving breakup fee of 4.3% of the purchase price).

C. The Auction and Sale Hearing Notice Should be Approved

81. Pursuant to Bankruptcy Rules 2002(c) and 6004, the Debtors are required to give 21 days' notice of any proposed sale of property not in the ordinary course of business. Bankruptcy Rule 2002(c) further provides that such notice must include the time and place of any auction, a sale hearing, and the time fixed for objections to the sale. The Sale Notice sets forth all the information a potential bidder and any other party in interest should require about the bidding process for the Acquired Assets, including: notice of the Bidding Procedures and information on how to obtain a copy of the Bidding Procedures; the Bid Deadline; the time, date, and location of the Auction; and the time, date and location of the Sale Hearing.

82. The Debtors submit that the Sale Notice as proposed complies with Bankruptcy Rule 2002 and Administrative Order No. 383, and constitutes good and adequate notice of the sale and the proceedings with respect thereto. Because the Debtors are providing notice of this Motion, the Bidding Procedures and the Auction to all Notice Parties and Scheduled and Filed Creditors, the Debtors submit that the notice requirements of Bankruptcy Rules 2002(2) and 6004 are satisfied. The Debtors also propose to publish the Auction and Sale Notice in The New York Times (Local Edition) pursuant to Bankruptcy Rule 2002(1). Therefore, the Debtors

respectfully request that the Court approve the Auction and Sale Notice and the notice procedures proposed above.

XII. THE SALE ORDER SHOULD BE ENTERED

A. Sales Outside the Ordinary Course of Business

83. Section 363(b) of the Bankruptcy Code and Rule 6004 of the Bankruptcy Rules govern the sale of assets outside the ordinary course of business. Section 363(b)(1) provides, in relevant part, that a debtors in possession may, after notice and hearing, “use, sell or lease, other than in the ordinary course of business, property of the estate.” See 11 U.S.C. § 363 (b)(1) and (f).

84. The terms of such sale are generally within the sound discretion of the Debtors. See In re Ionosphere Clubs, Inc., 100 B.R. 670 (Bankr.S.D.N.Y. 1989) (sale of Debtors’ airline shuttle assets approved where representing the exercise of independent good faith and non-coerced business judgment by the Debtors, the Debtors articulated a compelling business reason for the sale and represented fair value).

85. As recognized by the Second Circuit in Comm. of Equity Sec. Holders v. Lionel Corp. (In re Lionel Corp.), 722 F.2d 1063 (2d. Cir. 1983), a court may approve a section 363 application after expressly determining from the evidence presented at the hearing that a good business reason exists to grant such application.

86. Bankruptcy Rule 6004(f)(1) further provides that sales of property outside the ordinary course may be conducted by private sale or public auction. See F.R.B.P. 6004(f)(1). Generally, a bankruptcy court has wide latitude in approving even a private sale of all or substantially all of the estate assets not in the ordinary course of business under section 363(b).

See In re Ancor Exploration Company, 30 B.R. 802 (Bankr. N.D. Okla. 1983). However, each proposed sale must be examined from its own facts to determine whether the proposed sale is justified with detailed factual findings being made in support thereof.

B. The Sale of the Debtors' Assets Represents the Debtors' Sound Business Judgment

87. Under applicable law, a proposed sale must represent the reasonable exercise of business judgment on the part of a debtor-in-possession in order to be approved under section 363(b) of the Bankruptcy Code. See, e.g., In re Chateaugay Corp., 973 F.2d 141 (2d Cir. 1992); In re Lionel Corp., 772 F.2d at 1071. See also, In re Integrated Res., Inc., 147 B.R. 650, 656 (Bankr.S.D.N.Y. 1992), appeal dismissed, 3 F.3d 49 (2d Cir. 1993) quoting Smith v. Van Gorkom, 488 A.2d 858, 872 (Del. 1985) (stating that the business judgment rule is applicable in bankruptcy and presumes that when making a business decision the directors of a corporation acted on an informed basis, in good faith and in the honest belief that the action was in the best interests of the company).

88. Furthermore, Chapter 11 debtors may, in some circumstances, sell all or substantially all of their assets pursuant to section 363(b) prior to confirmation of a plan. In re Lionel Corp., supra, 722 F.2d at 1071. Such a sale can even be made prior to filing a plan of reorganization. In re Naron & Wagner, Chartered, 88 B.R. 85 (Bankr.D.Md. 1988). However, in approving such a sale, a court must be able, based on the evidence, "...to articulate sound business justifications for [its] decisions." In re Lionel Corp. at 1066. A court should consider all of the salient factors and act to further the diverse interests of the debtors, creditors and equity holders alike. Id. at 1070. See also, In re Chateaugay Corporation, 973 F.2d 141 (2nd Cir. 1992); In re Ionosphere Clubs, Inc., 100 B.R. at 675.

89. The Second Circuit has indicated that the following factors should be considered during the sale approval process: (i) the proportionate value of the assets to the estate as a whole; (ii) the amount of elapsed time since the filing; (iii) the likelihood that a plan of reorganization will be proposed and confirmed in the near future; (iv) the effect of the proposed disposition on future plans of reorganization; (v) the proceeds to be obtained from the disposition vis-à-vis any appraisals of the property; (vi) which of the alternatives of use, sale or lease the proposal envisions; and (vii) whether the asset is increasing or decreasing in value. See Lionel, 722 F.2d at 1071. The factors highlighted by the *Lionel* decision are often cited and applied by other courts when determining requests to approve a sale of all or substantially all of the assets of a debtors' estate. See, e.g., In re Narong & Wagner, Chartered, supra; In re Delaware & Hudson Railway Co., 124 B.R. 169 (D.Del. 1991); In re Thomson McKinnon Securities, Inc., 120 B.R. 301 (Bankr.S.D.N.Y. 1990); In re Engineering Products Co., Inc., 121 B.R. 246 (Bankr. E.D. Wis. 1990); In re Channel One Communications Inc., 117 B.R. 493 (Bankr. E.D.Mo. 1990); In re Brethren Care of South Bend, Inc., 98 B.R. 927 (Bankr. N. D. Ind. 1989).

90. As indicated above, the decision to sell the Acquired Assets was one of necessity and resulted from a lack of remaining viable alternatives. Absent a sale of their Acquired Assets to a third party, the Debtors would likely be forced to liquidate their assets or otherwise conduct an orderly wind-down of their operations. Indeed, a prompt sale of the Acquired Assets is necessary in order to prevent the accrual of unnecessary and burdensome administrative expenses and stop the hemorrhaging of cash from the Debtors' operations.

91. Currently, the Debtors' projected "cash burn" rate is approximately \$1.5 million to \$2 million per month. The Debtors have extremely limited cash reserves and limited postpetition financing options. Further, the sale process to MMC or any other healthcare user

will require regulatory approvals. This alone could take up to six or more months after entry of a Sale Order. Thus, an immediate sale is necessary if the Debtors are to be able to maintain operations and census levels until the regulatory approval process is complete and a closing can occur.

92. Absent consummation of the proposed sale the Debtors could exhaust their cash resources and be compelled to close the Medical Centers. Closure will also impose a significant hardship upon the Debtors' community which will be forced to rely on alternative, less convenient sources of medical care. By selling the Acquired Assets to MMC who will continue providing vital care to the Debtors' patients and community, a significantly greater value can be captured from the assets than would be achieved through liquidation. Moreover, the needs of the community currently serviced by the Debtors would continue to be met. The Debtors' patients will continue receiving basic care without significant disruption and the Debtors' not-for-profit healthcare mission would be continued.

93. As indicated above, the Debtors are well established in their community and continue to provide a high level of quality care, despite their financial difficulties. MMC fully appreciates the needs of the Debtors' patients. MMC also possesses the financial resources required to proceed with the proposed transaction and intends to invest significant capital subsequent to the purchase to renovate and modernize the facilities. Thus, a compelling business justification exists for the approval of this Motion.

94. The Debtors further submit that the offer represents fair value for the Acquired Assets and provides the only feasible alternative to a closure of the Debtors' facilities. Recent appraisals also indicate the approximate aggregate value of the real property, to be approximately \$65-70 million. As such, the Debtors submit that the sale of the Medical Centers and related

facilities to MMC offers the greatest benefit to the estates and are within the sound business judgment of the Debtors.

95. As contemplated, a Sale of the Acquired Assets will result in the sale of a substantial portion of the Debtors' assets outside of a Chapter 11 plan, although the Debtors intend to propose and file a plan of liquidation as soon as practicable following the sale.

96. To the extent the Sale is approved, subject to the receipt of DOH and New York State Supreme Court approval, it is essential that the proposed sale be closed as quickly as possible to avoid continuing losses and maximize asset values. A prompt sale will ensure a seamless transition while providing the greatest potential benefit to creditors.

C. Section 363(d) of the Bankruptcy Code is Satisfied

97. Pursuant to Section 363(d) of the Bankruptcy Code, a transfer of property by a not-for-profit entity must be made in compliance with applicable nonbankruptcy law governing such transfer. Specifically, section 363(d) provides that “[t]he trustee may use, sell or lease property under subsection (b) or (c) of this section only – (1) in accordance with applicable nonbankruptcy law that governs the transfer of property by a corporation that is not a moneyed, business or commercial corporation....” 11 U.S.C. § 363 (d).

98. In accordance with these provisions, the Debtors and MMC will request and expect to obtain, after entry of any Sale Order and prior to the closing, all required regulatory approvals for the Sale. The Debtors anticipate obtaining approvals from the New York State Attorney General, the DOH as well as any other regulatory authority asserting jurisdiction over the Debtors. To the extent any regulatory body or governmental agency fails to provide approval for the transaction with MMC, the Debtors reserve all rights to challenge any such determination.

The inclusion of section 363(d) of the Bankruptcy Code was not intended to provide states with a “veto” of sales of a debtor’s assets under the Bankruptcy Code that otherwise take into account legitimate interests of the state over the transfer or sale of a non-profit’s assets. See H. REP. NO. 109-31, pt. 1, title XII (Judiciary. Comm.) (listing section 1221 of the BAPCPA under the heading “Technical Amendments”).

99. The Debtors submit that the Sale complies with applicable non-bankruptcy law. The Acquired Assets consist primarily of real estate and their transfer does not invoke specific regulatory requirements which might restrict the transfer of the property. The Debtors thus submit that the terms of the Purchase Agreement comply with all applicable not-for-profit laws, including the not-for-profit laws of the State of New York, and any applicable federal laws. Accordingly, the Purchase Agreement satisfies the requirements of section 363(d) of the Bankruptcy Code.

D. Assumption of the Assigned Contracts and Assignment Procedures Should be Approved

100. Section 365(a) of the Bankruptcy Code provides, in relevant part, that a debtor in possession, “subject to the court’s approval, may assume or reject any executory contract or unexpired lease of the debtor”.

101. The business judgment test is the standard applied by courts to determine whether an executory contract or unexpired lease should be assumed. See, e.g., In re Old Carco LL (f/k/a Chrysler LLC), 406 B.R. 180, 188 (Bankr. S.D.N.Y. 2009); see also Orion Pictures Corp. v. Showtime Networks, Inc. (In re Orion Pictures), 4 F.3d 1095, 1099 (2d Cir. 1993); Richmond Leasing Co v. Capital Bank, N.A., 762 F.2d 1303, 1311 (5th Cir. 1985) (“[m]ore exacting scrutiny would slow the administration of the debtor’s estate and increase its cost, interfere with

the Bankruptcy Code's provision for private control of administration of the estate, and threaten the court's ability to control a case impartially"). A court should approve assumption of a contract under section 365(a) of the Bankruptcy Code if it finds that a debtor has exercised its sound business judgment in determining that assumption of an agreement is in the best interests of its estate. See, e.g., Old Carco, 406 B.R. at 196-97; In re Child World, Inc., 142 B.R. 87, 89-90 (Bankr. S.D.N.Y. 1992); In re Ionosphere Clubs, Inc., 100 B.R. 670, 673 (Bankr.S.D.N.Y. 1989); see also Sharon Steel Corp v. National Fuel Gas Distrib. Corp. (In re Sharon Steel Corp.), 872 F.2d 36, 40 (3d Cir. 1989).

102. When assuming an executory contract, section 365(b) of the Bankruptcy Code requires the debtor to cure any defaults under the contract or provide adequate assurance that it will promptly cure such defaults. If there has been a default, the debtor must also provide adequate assurance of future performance under the contract.

103. Assuming and assigning the Assigned Contracts to the Buyer (or the successful Bidder) pursuant to the Assignment Procedures is an appropriate exercise of the Debtors' business judgment. As the Debtors are selling the Acquired Assets, the Assigned Contracts will no longer have any value to the Debtors. By assuming and assigning the Assigned Contracts to the Buyer (or the Successful Bidder) the Debtors' estates will benefit from avoiding the damage claims that would arise from rejecting the Assigned Contracts.

104. In addition, the Buyer has sufficient capital and financing commitments to provide adequate assurance of future performance on all of the Assigned Contracts and the Debtors are requiring any Qualified Bidder similarly to demonstrate its ability to provide adequate assurance of future performance.

105. The Assignment Procedures proposed by the Debtors for determining Cure Amounts and providing the counterparties to the Assigned Contracts notice and an opportunity to object to the assumption and assignment and/or the Cure Amounts are fair to all parties and satisfies the notice requirements of Bankruptcy Rule 6006(c).

106. Therefore, because assuming and assigning the Assigned Contracts to the Successful Bidder(s) avoids the costs of rejecting those executory contracts and unexpired leases and increases the value to be realized from the Sale of the Acquired Assets, assumption and assignment to the Successful Bidder(s) of the Assigned Contracts is clearly an exercise of the Debtors' sound business judgment which warrants approval by this Court.

XIII. The Acquired Assets Should be Sold Free and Clear of Liens

107. Under section 363(f) of the Bankruptcy Code, a debtor may sell property under the Bankruptcy Code free and clear of liens, claims and encumbrances, provided that: (i) applicable nonbankruptcy law permits the sale of the property free and clear of such interests; (ii) the entity holding the lien, claim or encumbrance consents to the sale; (iii) the interest is a lien and the price at which such property is to be sold is greater than the aggregate value of all liens on the property; (iv) the interest is in bona fide dispute; or (v) the entity could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of its interest. 11 U.S.C. § 363(f). See In re Smart World Tech., LLC, 423 F.3d 166, 169 n. 3 (2d Cir. 2005) (Section 363 permits sales of assets free and clear of claims and interests. It thus allows purchasers to acquire assets without any accompanying liabilities); In re Dundee Equity Corp., No. 89-B-10233, 1992 WL 53743, at *3 (Bankr. S.D.N.Y. Mar. 6, 1992) (“Section 363(f) is in disjunctive, such that the sale of the interest concerned may occur if any one of the conditions of § 363(f) have been met”).

108. In accordance with the provisions of the Purchase Agreement and section 363(f), the Debtors request that they be authorized to conduct the Sale free and clear of all Liens, other than Assumed Liabilities and Permitted Exceptions (as set forth in the Purchase Agreement). All parties holding liens on the Acquired Assets will be provided notice of the proposed Sale and shall be granted an opportunity to object to the relief requested in this Motion and any such entity that does not object to the sale shall be deemed to have consented. See, e.g., Futuresource LLC v. Reuters, Ltd., 312 F.3d 281, 285-86 (7th Cir. 2002) (standing for the proposition that the lack of an objection to a proposed sale of assets counts as consent); Hargrave v. Township of Pemberton (In re Tabone, Inc.), 175 B.R. 855, 858 (Bankr. D.N.J. 1994) (failure to object to sale free and clear of liens, claims and encumbrances satisfies section 363(f)(2)); In re Elliot, 94 B.R. 343, 345 (Bankr. E.D.Pa. 1988) citing to In re Gabel, 61 B.R. 661 (Bankr. W.D. La. 1985). See also, In re Enron Corp., 2003 WL 21755006 at *2 (AJG) (Bankr. S.D.N.Y. 2003) (order deeming all parties who did not object to proposed sale to have consented under section 363(f)(2)).

109. Thus, to the extent any parties holding a Lien on the Acquired Assets fail to object to the relief requested in the Motion, a sale of the Acquired Assets free and clear of all Liens, with the exception of any Assumed Liabilities and Permitted Exceptions, satisfies section 363(f)(2) of the Bankruptcy Code.

110. Alternatively, section 363(f)(5) is also satisfied and provides adequate cause for granting authorization to conduct the Sale free and clear of Liens. Initially, it should be noted that the proposed Purchase Price (and resulting sale proceeds) is in excess of existing Lien amounts. Further, under the Purchase Agreement, any party holding a Lien may be compelled to accept a monetary satisfaction of its lien. The Purchase Agreement also provides that Liens on the Assets shall attach to the proceeds of the Sale, subject to any claims and defenses the Debtors

may have with respect thereto. Liens which cannot be satisfied through a monetary judgment (if any) are included among the Permitted Exceptions or Assumed Liabilities and will not attach to the proceeds of the Sale. Therefore, it is submitted that section 363(f)(5) can be deemed satisfied upon a sale of the Assets being conducted free and clear of all Liens.

XIV. Successor Liability

111. The Debtors are also seeking to sell the Acquired Assets free and clear of any successor liability claims relating to the Acquired Assets. Notwithstanding reference to the conveyance free and clear of “any interest” in section 363(f), that section has been interpreted to allow the sale of a debtor’s assets free and clear of successor liability claims as well. See, e.g., In re Gen. Motors Corp. (n/k/a Motors Liquidation Corp.), Case No. 09-50026 (REG) (Bankr. S.D.N.Y. Jul. 5, 2009) (authorizing the sale of assets free and clear of successor liability claims); In re Old Carco LLC (f/k/a Chrysler LLC), Case No. 09-50002 (AJG) (Bankr.S.D.N.Y. Jun. 1, 2009) (same); see also In re Trans World Airlines, Inc., 322 F.3d 283, 288-90 (3d Cir. 2003) (sale of assets pursuant to section 363 (f) barred successor liability claims for employment discrimination and rights under travel voucher program).

112. The ability of the Debtors to transfer the Acquired Assets free and clear from successor liability is critical to the sale transaction. In order to dispose of their assets and induce the Buyer to proceed with the Sale, the Debtors must be able to convey the assets free and clear of potential successor liability claims. Absent such assurance, the Buyer may be unwilling to proceed and significant value for the Debtors’ estates may be lost. See Licensing by Paolo, Inc. v. Sinatra (In re Gucci), 126 F.3d 380, 387 (2d. Cir. 1997) (stating that a sale pursuant to § 363 of the Bankruptcy Code “maximizes the purchase price of assets because without this assurance

of finality, purchasers could demand a large discount for investing in a property that is laden with the risk of endless litigation as to who has rights to estate property”).

113. Further, under New York State law as well as the principles of traditional common law, a purchaser of another company’s assets will be found liable only for the seller’s liabilities where (i) the successor expressly or impliedly assumes the predecessor’s tort liability, (ii) the seller and purchaser merged or otherwise consolidated, (iii) the purchaser is a mere continuation of the seller, and (iv) the transaction is fraudulent. See N.Y. v. Nat’l Serv. Indus., Inc., 460 F.3d 201, 209 (2d Cir. 2006). None of these factors are applicable to the proposed Sale Transaction herein. As such, the Court may authorize the transfer of the Acquired Assets free and clear of any successor liability claims. See Douglas v. Stamco, Case No. 09-1390-cv, 2010 WL 337043 (2d. Cir. Feb. 1, 2010) (holding that sale pursuant to § 363 extinguished successor liability claims where there was no (i) assumption of such liability, (ii) merger of the parties, (iii) mere continuation of the seller, or (iv) fraud).

114. Accordingly, based on the foregoing, the Debtors respectfully submit that the Acquired Assets should be transferred to the Buyer free and clear of all liens, claims, encumbrances and other interests, including rights or claims based on successor liability.

XV. MMC Should be Afforded Protection Under Section 363(m)

115. Section 363(m) affords protection to a good faith Buyer in any interest in property purchased from the Debtors, notwithstanding that the sale conducted was later reversed or modified on appeal. Section 363(m) provides, in pertinent part, as follows:

The reversal or modification on appeal of an authorization under [section 363(b)] ... does not affect the validity of a sale ... to an entity that purchased ... such property in good faith, whether or not

such entity knew of the pendency of the appeal, unless such authorization and such sale ... were stayed pending appeal

11 U.S.C. § 363(m). See Allstate Ins. Co. v. Hughes, 174 B.R. 884, 888 (Bankr. S.D.N.Y. 1994) (“Section 363(m) provides that good faith transfer of property will not be affected by the reversal or modification on appeal of an unstayed order, whether or not the transferee knew of the pendency of the appeal”); In re Stein & Day, Inc., 113 B.R. 157, 162 (Bankr.S.D.N.Y. 1990) (“pursuant to 11 U.S.C. § 363(m), good faith purchasers are protected from the reversal of a sale on appeal unless there is a stay pending appeal.”)

116. The Second Circuit has held that a party would have to show fraud or collusion between a purchaser and the debtor-in-possession or trustee in order to demonstrate a lack of good faith. See Kabro Assocs. of West Islip, LLC v. Colony Hill Assocs. (In re Colony Hill Assocs.), 111 F.3d 269, 276 (2d Cir. 1997) (“[t]ypically, the misconduct that would destroy a good faith status at a judicial sale involves fraud, collusion between the purchaser and other bidders or the trustee, or an attempt to take grossly unfair advantage of other bidders”). See also, In re Bakalis, 220 B.R. 525, 537 (Bankr. E.D.N.Y. 1998).

117. Here, the parties have established that MMC is a good faith purchaser as required by section 363(m) of the Bankruptcy Code. As previously indicated, the Purchase Agreement is the product of extensive, good-faith arms length negotiations between the Debtors, its advisors and MMC. Accordingly, the Debtors request that the Court determine that MMC was acting in good faith and is entitled to the protections of a good faith purchaser under section 363(m).

XVI. THE SALE SHOULD BE EXEMPT FROM TRANSFER AND SIMILAR TAXES

118. Pursuant to N.Y. Tax Law §1405(b)(8), the Debtors submits that the Sale is exempt from New York State real estate transfer tax because it is being consummated under the

Bankruptcy Code. In addition, the transfer of the Acquired Assets is exempt from New York City real property transfer tax because the Debtors are not-for-profit corporations. See N.Y. Admin. Code Sec. 11-2106(b)(2). Accordingly, the Debtors respectfully requests that the Court find that these exemptions apply and that the Debtors' estates are exempt from real estate transfer taxes.

XVII. THE COURT SHOULD WAIVE OR REDUCE THE REQUIREMENTS OF RULES 6004(H)

119. Under Rule 6004(h) of the Bankruptcy Code, all orders authorizing the sale of property pursuant to section 363 of the Bankruptcy Code are automatically stayed for 14 days after entry of the order, unless otherwise ordered by the Court. Fed. R. Bankr.P. 6004(h). The stay period is intended to provide sufficient time for an objecting party to appeal before the order is implemented. *See* Advisory Committee Notes to Fed. R. Bankr. P. 6004(h).

120. Although little guidance is provided by either Rule 6004(h) or the Advisory Committee Notes as to when a court should "order otherwise", it has been suggested that the 14-day stay period should be eliminated to allow a sale or other transaction to close immediately "where there has been no objection to the procedure". See 10 Collier on Bankruptcy § 6004.09 (Lawrence P. King, et al. eds, 15th ed. rev. rel. 2003). *Colliers* also proposes that if an objection is filed and overruled, and the objecting party informs the court of its intent to appeal, the stay may be reduced to the amount of time actually necessary to seek a stay pending such appeal. Id. It is thus respectfully requested that the Court waive the 14 day stay period required under Rule 6004(h) or, in the alternative, if an objection is filed to the proposed Sale, reduce the stay period to the minimum amount of time reasonably necessary for the objecting party to file a stay pending appeal. This relief is both necessary and appropriate under the circumstances of this

case given the importance of the successful purchaser's immediate need to commence the otherwise lengthy DOH approval process.

XVIII. NO PRIOR REQUEST

121. No previous request for the relief sought herein has been made to this or any other court.

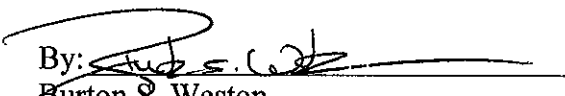
XIX. CONCLUSION

122. The case law cited herein provides ample authority and justification for the approval of the proposed transaction. The facts set forth herein also support a finding in favor of an order approving the Sale. For these reasons, it is submitted that the Sale should be approved on the terms and provisions set forth in the Purchase Agreement.

WHEREFORE the Debtors respectfully request that the Court enter an order substantially similar to the proposed order, attached hereto as Exhibit B, granting the relief requested herein, and granting the Debtors such other and further relief as is just and proper.

Dated: May 29, 2013
Great Neck, New York

GARFUNKEL WILD, P.C.

By: 
Burton S. Weston
Afsheen A. Shah
111 Great Neck Road
Great Neck, NY 11021
Telephone: (516) 393-2200
Facsimile: (516) 466-5964

*Proposed Counsel for the Debtors
and Debtors in Possession*

EXHIBIT A

Bid Procedures Order

GARFUNKEL WILD, P.C.
111 Great Neck Road
Great Neck, New York 11021
Telephone: (516) 393-2200
Telefax: (516) 466-5964
Burton S. Weston
Afsheen A. Shah

*Counsel for the Debtors
and Debtors in Possession*

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
In re:

SOUND SHORE MEDICAL CENTER
OF WESTCHESTER, *et al.*

Chapter 11
Case No. 06-13050 (smb)

Debtors.
-----X

**ORDER (A) APPROVING BIDDING PROCEDURES FOR THE SALE
OF THE DEBTORS' REAL ESTATE AND DESIGNATED PERSONAL
PROPERTY ASSETS, (B) SCHEDULING AN AUCTION AND A SALE
HEARING RELATED THERETO, (C) APPROVING THE FORM OF
NOTICE OF THE AUCTION AND SALE HEARING, AND (D)
APPROVING A BREAK-UP FEE AND EXPENSE REIMBURSEMENT**

Upon that portion (the "Bidding Procedures Motion") of the motion (the "Motion"¹), dated May 28, 2013, of Sound Shore Medical Center of Westchester ("SSMC"), and certain of its debtor affiliates, as debtors and debtors-in-possession (each a "Debtor" and collectively the "Debtors"²), for entry of an order pursuant to sections 105, 363 and 365 of title 11 of the United States Code (the "Bankruptcy Code") and Rules 2002(a)(2) and 6004 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") (i) approving the proposed

¹ Capitalized terms used herein, unless herein defined, shall be used with the meanings ascribed to such terms in the Motion.

² The debtors in these chapter 11 cases, along with the last four digits of each debtor's federal tax identification number include: Sound Shore Health System, Inc. (1398), Sound Shore Medical Center of Westchester (0117), The Mount Vernon Hospital, Inc. (0115), Howe Avenue Nursing Home d/b/a Helen and Michael Schaffer Extended Care Center (0781), NRHMC Services Corporation (9137), The M.V.H. Corporation (1514) and New Rochelle Sound Shore Housing, LLC (0117). There are certain additional affiliates of the Debtors who are not debtors and have not sought relief under Chapter 11.

Bidding Procedures in the form of Schedule 1 hereto to be used in connection with the proposed Sale of substantially all of the Acquired Assets of the Debtors to Montefiore SS Operations, Inc., Montefiore MV Operations, Inc., Montefiore HA Operations, Inc, and Montefiore SS Holdings, LLC, Montefiore MV Holdings, LLC, and Montefiore HA Holdings, LLC, as Buyers (collectively referred to as “**MMC**” or “**Buyer**”), or to any competing bidder or bidders (the “**Successful Bidder(s)**”) that submits or collectively submit a higher or better offer or offers for the Acquired Assets, (ii) scheduling an auction (the “**Auction**”) and a hearing to approve the Sale (the “**Sale Hearing**”); (iii) approving the form and manner of the Notice of the Auction and Sale Hearing (the “**Sale Notice**”) substantially in the form attached as Schedule 2 hereto; and (d) approving the payment of the Break-Up Fee and Expense Reimbursement and certain overbid procedures; and this Court having held a hearing on the Bidding Procedures Motion on May _____, 2013 (the “**Bidding Procedures Hearing**”); and, based on the Bidding Procedures Motion and the record of the Bidding Procedures Hearing, it now appearing that the relief requested in the Bidding Procedures Motion is in the best interest of the Debtors’ estates; and after due deliberation thereon and good cause appearing therefor, it is hereby:

FOUND AND DETERMINED THAT:³

A. This Court has jurisdiction over the Bidding Procedures Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334. Consideration of the Bidding Procedures Motion and the relief requested therein is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

B. Good and sufficient notice of the relief sought in the Bidding Procedures Motion has been given and no further notice is required. A reasonable opportunity to object or

³ Findings of fact shall be construed as conclusions of law and conclusions of law shall be construed as findings of fact, when appropriate. See Fed. R. Bankr. P. 7052.

be heard regarding the relief requested in the Bidding Procedures Motion has been afforded to interested persons and entities, including: (a) the Office of the United States Trustee; (b) the Debtors' material prepetition and postpetition secured lenders or any agent therefor; (c) the holders of the 30 largest largest unsecured claims on a consolidated basis or, upon its appointment, counsel to the official committee of unsecured creditors (the "**Creditors' Committee**"); (d) the following state and local taxing and regulatory authorities: (i) the Centers for Medicare and Medicaid Services, (ii) the New York State Department of Health ("**DOH**"), (iii) the United States Attorney for the Southern District of New York, (iv) the Attorney General of the State of New York; (v) the Westchester County Attorney; (vi) the New Rochelle City Attorney, (vii) the Internal Revenue Service; (viii) the New York State Department of Taxation and Finance; (e) counsel to the Buyer; (f) counsel for the Department of Justice, (g) the United States Department of Health and Human Services, (h) all parties in interest who have requested notice pursuant to Bankruptcy Rule 2002; (i) all counter-parties to the Assigned Contracts; (j) all parties who are known to assert a Lien on the Acquired Assets; (k) all counter-parties to the Assigned Contracts; and (l) all parties identified by the Debtors as potentially having an interest in acquiring some or all of the Acquired Assets ("**Notice Parties**"); and a copy of the Sale Notice to all creditors of the Debtors who are listed on the Schedules filed by the Debtors or who have filed proofs of claim against the Debtors' estates ("**Scheduled and Filed Creditors**").

C. The proposed Sale Notice (including, without limitation, the sale of the Assets and the assumption and assignment of the Assigned Contracts and Cure Amounts and the Bidding Procedures, as set forth in the Bidding Procedures Motion and the Purchase Agreement, is good, appropriate, adequate, and sufficient, and is reasonably calculated to provide all interested parties, including the Notice Parties, and all Scheduled and Filed Creditors, with

timely and proper notice of the Sale and the Bidding Procedures, and no other or further notice of the Sale, the assumption and assignment of the Assigned Contracts and Cure Amounts, or the Bidding Procedures, as set forth herein and in the Bidding Procedures Motion, is required.

D. The Debtor has articulated good and sufficient reasons for this Court to grant the relief requested in the Bidding Procedures Motion, including this Court's (i) approval of the Bidding Procedures, attached hereto as Schedule 1, (ii) approval of payment of the Break-Up Fee and Expense Reimbursement (as described below) from the proceeds of any Alternate Transaction, (iii) determination of final Cure Amounts in the manner described herein, and (iv) approval of the form and manner of service of the Sale Notice attached hereto as Schedule 2.

E. The Debtors have articulated good and sufficient reasons for, and the best interests of the Debtors' estates will be served by, this Court scheduling a subsequent Sale Hearing to consider whether to grant the remainder of the relief requested in the Motion, including approval of the proposed Sale in accordance with either (i) the Purchase Agreement between the Debtor and the Buyer attached as Exhibit C to the Motion, or (ii) such other agreement or agreements by and between the Debtor and the Successful Bidder or Successful Bidders, free and clear of, among other things, all liens, claims, encumbrances, and interests (collectively, "Liens") (other than the Permitted Liens) with the same to attach to the proceeds thereof pursuant to section 363 of the Bankruptcy Code.

F. The Break-Up Fee and Expense Reimbursement, to the extent payable, to be paid under the circumstances set forth in the Purchase Agreement as modified by this Order, each is (i) an actual and necessary cost and expense of preserving the Debtors' estates within the meaning of section 503(b) of the Bankruptcy Code, (ii) commensurate to the real and substantial benefit conferred upon the Debtors' estates by Buyer, (iii) reasonable and appropriate in light of

the size and nature of the proposed Sale and comparable transactions, the commitments that have been made, and the efforts that have been and will be expended by Buyer, and (iv) necessary to induce Buyer to continue to pursue the Sale and to continue to be bound by the Purchase Agreement.

G. The Debtors' authorization to pay the Break-Up Fee and Expense Reimbursement is an essential inducement and condition relating to Buyer's entry into, and continuing obligations under, the Purchase Agreement. The Debtors' promise to pay the Break-Up Fee and Expense Reimbursement, which has induced Buyer to submit its bid that will serve as a minimum or floor bid on which the Debtors can rely, provides a material benefit to the Debtors' estates, and their creditors by increasing the likelihood that the best possible purchase price for the Assets will be received. Accordingly, the Bidding Procedures, the Break-Up Fee and Expense Reimbursement are reasonable and appropriate.

**NOW THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND
DECREED THAT:**

1. All objections to entry of this Order or to the relief provided herein and requested in the Bidding Procedures Motion that have not been withdrawn, waived, resolved, or settled are hereby denied and overruled in their entirety.

The Bidding Procedures

2. The Bidding Procedures, as set forth on Schedule 1 and incorporated herein by reference as if fully set forth herein, are hereby approved in all respects and shall govern all bids and bid proceedings relating to the Assets. Notwithstanding the above, any party in interest may object at the Sale Hearing to the criteria used by the Debtors to select the highest or otherwise best offer for the Assets.

3. The deadline for submitting bids for the Assets (the "**Bid Deadline**") shall be _____, 2013, at 4:00 p.m.

4. Except as may be limited by the Purchase Agreement, the Debtors are authorized to extend the deadlines set forth in this Order and/or adjourn, continue or suspend the Auction and/or the Sale Hearing for any reason.

5. The Debtors are authorized to take any and all actions necessary or appropriate to implement the Bidding Procedures.

The Auction

6. The Auction shall commence at 10:00 a.m. prevailing Eastern Time on _____, 2013 at Garfunkel Wild, P.C., 111 Great Neck Road, Great Neck, NY 11021, or such later time or other place as decided by the Debtors, and the Debtors shall notify all Qualified Bidders of any such later time or place; provided, however, in the event that no Qualified Bids (other than that submitted by Buyer) are received by the Bid Deadline or if the aggregate value of the highest Qualified Bids that have been submitted for all or a portion of the Acquired Assets does not exceed the Minimum Bid(s), the Debtors shall not be required to conduct an Auction, and in such event the Debtors shall proceed with the approval of the Purchase Agreement.

Break-Up Fee and Expense Reimbursement

7. The Debtors are authorized to pay the Break-Up Fee and Expense Reimbursement, to the extent incurred and solely in the event of the consummation of an Alternate Transaction from the first proceeds of such transaction, without further order of the Court.

8. The terms of the Purchase Agreement shall govern (i) the conditions under which the bid of Buyer is terminable (which are terms and conditions for termination of the

Purchase Agreement), (ii) Buyer's entitlement to payment of the Deposit, and (iii) the Break-Up Fee and Expense Reimbursement.

Sale Hearing

9. The Sale Hearing shall be held before the Honorable _____, United States Bankruptcy Judge, on, 2013 at 10:00 a.m. at the United States Bankruptcy Court, _____, at which time this Court shall consider (i) approval of the Sale to MMC other Successful Bidder(s); (ii) the proposed assumption and assignment of the Assigned Contracts and related Cure Amounts in connection with the Sale; (iii) the entry of the proposed sale order, substantially in the form attached to the Motion as Exhibit B (the "**Sale Order**"); (iv) any issues or objections that are timely interposed by any parties; and (v) such other or further relief as this Court may deem just or proper.

10. Except as may be limited by the Purchase Agreement, the Sale Hearing may be adjourned by the Debtors, after consultation with the Committee, without further order of this Court, by filing a notice with this Court and serving such notice on all Qualified Bidders.

Notice

11. The Notice of Auction and Sale Hearing substantially in the form attached hereto as Schedule 2 hereto is hereby approved.

12. By no later than _____, 2013, the Debtors shall cause a copy of the Bidding Procedures, the Sale Notice and this Order to be served upon the Notice Parties and the Scheduled and Filed Creditors via first class mail.

13. As soon as practicable after entry of this Order, the Debtors shall submit the Notice of Auction and Sale Hearing for publication once in The New York Times (Local Edition) pursuant to Bankruptcy Rule 2002(l).

14. The notice as set forth in the preceding paragraphs shall constitute good and sufficient notice of the Motion, the Auction, the Sale Hearing and the proposed Sale Order, and no other or further notice of the Motion, the Auction, the Sale Hearing and/or the proposed Sale Order shall be necessary or required.

Objections to Motion

15. Objections, if any, to the Sale Motion must be made in writing, must state with particularity the reasons for the objection or response, must conform to the Bankruptcy Rules and the Local Rules of the Bankruptcy Court, must set forth the name of the objecting party, the nature and basis of the objection and the specific grounds therefore, and must be filed with the Clerk of the Bankruptcy Court (with a copy to be delivered to the Chambers of the Honorable _____, United States Bankruptcy Judge, _____,) and shall be served so as to be **received** no later than 4:00 p.m. prevailing Eastern Time on _____, 2013 (the "**Objection Deadline**"), upon: (a) the Office of the United States Trustee, 33 Whitehall Street, New York, New York 10004, Attn: _____, Esq.; (b) counsel for the Debtors, Garfunkel Wild, P.C., 111 Great Neck Road, Great Neck, New York 11021, Attn: Burton S. Weston, Esq. and Afsheen Shah, Esq.; (c) counsel for the Creditors' Committee, _____; (d) counsel for the Buyer, Togut, Segal & Segal LLP, One Penn Plaza, Suite 3335, New York, New York 10119, Attention: Frank A. Oswald, Esq.; and (e) counsel to the DIP Lender, _____.

Assigned Contracts

16. The Debtors shall file a copy of the Schedule of Assigned Contracts (the "**Assumption Schedule**") with the Court no later than fifteen (15) days prior to the Objection

Deadline and shall concurrently serve notice of such schedule upon all counterparties to the Assigned Contracts and the Notice Parties.

17. The Assumption Schedule shall identify the proposed Assigned Contracts and the corresponding Cure Amounts required by section 365 of the Bankruptcy Code, if any. The Debtors, with the consent of Buyer or the Successful Bidder(s), as applicable, shall have the right to amend the Assumption Schedule before the tenth (10th) business day prior to the closing of the Sale to remove contracts or leases therefrom. All non-Debtor parties to the Assigned Contracts shall have until the Objection Deadline to file an objection (an "**Assumption Objection**") to the assumption and assignment of the Assigned Contracts listed on the Assumption Schedule to which they are parties, or to the Cure Amounts listed for those Assigned Contracts. Any party filing an Assumption Objection shall state with specificity the basis of the objection and what Cure Amount it asserts, and shall include appropriate documentation in support thereof.

18. The Debtors, with the consent of MMC or the Successful Bidder(s), as applicable, shall have the right to amend the Assumption Schedule at any time prior to ten (10) business days before the closing of the Sale to add additional Assigned Contracts thereto. The Debtors shall file and serve notice of any such amendment (an "**Amendment Notice**") on all non-Debtor parties to the Assigned Contracts added to the Assumption Schedule by that amendment. All non-Debtor parties to the Assigned Contracts added to the Assumption Schedule pursuant to this paragraph shall have until fifteen (15) days after the date of service of the applicable Amendment Notice to file an Assumption Objection.

19. If an Assumption Objection is timely filed and not consensually resolved, this Court may hold a hearing with respect to such Assumption Objection either at the Sale

Hearing or at such other date as this Court shall designate. If the Assumption Objection relates only to the Cure Amount of an Assigned Contract, that Assigned Contract may be assumed by the Debtors and assigned to Buyer or the Successful Bidder(s), as applicable, provided, however, that the amount asserted by the objecting party as the proper Cure Amount, or a different amount set by this Court, shall be held in escrow pending further order of this Court or mutual agreement of the parties as to the proper Cure Amount for that Assigned Contract. The Debtors and Buyer or the Successful Bidder(s), as the case may be, are hereby authorized to settle, compromise, or otherwise resolve any disputed Cure Amounts with the relevant non-Debtor party to any Assigned Contract without Court approval or notice to any party.

20. If no Assumption Objection is timely filed and served, and subject to entry of an Order by this Court at the Sale Hearing approving the Sale and proposed assumption and assignment of the Assigned Contracts in connection therewith, the Cure Amounts set forth in the Assumption Schedule, as amended, shall be controlling notwithstanding anything to the contrary in such Assigned Contracts, and the non-Debtor parties to the Assigned Contracts shall be barred from asserting against the Debtors or Buyer (or the Successful Bidder(s)) any other claim arising from the applicable Assigned Contracts.

21. The effective date of any assumption and assignment of any Assigned Contract shall be the date on which the Sale closes. Any Cure Amounts to be paid under any Assigned Contract shall be paid by Buyer (or Successful Bidder(s), as applicable) either prior to, upon, or promptly following the closing of the Sale or as otherwise agreed to by the parties to the Assigned Contract.

Additional Provisions

22. The Debtors are authorized and empowered to take such steps, incur and pay such costs and expenses, and do such things as may be reasonably necessary to fulfill the requirements established by this Order.

23. Nothing contained in this Order precludes any party in interest from objecting to the Sale in accordance with the objections procedures set forth herein and no party shall be deemed to have consented to the Sale by virtue of not having objected to the Bidding Procedures Motion.

24. The Debtors are hereby authorized to implement the Bidding Procedures and conduct the Auction without the necessity of complying with any state or local bulk transfers law or requirement or any similar law of any state or other jurisdiction which applies in any way to any of the transactions under the Purchase Agreement.

25. This Court shall retain jurisdiction over any matter or dispute arising from or relating to the implementation of this Order, including jurisdiction to allocate the consideration paid for some or all of the Assets to each individual asset, as necessary, to determine the proceeds to which a Lien attached.

26. Notwithstanding Bankruptcy Rules 6004(g) and 6006(d), this Order shall not be stayed for fourteen (14) days after the entry hereof and shall be effective and enforceable immediately upon entry hereof.

Dated: _____, 2013
White Plains, New York

HONORABLE ROBERT D. DRAIN
UNITED STATES BANKRUPTCY JUDGE

Schedule 1

Bidding Procedures

**BIDDING PROCEDURES
AND TERMS AND CONDITIONS OF SALE**

Sound Shore Medical Center (“SSMC”) and certain of its debtor affiliates (each a “Debtor” and collectively, the “Debtors”) has entered into an asset purchase agreement (the “Purchase Agreement”) with Montefiore SS Operations, Inc., Montefiore MV Operations, Inc., Montefiore HA Operations, Inc, and Montefiore SS Holdings, LLC, Montefiore MV Holdings, LLC, and Montefiore HA Holdings, LLC (collectively, “MMC” or “Buyer”), dated as of May __, 2013, for the sale of all of the Debtors’ Owned Real Property and certain designated personal property, including Furniture, Fixtures, Inventory, Assigned Contracts and related operating Acquired Assets (collectively, the “Acquired Assets”). The Debtors are currently soliciting other higher or better bids for the sale of the Acquired Assets (the “Sale”).¹

A. Bidding Procedures

Set forth below are the bidding procedures (the “Bidding Procedures”) with respect to the Sale by the Debtors of the Acquired Assets. On May __, 2013, the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”) entered an order (the “Bidding Procedures Order”) granting the Debtors’ motion (the “Procedures Motion”) insofar as it sought the approval of the Bidding Procedures to be employed in connection with the solicitation of higher or better bids and an auction (the “Auction”) for the Sale of the Assets.

B. Relevant Dates

Bid Deadline:	June __, 2013 (4:00 p.m. prevailing Eastern Time)
Auction:	June __, 2013 (10:00 a.m. prevailing Eastern Time)
Objection Deadline:	June __, 2013 (4:00 p.m. prevailing Eastern Time)
Sale Hearing:	July __, 2013 (10:00 a.m. prevailing Eastern Time)

C. Acquired Assets to be Sold Free and Clear

The Debtors are offering for Sale the Acquired Assets, as defined in the Purchase Agreement. Except as otherwise provided in the Purchase Agreement with respect to the Sale, all of the Seller’s right, title and interest in and to the Acquired Assets shall be sold free and clear of all liens, claims and encumbrances, security interests and other restrictions on transfer (collectively, the “Liens”) to the extent permitted by section 363 of the Bankruptcy Code and other applicable law (except as otherwise expressly provided in the Purchase Agreement) with such Liens to attach to the proceeds of the Sale.

Except as expressly provided in the Purchase Agreement, the Sale of the Acquired Assets shall be on an “**as is, where is**” basis and without representations or warranties of any kind, nature or description by the Debtors or its agents.

¹ Capitalized terms, unless herein defined, shall have the meaning ascribed to them in the Purchase Agreement.

D. Stalking Horse Bidders

The Agreement provides that the Buyer shall act as the “stalking horse bidder” in the Auction for the Acquired Assets with the right to receive a break up fee of \$ _____ (the “Break Up Fee”) and an expense reimbursement in an amount equal to the reasonable and documented professional fees of Buyer, not to exceed the aggregate of \$ _____ (the “Expense Reimbursement”), solely in the event of the consummation of a Sale of the Acquired Assets to an entity other than Buyer making the “highest or otherwise best” offer therefor. The Break Up Fee and Expense Reimbursement shall be paid from the first proceeds of an Alternate Transaction, including the Sale, in accordance with the term of the Purchase Agreement.

THE DEBTORS RESERVE THE RIGHT, IN THEIR DISCRETION, TO DETERMINE WHETHER ANY BID IS BETTER, IF NOT HIGHER, THAN ANOTHER BID SUBMITTED DURING THE AUCTION. THE DEBTORS MAY CONSIDER A VARIETY OF FACTORS IN MAKING THIS DECISION, INCLUDING WITHOUT LIMITATION, ANY PROPOSED CONDITIONS TO CLOSING, TIMING OF CLOSING OF THE PROPOSED TRANSACTION, AND THE LIKELIHOOD OF THE BIDDER TO OBTAIN REQUISITE APPROVALS.

E. Mailing the Auction and Hearing Notice

The Debtors shall provide notice of the Auction and Sale of the Acquired Assets (the “Sale Notice”) together with a copy of these Bidding Procedures by first class mail, postage prepaid, to: (a) the Office of the United States Trustee; (b) the Debtors’ material prepetition and postpetition secured lenders or any agent therefor; (c) the holders of the 30 largest largest unsecured claims on a consolidated basis (or upon its appointment counsel to the official committee of unsecured creditors (the “Creditors’ Committee”); (d) the following state and local taxing and regulatory authorities: (i) the Centers for Medicare and Medicaid Services, (ii) the New York State Department of Health (“DOH”), (iii) the United States Attorney for the Southern District of New York, (iv) the Attorney General of the State of New York; (v) the Westchester County Attorney; (vi) the New Rochelle City Attorney, (vii) the Internal Revenue Service; (viii) the New York State Department of Taxation and Finance; (e) counsel to the Buyer; (f) counsel for the Department of Justice, (h) the United States Department of Health and Human Services, (g) all parties in interest who have requested notice pursuant to Bankruptcy Rule 2002; (h) all counter-parties to the Assigned Contracts; (i) all parties who are known to assert a Lien on the Acquired Assets (“Notice Parties”) and (j) all counter-parties to the Assigned Contracts; and (j) all parties identified by the Debtors as potentially having an interest in acquiring some or all of the Assets ; and a copy of the Sale Notice to all creditors of the Debtors who are listed on the Schedules filed by the Debtors or who have filed proofs of claim against the Debtors’ estates (“Scheduled and Filed Creditors”).

Any other party in interest that wishes to receive a copy of the Bidding Procedures Order and/or the Procedures Motion may make such request in writing to Burton Weston, Esq., Garfunkel Wild, P.C., 111 Great Neck Road, Great Neck, NY 11021, by telephone: (516) 393-2588, or via email at bweston@garfunkelwild.com.

F. **Confidentiality Agreement / Due Diligence**

Any entity that wishes to conduct due diligence with respect to the Acquired Assets, other than Buyer, must (i) deliver to the Debtors an executed confidentiality agreement in form and substance reasonably satisfactory to the Debtors and on terms no less favorable than the agreement executed by the Buyer, and (ii) deliver to the Debtors a written non-binding expression of interest to purchase the Assets, reasonably acceptable to the Debtors.

Interested parties that comply with the foregoing (each such entity referred to as a "Potential Bidder"), shall be permitted to conduct diligence with respect to the Assets, provided however, that the Debtors shall not be obligated to furnish any due diligence information after the Bid Deadline (as defined below).

G. **Qualification of Bids and Bidders**

In order to participate in the bidding process and to have a bid considered by the Debtors, each Potential Bidder must deliver a written, irrevocable offer, for some or all of the Debtors' Acquired Assets, satisfying the below criteria. **A BID MAY BE MADE FOR ALL OR ONLY A PORTION OF THE ASSETS.** A "Qualified Bidder" is a Potential Bidder that delivers a binding bid that in the Debtors' discretion, after consultation with the Creditors' Committee, satisfies the following (a "Qualified Bid"):

(a) **Bid Deadline.** Each Bid Package (as defined below) must be delivered in written form to: (i) counsel to the Debtors, Burton Weston, Esq., and Afsheen Shah, Esq., Garfunkel Wild, P.C., 111 Great Neck Road, Great Neck, NY 11021, (ii) counsel for the Creditors' Committee, _____, Attn: _____, and (iii) counsel for the DIP Lender, _____, in each case so as to **actually be received no later than 4:00 p.m. (prevailing Eastern Time) on June _____, 2013 (the Bid Deadline).**

(b) **Bid Package.** Each bid must include (collectively, the "Bid Package"): (i) a written and signed irrevocable offer stating that (x) the bidder offers to consummate a sale transaction on terms and conditions no less favorable than in the Purchase Agreement and in an amount at least equal to the Minimum Bid (as defined below), (y) confirming that the bid will remain irrevocable until the earlier of (i) ninety (90) days following entry of the final Sale Order (as defined below), and (ii) closing with the Successful Bidder and (z) that the Bidder has had the opportunity to conduct due diligence prior to its offer and does not require further due diligence, has relied solely upon its own independent review and investigation and did not rely on any written or oral representation except as expressly provided with Modified Purchase Agreement (as defined below); (ii) an executed copy of the Purchase Agreement as modified by the bidder in accordance with its bid (the "Modified Purchase Agreement"); and (iii) an electronic markup of the Agreement clearly showing the revisions in the Modified Purchase Agreement (formatted as a Microsoft Word document or such other word processing format acceptable to the Debtors) and the electronic markup of

the Purchase Agreement. The Debtors, in consultation with the Creditors' Committee and the DIP Lender, shall determine whether any Modified Purchase Agreement that modifies the Purchase Agreement in any respect beyond the identity of the purchaser and the purchase price under the Agreement is a Qualified Bid.

(c) Minimum Bid. The amount of the purchase price in such bid must provide for net cash (or cash equivalent) that is at least in the amount of: \$100,000 more than the base price contained in the Purchase Agreement, plus the amount of the Break Up Fee and Expense Reimbursement (the "Minimum Bid"). [Any Minimum Bid must provide for the guaranty and/or repayment of any postpetition financing to the same extent repayment is agreed to by Buyer. Buyer has agreed to provide a letter of credit or cash collateral in an amount of \$7 million to \$10 million to collateralize the Debtors' Postpetition Term Loan Obligations and has agreed to grant a continuing lien in post-closing accounts receivable to guaranty any shortfall in the collection of Postpetition Revolving Loan Obligations in an amount not to exceed \$5 million. Any Minimum Bid must provide for these terms.

(d) Financial Information. The Bid Package must contain such financial and other information that will allow the Debtors to make a determination as to the bidder's financial and other capabilities to consummate the transactions contemplated by the Modified Purchase Agreement, including any proposed conditions to Closing and adequate assurance of such bidder's ability to perform under any Assigned Contracts and to pay all cure amounts required to assume and assign any such Assigned Contracts.

(e) Additional Bid Protections. The bid must not request or entitle the Potential Bidder to any transaction or break-up fee, expense reimbursement, or similar type of payment.

(f) Identity of Bidders. Each Potential Bidder must fully disclose the identity of each entity that will be bidding for the Acquired Assets, as well as disclose the organization, form and the business conducted by each entity and what, if any, connection the Potential Bidder has with the Debtors. Potential Bidders shall be required to provide such additional information as the Debtors may require regarding a bidder's ability to satisfy the requirements of the transaction contemplated by the Modified Purchase Agreement.

(g) Due Diligence. The bid must not contain any contingencies of any kind, including, among others, obtaining (i) financing; (ii) shareholder, board of directors or other approval; (iii) the outcome or completion of due diligence. Each Potential Bidder must also affirmatively acknowledge that the Potential Bidder (i) had an opportunity to conduct due diligence regarding the Acquired Assets prior to making its offer and does not require further due diligence, (ii) has relied solely upon its own independent review, investigation, and/or inspection of any documents and/or the Acquired Assets in making its bid, and (iii) did not rely

upon any written or oral statements, representations, promises, warranties, or guaranties whatsoever, whether express, implied, by operation of law, or otherwise, regarding the Assets, or the completeness of any information provided in connection therewith except as expressly stated in these Bidding Procedures.

(h) Consents. Each Potential Bidder must represent that it obtained all necessary organizational (not regulatory) approvals to make its competing bid and to enter into and perform the Modified Purchase Agreement.

(i) Deposit. A Potential Bidder must deposit 10% of the initial purchase price set forth in Modified Purchase Agreement, plus the amount of the Break Up Fee and Expense Reimbursement, with the Debtors in the form of a certified check or wire transfer on or before the Bid Deadline (the "Deposit"). The Potential Bidder or the Backup Bidder (defined below) shall forfeit the Deposit if (i) the Potential Bidder or the Backup Bidder is determined to be a Qualified Bidder and withdraws or modifies its bid other than as provided herein before the Bankruptcy Court approves the Debtors' selection of the Successful Bidder, or (ii) the bidder is a Successful Bidder (defined below) and (x) modifies or withdraws the bid without the Debtors' consent before the consummation of the sale contemplated by the bid, or (y) breaches any of the Modified Purchase Agreement. The Deposit shall be returned to the bidder (i) as soon as practicable if the bidder is not determined to be a Qualified Bidder or (ii) no later than five (5) business days after entry of the Sale Order if the bidder is a Qualified Bidder (who has not otherwise forfeited its Deposit), but is not the Successful Bidder or the Backup Bidder; provided, however, in the event Buyer is not the Successful Bidder, its Deposit shall be returned to it promptly upon termination of the Purchase Agreement, but in no event later than five (5) business days from such termination. The Debtors will maintain any Deposit in a non-interest bearing Debtor account.

(j) As Is. Where Is: Any Modified Purchase Agreement must provide that the Sale will be on an "as is, where is" basis and without representations or warranties of any kind except and solely to the extent expressly set forth in the Modified Purchase Agreement of the Successful Bidder. Each Qualified Bidder shall be deemed to acknowledge and represent that it has had an opportunity to conduct any and all due diligence regarding the Acquired Assets prior to making its bid and that it has relied solely upon its own independent review and investigation in making its bid.

(k) Debtors' Considerations: The Debtors, after consultation with the Creditor's Committee, will have the right to determine that a bid is not a Qualified Bid if either of the following conditions is satisfied: (A) the ability of the Potential Bidder to use the Acquired Assets is not consistent with the Debtors' mission; or (B) the terms of the bid are materially more burdensome or conditional than the terms of the Purchase Agreement and are not offset by a material increase in purchase price, which determination may take into consideration: (1) whether the bid requires any indemnification of such Qualified Bidder; (2) whether the bid

does not provide sufficient cash consideration to pay transfer taxes, cure costs or other cash costs of the transaction (including professionals' fees and the Breakup Fee); (3) whether the bid includes a non-cash instrument or similar consideration that is not freely marketable; or (4) any other factors the Debtors, after consultation with the Creditor's Committee, may deem relevant.

The Debtors are offering to sell the Acquired Assets. The Debtors, in consultation with the Creditors' Committee, shall have the exclusive right to determine whether a bid is a Qualified Bid and shall notify bidders whether their respective bid(s) have been determined to be a Qualified Bid(s) prior to the Auction. The Debtors may reject any bid that is on terms more burdensome or conditional than the Purchase Agreement or is otherwise contrary to the best interests of the Debtors' estates. In addition to the requirements above, the Debtors may request any additional information from any bidder to assist the Debtors in making a determination as to whether a bid is a Qualified Bid. For the avoidance of doubt, Buyer is a Qualified Bidder and the bid set forth in the Purchase Agreement is a Qualified Bid.

H. **Sale to MMC**

If no Qualified Bid other than Buyer's is submitted by the Bid Deadline, the Debtors shall not hold the Auction, but may proceed with the Sale Hearing and seek approval of the Purchase Agreement and the transactions contemplated thereby.

I. **Auction**

In the event that the Debtors timely receive at least one Qualified Bid (excluding Buyer's) by the Bid Deadline for all or any portion of the Assets, the Debtors shall conduct the Auction with respect to the Acquired Assets. The Auction will take place at the offices of counsel to the Debtors, Garfunkel Wild, P.C., 111 Great Neck Road, Great Neck, NY 11021 on **June _____, 2013**, starting at **10:00 a.m.** (prevailing Eastern Time), or at such other later date and time or other place, as may be determined by the Debtors at or prior to the Auction. The Auction shall be governed by the following procedures:

(a) **Participation.** Only the Qualified Bidders that have submitted a Qualified Bid and provided a Deposit(s) will be eligible to participate in the Auction, and each Qualified Bidder shall appear in person at the Auction (and any attorney for a Qualified Bidder may appear at the Auction at the discretion of the Qualified Bidder). In the event a Qualified Bidder does not attend the Auction, the relevant Qualified Bid shall nonetheless remain fully enforceable against that Qualified Bidder in accordance herewith. The Debtors, in consultation with the Creditors' Committee, will evaluate all Qualified Bids received and will select the Qualified Bid that reflects the highest or best offer for all or any portion of the Assets, and otherwise complies with the bid requirements set forth herein, as the "**Starting Auction Bid.**" The Debtors may consider a variety of factors to determine the Starting Auction Bid including changes to the Purchase Agreement and the Qualified Bidder's ability to consummate the Sale.

(b) Bidding. Bidding at the Auction shall commence at the amount of the Starting Auction Bid. Qualified Bidders may then submit successive bids in increments of \$100,000 (the "Bid Increment"); provided, however, that the Debtor, in consultation with the Creditors' Committee, shall retain the right to modify the Bid Increment at the Auction. Any bid submitted after the conclusion of the Auction shall not be considered for any purpose.

(c) Higher and Better. The Debtors reserve the right, in consultation with the Creditors' Committee, to determine whether any bid is better, if not higher, than another bid submitted during the Auction. The Debtors may consider a variety of factors in making this decision, including without limitation, the ability of a Bidder to obtain the necessary regulatory approvals, whether the bid is materially more burdensome than the terms of the Modified Purchase Agreement, any proposed conditions to closing, whether the bid includes any non-cash components and provides significant cash consideration for the payment of required costs of the transaction, and any other factors deemed relevant.

(d) Successful Bid. The Auction shall continue until there is only one collective offer or separate offers for separate Assets, that the Debtors, in consultation with the Creditors' Committee, determines, subject to Court approval, is (or are) the highest or otherwise best offer(s) from among the Qualified Bids submitted at the Auction (the "Successful Bid(s)"). The bidder submitting such Successful Bid shall become the "Successful Bidder(s)," and shall have such rights and responsibilities of the purchaser, as set forth in the Modified Purchase Agreement, or the Purchase Agreement, as applicable. Within one business day after the conclusion of the Auction (but in any event prior to the commencement of the Sale Hearing), the Successful Bidder(s) shall (i) complete and execute all Purchase Agreements, contracts, instruments or other documents evidencing and containing the terms and conditions upon which the Successful Bid(s) was made, and (ii) supplement its Deposit by wire transfer or other immediately available funds so that, to the extent necessary, such Deposit equals 10% of the Successful Bid(s) plus the amount required for the payment of the Expense Reimbursement.

(e) Anti-Collusion. At the commencement of the Auction, each Qualified Bidder shall be required to confirm that it has not engaged in any collusion with any other bidder or potential bidder with respect to the bidding or the Sale.

(f) Conduct of Auction. The Auction may be conducted openly with the proceeding being transcribed and each Qualified Bidder being informed of the terms of the previous bid; the Debtors or its counsel may meet privately with any Qualified Bidder to negotiate the terms of its bid. The Debtors, in consultation with the Creditors' Committee, may adopt other rules for the conduct of the Auction at the Auction which, in its judgment, will better promote the goals of the Auction.

(g) Backup Bid. At the conclusion of the Auction, the Debtors will also announce the second highest or otherwise best bid(s) from among the Qualified Bids submitted at the Auction (the "Backup Bid(s)"). The bidder(s) submitting such Backup Bid(s) shall become the "Backup Bidder(s)," and subject to the rights of the Successful Bidder, shall have such rights and responsibilities of the Buyer, as set forth in the Modified Purchase Agreement or the Purchase Agreement, as applicable. The Backup Bid shall remain open and irrevocable until the earlier of (x) ninety (90) days following entry of the Sale Order and (y) Closing of the Sale. The Backup Bidder's Deposit will be returned by the Debtors upon consummation of the Sale of the Acquired Assets to the Successful Bidder(s) or will be otherwise applied or forfeited as provided in Section G(i) above if the Backup Bidder is determined to be the Successful Bidder, except with respect to the Buyer.

(h) Extensions/Adjournment. The Debtors reserve their rights, in the exercise of its judgment, in consultation with the Creditors' Committee, to modify any non-material provisions of the Bidding Procedures at or prior to the Auction, including, without limitation, extending the deadlines set forth in the Auction procedures, modifying bidding increments, adjourning the Auction at the Auction and/or adjourning the Sale Hearing in open court without further notice consistent with the Purchase Agreement and Bid Procedures Order.

J. Sale Hearing and Return of Deposits

The Successful Bid and the Backup Bid will be subject to approval by entry of an order (the "Sale Order") by the Bankruptcy Court after a hearing (the "Sale Hearing") that will take place **July ____ 2013 at 10:00 a.m.** (prevailing Eastern Time). The Sale Hearing may be adjourned from time to time without further notice to creditors or parties in interest other than by announcement of the adjournment in open court. Upon approval of the Backup Bid by the Bankruptcy Court, the Backup Bid shall remain open and irrevocable until the earlier of: (i) ninety (90) days following entry of the Sale Order, or (ii) the Closing of the Sale.

No offer shall be deemed accepted unless and until it is approved by the Bankruptcy Court.

Objections, if any, to the Sale Motion and any filed supplements thereto, shall: (i) be in writing; (ii) specify with particularity the basis of the objection; and (iii) be filed with the Court and simultaneously served on: (a) the Office of the United States Trustee, 33 Whitewall Street, New York, New York 10001, Attn: Susan Golden, Esq. and William E. Curtin, Esq.; (b) counsel for the Debtors, Garfunkel Wild, P.C., 111 Great Neck Road, Great Neck, New York 11021, Attn: Burton S. Weston, Esq.; (c) counsel to the Creditors' Committee, _____; (d) counsel for the Buyer, Togut, Segal & Segal, One Penn Plaza, New York, New York 10019, Attn: Frank A. Oswald, Esq.; and (e) counsel for the DIP Lender, Waller Lansden Dortch & Davis, LLP, 511 Union Street, Suite 2700, Nashville, TN 37219, Attn: Katie G. Stenberg and Daniel Flournoy, so as to be **actually received by 4:00 p.m. (prevailing Eastern Time) on June _____, 2013** (the "Objection Deadline").

K. Consummation of the Sale

Except as provided herein and in the Purchase Agreement following the Sale Hearing, if for any reason the Successful Bidder fails to consummate the purchase of the Acquired Assets, then the Backup Bidder will automatically be deemed to have submitted the highest or otherwise best bid. The Debtors and the Backup Bidder are authorized to effect the sale of the Acquired Assets to the Backup Bidder as soon as is commercially reasonable without further order of the Bankruptcy Court. If such failure to consummate the purchase is the result of a breach by the Successful Bidder, its Deposit(s) shall be forfeited to the Debtors and the Debtors specifically reserve the right to seek all available damages from the defaulting bidder.

L. Jurisdiction

The Bankruptcy Court shall retain exclusive jurisdiction over any matter or dispute relating to the Sale of the Assets, the Bidding Procedures, the Sale Hearing, the Auction, the Successful Bid, the Backup Bid, and/or any other matter that in any way relates to the foregoing.

Schedule 2

Notice of Auction and Sale Hearing

AUCTION DATE AND TIME: _____, 2013 at 10:00 a.m. (prevailing Eastern Time)
BID DEADLINE DATE AND TIME: _____, 2013 at 4:00 p.m. (prevailing Eastern Time)
SALE HEARING DATE AND TIME: _____, 2013 at 10:00 a.m. (prevailing Eastern Time)
OBJECTION DEADLINE DATE AND TIME: _____, 2013 at 4:00 p.m. (prevailing Eastern Time)

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
In re: Chapter 11
SOUND SHORE MEDICAL CENTER Case No. 13- _____ ()
OF WESTCHESTER, et al.

Debtors.

-----X
**NOTICE OF AUCTION AND HEARING TO CONSIDER
APPROVAL OF THE SALE OF SUBSTANTIALLY ALL OF THE DEBTORS'
REAL PROPERTY AND DESIGNATED PERSONAL PROPERTY ACQUIRED ASSETS**

NOTICE IS HEREBY GIVEN, as follows:

1. On May ____, 2013, Sound Shore Medical Center of Westchester, and certain of its debtor affiliates¹, filed a motion (the "Motion"²) which in pertinent part (the "Bidding Procedures Motion") sought entry of an order (the "Bidding Procedures Order") pursuant to sections 105, 363 and 365 of title 11 of the United States Code (the "Bankruptcy Code") and Rules 2002(a)(2) and 6004 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"): (a) approving the proposed Bidding Procedures and the schedule to be used in connection with the proposed sale of the Debtors' Acquired Assets, free and clear of all liens, claims and encumbrances, security interests and other interests, to Montefiore Medical Center (collectively, "MMC" or "Buyer"), or to any competing bidder or bidders (the "Successful Bidder(s)") that submits or collectively submit a higher or better offer or offers for

¹ The debtors in these chapter 11 cases, along with the last four digits of each debtor's federal tax identification number include: Sound Shore Health System, Inc. (1398), Sound Shore Medical Center of Westchester (0117), The Mount Vernon Hospital, Inc. (0115), Howe Avenue Nursing Home d/b/a Helen and Michael Schaffer Extended Care Center (0781), NRHMC Services Corporation (9137), and The M.V.H. Corporation (1514). There are certain additional affiliates of the Debtors who are not debtors and have not sought relief under Chapter 11.

² Capitalized terms used herein, unless herein defined, are used with the meanings ascribed to such terms in the Motion.

the Acquired Assets, (b) scheduling an Auction and a Sale Hearing to approve the Sale of the Acquired Assets; (c) approving the form and manner of the notice of the Auction and Sale Hearing; and (d) approving the Break-Up Fee and certain overbid procedures in connection therewith.

2. A copy of each of the Motion, the Bidding Procedures, and the Bidding Procedures Order may be obtained by: (i) accessing the Bankruptcy Court's website at www.nysb.uscourts.gov (password required), (ii) going in person to the Office of the Clerk of the Bankruptcy Court at the United States Bankruptcy Court, Southern District of New York, 300 Quarropas Street, White Plains, NY 10601-4140, or (iii) contacting Burton S. Weston, Esq. of Garfunkel Wild, P.C., counsel to the Debtors, at 111 Great Neck Road, Great Neck, NY 11021, by telephone at (516) 393-2588 or by email to bweston@garfunkelwild.com.

3. As set forth in the Bidding Procedures, the sale of the Acquired Assets remains subject to higher or better offers for all or a portion of the Acquired Assets or separate bids and Bankruptcy Court approval.

4. All interested parties are invited to make competing offers for all or a portion of the Acquired Assets in accordance with the terms of the Bidding Procedures and Bidding Procedures Order. The deadline to submit competing offers (the "Bid Deadline") is _____, 2013 at 4:00 p.m. prevailing Eastern time. Pursuant to the Bidding Procedures Order, if a Qualified Bid is received, the Debtors may conduct an auction (the "Auction") for the sale of the Acquired Assets at Garfunkel Wild, P.C., attorneys for the Debtors, at 111 Great Neck Road, Great Neck, NY 11021, on _____, 2013 at 10:00 a.m. prevailing Eastern time.

5. The Bidding Procedures Order further provides that a Sale Hearing will be held on _____, 2013 at 10:00 a.m. (prevailing Eastern time) before the Honorable Robert

D. Drain, United States Bankruptcy Judge, at the United States Bankruptcy Court, 300 Quarropas Street, White Plains, NY 10601-4140 (the "Bankruptcy Court").

6. At the Sale Hearing, the Debtors will request that the Bankruptcy Court enter an order, among other things, approving the highest and best bid for the Acquired Assets, or the Sale Agreement (if no Qualified Bid is received) (which will be determined as described in the Bidding Procedures), pursuant to which the Debtors will transfer all of the Acquired Assets. In addition, the Debtors shall request that the Bankruptcy Court provide that the transfer of the Acquired Assets be (i) free and clear of all liens, claims and interests, including successor liability claims except as expressly assumed by Buyer; and (ii) exempt from any stamp tax or similar tax.

7. At the Sale Hearing, the Bankruptcy Court may enter such orders as it deems appropriate under applicable law and as required by the circumstances and equities of this Chapter 11 case. Objections, if any, to the Sale Motion must be made in writing, must state with particularity the reasons for the objection or response, and must be filed with the Clerk of the Bankruptcy Court, with copies delivered to the Bankruptcy Court and received by the Chambers of the Honorable Robert D. Drain, United States Bankruptcy Judge, 300 Quarropas Street, White Plains, NY 10601-4140, must conform to the Bankruptcy Rules and the Local Rules of the Bankruptcy Court, must set forth the name of the objecting party, the nature and basis of the objection and the specific grounds therefore and must be served upon: (a) the Office of the United States Trustee, 33 Whitehall Street, New York, New York 10004, Attn: _____; (b) counsel for the Debtors, Garfunkel Wild, P.C., 111 Great Neck Road, Great Neck, New York 11021, Attn: Burton S. Weston, Esq; (c) counsel to the Committee, _____;

(d) counsel to DIP Lender, _____;

(e) counsel for the Buyer, Togut, Segal & Segal, LLP, One Penn Plaza, Suite 335, New York, New York, Attn: Frank A. Oswald, Esq., so as to be actually received by 4:00 p.m. (prevailing Eastern Time) on _____, 2013.

8. Requests for information concerning the sale of the Acquired Assets should be directed by written or telephonic request to: Burton S. Weston, Esq. of Garfunkel Wild, P.C., counsel to the Debtors, at 111 Great Neck Road, Great Neck, NY 11021, by telephone at (516) 393-2588 or by email at bweston@garfunkelwild.com.

DATED: Great Neck, New York
_____, 2013

GARFUNKEL WILD, P.C.
Counsel for the Debtors

By: _____
Burton S. Weston
A Member of the Firm
111 Great Neck Road, Great Neck, NY 11021
Telephone No.: (516) 393-2200

EXHIBIT B

Sale Order

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X

In re:
SOUND SHORE MEDICAL CENTER
OF WESTCHESTER, et al.

Chapter 11
Case No. 13- _____ ()

Debtors.

-----X

**ORDER PURSUANT TO SECTIONS 105(A), 363 AND 365 OF THE
BANKRUPTCY CODE APPROVING SALE OF THE DEBTORS REAL
PROPERTY AND DESIGNATED PERSONAL PROPERTY ASSETS FREE
AND CLEAR OF LIENS, CLAIMS, ENCUMBRANCES, AND OTHER INTERESTS**

Upon the Motion (the "**Sale Motion**")¹ dated May 28, 2013, of Sound Shore Medical Center and its debtor affiliates (each a "**Debtor**" and collectively, the "**Debtors**"), in the above-referenced Chapter 11 cases (the "**Chapter 11 Cases**") for (i) an order pursuant to, *inter alia*, sections 105(a), 363, 365 and 1146(a) of title 11 of the United States Code (the "**Bankruptcy Code**") and Rules 2002(a)(2), 6004 and 6006 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**") approving (i) the sale of the Acquired Assets (the "**Sale**"), free and clear of all liens, claims, encumbrances and other interests except as otherwise expressly provided in the Purchase Agreement attached to the Sale Motion as Exhibit C (the "**Purchase Agreement**"), and (ii) the assumption and assignment of the Assumed Contracts pursuant to the Assignment Procedures, and (iii) for related relief, all as further set forth and defined in the Sale Motion and the Purchase Agreement; and this Court having reviewed the Sale Motion and the Purchase Agreement and upon this Court's prior order, dated June ____, 2013, approving the Bidding Procedures (the "**Bidding Procedures Order**"); and due notice of the Sale Motion, the Bidding Procedures Order and the auction conducted in connection therewith (the "**Auction**")

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

having been given to all parties entitled thereto; and the Auction having been held on _____, 2013;

NOW THEREFORE, upon the entire record of the Bidding Procedures Hearing and the Sale Hearing (each as defined in the Bidding Procedures Order) and this case, and after due deliberation thereon and good cause appearing therefor;

IT IS HEREBY FOUND AND DETERMINED THAT:²

A. Jurisdiction and Venue. The Court has subject matter jurisdiction over the Sale Motion and the relief request therein pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding pursuant to 28 U.S.C. section 157(b)(2)(A) and (N). Venue of this case and the Sale Motion in this district is proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409.

B. Notice. Proper, timely, adequate and sufficient notice of the Sale Motion and the relief requested therein, the Auction, the Sale Hearing, the Sale, the Break-Up Fee and related transactions collectively described in the Purchase Agreement (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, 6004 and 6006 and in compliance with the Bidding Procedures Order, to all Notice Parties and Scheduled and Filed Creditors being all of the interested persons and entities required to receive notice, as evidenced by the Affidavit of Service filed with the Court. Such notice was good and sufficient, and appropriate under the particular circumstances.

² 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.

C. Opportunity to Object and Bid. Creditors, parties-in-interest and other entities have been afforded a reasonable opportunity to bid for the Assets. A reasonable opportunity to object or be heard with respect to the Sale Motion and the relief requested therein has been afforded to all interested persons and entities.

D. Auction. The Auction was conducted fairly and in good faith, without collusion and in accordance with the Bidding Procedures Order, and afforded a full, fair and reasonable opportunity for any party to make a higher or otherwise better offer to purchase the Acquired Assets. At the conclusion of the Auction, Buyer was selected as the Successful Bidder. The Debtors' determination (in consultation with the Creditors' Committee) that the Purchase Agreement constitutes the highest and best offer for the Acquired Assets constitutes a valid and sound exercise of the Debtors' business judgment.

E. Back-Up Bidder. At the conclusion of the Auction, the Debtors selected the competing bid of _____ (“_____”), upon the terms of its last submitted bid in the amount of \$_____, and such other terms as set forth in more detail in the modified sale agreement (the “**Backup Agreement**”) of _____, as the Backup Bid. _____ shall be bound by all obligations and requirements applicable to the Backup Bidder, as set forth in the Bidding Procedures Order and Bidding Procedures. In the event the Buyer fails to close the Sale Transaction, the Debtors, in their sole and absolute discretion, may elect instead to sell the Acquired Assets to the Backup Bidder in accordance with the terms of the Backup Agreement without any further order of the Bankruptcy Court, and all references in this Order to the Buyer shall in all regards be understood to refer to the Backup Bidder, and all references in this Order to the Purchase Agreement shall in all regards be understood to refer to the Backup Agreement.]

F. Compliance with Bidding Procedures Order. The marketing and bidding processes implemented by the Debtors, as set forth in the Sale Motion, the Bidding Procedures Order, and supporting documentation filed in connection therewith, were fair, proper, complete, and reasonably calculated to result in the best value received for the Acquired Assets.

G. Corporate Authority. The Debtors have full corporate power and authority to execute the Purchase Agreement and all other documents contemplated thereby, and to consummate the transactions contemplated in connection therewith.

H. Business Justification. The Debtors have articulated good, sufficient, and sound business reasons for consummating the Purchase Agreement, and the sale of the Acquired Assets outside a plan of reorganization, and it is a reasonable exercise of the Debtors' business judgment to consummate the transactions contemplated by the Purchase Agreement.

I. Best Interests. Approval of the Purchase Agreement and the consummation of the Sale Transaction is in the best interests of the Debtors, their estates, their creditors and other parties in interest.

J. Highest or Otherwise Best. The Buyer's bid for the purchase of the Acquired Assets, as set forth in the Purchase Agreement, [and as subsequently amended at the Auction], is (i) fair and reasonable, and (ii) is the highest or otherwise best offer received for the Acquired Assets.

K. Arm's Length Transaction. The Purchase Agreement was negotiated, proposed and entered into by the Debtors and the Buyer without collusion, in good faith and from arm's-length bargaining positions. The Buyer is not an "insider" of the Debtors, as that term is defined in section 101(31) of the Bankruptcy Code. Neither the Debtors, or the Buyer have engaged in any conduct that would cause or permit the Purchase Agreement to be avoided

under Bankruptcy Code section 363(n). Specifically, the Buyer has not acted in a collusive manner with any person and the purchase price was not controlled by any agreement among bidders.

L. Free and Clear. The Debtors have complied with 11 U.S.C. § 363(f) because all parties with a claim or interest in the Acquired Assets consents to the sale. Except as provided in the Purchase Agreement, and with the exception of the Excluded Assets, including the accounts receivable, and the Debtors' Medicare and Medicaid provider numbers, the transfer of the Acquired Assets will be a legal, valid, and effective transfer of the Acquired Assets, and will vest the Buyer with all right, title, and interest of the Debtors in and to the Acquired Assets, pursuant to sections 105(a) and 363(f) of the Bankruptcy Code, free and clear of all liens, claims, interests, obligations, rights and encumbrances, except as otherwise specifically provided in the Purchase Agreement. Buyer is not taking assignment of any contracts unless specifically identified in the Purchase Agreement. Buyer is not acquiring the Debtors' provider numbers or accounts receivable and is not continuing the operations of the Debtors. Therefore, except as specifically provided in the Purchase Agreement, and consistent with Section 363(f) of the Bankruptcy Code, the Buyer shall have no liability for any claims arising out of or related to the Sale or transfer of the Acquired Assets arising from claims against the Debtors or their estates or any liabilities or obligations of the Debtors and/or their estates, under the laws of the United States, any state, territory, or possession thereof, 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. All persons and entities asserting or holding any claims or interests in or with respect to the Acquired Assets (whether legal or equitable, secured or unsecured, matured or unmatured, contingent or non-contingent, senior or subordinated),

howsoever arising, shall be forever barred, estopped, and permanently enjoined from asserting, prosecuting or otherwise pursuing such claims or interests against the Buyer.

M. Avoidance of Successor Liability. Except as otherwise set forth in the Purchase Agreement, the transfer of the Acquired Assets to the Buyer will not subject the Buyer to any liability for any claims against the Debtors or the Acquired Assets existing as of the closing of the Sale by reason of such transfer under the laws of the United States, any state, territory, or possession thereof, based, in whole or in part, directly or indirectly, in any theory of law or equity including, without limitation, any laws affecting antitrust, ERISA, successor, transferee or vicarious liability; provided however, that nothing in this paragraph shall be construed as limiting any party's rights to assert a claim against the Debtors, the Debtors' estates or proceeds of the Sale arising after the date of this Order. Notwithstanding the foregoing, nothing in this Order or the Purchase Agreement releases, nullifies or enjoins the enforcement of any liability to a governmental unit under environmental laws or regulations (or any associated liabilities for penalties, damages, cost recovery or injunctive relief) that any entity would be subject to as the owner, lessor, lessee or operator of the property after the date of entry of this Order. Nothing contained in this Order or in the Purchase Agreement shall in any way (i) diminish the obligation of any entity to comply with environmental laws, or (ii) diminish the obligations of the Debtors to comply with environmental laws consistent with their rights and obligations as debtors in possession under the Bankruptcy Code. Notwithstanding the foregoing sentence, nothing in this Order shall be interpreted to deem the Buyer as the successor to the Debtors under any state law or federal law successor liability doctrine with respect to any liabilities under environmental laws or regulations for penalties for days of violation prior to Closing or liable for liability or obligation of the Debtors. Nothing in this paragraph should be

construed to create for any governmental unit any substantive right that does not already exist under law.

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

NOW THEREFORE, IT IS HEREBY ORDERED THAT:

General Provisions

1. Findings of Fact; Conclusions of Law. The findings of fact set forth above and conclusions of law stated herein shall constitute this Court's findings of fact and conclusion of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent any finding of fact later shall be determined to be a conclusion of law, it shall be so deemed and deemed so ordered, and to the extent any conclusion of law shall be determined to be a finding of fact, it shall be so deemed and deemed so ordered.
2. Objections. All objections, if any, to the Sale Motion have been withdrawn, settled or waived.
3. Sale Approval. The Sale, and all of the terms and conditions and transactions contemplated by the Purchase Agreement are hereby authorized and approved pursuant to, inter alia, sections 105(a), 363(b) and 365(a) of the Bankruptcy Code. The Buyer is a good faith purchaser within the meaning of section 363(m) of the Bankruptcy Code. Pursuant to section 363(b) of the Bankruptcy Code, the Debtors are authorized and directed to consummate the Sale Transaction pursuant to and in accordance with the terms and conditions of the Purchase Agreement. The Debtors are authorized and directed to execute and deliver, and empowered to perform under, consummate, and implement the Purchase Agreement, together with all additional instruments and documents that may be reasonably necessary or desirable to

implement the Purchase Agreement and effectuate the provisions of this Order and the transactions approved hereby.

4. Surrender of Assets and Real Property. All entities who are presently, or who as of the Closing may be, in possession of some or all of the Acquired Assets hereby are directed to surrender possession of the Acquired Assets to the Buyer as of the Closing.

5. Assumption and Assignment of Assumed Contracts. Pursuant to Bankruptcy Code §§365(b), (c) and (f), the Debtors are authorized to assume and assign the Assumed Contracts designated for assignment to the Purchaser pursuant to the Purchase Agreement, subject to the Assignment Procedures approved in the Bidding Procedures Order; provided, however, that there shall be no assumption of any such contract absent simultaneous assignment thereof to the Buyer. The Buyer shall be deemed to be substituted for the Debtors as a party to each of the Assumed Contracts, and pursuant to Bankruptcy Code §365(k), the Debtor and its estate shall be relieved from any liability for breach of any such Assumed Contract after assignment of such Assumed Contract to the Buyer. In accordance with Bankruptcy Code §§365(b)(2) and (f), upon transfer of the Assumed Contracts to the Purchaser, (i) the Purchaser shall have all of the rights of the Debtors thereunder and each provision of such Assumed Contracts shall remain in full force and effect for the benefit of the Buyer notwithstanding any provision in any such contract, lease, or in applicable law that prohibits, restricts or limits in any way such assignment or transfer, and (ii) none of the Assumed Contracts may be terminated, or the rights of any party modified in any respect, including pursuant to any "change of control" clause, by any other party thereto as a result of the consummation of the transactions contemplated by the Purchase Agreement. There shall be no rent accelerations, assignment fees, increases or any other fees charged or chargeable to the Purchaser as a result of the assumption,

assignment and sale of the Assumed Contracts. Any provision in any Assumed Contract or Lease that prohibits or conditions the assignment of such contract or lease, or allows the counterparty to such contract or lease to terminate, recapture, impose any penalty, condition renewal or extension, or modify any term or condition upon the assignment of such contract or lease, constitutes an unenforceable anti-assignment provision, and is void and of no force and effect. The validity of the assumption, assignment and sale of the Assumed Contracts to the Buyer shall not be affected by any existing dispute between the Debtors and any counterparty to an Assumed Contract. Any party that may have had the right to consent to the assignment of its Assumed Contract is deemed and determined to have consented to the assignment for the purposes of Bankruptcy Code §365(e)(2)(A)(ii)

6. Payment of Undisputed Cure Amounts. On or as promptly after the Closing as practical, the Cure Amounts to which no objections have been filed, or to which the Debtors and applicable non-debtor contract party have agreed as to the allowed Cure Amount(s), shall be paid.

7. Disputed Cure Amounts. A further hearing shall be held on [_____]2013 at [_____] to consider any unresolved objections to the Cure Amounts set forth in the pursuant to Bankruptcy Code §365 and the Assignment Procedures. With respect to Cure Amounts to which objections have been raised and not resolved, such Cure Amounts shall be paid by the Debtors within the later of (i) five business days after the Closing or (ii) five business days after entry of a final, non-appealable Order allowing the Cure Amounts.

8. Cure Payments. The Debtors' and/or Buyer's payment of the undisputed Cure Amounts shall be deemed to discharge all obligations of the Debtors: (i) to cure any defaults under the Assumed Contracts; and (ii) compensate, or provide adequate assurance that

the Buyer or the Debtors, as applicable, will promptly compensate, any non-debtor party to the Assumed Contracts for any actual pecuniary loss resulting from any default under the Assumed Contracts. Pursuant to Bankruptcy Code §365(k), the Debtors shall have no liabilities for any claims arising or relating to or accruing post-Closing under any of the Assumed Contracts.

9. CON Approval. In the event (i) DOH has disapproved or indicated that it will disapprove the CON Application and (ii) DOH will not provide or has indicated that it will not provide the Alternative DOH Approval _____ () days after the entry of this Order by the Bankruptcy Court, then, upon _____ () Business Days' notice to the other party, either the Debtors or Buyer may terminate the Purchase Agreement in accordance with _____ of the Purchase Agreement; provided however, that in each case no such termination shall be permitted if within such _____ () Business Day period, DOH approves the CON Application or provides the Alternative DOH Approval. [CONFIRM]

10. Retention of Rights By the Government. Nothing in this Order or in the Purchase Agreement (i) releases, nullifies, precludes or enjoins the enforcement of any liability to a governmental unit under police and regulatory statutes or regulations (including but not limited to environmental laws or regulations), and any associated liabilities for penalties, damages, cost recovery, or injunctive relief that any entity would be subject to as the owner, lessor, lessee, or operator of the property after the date of entry of this Order; or (ii) should be construed to give Buyer any more protection against any government unit than it is otherwise entitled to under 11 U.S.C. § 363(f). Nothing in this paragraph should be construed to create for any governmental unit any substantive right that does not already exist under law. Nothing contained in this Order or Purchase Agreement shall in any way diminish the obligation of any entity, including the Debtors, to comply with environmental laws. Nothing in this Order or the

Purchase Agreement authorizes the transfer to the Buyer of any licenses, permits, registrations, or governmental authorizations and approvals without the Buyer's compliance with all applicable legal requirements under non-bankruptcy law governing such transfers.

Additional Provisions

11. Additional Documents. Prior to or upon the Closing of the Sale Transaction, the Debtors' creditors are directed to execute such documents and take all other actions as may be necessary to release their interests, if any, in the Acquired Assets as such Interests, Liens, claims and/or other encumbrances may have been recorded or may otherwise exist.

12. Financing Statements. If any person or entity that has filed financing statements, mortgages, mechanic's liens, *lis pendens* or other documents or agreements evidencing interests with respect to the Debtors and/or the Acquired Assets 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, releases of all interests which the person or entity has with respect to the Debtors, the Acquired Assets or otherwise, then (a) the Debtors are hereby authorized to execute and file such statements, instruments, releases and other documents on behalf of the person or entity with respect to the Acquired Assets and (b) Buyer and/or the Debtors are hereby 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 and Liens in, against or with respect to the Debtors and/or the Acquired Assets. This Order is deemed to be in recordable form sufficient to be placed in the filing or recording system of each and every federal, state, and local governmental agency, department, or office.

13. Modifications. The Purchase Agreement 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 (i) materially change the terms of the Purchase Agreement, (ii) modify the express terms of this Order, and (iii) have a material adverse effect on the Debtors' estates, and Debtors shall provide reasonable advance notice of any such modification to counsel for the Creditors Committee, counsel for the DIP Lender and the Office of the United States Trustee.

14. Automatic Stay. The automatic stay pursuant to section 362 of the Bankruptcy Code is hereby lifted with respect to the Debtors to the extent necessary, without further order of the Court to allow the Buyer to (i) give the Debtors any notice provided for in the Purchase Agreement, and (ii) take any and all actions permitted by the Purchase Agreement and ancillary agreements in accordance with the terms and conditions thereof.

15. Recording. 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 and any and all documents and instruments necessary and appropriate for recordation as conclusive evidence of the free and clear and unencumbered transfer of title to the Acquired Assets conveyed to the Buyer.

16. Bulk Sales. No bulk sales law, or similar law of any state or other jurisdiction shall apply in any way to the transactions contemplated by the Purchase Agreement, the Sale Motion and this Order.

17. Successors, Assigns. The terms and provisions of the Purchase Agreement and this Order shall be binding in all respects upon, and shall inure to the benefit of,

the Debtors, their estates, their creditors, the Buyer, and any of such parties' respective affiliates, designees, successors, and assigns, and shall be binding in all respects upon all of the Debtors' creditors, all prospective and actual bidders for some or all of the Acquired Assets, and all persons and entities receiving notice of the Sale Motion, the Auction and/or the Sale Hearing notwithstanding any subsequent appointment of any trustee(s), examiner(s), or receiver(s) under any Chapter of the Bankruptcy Code or any other law, and all such provisions and terms shall likewise be binding on such trustee(s), examiner(s), or receiver(s) and shall not be subject to rejection or avoidance by the Debtors, their estates, their creditors, or any trustee(s), examiner(s), or receiver(s).

18. Non-Severability/Failure to Specify. The provisions of this Order are non-severable and mutually dependent. The failure specifically to include any particular provision of the Purchase Agreement in this Order shall not diminish or impair the effectiveness of such provision, it being the intent of this Court that the Purchase Agreement be authorized and approved in its entirety.

19. Order Immediately Effective. As provided by Bankruptcy Rules 6004(h), 6006(d) and 7062, this Order shall be effective and enforceable immediately upon its entry, and the sale approved by this Order may close immediately upon entry of this Order, notwithstanding any otherwise applicable waiting periods.

20. Retention of Jurisdiction. This Court retains 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 Purchase Agreement, all amendments thereto, any waivers and consents thereunder, and of each of the agreements executed in connection therewith in all respects.

Dated: _____, 2013
New York, New York

HONORABLE ROBERT D. DRAIN
UNITED STATES BANKRUPTCY JUDGE

ASSET PURCHASE AGREEMENT

by and among

**Montefiore SS Operations, Inc., Montefiore MV Operations, Inc., and Montefiore HA
Operations, Inc., each a New York not-for-profit corporation, and**

**Montefiore SS Holdings, LLC, Montefiore MV Holdings, LLC, and Montefiore HA
Holdings, LLC, each a New York limited liability company**

as Buyer and

**Sound Shore Health System, Inc.,
a New York not-for-profit corporation**

**Sound Shore Medical Center of Westchester,
a New York not-for-profit corporation**

**The Mount Vernon Hospital,
a New York not-for-profit corporation**

**Howe Avenue Nursing Home, Inc. d/b/a Helen and Michael Schaffer Extended Care
Center,
a New York not-for-profit corporation**

**NRHMC Services Corporation,
a New York business corporation**

**The M.V.H. Corporation,
a New York not-for-profit corporation**

and

**New Rochelle Sound Shore Housing LLC,
A New York limited liability company**

as Sellers

Dated as of May __, 2013

Table of Contents

	<u>Page</u>
ARTICLE	I
DEFINITIONS	1
1.1	<u>Definitions</u> 1
1.2	<u>Other Definitional and Interpretative Provisions</u> 13
ARTICLE	II
PURCHASE AND SALE OF ASSETS; ASSUMPTION OF LIABILITIES	14
2.1	<u>Assets to be Sold to Buyer</u> 14
2.2	<u>Excluded Assets</u> 16
2.3	<u>Assumed Liabilities</u> 16
2.4	<u>Excluded Liabilities</u> 16
2.5	<u>Cure Amounts</u> 16
2.6	<u>Agreement Regarding Confidentiality of Patient Information</u> 17
2.7	<u>Accounts Receivable.</u> 17
ARTICLE	III
PURCHASE PRICE, MANNER OF PAYMENT AND CLOSING	17
3.1	<u>Payment of Purchase Price.</u> 17
3.2	<u>Closing and Closing Date.</u> 19
3.3	<u>Delivery of Records and Contracts</u> 19
3.4	<u>Further Conveyances</u> 19
3.5	<u>Bulk Sales Laws</u> 20
3.6	<u>Allocation of Purchase Price</u> 20
3.7	<u>Deposit</u> 20
ARTICLE	IV
REPRESENTATIONS AND WARRANTIES WITH RESPECT TO THE SELLERS.....	20
4.1	<u>Organization</u> 21
4.2	<u>Authorization of Transaction</u> 21
4.3	<u>Qualification</u> 21
4.4	<u>Non-Contravention</u> 21
4.5	<u>Brokers' Fees</u> 22
4.6	<u>Events Subsequent</u> 22
4.7	<u>Tax Matters.</u> 23
4.8	<u>Property and Assets.</u> 25
4.9	<u>Intellectual Property.</u> 26
4.10	<u>Contracts.</u> 27
4.11	<u>Sellers' Consents and Approvals</u> 29
4.12	<u>Powers of Attorney</u> 29
4.13	<u>Litigation.</u> 29
4.14	<u>Certain Healthcare Matters.</u> 30
4.15	<u>Employees.</u> 34
4.16	<u>Books and Records</u> 36
4.17	<u>Information Systems</u> 36
4.18	<u>Foreign Operations</u> 36
4.19	<u>Insurance Coverage</u> 37

Table of Contents
(continued)

	<u>Page</u>
4.20	<u>Restrictions on Business Activities</u> 37
4.21	<u>Full Disclosure</u> 37
ARTICLE	V
BUYER'S REPRESENTATIONS AND WARRANTIES	37
5.1	<u>Organization of Buyer</u> 37
5.2	<u>Authorization of Transaction</u> 38
5.3	<u>Non-Contravention</u> 38
5.4	<u>Brokers' Fees</u> 38
5.5	<u>Litigation</u> 38
5.6	<u>Full Disclosure</u> 38
5.7	<u>Owned Real Property Condition</u> 39
5.8	<u>Financial Capability</u> 39
5.9	<u>Healthcare Regulatory Compliance Status</u> 39
5.10	<u>Acknowledgement Regarding Condition of the Business</u> 40
5.11	<u>Buyer's Consents and Approvals</u> 42
ARTICLE	VI
BANKRUPTCY COURT MATTERS	42
6.1	<u>Approval of Break-Up Fee and Expense Reimbursement</u> 42
6.2	<u>Competing Transaction</u> 42
6.3	<u>Bankruptcy Court Filings</u> 43
6.4	<u>Notice of Sale</u> 44
6.5	<u>Treatment of Monetary Obligations</u> 44
ARTICLE	VII
PRE-CLOSING COVENANTS	44
7.1	<u>General</u> 44
7.2	<u>Regulatory Approvals</u> 44
7.3	<u>Operation of Business</u> 47
7.4	<u>Access</u> 49
7.5	<u>Notice of Developments</u> 49
7.6	<u>Employment and Physician Contracting Matters</u> 50
7.7	<u>Management Agreement</u> 50
7.8	<u>Temporary Operator</u> 50
7.9 Buyer shall cause Fidelity National Title Insurance Company through Ken Cohen and Neil Clark (the "]	
ARTICLE	VIII
POST-CLOSING COVENANTS	51
8.1	<u>General</u> 51
8.2	<u>Cooperation Regarding Restricted Assets</u> 51
8.3	<u>Access to Records</u> 52
8.4	<u>Non-Disclosure</u> 52
8.5	<u>Further Assurances</u> 53
8.6	<u>Cost Reports</u> 53
ARTICLE	IX
CONDITIONS TO OBLIGATION TO CLOSE	54

Table of Contents
(continued)

	<u>Page</u>
9.1	<u>Conditions to Buyer's Obligation</u> 54
9.2	<u>Conditions to the Sellers' Obligations</u> 56
ARTICLE	X
REMEDIES FOR BREACHES OF THIS AGREEMENT	58
10.1	<u>Survival of Representations and Warranties</u> 58
ARTICLE	XI
DISPUTE RESOLUTION	58
ARTICLE	XII
TERMINATION	58
12.1	<u>Termination of Agreement</u> 58
12.2	<u>Procedure For Termination</u> 61
12.3	<u>Effect of Termination.</u> 61
ARTICLE	XIII
MISCELLANEOUS	61
13.1	<u>Press Releases and Public Announcements</u> 61
13.2	<u>No Third-Party Beneficiaries</u> 62
13.3	<u>Entire Agreement</u> 62
13.4	<u>Succession and Assignment</u> 62
13.5	<u>Counterparts</u> 62
13.6	<u>Headings</u> 62
13.7	<u>Notices</u> 62
13.8	<u>Governing Law; Waiver of Jury Trial</u> 63
13.9	<u>Submission to Jurisdiction; Consent to Service of Process</u> 63
13.10	<u>Amendments</u> 64
13.11	<u>Severability</u> 64
13.12	<u>Expenses</u> 64
13.13	<u>Construction</u> 64
13.14	<u>Incorporation of Exhibits and Schedules</u> 64
13.15	<u>Tax Disclosure Authorization</u> 64
13.16	<u>No Waiver</u> 65
13.17	<u>Charitable Purposes</u> 65

LIST OF EXHIBITS

Exhibit A	Form of Bidding Procedures Order
Exhibit B	Form of Sale Order
Exhibit C	Form of Bill of Sale and Assignment and Assumption Agreement
Exhibit D	Medical Records Custody Agreement

LIST OF SCHEDULES

Schedule 1.1	Certain Individuals
Schedule 2.1(c)	Excluded Furniture, Equipment and Inventory
Schedule 2.1(d)	Assigned Contracts
Schedule 2.3(ii)	Debt Obligations
Schedule 3.6	Allocation of Purchase Price
Schedule 4.1(a)	Organization
Schedule 4.3	Qualification
Schedule 4.5	Brokers' Fees of the Sellers
Schedule 4.6	Events Subsequent
Schedule 4.7(a)	IRS Determination Letters
Schedule 4.7(b)	Tax Returns
Schedule 4.7(c)	Tax Compliance
Schedule 4.7(d)	Tax Jurisdictions
Schedule 4.7(e)	Lien or Claims for Taxes
Schedule 4.7(h)	Extension or Waiver of Tax
Schedule 4.7(i)	Tax Proceedings
Schedule 4.8(a-1)	Owned Real Property
Schedule 4.8(a-2)	Leased Real Property
Schedule 4.8(a-3)	Oral Leases
Schedule 4.8(b)	Permitted Encumbrances
Schedule 4.8(d)	Condition of Property
Schedule 4.8(f)	Real Property Defaults
Schedule 4.9	Intellectual Property
Schedule 4.10	Contracts
Schedule 4.10(d)	Notices and Approval for Contracts
Schedule 4.10(f)	Related Party Transactions
Schedule 4.11	Consents and Approvals
Schedule 4.12	Powers of Attorney
Schedule 4.13	Litigation of the Sellers
Schedule 4.14(a)(ii)	Filing of Cost Reports
Schedule 4.14(a)(iii)	Amounts Due Under Cost Reports
Schedule 4.14(a)(v)	Hill-Burton Act
Schedule 4.14(a)(vi)	Non-Compliance with Government Reimbursement Programs
Schedule 4.14(b-1)	Excluded Medical Staff
Schedule 4.14(b-2)	Medical Staff Disputes
Schedule 4.14(c)	Accreditation
Schedule 4.14(d)	Licenses
Schedule 4.14(f)	Compliance Audits
Schedule 4.14 (i)	Billings
Schedule 4.14(j)	Audits
Schedule 4.14(k)	Reduction in Medicare Reimbursement
Schedule 4.14(l)(i)	Overpayments or Refunds to Payment Programs
Schedule 4.14(l)(ii)	Notice of Overpayments or Refunds
Schedule 4.15(a)	Employee Schedule
Schedule 4.15(b)	Reemployment Rights

Schedule 4.15(c)	Foreign National employees
Schedule 4.15(d)	Labor Disputes
Schedule 4.15(f)	Collective Bargaining Agreements
Schedules 4.15 (g)	Claims Before NLRB or Similar Agency
Schedule 4.15 (h)	Violation of Applicable Laws Related to Employees
Schedule 4.15(i)	Occupational or Safety Violations
Schedule 4.15(j)	Rights in Property by Board, etc.
Schedule 4.17	Information Systems
Schedule 4.19	Insurance Coverage
Schedule 5.1	Organization of Buyer
Schedule 5.4	Brokers' Fees of Buyer
Schedule 5.5	Litigation of Buyer
Schedule 5.9	Healthcare Regulatory
Schedule 5.11	Buyer Consent and Approvals

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (this "Agreement") is entered into as of May 29, 2013 (the "Effective Date"), by and among Montefiore SS Operations, Inc., Montefiore MV Operations, Inc., Montefiore HA Operations, Inc., Montefiore SS Holdings, LLC, Montefiore MV Holdings, LLC, and Montefiore HA Holdings, LLC, each being either a New York not-for-profit corporation or a New York limited liability company, as the case may be, or their designees (collectively, the "Buyer"), on the one hand; and Sound Shore Health System, Inc. ("SSHS"), a New York not-for-profit corporation, Sound Shore Medical Center of Westchester ("SSMC"), a New York not-for-profit corporation, The Mount Vernon Hospital ("MVH"), a New York not-for-profit corporation, Howe Avenue Nursing Home d/b/a Helen and Michael Schaffer Extended Care Center ("SECC"), a New York not-for-profit corporation, NRHMC Services Corporation ("Services Corporation"), a New York business corporation, The M.V.H. Corporation ("MVHC"), a New York not-for-profit corporation, and New Rochelle Sound Shore Housing, LLC ("NRSS"), a New York limited liability company, on the other hand. SSHS, SSMC, MVH, SECC, Services Corporation, MVHC and NRSS, are referred to individually as "Seller" and collectively as the "Sellers". Buyer and the Sellers are referred to individually as a "Party" and collectively as the "Parties".

RECITALS

WHEREAS, each Seller will be filing substantially contemporaneously herewith a voluntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §101 et seq. (the "Bankruptcy Code") (the date on which such petitions are filed, referred to herein as the "Petition Date"), in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") (collectively, the "Bankruptcy Case"); and

WHEREAS, the Sellers desire to sell, transfer and assign to Buyer, and Buyer desires to purchase, acquire and assume from the Sellers, pursuant to Sections 363 and 365 of the Bankruptcy Code, all of the Acquired Assets and Assumed Liabilities, all as more specifically provided herein.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants, agreements, representations and warranties herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE I DEFINITIONS

1.1 Definitions. The following terms, as used herein, have the following meanings:

"Acquired Assets" has the meaning set forth Section 2.1.

"Affiliate" means any person or entity which directly or indirectly controls, is controlled by, or is under common control with, any Person.

“Affiliate Agreement” means any agreement between a Seller and an Affiliate of such Seller.

“Agreement” has the meaning set forth in the preface above.

“Alternate Transaction” means a transaction or series of related transactions pursuant to which Sellers (i) accept a Competing Bid or (ii) sell, transfer, lease or otherwise dispose of, directly or indirectly, including through an asset sale, stock sale, merger, reorganization, or bankruptcy plan of reorganization or liquidation, sale, or other similar transaction (by Sellers or otherwise), including a Bankruptcy Court approved stand-alone plan of reorganization or refinancing, all or substantially all of the Acquired Assets, (or agree to do any of the foregoing) in either case to a party or parties other than Buyer.

“Antitrust Bureau” has the meaning set forth in Section 7.2(b).

“Antitrust Division” has the meaning set forth in Section 7.2(b).

“Antitrust Laws” has the meaning set forth in Section 7.2(g).

“Applicable Law” means, with respect to any Person, any foreign, federal, state or local law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, guidance, plan, order, injunction, judgment, decree, ruling, charge or other similar requirement, including any Labor and Employment Law and Requirements or any Health Care Laws and Requirements, enacted, adopted, or promulgated by a Governmental Authority that is binding upon such Person, as amended.

“Assigned Contracts” shall mean the Contracts described on Schedule 2.1(d).

“Assumed Liabilities” has the meaning set forth Section 2.3(a).

“Assumed Employee Liabilities” has the meaning set forth in Section 2.3(b).

“Bankruptcy Case” has the meaning set forth in the recitals above.

“Bankruptcy Code” has the meaning set forth in the recitals above.

“Bankruptcy Court” has the meaning set forth in the recitals above.

“Bankruptcy Rules” means the Federal Rules of Bankruptcy Procedure, as prescribed by the United States Supreme Court pursuant to section 2075 of title 28 of the United States Code and as applicable to the Bankruptcy Case.

“Bidding Procedures Order” means an order of the Bankruptcy Court, substantially in the form of Exhibit A hereto, with such changes as are acceptable to Buyer and the Sellers.

“Bill of Sale and Assignment and Assumption Agreement” means the Bill of Sale and Assignment and Assumption Agreement in the form attached hereto as Exhibit C.

“Board of Directors” means the governing board of an entity, including the board of directors, board of governors, board of trustees, or board of managers, as applicable.

“Break-Up Fee” means a break-up fee in an amount equal to three percent (3%) of the Purchase Price, which together with the Expense Reimbursement, shall cover all rights the Buyer may have against the Sellers that shall arise and be payable pursuant to Section 6.1.

“Budget” means the budget approved under any order entered in the Bankruptcy Cases authorizing any of the Sellers to use cash collateral and/or advances under a debtor in possession loan facility.

“Business” means the business operations of any one Seller or of all of the Sellers, as the context shall require (in each case not including the Excluded Liabilities).

“Business Day” means a day other than Saturday, Sunday or other day on which commercial banks in New York, New York are authorized or required by Applicable Law to close.

“Buyer” has the meaning set forth in the preface above.

“Buyer’s Consents and Approvals” has the meaning set forth in Section 5.11.

“CBA” means collective bargaining agreement.

“Claim” has the meaning ascribed to such term in section 101(5) of the Bankruptcy Code.

“Closing” has the meaning set forth in Section 3.2(a).

“Closing Date” has the meaning set forth in Section 3.2(a).

“CMS” means the Centers for Medicare and Medicaid Services.

“Code” means the Internal Revenue Code of 1986, as amended.

“Competing Bid” has the meaning set forth in Section 6.2(a).

“CON Application” means the Certificate of Need application with respect to the Business to be submitted by Buyer to DOH.

“Confidential Information” means any oral, written, graphic or other information including, but not limited to, that which relates to works of authorship, copyrightable materials or information, trade secrets, patents, patent applications, research, product plans, products, developments, inventions, processes, designs, drawings, software, engineering, formulae, marketing and business plans, agreements with third parties, services, customer information, provider, patient or member lists, patient information, marketing or financial information of the disclosing party, whether or not identified as “Confidential”.

“Contemplated Transactions” has the meaning set forth in Section 2.1.

“Contract” means, with respect to any Person, (i) any of the following in writing: contract, agreement, deed, mortgage, lease, license, commitment, promise, undertaking, arrangement or understanding, or other document or instrument (including any document or instrument evidencing or otherwise relating to any Debt) applicable on the Effective Date, and (ii) the oral agreements set forth on Schedule 4.10 of the Disclosure Schedule, in each case to which such Person is a party, or to which, or by which, any property, business, operation or right of such Person is legally bound.

“Cost Reports” means all cost reports related to any of the Facilities filed pursuant to the requirements of any applicable Government Reimbursement Programs for cost-based payments or reimbursement due to or claimed by any Seller from any applicable Government Reimbursement Programs or their fiscal intermediaries or payor agents, including all Cost Report receivables or payables and all related appeals and appeal rights, but excluding from this definition form UB-92, UB-04, CMS 1450, CMS 1500 and other forms or claims filed or submitted by any Seller to any applicable Government Reimbursement Programs or their fiscal intermediaries or payor agents with respect to the Facilities for payment or reimbursement due to or claimed on a fee-for-service, fee schedule or other similar basis.

“Covered Person” means a current or former Employee, officer, director or consultant of any Seller.

“Cure Amounts” has the meaning set forth in Section 2.5.

“DASNY” means the Dormitory Authority of the State of New York.

“Debarment or Suspension” means, with respect to the Sellers, the exclusion of any Seller from participation in any federal healthcare program, including Medicare, Medicaid, or any state health care program, in each case pursuant to 42 U.S.C. § 1320a-7 and 42 C.F.R. §§ 1001 et seq. or the corresponding Applicable Law of the State of New York.

“Debt” means, with respect to any Seller, the aggregate amounts of long-term and short-term indebtedness of such Seller, including any amounts owing under any capital lease arrangement, amounts outstanding under notes payable to any financial institution or Governmental Authority, amounts owed to an Employee Benefit Plan, any Multiemployer Plan or any Union Funds, amounts outstanding under lines of credit, amounts owing under notes or dividends or distributions payable or other amounts payable by such Seller, any other amounts outstanding under notes payable, and any prepayment penalties or expenses payable in connection with the foregoing transactions, but excluding the accounts payable arising in the Ordinary Course of Business of such Seller.

“Deposit” has the meaning set forth in Section 3.7.

“DIP Budget” has the meaning set forth in Section 7.3.

“Disclosure Schedule” has the meaning set forth in Article IV.

“DOH” means the New York State Department of Health.

“DOH Approval” means the written approval of DOH of (a) the acquisition by Buyer of the Acquired Assets from the Sellers as of the Closing as contemplated by this Agreement, and (b) the addition of the acquired inpatient and outpatient clinical facilities of the Seller to the operating certificate of Buyer, in each case without any contingency except as expressly permitted hereby.

“Effective Date” has the meaning set forth in the preface above.

“Eligible Employees” has the meaning set forth in Section 9.2.

“Employee Benefit Plan” means any material “employee benefit plan” within the meaning of Section 3(3) of ERISA and any other material bonus, profit sharing, pension, severance, deferred compensation, fringe benefit (as described in Code Section 132), insurance, welfare, post-retirement, health, life, tuition refund, service award, company car, scholarship, relocation disability, accident, sick, vacation, holiday, unemployment incentive, commission, retention change in control, non-competition, and other plans, agreements, policies, trust funds (a) established, maintained, sponsored or contributed to (or with respect to which any obligation to contribute has been undertaken) by Sellers or an ERISA Affiliate, or (b) with respect to which Sellers or any ERISA Affiliate has or has had any obligation, in each case, under which any Employee of Sellers may receive benefits or may otherwise be subject and other than a Multiemployer Plan.

“Employee List” has the meaning set forth in Section 4.15(a).

“Employees” means, as of any date specified herein, all individuals whether or not actively at work as of such date, who are employed by any Seller (and including any employees who are on medical disability or leaves of absence and who worked for any Seller immediately prior to such disability or leave); provided, however, that “Employees” shall not include any director of any Seller’s Board of Directors.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“ERISA Affiliate” means when used with respect to an Employee Benefit Plan, ERISA, the PBGC or a provision of the Code pertaining to employee benefit plans, any Person which is a member of any group of organizations within the meaning of Sections 414(b) or 414(c) of the Code (or, solely for purposes of potential liability under Section 302(c)(11) of ERISA and Section 412(c)(11) of the Code and the Lien created under Section 302(f) of ERISA and Section 412(n) of the Code, or Sections 414(m) or 414(o) of the Code) of which any Seller is a member.

“Escrow Agent” means a bank, financial institution or other qualified Person mutually agreed to by Buyer and the Sellers prior to the Closing.

“Excepted Warranties” has the meaning set forth in Section 11.1.

“Excluded Assets” has the meaning set forth Section 2.2.

“Excluded Liabilities” has the meaning set forth Section 2.4.

“Expense Reimbursement” means the reimbursement of the reasonable out-of-pocket costs, fees and expenses (including legal, financial advisory, accounting and other similar costs, fees and expenses) incurred by Buyer or its Affiliates in connection with the conduct of due diligence, the negotiation, documentation and implementation of this Agreement and the transactions contemplated hereby and all proceedings incident thereto; provided, that under no circumstances shall the amount of the Expense Reimbursement exceed seven hundred fifty thousand dollars (\$750,000) in the aggregate.

“Facility” means each of the Hospitals and the Residential Health Care Facility.

“Final Order” means an order or judgment of the Bankruptcy Court or any other court of competent jurisdiction that has not been reversed, vacated, or stayed and as to which (a) the time to appeal, petition for certiorari, or move for a stay, new trial, reargument, or rehearing has expired and as to which no appeal, petition for certiorari, or other proceedings for stay, new trial, reargument, or rehearing shall then be pending or (b) if an appeal, writ of certiorari, stay, new trial, reargument, or rehearing has been sought, (i) such order or judgment shall have been affirmed by the highest court to which such order was appealed, certiorari shall have been denied, or a stay, new trial, reargument, or rehearing shall have been denied or resulted in no modification of such order, and (ii) the time to take any further appeal, petition for certiorari, or move for a stay, new trial, reargument, or rehearing shall have expired; provided, however, that the possibility that a motion under section 502(j) of the Bankruptcy Code, Rule 59 or Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules or applicable state court rules of civil procedure may be, but has not been, filed with respect to such order shall not cause such order not to be a Final Order.

“Foundation” shall mean Sound Shore Medical Center of Westchester Foundation, Inc., a New York not-for-profit corporation, the sole member of which is Services Corporation.

“Furniture and Equipment” means all furniture, fixtures, furnishings, machinery, appliances and other equipment (including medical equipment) and leasehold improvements owned by Sellers and used by Sellers exclusively in the conduct of the Business, including all such desks, chairs, tables, Hardware, copiers, telephone lines, telecopy machines and other telecommunication equipment (and, to the extent assignable by Sellers, the telephone numbers associated therewith used in the Ordinary Course of Business), cubicles and miscellaneous office furnishings.

“GAAP” means United States generally accepted accounting principles as in effect from time to time.

“Government Payor” means any Governmental Authority that sponsors or administers a Government Reimbursement Program.

“Governmental Authority” means any domestic or foreign federal, state or local governmental authority, department, court or government, commission, tribunal or organization or any regulatory, administrative or other agency, or any political or other division, subdivision, department or branch of any of the foregoing, including any state Medicaid agency.

“Governmental Authorizations” means any approval, consent, license, permit, waiver, registration, accreditation or other authorization issued, granted, given, made available or otherwise required by any Governmental Authority or pursuant to Applicable Law.

“Government Reimbursement Programs” means the Medicare program, the Medicare Advantage program, the Medicaid program, the federal TriCare program, and any other, similar or successor federal, state or local health care payment programs with or sponsored by any Governmental Authority.

“Guaranty” means that guaranty by Buyer or its Affiliates of the Sellers’ obligations under their debtor-in-possession term loan agreement with MidCap Financial.

“Hazardous Substances” means oil, petroleum and hazardous materials, hazardous substances or hazardous wastes, air emissions, toxic substances, toxic wastes, wastewater, discharges and any chemical material or substance that is listed or regulated under the Environmental Health and Safety Requirements as a “hazardous” or “toxic” substance, material or waste, or as a “contaminant”, or is otherwise listed or regulated under the Environmental Health and Safety Requirements because it poses a hazard to human health or to the environment.

“Health Care Laws and Requirements” means any federal, state or local law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, guidance, order, injunction, judgment, decree, ruling or other similar requirement enacted, adopted, or promulgated by a Governmental Authority relating to: (a) the provision, payment, reimbursement or administration of health care benefits or insurance, including requirements of or with respect to Government Reimbursement Programs and the Applicable Laws governing insurance, insurance companies, managed care plans, managed care organizations, third party administrators or other payors; (b) the administration of claims or benefits for health care services or processing or payment of claims for health care services, including patient management, disease management or provider network services, including third party administrators, utilization review agents and Persons performing quality assurance, credentialing or coordination of benefits; (c) ERISA; (d) the Patient Privacy Requirements; (e) Title XVIII of the Social Security Act (Medicare); (f) Title XIX of the Social Security Act (Medicaid); (g) the Referral Laws; (h) the False Claims Act, 31, U.S.C. Section 3729 et seq. as amended, and 42 USC Section 1320a-7k(d), 42 U.S.C. 1320a-7a(a); (i) the requirements for accreditation by the Joint Commission; (j) New York State laws and regulations prohibiting false claims and fraud and abuse, including N.Y. State Fin. Law § 187 et seq., 13 N.Y.C.R.R. § 400.1 et. seq., N.Y. Soc. Serv. Law §§ 145-b, 366-b, 18 N.Y.C.R.R. § 515.2 and N.Y. Penal Law § 177.00 et seq.; (k) N.Y. Gen. Bus. Law §§ 349, 350-b; and (l) N.Y. State Fin. Law § 191, N.Y. Lab. Law §§ 740, 741.

“Healthcare Regulatory Consents” means in respect of the Seller or Buyer, as the case may be, such consents, approvals, authorizations, waivers, Orders, licenses or Permits of any Governmental Authority as shall be required to be obtained and such notifications to any Governmental Authority as shall be required to be given by such party in order for it to consummate the transactions contemplated of it by this Agreement in compliance with Applicable Law relating to health care or healthcare services of any kind and shall include

obtaining any such consents, approvals, authorizations, waivers, Orders, licenses or Permits, or notices to, the New York State Public Health and Health Planning Council, CMS and DOH and shall include Buyer obtaining a Certificate of Need from DOH with respect to its operation and the parties obtaining any consents, approvals, authorizations, waivers, Orders, licenses or Permits of any Government Authority needed for them to consummate the Contemplated Transactions hereby.

“Hospitals” means Sound Shore Medical Center of Westchester, the hospital operated by SSMC, and Mount Vernon Hospital, the hospital operated by MVH.

“HQI Program” has the meaning set forth in Section 4.14(k).

“Intellectual Property” means any rights and interests that any Seller has in all copyrights (both registered and unregistered), mask works, trademarks (both registered and unregistered), trade names, service marks, service names, patents, patent applications, proprietary information, trade secrets, technical information and data, computer programs and program rights, domain names and other similar intangible property rights and interests (and any goodwill associated with any of the foregoing) arising under all Applicable Laws but excluding any derivatives of such marks, rights and interests.

“Inventory” means all medical supplies, drugs, medications, food, janitorial, housekeeping and office supplies and other consumables located in or used in connection with the operation of the Business.

“Joint Commission” has the meaning set forth in Section 4.14(c).

“Knowledge” means actual knowledge, or such knowledge that a reasonably prudent person would have after due inquiry of those officers or Representatives of Buyer or of those officers of Sellers or senior managers of the Business as of or prior to the Closing each of which is identified in Schedule 1.1 of the Seller Disclosure Schedule.

“Labor and Employment Law and Requirements” means any federal, state or local law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, guidance, order, injunction, judgment, decree, ruling or other similar requirement enacted, adopted, or promulgated by a Governmental Authority relating to: (a) hours of work and/or payment of wages, (b) notices to employees, (c) discrimination, harassment and retaliation, (f) leaves of absence, (g) employee benefits, or (h) duty to bargain collectively with bargaining unit representative of Employees.

“Leased Real Property” has the meaning set forth in Section 4.8(a).

“Liabilities” means debts, obligations, contracts or other liabilities of any kind, character or description, accrued, absolute, contingent, determined, determinable or otherwise, whether presently in existence or arising hereafter.

“Licenses” means any licenses, approvals, authorizations, consents, permits, orders, registrations, certificates, decrees, franchises, permits variances, and similar rights obtained from any Governmental Authority.

“Lien” means any mortgage, pledge, lien, encumbrance, charge, or other security interest other than (a) liens for Taxes not yet due and payable or for Taxes that (i) the taxpayer is contesting in good faith through appropriate proceedings and (ii) are disclosed in the Disclosure Schedule and (b) purchase money liens incurred in the Ordinary Course of Business and liens securing rental payments under capital lease arrangements, in each case, that are disclosed in the Disclosure Schedule.

“Material Adverse Effect” or “Material Adverse Change” means any fact, circumstance, event, change, effect, condition or occurrence that, individually or in the aggregate, has or could be reasonably expected to have a material adverse effect on (A) the business, operations, property, condition (financial or otherwise), liabilities or results of operations of any Seller or its Business or the Sellers or the Business or the material assets of the Sellers, (B) the value of the Acquired Assets, or (C) the ability of the Sellers to consummate the transactions contemplated hereby on a timely basis, in each case as reasonably determined by the Buyer.

“Material Contracts” has the meaning set forth in Section 4.10(b).

“Material Development” means any change in the nature, scope, strategy, parties or other aspect of a Material Litigation or Proceeding that would have a Material Adverse Effect.

“Material Litigation or Proceeding” means any action, suit, investigation proceeding or audit (a) settlement or adjudication of which would (i) cause material breach of this Agreement, (ii) have the effect of making the Contemplated Transactions hereby illegal or (iii) materially prohibit or interfere with the consummation of the Contemplated Transactions hereby or (b) by any Government Authority or Person, including a qui tam whistleblower proceeding, alleging a material violation or noncompliance on the part of any Seller with any Health Care Laws and Requirements.

“Medical Records Custody Agreement” the Medical Records Custody Agreement in the form attached hereto as Exhibit D.

“MidCap Financial” means MidCap Financial, LLC or one of its Affiliates.

“Multiemployer Plan” means a multiemployer plan as defined in Section 3 of ERISA to which the Sellers or an ERISA Affiliate contribute or have or have had an obligation to contribute.

“MVH” has the meaning set forth in the preface above.

“MVHC” has the meaning set forth in the preface above.

“NRSS” has the meaning set forth in the preface above.

“Ordinary Course of Business” means the ordinary course of business of the applicable Person, consistent with past custom and practice (including with respect to quantity and frequency), subject, however, in respect of the period after the Petition Date, to those actions ordinary and usual in the context of the Bankruptcy Case.

“Outside Closing Date” means the date that is one hundred eighty (180) days after the entry of the Sale Order.

“Owned Real Property” has the meaning set forth in Section 4.8(a).

“Parties” has the meaning set forth in the preface above.

“Party” has the meaning set forth in the preface above.

“Patient Privacy Requirements” means the applicable requirements of Health Insurance Portability and Accountability Act of 1996, Public Law 104-191, as amended by the American Recovery and Reinvestment Act of 2009, and the implementing regulations thereunder governing the privacy of individually identifiable health information and the security of such information maintained in electronic form or of any similar state law.

“Payment Programs” has the meaning set forth in Section 4.14(l).

“PBGC” means the Pension Benefit Guaranty Corporation.

“Permitted Encumbrances” means those title matters affecting the Owned Real Property set forth on Schedule 4.8(b-1).

“Petition Date” has the meaning set forth in the recitals above.

“Person” means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, any other business entity, or a Governmental Authority.

“Physician” means any licensed doctor of medicine or osteopathy, doctor of dental surgery or dental medicine, doctor of podiatric medicine, doctor of optometry, or chiropractor, or any group, partnership, corporation, of whatever form, made up of one or more of such persons.

“Post-Closing Accounts Receivable” means (a) accounts receivable arising out of the rendition of medical, surgical, behavioral, diagnostic or other professional health care services or the sale of medical products in the Ordinary Course of Business for dates of service occurring on or after the Closing Date.

“Pre-Closing Accounts Receivable” means (a) accounts receivable arising out of the rendition of medical, surgical, behavioral, diagnostic or other professional health care services or the sale of medical products in the Ordinary Course of Business for dates of service occurring prior to the Closing Date and (b) any accounts receivable due Sellers from Affiliates as of the Closing Date.

“Pre-Closing Tax Returns” has the meaning set forth in Section 4.7(b).

“Predecessor” means (a) any Person that has ever merged with or into any Seller, (b) any Person, a majority of whose capital stock (or similar outstanding ownership interests) or equity

securities has ever been sold, transferred or assigned by any Seller and (iii) any Person, all, or substantially all, of whose assets has ever been acquired by any Seller.

“Prepaid Deposits” means all deposits (including customer deposits and security deposits for rent, electricity, telephone or other utilities and deposits posted under any Assigned Contract), escrows and prepaid charges and expenses of the Sellers as of the Closing Date in connection with or relating to any Acquired Assets.

“Protected Health Information” shall have the meaning assigned to that term in Section 103 of 45 C.F.R. Part 160.

“Purchase Price” has the meaning set forth in Section 3.1.

“QNet” has the meaning set forth in Section 4.14(k).

“Real Property Laws” all Applicable Laws relating to the Owned Real Property.

“Real Property Lease” has the meaning set forth in Section 4.8(a).

“Receivables Guaranty Reconciliation” has the meaning set forth in Section 3.1(b).

“Referral Laws” means Section 1128B(b) of the Social Security Act, as amended; 42 USC Section 1320a7(b) (Criminal Penalties Involving Medicare or State Health Care Programs), commonly referred to as the “Federal Anti-Kickback Statute”; Section 1877 of the Social Security Act, as amended; 42 USC Section 1395nn and related regulations (Prohibition Against Certain Referrals), commonly referred to as “Stark Law”; 42 USC Section 1320a-7a(a)(5); N.Y. Soc. Serv. Law § 366-d, -f; N.Y. Pub. Health Law §§ 238-a, -b, 587; 10 N.Y.C.R.R. § 34-2.3, -2.4; N.Y. Educ. Law §§ 6509-a, 6530; 8 N.Y.C.R.R. § 29.1; 10 N.Y.C.R.R. § 34-1 et seq.; 10 N.Y.C.R.R. § 34-2.3, 2.4; 10 N.Y.C.R.R. § 600.9; and 18 N.Y.C.R.R. § 515.2.

“Reimbursement Claims” has the meaning set forth in Section 4.14(l).

“Reimbursement Payment” has the meaning set forth in Section 3.1(b)(i).

“Release” means any releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, disposing, depositing, leaching, or migrating into the environment.

“Representatives” means, with respect to any Person, any of its Affiliates, directors, trustees, officers, members, employees, consultants, agents, attorneys, advisors and other representatives.

“Residential Health Care Facility” means the Helen and Michael Schaffer Extended Care Center operated by SECC.

“Sale Motion” means the motion or motions of the Sellers, in form and substance reasonably acceptable to Buyer and consistent with this Agreement and the Contemplated Transactions, seeking approval and entry of the Bidding Procedures Order and the Sale Order.

“Sale Order” means an order of the Bankruptcy Court substantially in the form of Exhibit B hereto, with such changes as are reasonably acceptable to Buyer and the Sellers.

“Seller” has the meaning set forth in the preface above.

“Seller Confidential Information” has the meaning set forth in Section 8.3(b).

“Sellers” has the meaning set forth in the preface above.

“Sellers’ Consents and Approvals” has the meaning set forth in Section 4.11.

“Seller Plan” means any Employee Benefit Plan maintained by or with respect to which contributions are made by the Sellers or any Seller has any liability.

“SECC” has the meaning set forth in the preface above.

“Services Corporation” has the meaning set forth in the preface above.

“Stark Law” has the meaning set forth in Section 4.14(a)(vii).

“SSHS” has the meaning set forth in the preface above.

“SSMC” has the meaning set forth in the preface above.

“Subsidiary” means, with respect to any Person, any corporation, limited liability company, partnership, association, or other business entity of which (a) if a corporation, a majority of the total voting power of shares of stock or membership interests entitled (without regard to the occurrence of any contingency) to vote in the election of or name directors, managers, or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof or (b) if a limited liability company, partnership, association, or other business entity (other than a corporation), a majority of the partnership, limited liability company, or other similar ownership interests thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more Subsidiaries of that Person or a combination thereof and for this purpose, a Person or Persons own a majority ownership interest in such a business entity (other than a corporation) if such Person or Persons shall be allocated a majority of such business entity’s gains or losses or shall be or control any managing director or general partner of such business entity (other than a corporation). The term “Subsidiary” shall include all Subsidiaries of such Subsidiary.

“Successor Liabilities” means Claims or liabilities of Sellers not expressly assumed by Buyer which, under federal common law or otherwise, might be asserted against Buyer due to Buyer’s hiring of Sellers’ Employees and/or continuing the Business of Sellers after the Closing.

“Supreme Court Approval” means approval of the Supreme Court of the State of New York pursuant to 510 and 511 of the Not-for-Profit Corporation Law for the sale of all or substantially all of the assets of the Sellers.

“Surviving Representations and Warranties” has the meaning set forth in Section 11.1.

“Tax” or “Taxes” means any federal, state, local, or foreign income, prohibited transaction, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental (including taxes under Code §59A), customs duties, capital stock, franchise, net worth or capital, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, or other tax of any kind whatsoever, whether computed on a separate or consolidated, unitary or combined basis or in any other manner, including any interest, penalty, or addition thereto, whether disputed or not and including any obligation to indemnify or otherwise assume or succeed to the Liability for Taxes of any other Person.

“Tax-Exempt Sellers” means SSHS, SSMC, MVH, SECC, MVHC and NRSS.

“Tax Return” means any return, declaration, statement, report, form, claim for refund, or similar statements or documents including information reporting forms (including Forms 941, 990, 1099 and W-2) and estimated tax returns and reports) relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

“Title Company” has the meaning set forth in Section 7.8.

“Title Defect” has the meaning set forth in Section 7.8.

“Title Report” has the meaning set forth in Section 7.8.

“Transaction Documents” means, collectively, this Agreement, the Bill of Sale and Assignment and Assumption Agreement, Medical Records Custody Agreement and each other agreement, document, instrument or certificate required to be delivered by Buyer and the Sellers pursuant to this Agreement.

“Transitional Patient Services” has the meaning set forth in Section 3.1(b).

“Transition Patients” has the meaning set forth in Section 3.1(b).

“Union Funds” means each of the labor unions representing Employees of the Sellers, including but not limited to the 1199 National Benefit Fund and the New York State Nursing Association.

“WARN Act” means the Worker Adjustment and Retraining Notification Act of 1988, as amended, and/or any similar foreign, state, or local law, regulation, or ordinance (as the context shall require).

“Withdrawal Liability” means any sum that may be assessed against Sellers by a Multiemployer Plan providing pension benefits, under the Multiemployer Pension Plan Amendments Act of 1980, resulting from the Sellers ceasing to have an obligation to make contributions to such Multiemployer Plan.

1.2 Other Definitional and Interpretative Provisions. The words “hereof”, “herein” and “hereunder” and words of like import used in this Agreement shall refer to this Agreement as

a whole and not to any particular provision of this Agreement. The captions and headings used herein are included for convenience of reference only and shall be ignored in the construction or interpretation hereof. References to Articles, Sections, Exhibits and Schedules are to the Articles, Sections, Exhibits and Schedules, respectively, of this Agreement unless otherwise specified. All Exhibits and Schedules annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Any capitalized terms used in any Exhibit or Schedule but not otherwise defined therein shall have the meaning as defined in this Agreement. The terms "Dollars", "dollars" and "\$" shall mean United States dollars. Any singular term in this Agreement shall be deemed to include the plural and any plural term the singular, and references herein to any gender shall include the other gender. Whenever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation", whether or not they are in fact followed by those words or words of like import. "Writing", "written" and comparable terms refer to printing, typing and other means of reproducing words (including electronic media) in a visible form. References to any agreement or contract are to that agreement or contract as amended, modified or supplemented from time to time at or prior to the Closing in accordance with the terms hereof and thereof; provided that with respect to any agreement or contract listed on any schedules hereto, any substantive amendments, modifications or supplements must also be listed in the appropriate schedule. References to any Person include the successors and permitted assigns of that Person. References herein to a Person in a particular capacity or capacities shall exclude such Person in any other capacity. References from or through any date mean, unless otherwise specified, from and including or through and including, respectively. Any reference to a code, act, statute or regulation means that law, code, act, statute or regulation as amended or supplemented from time to time and any corresponding provisions of successor laws, codes, acts, statutes or regulations and any reference to any law code, act or statute shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. References to a "day" or any number of "days" (without explicit qualification by the word "Business") shall be interpreted as a reference to a calendar day or number of calendar days. If the last day for the giving of any notice or the performance of any act required or permitted under this Agreement is a day that is not a Business Day, the time for the giving of such notice or the performance of such act shall be extended to the next succeeding Business Day.

ARTICLE II PURCHASE AND SALE OF ASSETS; ASSUMPTION OF LIABILITIES

2.1 Assets to be Sold to Buyer. On the terms and subject to the conditions of this Agreement, and on the basis of the representations and warranties herein contained, the Sellers shall sell, transfer, convey, assign and deliver to the Buyer entity designated by Buyer, on the Closing Date, all of their right, title and interest in the assets described in this Section 2.1 (the "Acquired Assets"), free and clear of all Liens and Claims other than Liens securing the Assumed Liabilities to the fullest extent permissible under Section 363(f) of the Bankruptcy Code ("Contemplated Transactions"). The Acquired Assets shall be comprised of:

(a) All Owned Real Property of the Sellers including without limitation the Owned Real Property listed on Schedule 4.8(a-1);

(b) The interests of the Sellers, whether as landlord or tenant, under the Real Property Leases for the Leased Real Property listed on Schedule 4.8(a-2);

(c) Sellers' Furniture and Equipment and Inventory other than the Furniture, Equipment and Inventory identified by the Buyer on Schedule 2.1(c), no later than sixty (60) days following the Effective Date;

(d) All Assigned Contracts listed on Schedule 2.1(d), including all of Sellers' rights of set-off under such Assigned Contracts, which Schedule shall be delivered by Buyer to the Sellers no later than thirty-five (35) days following the Effective Date, provided that Buyer shall be permitted to remove any Contract from Schedule 2.1(d) by written notice to the Sellers at any time on or before the thirtieth (30th) Day prior to the Closing Date and to add any Contract not previously included as an Assigned Contract on Schedule 2.1(d) but as to which the Buyer notifies the Sellers, at any time on or before the thirtieth (30th) Day prior to the Closing Date, that it intends to include as an Assigned Contract;

(e) All Intellectual Property of Sellers including without limitation the Intellectual Property listed on Schedule 4.9 related to the Acquired Assets or used in the Business;

(f) Subject to Section 2.6, all books, records, and data of the Sellers of every kind, whether in hard copy, electronic or digital format and however maintained or stored, excepting only the corporate minute books of the Sellers; provided, however, with respect to Sellers' medical records, only those medical records for (i) in-patients of SSMC, MVH and/or SECC as of the Closing Date, and (ii) outpatients undergoing an active course of treatment during the three (3) month period prior to the Closing Date shall constitute Acquired Assets;

(g) Intentionally Omitted;

(h) Any Prepaid Deposits;

(i) Subject to the Sellers' right to remediate any such damage with insurance proceeds, all proceeds or proceeds receivable of the Sellers' insurance and unliquidated or unsatisfied claims that relate to property damage with respect to Owned Real Property or Leased Real Property of the Sellers occurring prior to the Closing, and all other insurance proceeds and insurance proceeds receivable (including applicable deductibles, co-payments or self-insured requirements) arising from any claim made under the Sellers' insurance policies with respect to the Acquired Assets but excluding insurance proceeds and insurance proceeds receivable in respect of tort liabilities such as medical malpractice claims and other Excluded Liabilities;

(j) All rights of the Sellers under or pursuant to all warranties, representations and guarantees made by suppliers, manufacturers and contractors to the extent relating to services provided to the Sellers after the Closing or to the extent affecting any Acquired Assets, other than any warranties, representations and guarantees pertaining to any Excluded Assets;

(k) The going concern value and goodwill of the Business of each of the Sellers; and

(l) Donor restricted assets and endowment funds held by, or for the benefit of, the Sellers, the income and/or corpus of which has been designated for use in support of, for the benefit of, or otherwise relating to, any of the Sellers' missions, operations, programs, services, assets and/or facilities (collectively, the "Restricted Assets") to the extent transferable and subject to any approvals required by Applicable Law.

2.2 Excluded Assets. Notwithstanding anything in Section 2.1 to the contrary, the Sellers shall only be obligated to sell, and Buyer shall only be obligated to purchase, the Acquired Assets, and the Sellers shall not have any obligation to sell to Buyer, nor shall Buyer have any purchase rights with respect to, any assets of the Sellers not described in Section 2.1 (all such assets not described in Section 2.1, collectively, the "Excluded Assets") including but not limited to the Furniture and Equipment and/or Inventory listed on Schedule 2.1(c).

2.3 Assumed Liabilities.

(a) On the terms and subject to the conditions of this Agreement, Buyer agrees that at Closing it will assume, and agree to fully and faithfully pay, perform and discharge, as the case may be, when due, only the obligations and Liabilities under (i) the Assigned Contracts, but only to the extent of contractual obligations and Liabilities which are to be initially performed or which accrue from and after the Closing Date and relate solely to dates of service from and after the Closing Date, (ii) the Debt of the Sellers listed on Schedule 2.3(ii) and subject to the satisfaction of the conditions in Section 10.1, (iii) Liabilities incurred on or after the Closing Date by Buyer, (iv) certain liabilities accruing to eligible former employees of Sellers as set forth in Section 2.3(b), and (v) the Cure Amounts as required by Section 2.5 hereto up to the maximum amount of three million dollars (\$3,000,000) (collectively, the liabilities described in this 2.3, the "Assumed Liabilities"); and

(b) Liabilities, in the aggregate amount not to exceed nine million dollars (\$9,000,000) to individual eligible Employees of Sellers hired by Buyer in accordance with Article IX below and as determined by the Buyer in its sole discretion, or as otherwise may be agreed to by the parties (the "Assumed Employee Liabilities").

2.4 Excluded Liabilities. Notwithstanding any provision of this Agreement or any other document or instrument to the contrary, Buyer shall have the obligation to assume only the Assumed Liabilities, and Buyer shall not have any obligation with respect to any other Liabilities of the Sellers, regardless of whether such obligation arises before, on or after the Closing Date (all of such other Liabilities, collectively, the "Excluded Liabilities"). It shall not affect the status of a Liability as an Excluded Liability to the extent Buyer affirmatively elects in its sole and absolute discretion to assume responsibility for a given Excluded Liability.

2.5 Cure Amounts. At the Closing and pursuant to Section 365 of the Bankruptcy Code, the Sellers shall assume and assign to Buyer, the Assigned Contracts. The cure amounts, if any, as determined by the Bankruptcy Court, necessary to cure all defaults and to pay all actual or pecuniary losses, if any, that have resulted from any defaults on the part of the Sellers under the Assigned Contracts shall be paid by the Buyer at Closing up to the maximum amount of three million dollars (\$3,000,000), if any, and Sellers shall have no liability for any such cure amount.

The cure amounts to be paid by the Buyer in accordance with the foregoing provisions of this Section 2.5 are hereinafter sometimes referred to as the "Cure Amounts".

2.6 Agreement Regarding Confidentiality of Patient Information. Sellers shall have no obligation to provide Buyer with custody of Patient records upon the Closing until Sellers and Buyer enter into a Medical Records Custody Agreement in the form attached hereto as Exhibit D, and then any such obligation of Sellers is subject to Buyer's compliance with the Medical Records Custody Agreement.

2.7 Accounts Receivable.

(a) For the avoidance of doubt, Sellers shall be entitled to bill for and receive all Pre-Closing Accounts Receivable, to the extent permitted by Applicable Law.

(b) Buyer agrees that it will pay over or cause to be paid over to the Sellers, insofar as practicable within five (5) Business Days of receipt, and until so paid, and shall hold in trust for the Sellers all sums received by it or any of its Affiliates in respect of or on account of the Pre-Closing Accounts Receivable. The provisions of this Section 2.7(b) shall survive the Closing to the extent contemplated herein.

(c) Sellers agree that they will pay over or cause to be paid over to the Buyer, insofar as practicable within five (5) Business Days of receipt, and until so paid, shall hold in trust for the Buyer all sums received by any of them in respect of or on account of any Post-Closing Accounts Receivable. The provisions of this Section 2.7(c) shall survive the Closing to the extent contemplated herein.

ARTICLE III
PURCHASE PRICE, MANNER OF PAYMENT AND CLOSING

3.1 Payment of Purchase Price.

(a) In consideration of the sale, assignment, transfer, conveyance and delivery of the Acquired Assets to Buyer at Closing, and in consideration for the representations, warranties, covenants and agreements of the Sellers contained herein, Buyer shall pay, satisfy or assume liabilities equal to fifty-four million dollars (\$54,000,000) plus the appraised value of the Furniture and Equipment and Inventory acquired by Buyer pursuant to Section 2.1(c) (as determined by mutually acceptable appraisal firm within thirty (30) days following the Effective Date) (the "Purchase Price"), consisting of the following: (i) assumption of the Assumed Liabilities, (ii) satisfaction of the Cure Amounts pursuant to Section 2.5 hereof, (iii) payment of any amounts pursuant to the Guaranty, (iv) assumption of the Assumed Employee Liabilities; and (v) payment of cash in an amount equal to the balance of the Purchase Price, subject to the reconciliation set forth in Section 3.1(b).

(b) Purchase Price Adjustment. Buyer shall be entitled to a post-Closing Date adjustment of the Purchase Price for any and all amounts collected by MidCap Financial pursuant to that certain Conditional Non-Recourse Secured Guaranty (Limited) between Buyer and MidCap Financial dated _____, 2013. Buyer and Sellers shall determine such adjustment

(the "Receivables Guaranty Reconciliation") on a date not later than ninety (90) days after the Closing Date. To the extent that the aggregate amount in Section 3.1(a)(i) - (iv) above requires the Buyer to make a cash payment to the Sellers to satisfy the Purchase Price, the Buyer shall place up to five million dollars (\$5,000,000) of such cash payment in escrow on terms mutually agreeable to Buyer and Sellers, subject to completion of the Receivables Guaranty Reconciliation. If the Buyer is not required to make a cash payment to Sellers to satisfy the Purchase Price, or to the extent that the cash payment necessary to satisfy the Purchase Price is less than five million dollars (\$5,000,000), Buyer shall receive, on account of the deficiency by which the cash payment necessary to satisfy the Purchase Price is less than five million dollars (\$5,000,000), (i) a subordinate security interest in and lien on any collateral pledged by the Sellers to MidCap Financial, and Sellers shall promptly seek and use their best efforts to obtain Bankruptcy Court approval for the grant of such security interest, and (ii) to the extent the deficiency is not recovered from such collateral, Buyer shall receive a claim entitled to super priority administrative status in the Bankruptcy Case.

(c) Transition Patient Payments. To compensate Sellers for services rendered and medicine, drugs, and supplies provided on or before the Closing Date ("Transitional Patient Services") with respect to individuals who are patients of the Sellers on or before the Closing Date but who are not discharged until after the Closing Date ("Transition Patients"), the Sellers and Buyer shall take the following actions:

(i) As soon as practicable after the Closing Date, Sellers shall deliver to Buyer a statement itemizing the Transitional Patient Services provided by Sellers on or through the Closing Date to Transition Patients whose care is reimbursed by Medicare, Medicaid or other healthcare insurance or reimbursement programs, including all private health plans, on a diagnostic related group or other "all-inclusive" or "global" fee basis ("Reimbursement Payment"). With respect to such Transition Patients, the Sellers shall, unless otherwise required by Applicable Law, be entitled to receive from Buyer as hereinafter provided an amount equal to (x) the Reimbursement Payment plus the outlier payments, if any, received by Buyer in respect of a Transition Patient, multiplied by a fraction of which the numerator shall be the inpatient length of stay of the Transition Patient prior to the Closing Date and of which the denominator shall be the entire length of stay of the Transition Patient (as calculated in accordance with Medicare/Medicaid regulations) minus (y) the sum of any deposits or co-payments received by the Sellers in respect of such Transition Patient to Seller; provided, however, that, if the fraction described in clause (x) of this sentence (which fraction is to be multiplied by the Reimbursement Payment plus the outlier payments, if any, received by Buyer in respect of a Transition Patient) is greater than 1, then such fraction shall be deemed to be equal to 1. Such payment shall be made by Buyer to the Sellers within thirty (30) days after receipt of such Reimbursement Payment or outlier payment, accompanied by copies of remittances and other supporting documentation as reasonably required by the Sellers. To the extent the Sellers received a Reimbursement Payment with respect to Transition Patients in excess of amounts to which they were entitled, such excess shall be taken into account in determining the amount of the payment to be made by Buyer pursuant to the immediately preceding sentence. In the event the Sellers and Buyer are unable to agree on the amount to be paid to the Sellers under this Section 3.1(c), then such amount shall be determined by an accounting firm mutually and reasonably acceptable to Buyer and the Sellers, the cost of engagement of which shall be shared half by Buyer and half by the Sellers. Buyer and the Sellers acknowledge and agree that the intent of this Section 3.1(c) is to ensure that each

of them gets properly compensated for services to Transition Patients performed by such party. Accordingly, Buyer and the Sellers each agree to use their best efforts to carry out such intent.

(ii) Immediately prior to the Closing Date, the Sellers shall prepare cut-off billings for all then patients of the Sellers not covered by Section 3.1(c)(i) (which shall include Medicare patients whose care is reimbursed on a per diem basis). The Sellers shall be entitled to bill for and receive all amounts collected in respect of such cut-off billings and Buyer shall have no right thereto.

3.2 Closing and Closing Date.

(a) The closing of the transactions contemplated by this Agreement (the "Closing") shall take place at a location agreed upon by Buyer and the Sellers, within ten (10) days after receipt of applicable Governmental Authorizations (including without limitation Hart-Scott-Rodino approval, if necessary), subject to the satisfaction or waiver of all other conditions to the obligations of the Sellers and Buyer, to consummate the Contemplated Transactions (other than conditions with respect to actions the respective Sellers and Buyer will take at the Closing) or such other date as Buyer and the Sellers may mutually determine in writing (the "Closing Date").

(b) Unless otherwise agreed by Buyer and the Sellers in writing, regardless of the time at which the Closing is completed, the Closing shall be deemed effective and all right, title and interest of the Sellers in any asset to be acquired by Buyer hereunder, and any Assumed Liability and all risk of loss with respect to the Business, shall be considered to have passed to Buyer as of 12:01 a.m. (New York time) on the Closing Date.

3.3 Delivery of Records and Contracts. The Sellers shall make available to Buyer at the premises of the Business on the Closing Date all business records, books, and other data in the Sellers' possession as of the Closing Date constituting the Acquired Assets under Section 2.1 subject to Section 2.6. After the Closing, the Buyer shall afford to the Sellers and their accountants and attorneys reasonable access, during normal business hours and upon reasonable advance notice, to the books and records of the Sellers delivered or made available to the Buyer under this Section 3.3 and shall permit the Sellers, at the Sellers' expense, to make extracts and copies therefrom to the extent reasonably requested in connection with financial reporting and accounting, litigation, tax matters and any other reasonable business purpose. For a period of six (6) years after the Closing Date, the Buyer shall not dispose of such books and records without first offering to surrender the same to the Sellers in writing upon not less than sixty (60) days prior to such proposed disposition.

3.4 Further Conveyances. From time to time following the Closing, each Party shall, and shall cause their respective Affiliates to, execute, acknowledge and deliver all such further conveyances, notices, assumptions and releases and such other instruments, and shall take such further actions, as may be reasonably necessary or appropriate to assure fully to Buyer and its respective successors or assigns, all of the properties, rights, titles, interests, estates, remedies, powers and privileges intended to be conveyed to Buyer under this Agreement and the other Transaction Documents, to ensure that Buyer is relieved of all Excluded Liabilities including Successor Liabilities, and to assure fully to the Sellers and their Affiliates and their successors

and assigns the assumption of the liabilities and obligations intended to be assumed by Buyer under this Agreement and the other Transaction Documents, and to otherwise make effective the Contemplated Transactions and thereby. In the event that Buyer or its Affiliates receives any Excluded Assets (or any payments or proceeds related thereto) following the Closing, Buyer shall promptly deliver such Excluded Assets (or any payments or proceeds related thereto) to the Sellers. In the event that the Sellers or their Affiliates retain or receive any Acquired Assets (or any payments or proceeds related thereto) following the Closing, the Sellers shall promptly deliver such Acquired Assets (or any payments or proceeds related thereto) to Buyer.

3.5 Bulk Sales Laws. The Parties hereto hereby waive compliance by the Sellers with the requirements and provisions of any Applicable Law related to "bulk-transfer" of any jurisdiction that may otherwise be applicable with respect to the sale and transfer of any or all of the Acquired Assets to Buyer.

3.6 Allocation of Purchase Price. The Purchase Price shall be allocated among the Acquired Assets in accordance with the allocation protocols (and amounts determined therefrom) set forth in attached Schedule 3.6, as determined by Buyer.

3.7 Deposit. Buyer shall have made a cash deposit upon signing this Agreement in the sum of to ten percent (10%) of the Purchase Price (the "Deposit") upon signing of this Agreement. The Deposit shall be held in escrow pursuant to terms of an escrow agreement in form and substance mutually satisfactory to Buyer and Sellers. The Deposit shall be promptly returned to the Buyer within three (3) Business Days of written notice from Buyer of Sellers' breach of this Agreement which, among other things, shall include failure to meet the dates by which the Bid Procedures Order and the Sale Order must be entered by the Bankruptcy Court and approval of the Break-Up Fee and the Expense Reimbursement pursuant to Section 6.1. The Sellers shall retain the Deposit as a credit against the cash portion of the Purchase Price at Closing or as liquidated damages if Buyer breaches its obligations under this Agreement, or upon the failure of Buyer to consummate the Sale, provided that all conditions precedent to closing have been satisfied and the Sellers have not breached their obligations under this Agreement.

3.8 Escrow. At the Closing, out of the Purchase Price, Buyer shall deposit nine million dollars (\$9,000,000), relating to the Assumed Employee Liabilities, in escrow with Garfunkel Wild, P.C. (the "Escrow Agent"). Sellers and Buyer shall compute the amount of the Assumed Employee Liabilities. Upon the written consent of the Buyer and Sellers, Escrow Agent shall release such funds to the Buyer. One hundred and twenty (120) days after the Closing, the Escrow Agent, upon seven (7) days written notice to the Buyer, shall release any excess funds to the Sellers. In the event that the Buyer does not object in writing to Escrow Agent within such seven (7) day period, Buyer shall have been deemed to consent to such release. In the event of an objection or dispute between the Parties, the Bankruptcy Court shall retain jurisdiction over such claim or dispute.

ARTICLE IV REPRESENTATIONS AND WARRANTIES WITH RESPECT TO THE SELLERS

Each Seller represents and warrants to Buyer that the statements contained in this Article IV are correct and complete as of the Effective Date and will be correct and complete as of the

Closing Date (as though made then and as though the Closing Date were substituted for the Effective Date throughout this Article IV), except as set forth in the disclosure schedule accompanying this Agreement and initialed by the Parties (the "Disclosure Schedule"). The Disclosure Schedule will be arranged in sections corresponding to the lettered and numbered sections and subsections contained in this Article IV. It is understood that no Seller shall have liability to Buyer for any breach or default in respect of any representation or warranty set forth in this Article IV other than pursuant to Article X and that the remedy of Buyer for any such breach or default shall be pursuant to the indemnification provisions of Article X.

4.1 Organization. As set forth on Schedule 4.1(a) of the Disclosure Schedule, each Seller (i) is a business corporation, limited liability company or not-for-profit corporation, as the case may be, duly organized, validly existing, and in good standing under the laws of the State of New York and (ii) has full power and authority and to own, lease and operate its properties and assets and to conduct its Business as presently conducted.

4.2 Authorization of Transaction. Except for such authorization as is required by the Bankruptcy Court (as hereinafter provided for) and DOH Approval, each Seller has full power and authority (including full not-for-profit corporate power and authority) to execute and deliver this Agreement and, subject to such authorization as is required by the Bankruptcy Court (as hereinafter provided for), Supreme Court Approval and DOH Approval, to perform its obligations hereunder. Without limiting the generality of the foregoing, the Board of Directors of each Seller has duly authorized the execution, delivery, and performance of this Agreement by such Seller. This Agreement constitutes and any and all other Transaction Documents to be executed by the Sellers pursuant hereto, when executed, will constitute, the valid and legally binding obligation of the Sellers, enforceable in accordance with their terms and conditions.

4.3 Qualification. Each Seller is duly qualified or licensed to do business, and is in good standing, in all jurisdictions (domestic and foreign) in which the character or the location of the assets owned or leased by it or the nature of the business conducted by it requires such licensing or qualification. All such jurisdictions are set forth on Schedule 4.3 of the Disclosure Schedule.

4.4 Non-Contravention. Subject to DOH Approval, Supreme Court Approval and Bankruptcy Court approval, neither the execution and delivery of this Agreement, the consummation of the Contemplated Transactions (including each Transaction Document required to be delivered by the Sellers at Closing), nor the fulfillment of the terms hereof by the Sellers, will (i) violate or result in a breach of any of the terms and provisions of, constitute a default under, conflict with, or create in any party the right to accelerate, terminate, modify, cancel or require any notice under any agreement (including any Material Contract), mortgage, bond, indenture, franchise or other instrument or obligation to which any Seller is a party or by which it is bound; (ii) violate any order or award of any court, administrative agency or governmental body applicable to any Seller; (iii) result in the imposition of any Lien or Claim upon any Acquired Asset pursuant to the terms of any such mortgage, bond, indenture, lease, franchise or other instrument or obligation; (iv) constitute a violation by any Seller of any Applicable Law; (v) result in the breach of any of the terms or conditions of, or constitute a default under, or otherwise cause any impairment of, any permit, license or other Governmental Authorization held by any Seller; (vi) breach or result in any liability or expense to any Seller

under any CBAs, if any, to which such Seller is a party; or (vii) conflict with or violate any charter document, operating agreement or partnership agreement of any Seller. All of the Assigned Contracts will be assignable to Buyer at the Closing pursuant to Section 365(c)(1) of the Bankruptcy Code without the consent of the counterparty or relevant Governmental Authority, as applicable.

4.5 Brokers' Fees. Except as set forth in Schedule 4.5 of the Disclosure Schedule, no Seller has any liability or obligation to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement for which Buyer could become liable or obligated.

4.6 Events Subsequent. Except as set forth in Schedule 4.6 of the Disclosure Schedule, since July 1, 2012, there have not been any of the following:

- (a) Any transaction entered into or carried out by any Seller other than in the Ordinary Course of Business;
- (b) Any material written modification or termination of any Material Contract;
- (c) Any written modification or termination of any License;
- (d) Any entry into, termination of, or receipt of notice of termination of any Material Contract;
- (e) Any action taken by any Seller or, to the Knowledge of the Sellers, by another Person on behalf of any Seller that will or may reasonably be expected to cause or constitute a breach of any provision of this Agreement or any Material Contract (other than non-payment of accounts payable that are included in the Cure Amounts) or cause or be reasonably expected to cause a Material Adverse Change;
- (f) To the Knowledge of the Sellers, any material abandonment, lapse or infringement of any Intellectual Property owned by or licensed to any Seller;
- (g) Any amendment or other modification or alteration (including through merger, liquidation, reorganization, or restructuring) of the articles of organization (or similar organizational documents) or corporate structure or ownership of any Seller;
- (h) Any material damage to or destruction or loss of any Acquired Assets or Owned Real Property or Leased Real Property of any Seller, whether or not covered by insurance, material adversely affecting the Acquired Assets, Business, financial condition or prospects of any Seller or the Business;
- (i) Any sale, transfer, lease to others or other disposition of any Acquired Asset unless in the ordinary course of business or if such item has been rendered obsolete;
- (j) Any change in any Tax election or Tax status of any Seller; or

(k) Any claims made or actions, suits or proceedings or, to the Knowledge of the Sellers, any investigation by a Governmental Authority commenced or, to the Knowledge of the Sellers, threatened, against any Seller or any institution except those that the Sellers have settled.

4.7 Tax Matters.

(a) Each of the Tax-Exempt Sellers has received a determination letter from the Internal Revenue Service to the effect that such Tax-Exempt Seller is exempt from federal income taxation under §501(a) of the Code as an organization described in §501(c)(3) of the Code. Copies of such determination letters are included in Schedule 4.7(a). Such determination letters have never been amended or modified and there have been no changes to the factual basis for their original issuance. No Tax-Exempt Seller has taken any action that is inconsistent with or omitted to take any action that is required in order to maintain, the tax-exempt status of such Tax-Exempt Seller, or that could reasonably be expected to lead to a determination by the Internal Revenue Service that such Tax-Exempt Seller is not eligible to be treated as an organization exempt from federal income taxation under Section 501(a) of the Code as an organization described in Section 501(c)(3) of the Code. Except as disclosed on the Disclosure Schedule, each Tax-Exempt Seller has received recognition of its tax-exempt status from all state and local Taxes in all jurisdictions in which it conducts Business. Such tax-exempt status has never been revoked or suspended, there are not currently any proceedings to revoke or suspend such tax-exempt status, nor has there been any conduct by any Tax-Exempt Seller of such nature that would warrant modification, limitation or revocation of the determination letters. Each Tax-Exempt Seller has, since its incorporation, been classified as a public charity under Section 509(a) of the Code and has been operated consistent with the requirements for qualification under Section 501(c)(3) of the Code and has never received notice from a Governmental Authority that such Tax-Exempt Seller's classification was in jeopardy.

(b) Except as disclosed on Schedule 4.7(b), all Tax Returns with respect to the Sellers, Business or the Acquired Assets, to the extent required to be filed with any Governmental Authority with respect to any period prior to Closing by or on behalf of each Seller (collectively, the "Pre-Closing Tax Returns"), have been prepared in accordance with all Applicable Laws and have been filed when due (taking into account extensions of filing due dates) in accordance with all Applicable Laws, and all such Pre-Closing Tax Returns are true, correct and complete in all material respects and copies of the Pre-Closing Tax Returns for the calendar years 2009, 2010, 2011 and 2012 have been provided to or made available to Buyer, along with copies of all examination reports of any Pre-Closing Tax Return by any Governmental Authority and statements of deficiencies assessed by any Governmental Authority with respect to the Pre-Closing Tax Returns.

(c) Except as disclosed on Schedule 4.7(c), each Seller has duly and timely paid in accordance with all Applicable Law, all material Taxes with respect to the Business and the Acquired Assets that are due and payable with respect to any period prior to Closing and has properly accrued on its books and records any Tax with respect to any such period that is not yet due and payable. Except as disclosed on Schedule 4.7(c), each Seller has duly and timely withheld or collected, paid over and reported all Taxes with respect to such Seller, the Business or the Acquired Assets required to be withheld or collected by it in any period prior to Closing.

(d) Schedule 4.7(d) contains a list of all material jurisdictions (whether foreign or domestic) to which (i) any Tax is properly payable or (ii) any Tax Return is required to be filed by each Seller.

(e) Except as disclosed on Schedule 4.7(e), to Sellers' Knowledge, there are no Liens or Claims for Taxes upon the Acquired Assets other than statutory Liens for Taxes not yet due or payable, and no issue has been raised by written inquiry of any Governmental Entity respecting Taxes, which, by application of the same principles, would reasonably be expected to (i) result in a Lien or Claim on the Acquired Assets or the Business in any taxable period (or portion thereof) ending after the Closing Date or (ii) threaten the tax-exempt status of any Tax-Exempt Seller.

(f) None of the Acquired Assets is an interest (other than indebtedness within the meaning of Section 163 of the Code) in an entity taxable as a corporation, partnership, trust or real estate mortgage investment conduit for federal income tax purposes.

(g) All information relating to Tax matters set forth in the financial statements (including the notes thereto) of each Seller referred to herein is accurate in all material respects.

(h) No extension or waiver of the limitation period applicable to the assessment or collection of any Tax has been granted with respect to any Seller; and no Seller has entered into any agreement or arrangement with any Governmental Authority with regard to any Liability for any Tax of any Seller affecting any Tax period for which the applicable statute of limitations, after giving effect to extensions or waivers, has not expired except as disclosed in Schedule 4.7(h).

(i) No Governmental Authority has asserted in writing or, to the Sellers' Knowledge, orally (i) an adjustment that could result in an additional Tax for which any Seller is or may be liable or that could result in a Lien or Claim on the Acquired Assets or such Seller's Business or (ii) a threat to the tax-exempt status of a Tax-Exempt Seller. Except as set forth in the Disclosure Schedule, there is no proceeding pending relating to any Liability for any Tax or asset of any Seller or the tax-exempt status of any Tax-Exempt Seller and, to the Sellers' Knowledge, no Governmental Authority has threatened any audit, examination, investigation, inquiry, dispute, proceeding or claim except as disclosed in Schedule 4.7(i).

(j) There is no outstanding closing agreement, ruling request, request to change a method of accounting, subpoena or request for information with or by any Governmental Authority with respect to any Seller. No Seller has executed or entered into any agreement with, or obtained any consents or clearances from, any Governmental Authority respecting Taxes, or has been subject to any ruling guidance specific to such Seller respecting Taxes that would be binding on the Sellers for any taxable period (or portion thereof) ending after the Closing Date.

(k) No Seller has been a party to a "listed transaction" within the meaning of Treasury Regulations Section 1.6011-4(b)(2).

(l) No Seller is a party to any Tax allocation or sharing agreement. No Seller is a party to any agreement, or understanding or arrangement, that constitutes, or the

consummation of which constitutes, an excess benefit transaction under Section 4958 of the Code.

4.8 Property and Assets.

(a) Schedule 4.8(a-1) of the Disclosure Schedule contains a complete list of all real property to which the Sellers own fee simple title together with any material property rights ("Owned Real Property"). Schedule 4.8(a-2) of the Disclosure Schedule contains a complete list by address of all real property leased, subleased, licensed, operated or used by any Sellers (whether as lessor, lessee, licensor or licensee) indicating the nature of their respective interest therein (the "Leased Real Property") and specifies the lessor(s), lessee(s), licensor(s) or licensee(s) of such Leased Real Property and identifies each lease or any other Contract under which such property is leased, subleased, licensed or otherwise occupied, including all amendments and/or modifications thereto (together with all amendments, extensions, renewals, guaranties, and other agreements thereto, each a "Real Property Lease"). No Seller has received any written notice of any pending condemnation, expropriation, eminent domain or similar proceeding affecting all or any material portion of any such Owned Real Property or Leased Real Property or, to the Sellers' Knowledge, that any such activities are currently being threatened. There are no oral leases or subleases and, except as set forth on Schedule 4.8(a-3) of the Disclosure Schedule, there are no (x) written subleases or (y) written or oral licenses, concessions, occupancy agreements or other Contracts granting to any other Person the right of use or occupancy of the Owned Real Property or the Leased Real Property or any portion thereof and there is no Person in possession of the Owned Real Property or the Leased Real Property or any portion thereof other than the Sellers. The real property identified on Schedule 4.8(a-1), Schedule 4.8(a-2) and Schedule 4.8(a-3) of the Disclosure Schedule represents all of the real property owned, leased, subleased, licensed or otherwise occupied by the Sellers that is utilized in the operation of the Business.

(b) Each Seller has title to, or, in the case of personal property held under a lease or other Contract (subject to the terms of the lease or other Contract), an enforceable leasehold interest in, or right to use, the Acquired Assets, free and clear of all Liens and Claims other than Liens securing the Assumed Liabilities. The foregoing notwithstanding, with respect to the Owned Real Property, Seller shall convey and Buyer shall accept such title as any reputable title company which is a member of the New York Board of Title Underwriters will be willing to approve and insure at standard rates in accordance with their standard form of title policy, clear of all Liens, subject to the Permitted Encumbrances in Schedule 4.8(b). Except as otherwise provided, the Owned Real Property shall be conveyed in its "as-is" condition and state of repair together with (a) all right, title and interest of Seller in and to all easements, rights of way, air or development rights, reservations, privileges, appurtenances, and other estates and rights of Seller, if any, pertaining to its interest in the Owned Real Property, and (b) all right, title and interest of Seller, if any, in and to all alleys adjoining its interest in the Owned Real Property and in and to the land lying in the bed of any street, road or avenue, opened or proposed, in front of or adjoining its interest in the Owned Real Property to the center line thereof, and (c) subject to apportionment if required hereunder, all right, title and interest of Seller, if any, in and to any award made for any taking by condemnation or any damages to its interest in the Owned Real Property by reason of a change of grade of any street, road or avenue.

(c) To the Sellers' Knowledge, other than with respect to the Owned Real Property and the Leased Real Property, the Acquired Assets (i) are in good working order, operating condition and state of repair (subject to reasonable wear and tear and to deferred maintenance), (ii) have no material defects (whether patent or latent), subject to reasonable wear and tear, and (iii) have been maintained in a reasonable manner (subject to reasonable wear and tear and to deferred maintenance). Other than with respect to the Owned Real Property and the Leased Real Property, none of the Acquired Assets owned or leased by the Sellers is subject to any sublease or sublicense or any other agreement granting to any other Person by the Sellers any right to the use, occupancy or enjoyment of such property or any portion thereof.

(d) Except as disclosed on Schedule 4.8(d) of the Disclosure Schedule, all of the fixtures and other improvements that constitute the Owned Real Property or the Leased Real Property and all of the Sellers' tangible personal property, other than inventory, included in the Acquired Assets, and including motor vehicles, if any, are adequate and suitable for the present use by the Sellers, ordinary wear and tear excluded.

(e) The Sellers have delivered to the Buyer true, accurate and complete copies of each Real Property Lease.

(f) Except as listed on Schedule 4.8(f), there exists no default, breach or dispute on the part of any Seller under any Real Property Lease nor has any event occurred which, with the passage of time or the giving of notice or both, would constitute a default or breach by such Seller under a Real Property Lease.

(g) There exists no default or breach by the landlord, sublessor, licensor or other obligor under each Real Property Lease nor, to the Sellers' Knowledge, has any event occurred which, with the passage of time or the giving of notice or both, would constitute a default or breach by any such Person under a Real Property Lease.

(h) Schedule 4.8(a-1) of the Disclosure Schedule sets forth a true and correct listing of each Owned Real Property. Schedule 4.8(a-2) of the Disclosure Schedule sets forth a true and correct listing of each Real Property Lease.

(i) No portion of the Owned Real Property or the Leased Real Property has suffered any damage by fire or other casualty which heretofore has not been repaired and restored.

(j) Except for the Excluded Assets, the Acquired Assets constitute all of the assets of the Sellers that are used or useful in connection with the operation of the Business.

4.9 Intellectual Property.

(a) Schedule 4.9 of the Disclosure Schedule under the heading "List of Intellectual Property" sets forth a complete and accurate list of all Intellectual Property used by such Seller in connection with the Business. No Seller owns or exclusively licenses any trademarks, service marks or patents.

(b) Each Seller either owns or validly licenses, and possesses the valid and enforceable right to sell to Buyer, all Intellectual Property which is necessary for the operation of the Business and without any known conflict with the rights of others, and no Person has made any claims or threatened that any Seller or any Intellectual Property owned or used by any Seller is in violation or has infringed any such Intellectual Property of such third party. No legal proceedings are pending or, to the Sellers' Knowledge, threatened against any Seller that challenge the validity or enforceability of, or the rights of such Seller in, any of the Intellectual Property owned or used by such Seller. No assignments, grants or licenses to use such Intellectual Property have been granted by any Seller. All licenses, permits and approvals with respect to the Intellectual Property material to the Business (other than off-the-shelf computer software licenses) are listed in Schedule 4.9 of the Disclosure Schedule and are valid and in full force and effect and each of such licenses, permits and approvals shall, following the consummation of the Contemplated Transactions, be valid and fully enforceable.

(c) No Seller has Knowledge that any third party is infringing any Intellectual Property owned by such Seller.

4.10 Contracts.

(a) The Disclosure Schedule sets forth in Schedule 4.10 a complete and correct list of the following:

(i) each Contract (or group of related Contracts), in each case, the performance of which will extend over a period of more than one year from the Effective Date or which provides for annual payments to or by any Seller in excess of \$50,000;

(ii) each Contract that relates to the borrowing or lending by any Seller of any money or that creates or continues any Lien or Claim against, or right of any third party with respect to, any asset of any Seller, except for those Liens and Claims not related to the borrowing of any money but arising in the Ordinary Course of Business;

(iii) each Contract under which any other Person has guaranteed any Debt of any Seller;

(iv) each Contract (or group of related Contracts) (A) under which such Seller has created, incurred, assumed or guaranteed any Debt), or (B) under which such Seller has permitted any Acquired Asset to become encumbered;

(v) each Contract by which any Seller leases any real or personal property or pursuant to which such any Seller is a lessor of, or permits any third party to operate, any real or personal property of such Seller;

(vi) each Contract to purchase any amount of materials, supplies, medicine or other items or services having a purchase price in excess of \$50,000;

(vii) each CBA to which any Seller is a party;

(viii) each Contract under which any Seller is, or may become, obligated to pay any amount in respect of indemnification obligations, purchase price adjustment or otherwise in connection with any (i) acquisition or disposition of assets or securities, (ii) merger, consolidation or other business combination, or (iii) series or group of related transactions or events of the type specified in clauses (i) and (ii) above;

(ix) each Contract with an Affiliate, or with any entity in which an officer or director of any Seller holds an interest, including any agreement whereby any Seller has advanced or loaned any amount to any director, officer or Employee;

(x) each Contract in the form of a partnership, limited liability company or joint venture agreement;

(xi) each Contract (other than any Contract to which Buyer is a party) relating to confidentiality, non-competition or non-solicitation (in cases where any Seller is subject to such obligations) or containing a "most favored nation" clause;

(xii) each Contract under which any Seller has or may have any Liability to any investment bank, broker, financial advisor, finder or other similar Person;

(xiii) any Contract under which any Seller has advanced or loaned an amount to any of its Affiliates or Employees that remains outstanding on the Effective Date; and

(xiv) any Contract with any insurance company, prepaid health plan, health maintenance organization, preferred provider organization, independent practice association, private or public healthcare program, or any other entity to provide services to enrollees, beneficiaries or patients; and

(xv) any Physician Contract;

provided, however, that an Employee Benefit Plan shall not constitute a Material Contract and need not be listed on Schedule 4.10 of the Disclosure Schedule.

(b) As used in this Agreement, the term "Material Contracts" means all of the Contracts of the Sellers required to be disclosed in the Disclosure Schedule under this Section which are Assigned Contracts. Except (i) as otherwise provided in the Bankruptcy Code and (ii) for events of default arising as a result of such Seller's filing of a voluntary petition for relief under Chapter 11 of the Bankruptcy Code, all of the Material Contracts are in full force and effect, are valid and binding and are enforceable in accordance with their terms in favor of the applicable Seller. Except for Cure Amounts there are no material Liabilities of any party to any Material Contract arising from any breach or default of any provision thereof and no event has occurred that, with the passage of time or the giving of notice or both, would constitute a breach or default by any party thereto.

(c) The Sellers have delivered to the Buyer true, accurate and complete copies of each Assigned Contract, in each case, as amended or otherwise modified and in effect as of the Effective Date.

(d) Each Assigned Contract is enforceable against the applicable counterparty and is in full force and effect, and, subject to obtaining any necessary consents or delivering any necessary notices, as disclosed on Schedule 4.10(d) of the Disclosure Schedules, will continue to be so enforceable and in full force and effect following the consummation of the Contemplated Transactions.

(e) (i) Each Seller has the right to assign to Buyer each of the Assigned Contracts on the Closing Date under Section 365 of the Bankruptcy Code and upon such assignment at Closing in the manner contemplated by this Agreement, Buyer shall have all of the rights of such Seller thereunder, and (ii) no Assigned Contract to which such Seller is a party may be terminated by any other party thereto as a result of the transactions contemplated by this Agreement.

(f) Except as disclosed in the Disclosure Schedule, there are no notes receivable of any Seller or any other amount payable to any Seller owing by any director, officer, member or Employee of any Seller. Except as set forth on Schedule 4.10(f) of the Disclosure Schedule under the heading "Related Party Transactions", no Seller, Employee, officer, director, shareholder or Affiliate of any Seller, no individual, related by blood, marriage or adoption to any such individual, and no entity in which any such Person or individual owns any beneficial interest is a party to any agreement, contract, commitment or transaction with any Seller or any loan, arrangement, understanding, agreement or contract for or relating to indebtedness of the Sellers, or has any interest in any property, tangible or intangible, used by any Seller. The agreements, contracts, commitments or transactions set forth on Schedule 4.10(f) of the Disclosure Schedule under the heading "Related Party Transactions" were negotiated at arms-length by the applicable Seller with the other party thereto.

4.11 Sellers' Consents and Approvals. Schedule 4.11 of the Disclosure Schedule lists all authorizations, approvals, waivers, filings or consents required to be obtained, and notices to be made (including any such authorizations, approvals, waivers, filings or consents required to be obtained from, and notices to be made to any Governmental Authority), by the Sellers to consummate the Contemplated Transactions (including each Transaction Document required to be delivered by the Sellers at Closing) (collectively, "Sellers' Consents and Approvals"), other than (a) DOH Approval, (b) entry of the Sale Order, and (c) Supreme Court Approval and approval under Antitrust Laws, if applicable).

4.12 Powers of Attorney. Except as set forth in the Schedule 4.12, there are no outstanding powers of attorney executed on behalf of any Seller.

4.13 Litigation.

(a) Except as set forth on Schedule 4.13 of the Disclosure Schedules, (i) there is no action, suit, investigation or proceeding pending or, to the Sellers' Knowledge, threatened (x) against the Sellers with respect to the Acquired Assets before any arbitrator or Governmental Authority, whether any of the same are covered by insurance or whether any applicable carrier has denied coverage or reserved rights with respect to or assumed the defense thereof and (y) that would reasonably be expected to prevent, hinder, delay or otherwise challenge the consummation of any of the Contemplated Transactions or that questions the validity, legality or propriety of the

Contemplated Transactions or that could reasonably be expected to have a Material Adverse Effect; and (ii) no Seller is subject to any judgment, order or decree of any Governmental Authority with respect to the Acquired Assets or the Business involving an amount in excess of \$50,000.

(b) The Sellers have delivered or made available to Buyer a true, correct and complete copy of all correspondence, pleadings, and other relevant documents in connection with the actions, suits, investigations or proceedings set forth on Schedule 4.13 of the Disclosure Schedules.

4.14 Certain Healthcare Matters.

(a) Government Reimbursement Programs.

(i) Each of the Facilities, (A) has been granted any and all Governmental Authorizations necessary to carry on its business as such business has been conducted, and to own the assets thereof, all of which are currently valid and in full force and effect, (B) has complied in all material respects with the terms and conditions of its Governmental Authorizations, and there has occurred no event nor is there any event, action, investigation or proceeding pending or threatened which could cause or permit revocation or suspension of or otherwise adversely affect the maintenance of any such Governmental Authorization, (C) is not subject to any material administrative fines in connection with any Governmental Authorizations, (D) is qualified for participation in, and has current and valid provider contracts with, the Government Reimbursement Programs and/or their fiscal intermediaries or paying agents and is in compliance with the conditions of participation or requirements applicable with respect such participation and (E) is eligible for payment under the Government Reimbursement Programs for services rendered to qualified beneficiaries. At no time since January 1, 2010 has any Seller received any written or oral notice from any Governmental Authority indicating that its qualification as a participating provider in any Governmental Reimbursement Program may be terminated or withdrawn. To the Knowledge of the Sellers, there has been no decision not to renew any provider agreement relating to the Facilities or the Business.

(ii) Except as set forth on Schedule 4.14(a)(ii) of the Disclosure Schedule under the heading "Cost Reports," the Cost Reports for each of the Facilities that provides services to beneficiaries of Government Reimbursement Programs were filed when due, and have been audited (with Notices of Program Reimbursement issued), for the Cost Report periods particularly described on Schedule 4.14(a)(ii) of the Disclosure Schedule under the heading "Cost Reports". All Cost reports accurately reflect the information required to be included thereon.

(iii) Except as set forth on Schedule 4.14(a)(iii) of the Disclosure Schedule under the heading "Cost Reports", all amounts shown as due from any of the Facilities in the Cost Reports either were remitted with such Cost Reports or will be remitted when required by Applicable Law and are appropriately reflected in the financial statements, and all amounts shown in the Notices of Program Reimbursement as due have been, or prior to Closing will be, paid when required by Applicable Law.

(iv) No Seller has received or submitted any claim for payment to the Government Reimbursement Programs (or their fiscal intermediaries or paying agents) with respect to any Facility in excess of the amount provided by Applicable Law or applicable provider contract, and no Seller has received written or oral notice of any dispute or claim by any Governmental Authority, fiscal intermediary or other Person regarding any of the Facilities and the Government Reimbursement Programs or the participation by any of the Facilities in such Government Reimbursement Programs.

(v) No Seller is subject to, or the beneficiary of, any outstanding loan, grant or loan guarantee pursuant to the Hill Burton Act (42 USC Section 291a, *et seq.*) except as set forth in Schedule 4.14(v).

(vi) Except as set forth on the Schedule 4.14(a)(vi) of the Disclosure Schedule, since January 1, 2007, no Seller has been subject to any finding, agreement, settlement or fine regarding noncompliance with any Applicable Law (including fraudulent procedures or practices) relating to the Government Reimbursement Programs.

(vii) No Seller has established or maintains a “financial relationship,” as that term is defined by The Ethics in Patient Referrals Act, 42 U.S.C. Section 1395nn, and the regulations promulgated thereunder (the “Stark Law”), with any physician or with an immediate family member of any physician who makes referrals to any Seller for “designated health services,” as that term is used in the Stark Law, unless such financial relationship or referral, as applicable, meets an exception to the Stark Law.

(b) Medical Staff. The Sellers have made available to Buyer true, correct and complete copies of the bylaws, rules and regulations of the medical staffs of the Hospitals and the Residential Health Care Facility and all Contracts with Physicians, Physician groups or other members of the medical staff of each Hospital and the Residential Health Care Facility. Except as set forth on Schedule 4.14(b) of the Disclosure Schedule under the heading “Medical Staff Disputes”, there is no pending or, to the Sellers’ Knowledge, threatened dispute with medical staff member of any Hospital or the Residential Health Care Facility with respect to medical staff privileges or credentialing. With respect to each Physician or nurse (including registered professional nurses, nurse practitioners and licensed practical nurses) who is a member of the medical staff of any Hospital or the Residential Health Care Facility, the credentialing process for such physician included queries to the New York State Board for Medicine, the New York State Board for Nursing, the New York State Board for Professional Medical Conduct, the National Practitioner Data Bank and the National Council of State Boards of Nursing. Based upon and in reliance upon the Sellers’ review of (i) the “List of Excluded Individuals/Entities” on the website of the United States Health and Human Services Office of Inspector General (<http://exclusions.oig.hhs.gov/>), and (ii) the “List of Parties Excluded From Federal Procurement and Nonprocurement Programs” on the website of the United States General Services Administration (<http://www.epls.gov>), no member of the medical staff of a Facility, other than as set forth on Schedule 4.14(b-1), has been in the last six (6) years or is currently excluded from participation in any Governmental Reimbursement Program. Schedule 4.14(b-2) of the Disclosure Schedules under the heading “Medical Staff” sets forth a complete and accurate list of the name and specialty, if any, of each member of the medical staff of each Facility.

(c) Accreditation; Survey Reports. The Residential Health Care Facility is not accredited. Each Hospital is accredited by The Joint Commission (the "Joint Commission") for the period set forth on Schedule 4.14(c) of the Disclosure Schedule under the heading "Accreditation". With respect to each Hospital, the Sellers have made available to Buyer a true and complete copy of such Hospital's most recent Joint Commission accreditation survey report and deficiency list, if any; the most recent Statement of Deficiencies and Plan of Correction on Form HCFA-2567; the most recent state licensing report and list of deficiencies, if any; the most recent fire marshal's survey and deficiency list, if any, and the corresponding plans of correction or other responses, each as set forth on Schedule 4.14(c) of the Disclosure Schedule under the heading "Accreditation".

(d) Licenses. All Licenses of the Sellers are listed on Schedule 4.14(d) of the Disclosure Schedule under the heading "Licenses". The Licenses are all of the licenses necessary for the Sellers' operation of the Acquired Assets and the Business. Each of SSMC and MVH is duly licensed by the State of New York to operate the applicable Hospital as a general acute care hospitals having that number and type of licensed beds as set forth on each Hospital's current general acute care hospital license. SECC is duly licensed by the State of New York to operate the Residential Health Care Facility as a residential health care facility having that number and type of licensed beds as set forth in SECC's current residential health care facility license. Such Licenses are in full force and effect and no proceeding is pending or, to the Sellers' Knowledge, threatened, seeking the revocation, termination, suspension, restriction, modification or limitation of any such License. No Seller is in default under, and to the Knowledge of the Sellers no condition exists that with notice or the lapse of time or both would constitute a default under any License.

(e) Compliance. Each Seller is and has been in material compliance in all respects with all Applicable Laws, including all Healthcare Laws and Requirements, governing the conduct or operation of its business (including the Business), and all of its Licenses. Each Seller has timely filed all reports, data and other information related to the Business required to be filed by the Sellers with Governmental Authorities. All such reports, data and other information were true, correct and complete in all material respects when filed, complied in all material respects with Applicable Law in effect when filed, and no material deficiencies have been asserted by any such Governmental Authority with respect to such reports, data and other information that have not yet been satisfied, or, if not yet satisfied, where satisfaction is not yet due. No Seller has received any written or oral notice of any violation of any such Applicable Law, including all Healthcare Laws and Requirements or License, and, to the Sellers' Knowledge, no written or oral notice of such violation has been threatened at any time for the past five (5) years. There is no outstanding, or, to the Sellers' Knowledge, threatened order or allegation from any Governmental Authority of any alleged, actual, or potential violation of any Applicable Law. No investigation or review by any Governmental Authority is pending or to Sellers' Knowledge threatened, nor has any Governmental Authority notified any Seller in writing or orally within the five (5) year period prior to the Effective Date of its intention to conduct the same. No Seller has received any written notice indicating that the qualification of such Seller as a participating provider in any Governmental Reimbursement program may be terminated or withdrawn, nor, to the Knowledge of the Sellers is there any reason to believe that such qualification may be terminated or withdrawn.

(f) Compliance Programs. No Seller (i) is a party to a Corporate Integrity Agreement with the Office of Inspector General of the Department of Health and Human Services, (ii) has reporting obligations pursuant to any Settlement Agreement entered into with any Governmental Authority, (iii) has in the last five (5) years been a defendant in any qui tam/False Claims Act litigation, or (iv) has in the last five (5) years been served with or received any search warrant, subpoena, civil investigative demand, or contact letter by or from any federal or state enforcement agency (except in connection with medical services provided to third-parties who may be defendants or the subject of investigation into conduct unrelated to the operation of the healthcare businesses conducted by the System or its Subsidiaries). Schedule 4.14(f) of the Disclosure Schedules includes a description of each audit and investigation conducted by the Sellers pursuant to their compliance programs during the last five (5) years. For purposes of this Agreement, the term "compliance program" refers to provider programs of the type described in the compliance guidance published by the Office of Inspector General of the Department of Health and Human Services. The Sellers have provided to Buyer a copy of the current compliance program materials for the Sellers, including, all program descriptions, compliance officer and committee descriptions, ethics and risk area policy materials, training and education materials, auditing and monitoring protocols, reporting mechanisms, and disciplinary policies.

(g) Convictions; Exclusions. No Seller nor any director, officer or Employee of any Seller has been in the last six (6) years or is excluded from participating in the Medicare program or any other Government Reimbursement Programs. None of the Sellers' officers, directors, agents or managing employees (as that term is defined in 42 U.S.C. § 1320a-5(b)), has been (i) excluded from participating in the Medicare program or any other applicable Government Reimbursement Program, (ii) subject to sanction pursuant to 42 U.S.C. § 1320a-7a or 1320a-8, (iii) convicted of, a criminal offense under the Anti-Kickback Statute (42 U.S.C. § 1320a-7b) or (iv) charged with, or to the Sellers' Knowledge, investigated, for any violation of Applicable Law related to fraud, theft, embezzlement, breach of fiduciary responsibility, financial misconduct, obstruction of any investigation, or controlled substances.

(h) Licensed Employees. All Employees of the Sellers are properly licensed, as required, and in good standing with the applicable Governmental Authority.

(i) Billings. All billings of the Sellers with respect to applicable Government Reimbursement Programs have been in the last six (6) years and current are in compliance in all respects with Applicable Law, and, to Sellers' Knowledge, no Seller has billed or received payment or reimbursement in excess of amounts allowed by Applicable Law (other than refunds, claims, deficiencies, offsets or adjustments allowed by Applicable Law) except as disclosed on Schedule 4.14(i).

(j) Audits; Settlements. Schedule 4.14(j) of the Disclosure Schedule under the heading "Audits and Settlements" sets forth a summary description of (i) any audits of the Sellers performed within five (5) years prior to the Effective Date by any Governmental Authority or other contract auditor on behalf of a Governmental Authority, an identification of any settlement agreements and, to the Sellers' Knowledge, any unresolved matters raised in writing with the Sellers by any such Governmental Authority, or other contract auditor on behalf of a Governmental Authority, and (ii) the percentage of overpayments to the total charges audited in each audit of the Sellers performed within two (2) years prior to the Effective Date by

a RAC auditor, an identification of any settlement agreements and, to the Sellers' Knowledge, any unresolved matters raised in writing with the Sellers by such auditor.

(k) HQI Program. The Sellers have each registered with the QNet Exchange ("QNet") as required by CMS under its Hospital Quality Initiative Program (the "HQI Program"). The Sellers have each submitted all material quality data with respect to the Facilities required under the HQI Program to CMS or its agent for all calendar quarters concluded prior to the date of this Agreement, except for any quarter for which the respective reporting deadlines have not yet expired. All such submissions of quality data have been made in all material respects in accordance with applicable reporting deadlines and in the form and manner required by CMS. Except as set forth on Schedule 4.14(k) to the Disclosure Schedule, none of the Sellers have received notice of any reduction in reimbursement under the Medicare program with respect to the Facilities resulting from its failure to report quality data to CMS or its agent as required under the HQI Program. The Sellers have provided Buyer with the HQI Program "validation results" received by the Sellers with respect to the Facilities for all calendar quarters concluded prior to the date of this Agreement, except for any quarter for which the respective reporting deadlines have not yet expired.

(l) Third Party Payment Programs. The Sellers currently participate in health maintenance organizations, preferred provider organizations, health benefit plans, health insurance plans and other third party reimbursement and payment programs (the "Payment Programs"). Except as set forth on Schedule 4.14(l)(i) of the Disclosure Schedules, to the Knowledge of the Sellers, the Sellers have no outstanding overpayments or refunds due to any Payment Programs in excess of five hundred thousand dollars (\$500,000) in the aggregate. To the Knowledge of the Sellers, all claims for reimbursement ("Reimbursement Claims") that the Sellers or Facilities have submitted are timely, comply in all respects with all Laws and all Payment Program contracts, provider manuals, policies and reimbursement requirements governing reimbursement and payment of claims and do not contain any material errors, omissions or disallowances. Except as set forth on Schedule 4.14(l)(ii), to the Knowledge of the Sellers, no Seller or Facility has received notice of any disallowance, overpayment, refund or dispute regarding any Reimbursement Claims, and there are no facts or circumstances which may reasonably be expected to give rise to any disallowance, overpayment, refund or dispute, in each case

4.15 Employees.

(a) Schedule 4.15(a) is a true and complete list of all of Sellers' Employees as of the date set forth therein, including the following information, as applicable: (i) current position, department and work location; (ii) date of hire; (iii) hourly, weekly, and annualized base rate of pay; (iv) shift differential pay, experience differential pay, and/or certification pay; (v) accrued vacation, holidays, personal leave, and/or sick leave as a result of the individual's employment with the Sellers; (v) health benefits plan (if any), coverage amount, and premium amount; (vi) union status and bargaining representative (the "Employee List").

(b) Schedule 4.15(b) identifies all individuals who may have reemployment rights required by Applicable Law with respect to such individual as of or following the Closing

Date. Except as described on Schedule 4.15(b), no other individual is anticipated to have reemployment rights after the Closing Date.

(c) Schedule 4.15(c) identifies all foreign national individuals employed by Sellers who have been hired or who are working subject to a work permit or visa, including (i) the name of the individual, (ii) the position held, (iii) the type of visa or work permit; (iv) the expiration date thereof; (v) the applicable bargaining unit, if any.

(d) To Sellers' Knowledge, except as set forth on Schedule 4.15(d) of the Disclosure Schedule, no Seller has experienced any strike or grievance, claim of unfair labor practices, or other collective bargaining dispute within the past three years. Within the past three years, no Seller has committed any unfair labor practice, and no Seller has implemented any plant closing or layoff of Employees that could implicate the WARN Act. Sellers have made available to Buyer complete and accurate copies of each employment, consulting, enrollment, appointment, training and similar agreement pertaining to the Business to which Sellers are a party. Except as disclosed on Schedule 4.15(d), Sellers are not a party to or bound by any written agreement or any consent decree, court order or statutory obligation (other than WARN Acts and regulations) pertaining to the Business (i) for the employment, enrollment, appointment or training of any individual, or the provision of services by any individual, who is not terminable by Sellers without penalty prior to the Closing Date, or (ii) relating to the payment of any severance or termination payment, bonus or death benefit to any Employee, former Employee or his or her estate or designated beneficiary. In the event of any agreement for such severance or termination payment or death benefit, Sellers represent that Sellers shall satisfy such obligation as provided by the terms of such agreement.

(e) Sellers shall be solely responsible for any notices to Employees that may be required under WARN Acts or COBRA as a consequence of the Contemplated Transaction, and shall defend, indemnify and hold harmless Buyer against any liability resulting from failure to provide such notices as may be required.

(f) Schedule 4.15(f) identifies the CBAs applicable to the Employees. The Sellers have delivered to Buyer true, accurate and complete copies of each such CBA. The Sellers have no written obligation to negotiate any other CBA. The Sellers represent and warrant that they have fulfilled any and all obligations they may have under the National Labor Relations Act to negotiate with the labor unions representing their employees concerning Sellers' decision to enter into the Contemplated Transactions or its effects.

(g) Except as disclosed in Schedule 4.15(g), there is no representation claim or petition pending before the U.S. National Labor Relations Board or any similar state or local labor agency of which any Seller has been notified in writing by any Governmental Authority and, to the Sellers' Knowledge, no question concerning representation has been raised or threatened in writing to any Seller by any Governmental Authority respecting the Employees of such Seller.

(h) Except as disclosed in Schedule 4.15(h), Sellers are in compliance with all Applicable Laws including Labor and Employment Laws and Requirements, and Sellers have received no written or oral notice within the twelve (12) months immediately preceding the

Effective Date of any complaint or proceeding filed against any Seller that is unresolved claiming that such Seller has violated any Applicable Laws relating to employment, denial of employment, or employment opportunity or termination of employment, or, to the Sellers' Knowledge, against any Seller or any of the Employees of such Seller or threatened to be filed against such Seller before any federal, state or local agency or labor relations board, including the National Labor Relations Board, the Equal Employment Opportunity Commission, the New York State Division of Human Rights or any similar local government agency, the Federal Department of Labor and the New York State Department of Labor that are unresolved. No written notice that remains unresolved has been received by the Sellers of the intent of any federal, state or local agency responsible for the enforcement of Applicable Law related to labor or employment to conduct an investigation of any Seller, and, to the Sellers' Knowledge, no such investigation is in progress.

(i) Except as a result of the Bankruptcy Case and otherwise set forth in Schedule 4.15(i) of the Disclosure Schedule, there are no outstanding orders or charges against any Seller under any occupational health or safety legislation and, to the Sellers' Knowledge, within the twelve (12) months immediately preceding the Effective Date, no such outstanding orders or charges have been threatened. As of the Effective Date, there are no pending worker compensation claims of which the Sellers have received written notice.

(j) Except as set forth on Schedule 4.15(j) of the Disclosure Schedule, none of the Sellers, nor any of such Sellers current or former Employees, consultants, officers, directors, distributors, resellers, vendors or customers owns, directly or indirectly, or has any right, title or interest (economic or otherwise), in whole or in part, in any Intellectual Property, Leased Real Property, proprietary asset or other rights claimed or used by such Seller.

4.16 Books and Records. The books of account and other financial records of each Seller, all of which shall have been made available to Buyer prior to Closing, are accurate and complete in all material respects. Each transaction of each Seller is properly and accurately recorded on the books and records of such Seller except for immaterial omissions or inaccuracies, the effect of which is insubstantial. To the extent permitted by Applicable Law and to the extent that doing so would not reasonably be expected to result in the waiver of privilege, each Seller has made available to Buyer a correct and complete copy of the minutes maintained by such Seller's quality assurance committee since January 1, 2010. All business records of each Seller are in the custody and under the control of such Seller.

4.17 Information Systems. Schedule 4.17 lists all of the material software and hardware (including computers, servers and peripheral devices and telecommunications devices) owned or leased by the Sellers and used by the Sellers in the Business as now conducted. Except as set forth in the Disclosure Schedule, the Sellers have not used any outside personnel (including consultants or other independent contractors) in connection with the development of any material hardware system, program or software developed by any Seller. To the Knowledge of the Sellers, no software developed by any Seller and used in the Business as now conducted contains any embedded code owned by a third party.

4.18 Foreign Operations. The Sellers have no operations outside the United States.

4.19 Insurance Coverage. The Disclosure Schedule sets forth in Schedule 4.19 a true, correct and complete list of, and the Sellers have furnished to Buyer true and complete copies of, all insurance policies (including any insurance renewal binders) and fidelity or surety bonds currently in force relating to the assets, Liabilities, Business, operations, Employees, officers or directors of the Sellers. The policy limits and deductibles of such policies are not subject to claims by any Affiliates of Sellers or other entities. All premiums currently due and payable under all such policies and bonds have been paid in full. The Disclosure Schedule lists in Schedule 4.19 the professional liability, commercial general liability and fiduciary liability coverage currently under which each Seller is covered.

4.20 Restrictions on Business Activities. There is no agreement, judgment, injunction, order or decree binding upon the Sellers of the Acquired Assets or, to the Sellers' Knowledge, threatened, that has or could reasonably be expected to have the effect of prohibiting or materially impairing the use of the Acquired Assets, the conduct by Buyer of the business of any Seller as currently conducted or any business practice of any Seller, including the Business, the acquisition of property, the provision of services, the hiring of employees, and the solicitation of customers, in each case either individually or in the aggregate.

4.21 Full Disclosure. No representation or warranty made by the Sellers in this Agreement, or the Disclosure Schedule, and no statement, schedule or certificate required to be furnished to Buyer pursuant to this Agreement, contains any untrue statement of a material fact, or omits to state a material fact necessary to make the statements contained therein not misleading. Each of the separate representations and warranties set forth in Article IV is intended to be, and shall be interpreted as, an independent representation and warranty as to the matters referred to therein.

ARTICLE V BUYER'S REPRESENTATIONS AND WARRANTIES

Buyer represents and warrants to the Sellers that the statements contained in this Article V are correct and complete as of the Effective Date and will be correct and complete as of the Closing Date (as though made then and as though the Closing Date were substituted for the Effective Date throughout this Article V), except as set forth in the Disclosure Schedule. The Disclosure Schedule will be arranged in sections corresponding to the lettered and numbered paragraphs contained in this Article V.

5.1 Organization of Buyer. Each of Montefiore SS Operations, Inc., Montefiore MV Operations, Inc., and Montefiore HA Operations, Inc. is a not-for-profit corporation, and each of Montefiore SS Holdings, LLC, Montefiore MV Holdings, LLC and Montefiore HA Holdings, LLC is a limited liability company. Each Buyer (a) is duly organized, validly existing and in good standing under the laws of the State of New York, the jurisdiction of its formation, (b) has full corporate power and authority and all necessary government approvals to own, lease and operate its properties and assets and to conduct its business as presently conducted, and (c) is duly qualified or licensed to do business, and is in good standing, in all jurisdictions (domestic and foreign) in which the character or the location of the assets owned or leased by it or the nature of the business conducted by it requires such licensing or qualification. All such jurisdictions are set forth on Schedule 5.1 of the Disclosure Schedule.

5.2 Authorization of Transaction. Subject to approval by Montefiore Health System, Inc. and Montefiore Medical Center, (a) Buyer has full power and authority (including full corporate or other entity power and authority) to execute and deliver this Agreement and to perform its obligations hereunder; (b) the execution, delivery and performance of this Agreement and all other agreements contemplated hereby have been duly authorized by all requisite corporate action of Buyer; and (c) this Agreement constitutes, and any and all other Transaction Documents to be executed by Buyer pursuant hereto when executed will constitute, the valid and legally binding obligation of Buyer, enforceable in accordance with their terms and conditions.

5.3 Non-Contravention.

(a) Subject to DOH Approval, neither the execution and delivery of this Agreement, the consummation of the Contemplated Transactions (including each Transaction Document required to be delivered by Buyer at Closing), nor the fulfillment of the terms hereof by Buyer, will (i) violate any Applicable Law to which Buyer is subject or any provision of its charter, bylaws, or other governing documents or (ii) conflict with, violate or result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any agreement, contract, lease, license, instrument, or other arrangement to which Buyer is a party or by which it is bound or to which any of its assets are subject.

(b) Buyer is not required to give any notice to, make any filing with, or obtain any authorization, consent, or approval of any Governmental Authority in order for the Parties to consummate the transactions contemplated by this Agreement (including each Transaction Document required to be delivered by Buyer at Closing), except for such notices, consents and approvals as have already been given or obtained, those required under or in relation to DOH Approval and those required by the Bankruptcy Court.

5.4 Brokers' Fees. Except as set forth in Schedule 5.4 of the Disclosure Schedule, Buyer has no liability or obligation to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement.

5.5 Litigation. Schedule 5.5 sets forth each instance in which Buyer (i) is subject to any outstanding injunction, judgment, order, decree, ruling, or charge or (ii) is a party to any action, suit, proceeding, hearing, or investigation of, in, or before any Governmental Authority of any federal, state, local, or foreign jurisdiction, which, in each case, would have the effect of preventing or delaying the Closing of the transactions contemplated by this Agreement or to have a Material Adverse Effect on the ability of the Buyer to perform its obligations under this Agreement.

5.6 Full Disclosure. No representation or warranty made by Buyer in this Agreement, or the Disclosure Schedule, and no statement, schedule or certificate required to be furnished to the Sellers pursuant to this Agreement, contains any untrue statement of a material fact, or omits to state a material fact necessary to make the statements contained therein not misleading. Each of the separate representations and warranties set forth in Article V is intended to be, and shall be interpreted as, an independent representation and warranty as to the matters referred to therein.

No oral or other representation not expressly set forth in this Agreement is made by Buyer to the Sellers.

5.7 Owned Real Property Condition. Except for the representations and warranties contained herein, the Owned Real Property is being sold by Sellers and Buyer agrees to accept the Owned Real Property in "as-is" and "where-is" condition on the Closing Date. Buyer acknowledges, represents and warrants that (i) Buyer has had an opportunity to make an independent investigation and examination of the Owned Real Property (and all matters related thereto), and to become fully familiar with the physical and environmental condition of the Owned Real Property, and (ii) Sellers and its employees, residents, interns, fellows, agents, members, directors, and officers have not made and shall not make any verbal or written representations, warranties or statements of any nature or kind whatsoever to Buyer, whether express or implied, with respect to the above, and, in particular, except as expressly set forth herein, no representations or warranties have been made or shall be made with respect to (a) the physical condition or operation of the Owned Real Property; (b) the zoning and other legal requirements applicable to the Owned Real Property, including the Real Property Laws (d) the nature and extent of any matter affecting title to the real estate or to any personalty, or (e) any other matter or thing affecting or relating to the Owned Real Property, or any portion thereof, the interests therein to be conveyed to Buyer pursuant to the terms of the Contemplated Transactions.

5.8 Financial Capability. Buyer has or on the Closing Date will have the resources and capabilities (financial or otherwise) to perform its obligations hereunder, and Buyer has not incurred any obligation, commitment, restriction or Liability of any kind, which would impair or adversely affect such resources and capabilities. On the Closing Date, Buyer will be capable of satisfying the conditions contained in Sections 365(b)(1)(c) and 365(f) of the Bankruptcy Code regarding the Assigned Contracts.

5.9 Healthcare Regulatory Compliance Status.

(a) Except as described on Schedule 5.9, neither Buyer nor any of its Affiliates is involved in any litigation, proceeding, or investigation by or with any Governmental Authority which, if determined or resolved adversely, would have a material adverse impact on the ability of Buyer to obtain or maintain any governmental qualifications, registrations, filings, licenses, permits, orders, approvals or authorizations necessary for Buyer to conduct the Business and to own or use the Acquired Assets, as the Business, as conducted and the Acquired Assets are owned and used on the date hereof, where the failure to have such qualifications, registrations, filings, licenses, permits, orders, approvals or authorizations could reasonably be expected to prevent or materially delay the consummation of the Contemplated Transactions by Buyer or the performance by Buyer of any of its material obligations under this Agreement.

(b) Neither Buyer nor any of its respective officers, directors, employees, residents, interns, fellows, members or providers has knowingly engaged in any activities that are prohibited under 42 U.S. Code Section 1320a-7a and 7b, or the regulations promulgated pursuant to such statutes, or similar or related state or local statutes or regulations or (y) by rules of professional conduct or which otherwise constitute fraud, including the following: (i) making or causing to be made a false statement or misrepresentation of a material fact in any application for

any benefit or payment; (ii) making or causing to be made any false statement or misrepresentation of a material fact for use in determining rights to any benefit or payment; (iii) failing to disclose knowledge by a claimant of the occurrence of any event affecting the initial or continued right to any benefit or payment on its behalf or on behalf of another, with intent to secure such benefit or payment fraudulently; and (iv) soliciting, paying or receiving any remuneration (including any kickback, bribe, or rebate), directly or indirectly, overtly or covertly, in cash or in kind or offering to pay such remuneration (A) in return for referring an individual to a person for the furnishing or arranging for the furnishing of any item or service for which payment may be made in whole or in part by the healthcare programs or any private payor source or (B) in return for purchasing, leasing, or ordering or arranging for or recommending purchasing, leasing, or ordering any good, facility, service, or item for which payment may be made in whole or in part by the healthcare programs or any private payor source that would have a Material Adverse Effect on the ability of Buyer to consummate the Contemplated Transactions. Neither Buyer nor any of its respective members, directors, officers or managers has (i) been indicted or convicted of a crime, (ii) been suspended or excluded from the healthcare programs, (iii) had a professional license suspended or revoked, or (iv) had a Certificate of Need application denied or deferred based on failure to pass a character and competency review by DOH or comparable Governmental Authority of another state, that would have a Material Adverse Effect on the ability of Buyer to consummate the Contemplated Transactions. To the Knowledge of Buyer, there is no reason why Buyer's officers and directors should fail to obtain character and competency approval by DOH in connection with DOH's review of the CON Application.

5.10 Acknowledgement Regarding Condition of the Business.

(a) Buyer acknowledges and agrees that, except for the representations and warranties contained herein, the Acquired Assets and the Business are being transferred to Buyer on a "where is" and, as to condition, "as is" basis. Without in any way limiting the foregoing, **SELLERS HEREBY DISCLAIM ANY WARRANTY, EXPRESS OR IMPLIED, OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE AS TO ANY PORTION OF THE ACQUIRED ASSETS.** Any claims Buyer may have for breach of representation or warranty shall be based solely on the representations and warranties of Sellers set forth in Article IV hereof (as modified by the Schedules hereto as supplemented or amended). Buyer further represents that neither the Sellers nor any of their respective Affiliates nor any other Person has made any representation or warranty, express or implied, as to the accuracy or completeness of any information regarding Sellers, the Business or the transactions contemplated by this Agreement not expressly set forth in this Agreement, and the Sellers, their Affiliates or any other Person will not have or be subject to any liability to Buyer or any other Person resulting from the distribution to Buyer or its Representatives or the use by Buyer or its Affiliates of, any such information, including any confidential memoranda distributed on behalf of the Sellers relating to the Business or other publications or data room information provided to Buyer or its Representatives, or any other document or information in any form provided to Buyer or its Representatives in connection with the sale of the Business and the Contemplated Transactions. Buyer acknowledges that it, along with its Representatives, has conducted or, as of the Closing Date, will have conducted, to its satisfaction, its own independent investigation of the Business and, in making the determination to proceed with the transactions contemplated by this Agreement, Buyer has, or will have, relied on the results of its own independent investigation.

WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS AGREEMENT, THE OWNED REAL PROPERTY IS BEING SOLD BY SELLERS AND BUYER AGREES TO ACCEPT THE OWNED REAL PROPERTY IN "AS-IS" AND "WHERE-IS" CONDITION ON THE CLOSING DATE. BUYER ACKNOWLEDGES, REPRESENTS AND WARRANTS THAT (I) BUYER HAS HAD AN OPPORTUNITY TO MAKE AN INDEPENDENT INVESTIGATION AND EXAMINATION PHYSICAL CONDITION OF THE OWNED REAL PROPERTY, ALL PROPERTIES THAT ARE THE SUBJECT OF A REAL PROPERTY LEASE, AND ANY PERSONAL PROPERTY COMPRISING PART OF THE ACQUIRED ASSETS (AND ALL MATTERS RELATED THERETO), AND TO BECOME FULLY FAMILIAR WITH THE PHYSICAL AND ENVIRONMENTAL CONDITION OF THE OWNED REAL PROPERTY AND ALL PROPERTIES THAT ARE THE SUBJECT OF A REAL PROPERTY LEASE, AND (II) SELLERS AND THEIR EMPLOYEES, RESIDENTS, INTERNS, FELLOWS, AGENTS, MEMBERS, DIRECTORS, AND OFFICERS HAVE NOT MADE AND SHALL NOT MAKE ANY VERBAL OR WRITTEN REPRESENTATIONS, WARRANTIES OR STATEMENTS OF ANY NATURE OR KIND WHATSOEVER TO BUYER, WHETHER EXPRESS OR IMPLIED, WITH RESPECT TO THE ABOVE, AND, IN PARTICULAR, EXCEPT AS EXPRESSLY SET FORTH HEREIN, NO REPRESENTATIONS OR WARRANTIES HAVE BEEN MADE OR SHALL BE MADE WITH RESPECT TO (A) THE PHYSICAL CONDITION OR OPERATION OF THE OWNED REAL PROPERTY OR ANY PROPERTIES THAT ARE THE SUBJECT OF A REAL PROPERTY LEASE, INCLUDING THE EXISTENCE OF ANY ENVIRONMENTAL HAZARDS OR CONDITIONS THEREON (INCLUDING THE PRESENCE OF ASBESTOS OR ASBESTOS- CONTAINING MATERIALS OR THE RELEASE OR THREATENED RELEASE OF HAZARDOUS SUBSTANCES), (B) THE REVENUES OR EXPENSES OF THE OWNED REAL PROPERTY OR PROPERTIES THAT ARE THE SUBJECT OF A REAL PROPERTY LEASE, (C) THE ZONING AND OTHER LEGAL REQUIREMENTS APPLICABLE TO THE OWNED REAL PROPERTY OR ANY PROPERTIES THAT ARE THE SUBJECT OF A REAL PROPERTY LEASE INCLUDING BUT NOT LIMITED TO ZONING OR THE COMPLIANCE OF THE OWNED REAL PROPERTY THEREWITH, (D) THE NATURE AND EXTENT OF ANY MATTER AFFECTING TITLE TO THE REAL ESTATE OR TO ANY PERSONALTY, (E) THE QUANTITY, QUALITY, OR CONDITION OF THE PERSONALTY, OR (F) ANY OTHER MATTER OR THING AFFECTING OR RELATING TO THE OWNED REAL PROPERTY OR ANY PROPERTIES THAT ARE THE SUBJECT OF A PURCHASED REAL PROPERTY LEASE, OR ANY PORTION THEREOF, THE INTERESTS THEREIN TO BE CONVEYED TO BUYER PURSUANT TO THE TERMS OF THE CONTEMPLATED TRANSACTIONS.

(b) Except as set forth in this Agreement, the Sellers hereby specifically disclaim any warranty, guaranty, oral or written, express or implied or arising by operation of law or otherwise, with respect to the matters referred to in Section 5.10(a) above and any warranty of condition, habitability, merchantability or fitness for a particular purpose, in respect to the Owned Real Property. Buyer declares and acknowledges that this express disclaimer shall be considered a material and integral part of this sale and is reflected in the consideration payable by Buyer hereunder and, as an inducement for Sellers to proceed with this transaction, Buyer

further declares and acknowledges that this disclaimer has been brought to the attention of Buyer and explained in detail and that Buyer has voluntarily and knowingly consented thereto.

5.11 Buyer's Consents and Approvals. Schedule 5.11 of the Disclosure Schedule lists all authorizations, approvals, waivers, filings or consents required to be obtained, and notices to be made (including any such authorizations, approvals, waivers, filings or consents required to be obtained from, and notices to be made to any Governmental Authority), by the Buyer to consummate the Contemplated Transactions (including each Transaction Document required to be delivered by the Buyer at Closing) (collectively, "Buyer's Consents and Approvals"), other than (a) DOH Approval, (b) entry of the Sale Order, and (c) Supreme Court Approval and approval under Antitrust Laws, if applicable).

ARTICLE VI BANKRUPTCY COURT MATTERS

6.1 Approval of Break-Up Fee and Expense Reimbursement.

(a) Subject to the approval of the Bankruptcy Court, in consideration for Buyer having expended considerable time and expense in connection with this Agreement and the negotiation thereof and the identification and quantification of assets of the Sellers, the Bidding Procedures Order shall provide that if Buyer's bid embodied in this Agreement is exceeded by a Competing Bid or Sellers enter into an Alternate Transaction, the Bankruptcy Court enters an order approving a Competing Bid or Alternate Transaction and the Competing Bid or Alternate Transaction is consummated, Sellers shall, or shall cause the competing bidder or purchaser in an Alternate Transaction to, pay to Buyer the Break-Up Fee and Expense Reimbursement, upon the consummation of the Alternate Transaction. In addition, the competing bidder or purchaser shall assume all of Buyer's obligations under the Guaranty, and Buyer shall be made whole in connection therewith, no later than the closing of an Alternate Transaction. The Sellers acknowledge and agree that (a) the approval of the Break-Up Fee and Expense Reimbursement is an integral part of the transactions contemplated by this Agreement, (b) Buyer would not have entered into this Agreement absent a Break-Up Fee and Expense Reimbursement, (c) the entry of Buyer into this Agreement is necessary for preservation of the estate of the Sellers and is beneficial to the Sellers, (d) the Break-Up Fee and Expense Reimbursement are reasonable in relation to Buyer's efforts and to the magnitude of the Contemplated Transactions, and (e) time is of the essence with respect to entry of the Bidding Procedures Order.

(b) The provisions of this Agreement regarding the payment of the Break-Up Fee and Expense Reimbursement shall be subject to the approval of the Bankruptcy Court as part of the Bidding Procedures Order. Notwithstanding the foregoing, and any other provision of this Agreement to the contrary, Buyer shall not be entitled to be paid a Break-Up Fee and Expense Reimbursement if this Agreement is terminated pursuant to Sections 12.1(a)(i), 12.1(a)(ii), 12.1(a)(iii), 12.1(a)(v), 12.1(b)(i) or (iii), 12.1(c), or 12.1(d)(i), (iii), (iv) or (v) of this Agreement.

6.2 Competing Transaction.

(a) This Agreement is subject to approval by the Bankruptcy Court and the consideration by the Sellers of higher or better competing bids (each, a "Competing Bid").

(b) Notwithstanding execution of this Agreement, the Sellers are permitted to cause their Representatives to market and initiate contact with, solicit or encourage submission of any inquiries, proposals or offers by, any Person (in addition to Buyer and its Representatives) in connection with any sale or other disposition of all or any part of the Acquired Assets, alone or in connection with the sale or other disposition of any other asset of the Sellers. In addition, the Sellers shall have the responsibility and obligation to respond to any inquiries or offers to purchase all or any part of the Acquired Assets and perform any and all other acts related thereto which are required under the Bankruptcy Code or other applicable law, including supplying information relating to the Business and the assets of the Sellers to prospective purchasers. Prior to the Sellers furnishing any non-public information to any Person in connection with an offer regarding the sale or other disposition of all or any part of the Acquired Assets, the Sellers must enter into a customary confidentiality agreement with such Person on terms no less favorable to the Sellers than those contained in Section 8.3

(c) If a Competing Bid is selected at Auction but such bidder does not consummate the purchase of the Acquired Assets and the Buyer is the second highest bidder, Buyer shall have the option to close the transactions contemplated by this Agreement in accordance with the terms of this Agreement; provided that in such event, the Buyer informs the Sellers in writing of its decision whether to proceed with the Contemplated Transactions within ten (10) Business Days of receipt of written notice from the Sellers that the selected bidder submitting the Competing Bid failed to consummate the purchase of the Acquired Assets. If Buyer successfully appeals any such Order approving a Competing Bid, Buyer agrees it will either waive any entitlement it may have to the Break-Up Fee and Expense Reimbursement hereunder, or agree to reinstate this Agreement and consummate the transactions contemplated herein in accordance with the terms set forth in this Agreement (as the same may hereafter be modified or amended pursuant to the provisions of this Agreement or by Buyer at the Auction).

(d) The Break-Up Fee and Expense Reimbursement shall be paid to Buyer, without further order of the Bankruptcy Court, solely upon the consummation of an Alternative Transaction from the proceeds of such Alternative Transaction paid at the Closing thereof.

(e) If the Break-Up Fee and Expense Reimbursement payable under this Section 6.2 shall not be approved by the Bankruptcy Court, Buyer shall have the right, but not the obligation, to terminate this Agreement within five (5) Business Days of entry of the Bidding Procedures Order by delivery of written notice to Seller, and receive the prompt return of the Deposit, together with all accrued interest thereon, and upon the payment thereof to Buyer, neither party shall have any further obligations to the other. If Buyer does not timely terminate this Agreement in accordance with the foregoing, Buyer's termination right under this Section 6.2(e) shall be null and void and of no further force and effect.

6.3 Bankruptcy Court Filings. As promptly as practicable following the execution of this Agreement, but in no event later than five (5) Business Days after the later of the Effective Date and the Petition Date, the Sellers shall file with and seek the approval of the Bankruptcy Court of the Sale Motion, and the entry by the Bankruptcy Court of the Bidding Procedures

Order approving the payment of the Break-Up Fee and Expense Reimbursement. Buyer agrees that it will promptly take such actions as are reasonably requested by the Sellers to assist in obtaining entry of the Sale Order and the Bidding Procedures Order and a finding of adequate assurance of future performance by Buyer, including furnishing affidavits or other documents or information for filing with the Bankruptcy Court for the purposes, among others, of providing necessary assurances of performance by Buyer under this Agreement and demonstrating that Buyer is a "good faith" purchaser under Section 363(m) of the Bankruptcy Code. In the event the entry of the Sale Order or the Bidding Procedures Order shall be appealed, each Party shall use their respective commercially reasonable efforts to defend against such appeal. In the event that an appeal is taken, or a stay pending appeal is requested from the Sale Order or the Bidding Procedures Order, the Sellers shall promptly notify Buyer of such appeal or stay request and provide to Buyer a copy of the relevant notice of appeal or order of stay. The Sellers shall also provide Buyer with written notice of any motion or application filed in connection with any appeal from either of such orders.

6.4 Notice of Sale. Notice of the sale of Acquired Assets contemplated in this Agreement shall be in a form and manner reasonably acceptable to Buyer and be served in accordance with Applicable Law (including, to the extent applicable, Bankruptcy Rules 2002 and 6004 and any local rules or orders of the Bankruptcy Court) on all Persons required to receive notice by this Agreement, the Bankruptcy Court and Applicable Law.

6.5 Treatment of Monetary Obligations. The Break-Up Fee and Expense Reimbursement payable to Buyer under this Agreement, shall be entitled to administrative expense priority in the Sellers' Bankruptcy Case pursuant to Sections 503(b) and 507(a) of the Bankruptcy Code.

ARTICLE VII PRE-CLOSING COVENANTS

The Parties agree as follows with respect to the period between the Effective Date and the Closing:

7.1 General. Each of the Parties will use its commercially reasonable efforts to take all actions and to do all things necessary in order to consummate and make effective the Contemplated Transactions (including satisfaction, but not waiver, of the Closing conditions set forth in Article IX) and to ensure that Buyer is relieved of all Excluded Liabilities including Successor Liabilities.

7.2 Regulatory Approvals.

(a) Buyer shall, at its own cost and expense, (i) promptly following the Effective Date, but no later than fourteen (14) days following the Effective Date, provide to the Sellers a draft of the CON Application (which draft CON Application and the contents thereof shall be kept strictly confidential by the Sellers, not disclosed to any third party without the written consent of Buyer, and only disclosed to Representatives who need to see the draft CON Application for the purpose of effectuating the Contemplated Transactions and who agree to keep it confidential) and shall consult with the Sellers regarding such application; (ii) shall,

following the Effective Date of this Agreement, cooperate with the Sellers in initiating informal discussions with DOH concerning the form and substance of the CON Application; (iii) shall within ten (10) Business Days after the entry of the Bid Procedures Order by the Bankruptcy Court, formally submit the CON Application to DOH, unless DOH requires Buyer to obtain establishment approval by the New York State Public Health and Health Planning Council, in which case Buyer shall formally submit the CON Application to DOH as soon as it is permitted to do so, and (iv) shall promptly after the entry of the Bid Procedures Order by the Bankruptcy Court, submit to DOH, and any other Governmental Authority all other applications for any Healthcare Regulatory Consents required in order for Buyer to consummate the Contemplated Transactions and to operate the Business in accordance with Law. Buyer shall provide the Sellers with an opportunity to review the CON Application in advance of filing, and both parties shall cooperate in the preparation and prosecution of the CON Application. Buyer shall diligently prosecute the CON Applications and shall timely submit all information and documents requested in connection therewith by DOH and any other Government Body. Without limiting the generality of the foregoing, Buyer shall take such actions as may be reasonably necessary to cure any character or competency objection that DOH may raise to the CON Application, including removing or replacing any officer or director that fails to obtain character and competency approval from DOH. Buyer shall provide the Sellers with prompt written notice of Buyer's submission of a CON Application. Within five (5) Business Days of its submission or receipt, Buyer shall deliver to the Sellers a complete copy of all correspondence to or from DOH or any other applicable Governmental Authority having jurisdiction concerning a CON Application. Buyer shall provide the Sellers with periodic reports of Buyer's efforts to obtain all Healthcare Regulatory Consents. In addition, Buyer shall provide the Sellers with notice as promptly as practicable of its receipt of DOH's approval, contingent approval or a rejection of the CON Application, along with a copy of any documentation related thereto. Buyer shall not knowingly take any action prior to the Closing intended to disqualify Buyer as an established and licensed operator of the Business.

(b) If necessary, each of Buyer and the Sellers shall use its reasonable best efforts to (i) make or cause to be made all filings required of each of them or any of their respective Affiliates under Antitrust Laws with respect to the Contemplated Transactions (including such submission to the Antitrust Bureau of the Office of the Attorney General of the State of New York (the "Antitrust Bureau") as may be required in connection with the CON Application under the Donnelly Act (New York General Business Law Sections 340 through 347)) as promptly as practicable and, in any event, within five (5) Business Days of the Effective Date in connection with all submissions to the Antitrust Bureau in connection with the CON Application and within five (5) Business Days of the Effective Date in the case of all other filings required by other Antitrust Laws, (ii) comply at the earliest practicable date with any request under Antitrust Laws for information, documents, or other materials received by each of them or any of their respective Affiliates from the FTC, the Antitrust Division of the United States Department of Justice (the "Antitrust Division"), the Antitrust Bureau or any other Governmental Authority in respect of such filings or the transactions contemplated by this Agreement, and (iii) cooperate with each other in connection with any such filing (including, to the extent permitted by applicable law, providing copies of all such documents to the non-filing parties prior to filing and considering all reasonable additions, deletions or changes suggested in connection therewith) and in connection with resolving any investigation or other inquiry of any

of the FTC, the Antitrust Division, the Antitrust Bureau or any other Governmental Authority under any Antitrust Laws with respect to any such filing or any such transaction.

(c) As necessary, Sellers and Buyer will promptly confer with the appropriate federal, state and local regulators to obtain their support for the approval of the Contemplated Transactions, including, but not limited to: (i) DOH; (ii) the Office of the New York State Attorney General, Charities Bureau and Anti-Trust Bureau; (iii) FTC or Antitrust Division (whichever is applicable); (iv) and The Joint Commission.

(d) If necessary, each of Buyer and the Sellers shall use their reasonable best efforts to (i) make or cause to be made all filings required of each of them or any of their respective Affiliates in respect of the Contemplated Transactions under any applicable Law, other than those referred to in Sections 7.2(a) or 7.2(b), including such filings as are required to obtain the consents, approvals, authorizations, waivers, Orders, licenses or Permits or to provide the notices specified in Schedules 4.11 or 5.11, as promptly as practicable, (ii) comply at the earliest practicable date with any request for additional information, documents, or other materials received by each of them or any of their respective Affiliates from any Governmental Authority in respect of such filings or the transactions contemplated by this Agreement, and (iii) cooperate with each other in connection with any such filing (including, to the extent permitted by applicable law, providing copies of all such documents to the non-filing parties prior to filing and considering all reasonable additions, deletions or changes suggested in connection therewith) and in connection with resolving any investigation or other inquiry of any Governmental Authority under such Laws with respect to any such filing or any such transaction.

(e) Each of Buyer and the Sellers shall use their reasonable best efforts to furnish to each other through counsel all information required for any application or other filing to be made pursuant to any applicable Law in connection with the transactions contemplated by this Agreement. To the extent allowed by Applicable Law, each such party shall promptly inform the other parties through counsel of any material oral communication with, and provide copies of written communications with, any Governmental Authority regarding any such filings or any such transaction. No such party shall independently participate in any formal meeting with any Governmental Authority in respect of any such filings, investigation, or other inquiry without giving the other parties prior notice of the meeting and, to the extent permitted by such Governmental Authority, the opportunity to attend and/or participate.

(f) Subject to applicable law, Buyer and the Sellers will consult and cooperate with one another in connection with any analyses, appearances, presentations, memoranda, briefs, arguments, opinions and proposals made or submitted by or on behalf of any party hereto relating to proceedings under Antitrust Laws. Each such party may, as each deems advisable and necessary, reasonably designate any competitively sensitive material provided to the other under this Section 7.2 as "outside counsel only." Such materials and the information contained therein shall be given only to the outside legal counsel of the recipient and will not be disclosed by such outside counsel to employees, officers, or directors of the recipient, unless express written permission is obtained in advance from the source of the materials.

(g) Each of Buyer and the Sellers shall use their reasonable best efforts to resolve such objections, if any, as may be asserted by any Governmental Authority with respect

to the transactions contemplated by this Agreement under the Sherman Act, as amended, the Clayton Act, as amended, the FTC Act, as amended, the Donnelly Act, as amended, the Hart-Scott-Rodino Antitrust Improvement Act of 1976, as amended, and any other United States federal or state or foreign statutes, rules, regulations, orders, decrees, administrative or judicial doctrines or other laws that are designed to prohibit, restrict or regulate actions having the purpose or effect of monopolization or restraint of trade (collectively, the "Antitrust Laws"). In connection therewith, if any Legal Proceeding is instituted (or threatened to be instituted) challenging any transaction contemplated by this Agreement as being in violation of any Antitrust Law, each of the parties hereto shall cooperate and use its reasonable best efforts to contest and resist any such Legal Proceeding, and to have vacated, lifted, reversed, or overturned any decree, judgment, injunction or other order, whether temporary, preliminary or permanent, that is in effect and that prohibits, prevents, or restricts consummation of the transactions contemplated by this Agreement, including by pursuing all available avenues of administrative and judicial appeal and all available legislative action, unless, by mutual agreement, Buyer and the Sellers decide that litigation is not in their respective reasonable best interests. Each such party shall use its reasonable best efforts to take such action as may be required to cause the expiration of the notice periods under Antitrust Laws with respect to such transactions as promptly as possible after the execution of this Agreement. In connection with and without limiting the foregoing, each of Buyer and the Seller agrees to use its reasonable best efforts to take promptly any and all steps necessary to avoid or eliminate each and every impediment under any Antitrust Laws that may be asserted by any Federal, state and local and non-United States antitrust or competition authority, so as to enable Buyer and the Sellers to close the Contemplated Transactions as expeditiously as possible. Notwithstanding anything to the contrary provided herein, Buyer and its Affiliates shall not be required to accept or comply with any conditions, qualifications or other restrictions imposed in connection with obtaining any required approval under any Antitrust Laws other than conditions, qualifications and restrictions that would not constitute a Material Adverse Effect or have a material adverse effect on Buyer and its Affiliates, taken as a whole. Under no circumstances will Buyer be required under Antitrust Laws to hold separate or divest any of its or their businesses or assets.

7.3 Operation of Business. The Sellers will operate the Business in the Ordinary Course of Business in accordance with any budget prepared in connection with the Sellers' debtor-in-possession financing (the "DIP Budget"), which DIP Budget shall have been approved by Buyer in its discretion. The Sellers will not engage in any practice, take any action, or enter into any transaction outside the Ordinary Course of Business (except for transactions specified in this Agreement) and will use best efforts to preserve its goodwill, to keep intact its business organization and relationships with Governmental Authorities, suppliers, customers and other third parties, and to keep available the services of its present officers and Employees. The Sellers will use their best efforts to maintain their tax-exempt status. Without limiting the generality of the foregoing, no Seller will without Buyer's prior written consent which shall not be unreasonably withheld or delayed:

- (a) enter into or amend any Material Contract;
- (b) terminate any Material Contract other than upon the expiration of its term or for the counterparty's breach of such Material Contract or as may be necessary to maintain appropriate levels of patient care and quality;

- (c) fail to perform when due all material obligations under the Assigned Contracts except to the extent such performance is excused under the Bankruptcy Code or by the Bankruptcy Court;
- (d) hire any clinical employee except to maintain necessary levels of patient care and quality;
- (e) hire any non-clinical employee except to replace departed Employees;
- (f) add or close any line of clinical services unless approved in advance in writing by Buyer, which approval shall not be unreasonably withheld, or file a certificate of need application or plan of closure for such purpose;
- (g) Intentionally Omitted;
- (h) change the compensation of any Employee except as may be required by CBAs or other contracts;
- (i) change any welfare plans or Current Seller Plans except (with prior notice to Buyer) to the extent required by law;
- (j) fail to give prompt notice to Buyer of the commencement of or any Material Development in any Material Litigation or Proceeding;
- (k) fail to give prompt notice to Buyer of any Material Adverse Change;
- (l) sell, transfer, or convey any Acquired Asset (other than obsolete or worn out immaterial equipment disposed of in the Ordinary Course of Business and replaced if necessary with adequate replacement equipment);
- (m) adopt or propose any change to its governing documents or admit any new corporate member;
- (n) merge or consolidate with any entity or acquire any assets from any entity (other than purchases of supplies in the Ordinary Course of Business);
- (o) change any of its accounting methods;
- (p) except as permitted by the terms of any Material Contract pertaining to any Debt, incur any indebtedness for borrowed money or guarantee any such indebtedness or issue or sell any debt securities or guarantee any debt securities of others other than as disclosed to the Buyer and excluding any accounts payable arising in the Ordinary Course of Business of a Seller;
- (q) enter into any operating lease;
- (r) terminate, fail to renew or materially reduce the amount of any insurance coverage provided by the existing insurance policies of Sellers;

(s) terminate or fail to exercise any right of renewal under any Real Property Lease or any Assigned Contract except as such expires by its terms or by termination by the counterparty;

(t) terminate or waive any right of substantial value, including any rights with respect to the Real Property Leases except as such expires by its terms or by termination by the counterparty;

(u) fail to promptly disclose to Buyer the grant of any severance, retention or termination pay to any director, officer or other Employee of any Seller;

(v) except with respect to any claims made by any Party to this Agreement (or any other Transaction Document) against any other Party thereto, commence a lawsuit with respect to any Acquired Asset other than (A) for the routine collection of bills, or (B) in such cases where it in good faith determines that failure to commence suit would result in the material impairment of a valuable aspect of its business, provided that it consults with the Buyer prior to the filing of such a suit;

(w) fail to give any notices or other information required to be given to the Employees of any Seller, any labor union representing any collective bargaining unit of Employees of any Seller, and any applicable government authority under the National Labor Relations Act, the Code, COBRA, WARN Acts, and other applicable law in connection with the transactions provided for in this Agreement;

(x) remove from any Seller's premises or modify (other than in the ordinary course of business) any books or records of such Seller;

(y) fail to keep in full force and effect its Licenses;

(z) utilize, invade or otherwise divest themselves of the Restricted Assets or any rights thereto unless Attorney General or Supreme Court of the State of New York reject the transfer to Buyer or donor expressly chooses to transfer Restricted Assets to party other than Buyer; or

(aa) agree or commit to do any of the foregoing.

7.4 Access. The Sellers will permit Representatives of Buyer (including its accountants) to have access at all reasonable times, and in a manner so as not to interfere with the normal business operations of the Sellers, to the premises, properties, personnel, books, records (including Tax records and unredacted copies of the minutes of the Board of Directors and quality management committee, if any, of any Seller, provided that those portions of any records or discussions pertaining to the entry into or consummation of the transactions contemplated by this Agreement may be withheld and/or redacted), contracts, and documents of or pertaining to the Sellers.

7.5 Notice of Developments.

(a) Each Seller shall promptly notify Buyer of:

(i) any notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement;

(ii) any notice or other communication from any Governmental Authority in connection with the transactions contemplated by this Agreement;

(iii) its obtaining Knowledge of (A) a breach or violation of any representation or warranty made by it contained in this Agreement that is qualified as to materiality becoming untrue or inaccurate in any respect or any such representation of warranty that is not so qualified becoming untrue or inaccurate in any material respect and (B) the failure of it to comply with or satisfy in any material respect any covenant, condition or agreement to be complied with or satisfied by it under this Agreement or any other Transaction Document.

(b) The Sellers shall promptly notify Buyer of any event or occurrence not in the Ordinary Course of Business and any written notice of any termination, default or event that, with notice or lapse of time or both, would become a default, received by any Seller subsequent to the Effective Date, under any Real Property Lease, any Affiliate Agreement, or any other Material Contract.

(c) No notification under this Section 7.5 shall affect the representations, warranties or obligations of the Parties or the conditions to the obligations of the Parties hereunder, or limit or otherwise affect the remedies available hereunder to the Party receiving such notice.

7.6 Employment and Physician Contracting Matters. From and after the Effective Date, Buyer shall have the right to contact the Employees of the Sellers, the Physicians who are parties to the Physician Contracts with any Seller and any labor union with which any Seller has a CBA to discuss the terms on which, subject to the occurrence of the Closing, (i) Buyer may offer employment-at-will to such Employees at the time of the Closing, (ii) Buyer may offer to enter into contracts with the Physicians at the time of the Closing and (iii) Buyer may offer to enter into a CBA with such labor unions. Nothing in this Agreement shall obligate Buyer to offer (x) employment to any Employee of any Seller, (y) to enter into any contract with a Physician or (z) to enter into any CBA with any labor union.

7.7 Management Agreement. Upon request by DOH, Buyer and Seller may, but shall not be required to, enter into a management agreement between Buyer and the Sellers on terms mutually agreeable by the Parties.

7.8 Temporary Operator. If so requested by DOH, the Sellers shall cooperate with the appointment of a temporary operator by DOH for one or more of the Sellers pursuant to Public Health Law Section 2806-a, and the Sellers shall not object to such appointment, and shall waive any and all requirements as to reviewing and contesting any findings, the development and implementation of a plan of correction, and the opportunity for a hearing as to the appointment of such temporary operator.

7.9 Buyer shall cause Fidelity National Title Insurance Company through Ken Cohen and Neil Clark (the "Title Company") to make periodic updates and continuation searches of title

prior to the Closing (the "Title Report"). Prior to the Closing, Buyer shall notify Seller, in writing ("Buyer's Objection Notice"), of any other objections to title reflected in the Title Report and any other objections not reflected in the Title Report promptly after Buyer becomes aware of such objections (collectively and individually, a "Title Defect"). The Parties acknowledge that Seller shall rely on the Sale Order to remove Title Defects from the Title Report and hereby agree that the Title Company's issuance of a title insurance policy, in reliance on the Sale Order, without taking exception for those Title Defects shall be sufficient to constitute Seller's delivery of title in the condition required in accordance with this Agreement. In the event Seller elects to attempt to cure or remove any Title Defect and is unable to do so on or before the Closing Date, Seller shall be entitled to adjourn the Closing in order to cure or remove such Title Defect for a period of up to thirty (30) days. In the event Seller elects not to cure or remove a Title Defect or shall, for any reason, be unable to cure or remove any Title Defect within the time periods set forth in the preceding sentence, Seller shall have the right to terminate this Agreement; provided, however, if Seller elects to terminate this Agreement, Buyer shall have the right to void such termination and accept such title to the Owned Real Property as Seller shall be able to convey without abatement in the Purchase Price and without any liability on the part of Seller. Without limiting the generality of the foregoing, it is specifically agreed that the Seller shall not be required to bring any action, proceeding or incur any expense to obtain such title as it has agreed to convey hereunder. In the event that the Title Report shall disclose a Permitted Encumbrance which shall constitute an item pursuant to Schedule 4.8(b-1)(xii) and shall not be an item which is removed by virtue of the Sale Order, Seller agrees that it shall use commercially reasonable efforts after the Closing Date to remove such items from the applicable recording office's records, provided, however, that same shall not require Seller to expend greater than \$2,000 (including, but not limited to legal or other out of pocket expenses).

ARTICLE VIII POST-CLOSING COVENANTS.

The Parties agree as follows with respect to the period following the Closing:

8.1 General. After the Closing, each of the Parties will take such further action as is necessary on its part to carry out the purposes of this Agreement (including the execution and delivery of such further instruments and documents) as any other Party may reasonably request, all at the sole cost and expense of the requesting Party (subject to such Party's indemnification rights for such expenses). Without limiting the foregoing, each of the Parties will cooperate in providing access to all books, records, ledgers, files, documents, correspondence, lists and other documents and information related to the matters covered by this Agreement as any other Party may reasonably request, all at the sole cost and expense of the requesting Party (subject to such Party's indemnification rights for such expense).

8.2 Cooperation Regarding Restricted Assets and Foundation.

(a) The Sellers shall use their best efforts and take all reasonable actions required to facilitate the transfer of the Restricted Assets to the Buyer, including, but not limited to, filing an application with the New York State Supreme Court for an order approving the modification of any restrictions relating to the Restricted Assets which the Buyer shall determine to be necessary to permit the Restricted Assets to be transferred to, and maintained, administered

and used by, the Buyer to support the Buyer's mission(s), operations, programs, services and/or facilities consistent with the applicable restrictions on the Restricted Assets. Nothing herein shall require such transfer of the Restricted Assets to the Buyer if, despite Sellers' best efforts, the transfer is not approved by the New York State Supreme Court or the Attorney General or the donor decides to transfer the Restricted Assets to party other than Buyer. Sellers' inability to transfer the Restricted Assets to Buyer as provided in this Section 8.2 shall not constitute grounds for the Buyer to terminate this Agreement.

(b) The Sellers shall use their best efforts and take all reasonable actions required to cause, as of the Closing: (i) Montefiore SS Operations, Inc., or its designee, to become the sole member of the Foundation, and (ii) the purposes of the Foundation to be amended to provide for the assets of the Foundation to be used exclusively to support the mission and purposes of Montefiore SS Operations, Inc. and Montefiore SS Holdings, LLC, including, but not limited to, filing an application with the New York State Supreme Court for an order approving the modification of the Foundation's purposes as set forth in the Foundation's Certificate of Incorporation and the modification of any donor-designated or other restrictions on the Foundation's assets which the Buyer shall determine to be necessary to permit the Foundation to use its current and future assets to support Montefiore SS Operations, Inc.'s and Montefiore SS Holdings, LLC's missions, operations, programs, services and/or facilities. Nothing herein shall require the foregoing actions relating to the Foundation specified in clause (ii) of the preceding sentence if, despite Sellers' best efforts, the required approvals are not granted by the New York State Supreme Court or the Attorney General. Sellers' inability to consummate the actions specified in clause (ii) of the first sentence of this paragraph (b) shall not constitute grounds for the Buyer to terminate this Agreement.

8.3 Access to Records. After the Closing Date, each Seller shall retain for a period consistent with such Seller's record-retention policies and practices and Applicable Law its books and records related to the Business that do not constitute part of the Acquired Assets

8.4 Non-Disclosure.

(a) Except as may be necessary to enforce this Agreement or any other Transaction Document, Buyer shall treat and hold as confidential any Confidential Information of the Sellers pertaining to the Excluded Assets or the Excluded Liabilities (collectively, the "Seller Confidential Information"), refrain from using any of the Seller Confidential Information, except in connection with this Agreement and deliver promptly to the Sellers, upon the written request of the Sellers, all tangible embodiments (and all copies) of the Seller Confidential Information that are in its possession or under its control. The term "Seller Confidential Information" shall not include information that is or becomes generally available to the public by actions of Persons other than the Buyer or that pertains to either of the Acquired Assets or the Assumed Liabilities. If the Buyer is required to disclose any Seller Confidential Information in order to avoid violating any Applicable Law, the Buyer will use commercially reasonable efforts to provide the Sellers with prompt notice of such requirement. To the extent legally permissible and at the Sellers' sole expense, the Buyer shall provide the Sellers, in advance of any such disclosure, with copies of any Seller Confidential Information that the Buyer intends to disclose (and, if applicable, the text of the disclosure language itself) and shall reasonably cooperate with

the Sellers, at the Sellers' sole expense, if permitted by Applicable Law, to the extent the Sellers may reasonably seek to limit such disclosure in a manner consistent with Applicable Law.

8.5 Further Assurances. Each Party agrees to use all commercially reasonable efforts to take, or cause to be taken, all action, and to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations to consummation of the Contemplated Transactions (including each Transaction Document required to be delivered by the Sellers at Closing) and to facilitate Buyer's operation of the Business after the Closing Date.

8.6 Cost Reports. The Sellers shall prepare and file with its fiscal intermediary the final Medicare cost reports covering its operation of the Business through the Closing Date as soon as reasonably practicable after the Closing Date, but in no event later than the date on which such final cost report is required to be filed by Applicable Law under the terms of the Medicare program, and will provide the fiscal intermediary or CMS with any information needed to support claims for reimbursement made by the Sellers either in such final cost report or in any cost reports filed for prior cost reporting periods, it being specifically understood and agreed that the intent and purpose of this provision is to ensure that the reimbursement paid to the Buyer after it becomes the operator of the Business is not reduced or offset in any manner as a result of the Sellers' failure to timely file, or filing an inaccurate or incomplete, final cost report or supporting documentation with respect to any past reimbursement claims, including, but not limited to, those included in the final cost report. Simultaneously with such filing, the Sellers shall provide the Buyer with a copy of the final Medicare cost reports and such supporting documentation reasonably requested by the Buyer in writing.

ARTICLE IX EMPLOYEES

9.1 Buyer Not Assuming Seller's CBAs. Buyer is not assuming any of Sellers' CBAs or Employee Benefit Plans. Seller represents that prior to Closing it will take all necessary steps to terminate any and all of its Employee Benefits Plans (other than Multi-Employer Plans), as defined above, effective as of the Closing Date.

9.2 Offers of Employment Made to Sellers' Employees. Buyer shall offer employment on a probationary basis to certain Employees of Sellers who (a) at the time of Closing were employed by Sellers; (b) in Buyer's sole discretion, meet Buyer's job qualifications as of the Closing and complete Buyer's application process, which includes background checks and pre-employment drug testing; and (c) agree to resign from employment with Sellers ("Eligible Employees"). Buyer shall be the sole judge of the qualifications of Seller's Employees. Employment shall be offered to such Eligible Employees on such new terms and conditions of employment as may be established by Buyer in its sole discretion, and not on the terms of Sellers' CBAs with any of the unions representing Sellers' Employees. Offers made to Eligible Employees shall be for employment commencing immediately following the Closing and any offers made prior to the Closing shall be subject to the Closing. Buyer may impose a reasonable time period within which Eligible Employees must respond to an offer of employment. Such Eligible Employees shall serve a probationary period as established by Buyer.

9.3 Except as to specific liabilities which Buyer expressly assumed in writing, if any, Buyer shall have no liability, as successor or otherwise, for any breach by Sellers of any of their CBAs nor for any arrears by Sellers in payments to Employees or contributions due to any Employee Benefit Plan or Multiemployer Plan pursuant to any such CBA or any trust agreement, or for any liability or claim arising out of or relating to the termination of Sellers' obligations under any CBA or any trust agreement, including termination of Sellers' obligations to contribute to any Multiemployer Plan. Sellers shall remain liable for all of their pre-petition and post-petition arrears to any such Employee Benefit Plans and Multiemployer Plans and for any Withdrawal Liability associated with their ceasing to contribute to any Multiemployer Plan.

ARTICLE X CONDITIONS TO OBLIGATION TO CLOSE

10.1 Conditions to Buyer's Obligation. Buyer's obligation to consummate the transactions to be performed by it in connection with the Closing is subject to satisfaction of the following conditions:

(a) The representations and warranties set forth in Article IV shall be true and correct in all material respects at and as of the Closing Date, except to the extent that such representations and warranties are qualified by the term "material," or contain terms such as "Material Adverse Effect" or "Material Adverse Change," in which case such representations and warranties (as so written, including the term "material" or "Material") shall be true and correct in all respects at and as of the Closing Date.

(b) The Sellers shall have performed and complied with all of their covenants and agreements hereunder in all material respects through the Closing, except to the extent that such covenants or agreements are qualified by the term "material," or contain terms such as "Material Adverse Effect" or "Material Adverse Change," in which case the Sellers shall have performed and complied with all of such covenants and agreements (as so written, including the term "material" or "Material") in all respects through the Closing;

(c) No breach or default on the part of any Seller shall have occurred under any covenant or agreement hereunder or any Transaction Document or any other agreement of the Parties;

(d) No Material Adverse Change shall have occurred with respect to any Seller;

(e) Each Seller shall have delivered to Buyer a certificate to the effect that each of the conditions specified in Section 10.1(a), Section 10.1(b), Section 10.1(c) and Section 10.1(d) is satisfied in all respects;

(f) No order shall have been entered in any action or proceeding before any Governmental Authority, and no preliminary or permanent injunction by any court or Governmental Authority shall have been issued which would have the effect of (i) making the transactions contemplated by this Agreement illegal or in violation of any Applicable Law, or (ii) otherwise preventing consummation of such transactions;

(g) No Applicable Law shall have been enacted or promulgated by any Governmental Authority that directly prohibits the consummation of the Closing under this Agreement and the Contemplated Transactions;

(h) The Sellers and Buyer shall have received all authorizations, consents, and approvals of, and no notices of objections from, those Governmental Authorities referred to in Section 4.13, Section 5.3 and Section 7.2, as applicable, all of which shall be in form and substance reasonably satisfactory to Buyer;

(i) Buyer shall have received (i) a secretary's certificate of each Seller dated as of the Closing Date (which shall include a certified copy of such Seller's certificate of incorporation, bylaws, relevant resolutions of such Seller's Board of Directors approving the transactions contemplated by this Agreement and such other customary items as Buyer may reasonably request) and (ii) a certificate of good standing of the state of New York with respect to each Seller (dated within 10 Business Days prior to the Closing Date) all of which shall be in form and substance reasonably satisfactory to Buyer;

(j) The Sellers shall have executed the Transaction Documents to which it is a party;

(k) No Debarment or Suspension shall have occurred with respect to any Seller, and no proceeding shall be pending or threatened seeking a Debarment or Suspension with respect to any Seller;

(l) The Sellers shall have received all other Sellers' Consents and Approvals;

(m) DASNY, PBGC, the Union Funds, the Multiemployer Plans to which Seller is required to contribute pursuant to CBAs, and the Internal Revenue Service shall not have objected to the sale of the Acquired Assets pursuant to the Sale Order or, if any of DASNY, PBGC, the Union Funds and/or the Internal Revenue Service shall have objected to the sale of the Acquired Assets pursuant to the Sale Order, such objection shall have been overruled or consensually resolved;

(n) The Bankruptcy Court shall have entered the Bidding Procedures Order no later than thirty-five (35) days after the Petition Date;

(o) The Bankruptcy Court shall have entered the Sale Order no later than one hundred (100) days after the Petition Date and the Sale Order shall have become a Final Order;

(p) All actions to be taken by the Sellers in connection with consummation of the Contemplated Transactions and all certificates, opinions, instruments, and other documents required to effect the Contemplated Transactions shall be reasonably satisfactory in form and substance to Buyer;

(q) Buyer shall have received reasonably acceptable assurances, in Buyer's sole discretion, from counsel and/or appropriate regulatory agencies that Buyer shall have no successor liability resulting from the Contemplated Transaction;

(r) The Boards of Trustees of Montefiore Health System, Inc. and Montefiore Medical Center shall have approved the Contemplated Transactions no later than the date of the hearing on the Sale Motion with respect to the Sellers' request for entry of the Bidding Procedures Order;

(s) Buyer, Montefiore Health System, Inc. and Montefiore Medical Center shall have received all necessary consents and approvals for the Contemplated Transactions from their lenders and mortgage insurers, including without limitation, the Federal Housing Administration, acting through the United States Department of Housing and Urban Development;

(t) Buyer shall have received audited financial statements for SSMC, MVH and SECC for the years ending December 31, 2011 and December 31, 2012;

(u) Buyer shall have received Form 990s, as filed with the Internal Revenue Service for SSMC, MVH and SECC for the years ending December 31, 2011 and December 31, 2012;

(v) Buyer shall have confirmed to its reasonable satisfaction the accuracy of the Sellers' financial and operational reports, including without limitation (i) the audited financial statements for each of the Sellers for the years ending December 31, 2011 and December 31, 2012, and (ii) the Form 990s, as filed with the Internal Revenue Service for each of the Sellers for the years ending December 31, 2011 and December 31, 2012 and confirmed that no Seller has experienced a Material Adverse Change subsequent to January 1, 2011; and

(w) The Bankruptcy Court shall have approved and authorized the Sellers' assumption and assignment of the Assigned Contracts to the Buyer, and the Cure Amounts for such Assigned Contracts shall not exceed three million dollars (\$3,000,000) in the aggregate.

Buyer may waive in its sole and absolute discretion any condition specified in this Section 10.1 if it executes a writing so stating at or prior to the Closing. The Sellers will remain liable for damages proximately caused by any Seller's breach of this Agreement which prevents the consummation of the transaction contemplated by this Agreement.

10.2 Conditions to the Sellers' Obligations. The Sellers' obligations to consummate the transactions to be performed by the Sellers in connection with the Closing is subject to satisfaction of the following conditions:

(a) The representations and warranties set forth in Article V shall be true and correct in all material respects at and as of the Closing Date, except to the extent that such representations and warranties are qualified by the term "material," or contain terms such as "Material Adverse Effect" or "Material Adverse Change," in which case such representations and warranties (as so written, including the term "material" or "Material") shall be true and correct in all respects at and as of the Closing Date;

(b) Buyer shall have performed and complied with all of its covenants and agreements hereunder in all material respects through the Closing, except to the extent that such covenants or agreements are qualified by the term "material," or contain terms such as "Material

Adverse Effect” or “Material Adverse Change,” in which case Buyer shall have performed and complied with all of such covenants and agreements (as so written, including the term “material” or “Material”) in all respects through the Closing;

(c) No breach or default on the part of Buyer shall have occurred under any covenant or agreement hereunder or any Transaction Document or any other agreement of the Parties;

(d) Buyer shall have delivered to the Sellers a certificate to the effect that each of the conditions specified in Section 10.2(a), Section 10.2(b) and Section 10.2(c) is satisfied in all respects;

(e) No order shall have been entered in any action or proceeding before any Governmental Authority, and no preliminary or permanent injunction by any court or Governmental Authority shall have been issued which would have the effect of (i) making the transactions contemplated by this Agreement illegal or in violation of any Applicable Law, or (ii) otherwise preventing consummation of such transactions;

(f) No Applicable Law shall have been enacted or promulgated by any Governmental Authority that directly prohibits the consummation of the Closing under this Agreement and the Contemplated Transactions;

(g) The Sellers and Buyer shall have received all authorizations, consents, and approvals of, and no notices of objections from, those Governmental Authorities referred to in Section 4.13, Section 5.3 and Section 7.2, as applicable;

(h) The Sellers shall have received (i) a secretary’s certificate of Buyer dated as of the Closing Date; (which shall include a certified copy of Buyer’s certificate of incorporation, Buyer’s bylaw, relevant resolutions of Buyer’s Board of Directors approving the transactions contemplated by this Agreement and such other customary items as the Sellers may reasonably request) and (ii) a certificate of good standing of the State of New York with respect to Buyer (dated within 10 Business Days prior to the Closing Date), all of which shall be in form and substance reasonably satisfactory to the Sellers;

(i) Buyer shall have executed the Transaction Documents to which it is a party;

(j) DASNY, PBGC, the Union Funds, the Multiemployer Plans to which Seller is required to contribute pursuant to CBAs, and the Internal Revenue Service shall have received timely notification of the Petition, shall not have objected to the sale of the Acquired Assets pursuant to the Sale Order or, if DASNY, PBGC, the Internal Revenue Service or any Union Fund shall have objected to the sale of the Acquired Assets pursuant to the Sale Order, such objection shall have been overruled or consensually resolved;

(k) The Bankruptcy Court shall have entered the Bidding Procedures Order;

(l) The Bankruptcy Court shall have entered the Sale Order and the Sale Order shall have become a Final Order;

(m) All actions to be taken by Buyer in connection with consummation of the Contemplated Transactions and all certificates, opinions, instruments, and other documents required to effect the Contemplated Transactions shall be reasonably satisfactory in form and substance to the Sellers; and

(n) The Buyer shall have received all other Buyer's Consents and Approvals.

(o) Buyer shall have paid, or shall pay simultaneously with the Closing, any and all Cure Amounts with respect to the Assigned Contracts.

The Sellers may waive any condition specified in this Section 10.2 if it executes a writing so stating at or prior to the Closing (and for such purpose each Seller hereby irrevocably appoints SSSH as the agent of such Seller to grant all waivers and consents hereunder on behalf of all Sellers). Buyer will remain liable for damages proximately caused by Buyer's breach of this Agreement which prevents the consummation of the transaction contemplated by this Agreement.

ARTICLE XI REMEDIES FOR BREACHES OF THIS AGREEMENT

11.1 Survival of Representations and Warranties. In the absence of fraud, provided that the Closing shall occur, each of the representations and warranties of the Sellers and Buyer in the following Sections of this Agreement shall terminate and expire at Closing: 4.1, 4.2, 4.3, 4.4, 4.5, 4.6, 4.7, 4.8, 4.9, 4.11, 4.12, 4.17, 4.18, 4.19, 4.20, 4.21, 5.1, 5.2, 5.3 and 5.4 ("Excepted Warranties"). The representations and warranties of the Sellers in Sections 4.10, 4.13, 4.14, 4.15, 4.16 and the representations and warranties of Buyer in Sections 5.5, 5.6, 5.7, 5.8, 5.9, 5.10 and 5.11 (collectively, the "Surviving Representations and Warranties") shall survive the Closing and continue in full force and effect for a period of six (6) months thereafter. Notwithstanding the preceding sentence, any representation or warranty in respect of which indemnity may be sought under this Agreement shall survive the time at which it would otherwise terminate pursuant to the preceding sentence, if notice of the inaccuracy of such representation or warranty giving rise to such right of indemnity shall have been given to the Party against whom such indemnity may be sought prior to such time.

ARTICLE XII DISPUTE RESOLUTION

The Bankruptcy Court shall retain jurisdiction to adjudicate any dispute that arises under this Agreement.

ARTICLE XIII TERMINATION

13.1 Termination of Agreement. In respect of the Contemplated Transactions, this Agreement may be terminated prior to the Closing as follows:

(a) Termination Due to Events in Bankruptcy Case. Unless otherwise agreed to in writing by the Buyer, this Agreement shall terminate immediately if: (i) the Bankruptcy

Case is dismissed or converted to a Chapter 7 bankruptcy case under the Bankruptcy Code, or an interim or permanent trustee is appointed in the Bankruptcy Case, or a responsible officer or an examiner with powers beyond the duty to investigate and report (as set forth in Sections 1106(a)(3) and (4) of the Bankruptcy Code) is appointed in the Bankruptcy Case; (ii) the Procedures Order shall not have been entered by the Bankruptcy Court by the date that is thirty-five (35) days after the Petition Date (or such later date as Buyer may have designated in writing to Sellers); (iii) a final Sale Order shall not have been entered by the Bankruptcy Court by the date that is one hundred (100) days after the Petition Date (or such later date as Buyer may have designated in writing to Sellers); (iv) the sale of substantially all of the assets of the Sellers to a Person other than Buyer occurs; (v) the granting of relief from the automatic stay to permit foreclosure or the exercise of other remedies on the material assets of the Sellers occurs; or (vi) the Sellers consent to any modification of this Agreement, in each case, without the prior agreement of the Buyer.

(b) Termination by Buyer. Prior to the Closing Date, Buyer may terminate this Agreement upon written notice to Sellers of the occurrence of any of the following, unless Buyer is in material breach of this Agreement prior to the occurrence of the following, at which time all obligations of Sellers hereunder shall be of no further force and effect:

(i) if any of the conditions to the obligations of Buyer that are set forth in Section 10.1 shall have become incapable of fulfillment other than as a result of a breach by Buyer of any covenant or agreement contained in this Agreement, and such condition is not waived by Buyer;

(ii) if there shall be a material breach by the Sellers of any material representation or warranty, or any material covenant or agreement contained in this Agreement, which breach cannot be cured or has not been cured within thirty (30) Business Days after the giving of written notice by Buyer to the Sellers of such breach;

(iii) if there is a Material Adverse Effect; or

(iv) if Sellers (x) fail to obtain either interim or final orders from the Bankruptcy Court authorizing and approving post-petition debtor-in-possession financing, or (y) breach and are in default of any agreement relating to such debtor-in-possession financing, causing a termination of funding to the Sellers.

(c) Termination by the Sellers. Prior to the Closing Date, the Sellers may terminate this Agreement upon written notice to Buyer of the occurrence of any of the following, unless Sellers are in material breach of this Agreement prior to the occurrence of the following, at which time all obligations of Sellers hereunder shall be of no further force and effect:

(i) if any of the conditions to the obligations of the Seller to close that are set forth in Section 10.2 shall have become incapable of fulfillment other than as a result of a breach by the Sellers of any covenant or agreement contained in this Agreement, and such condition is not waived by the Sellers; or

(ii) if there shall be a material breach by Buyer of any material representation or warranty, or by Buyer of any material covenant or agreement contained in this

Agreement, which breach cannot be cured or has not been cured within thirty (30) Business Days after the giving of written notice by the Sellers to Buyer of such breach; or

(iii) if there shall exist a Title Defect which is not waived by the Buyer and the Seller shall be unwilling or unable to remove in accordance with Section 7.8.

(d) Termination by Buyer or the Sellers. Either Buyer or the Sellers may terminate this Agreement upon the occurrence of any of the following:

(i) by mutual written consent of the Sellers and Buyer prior to the Closing Date;

(ii) if the Bankruptcy Court shall enter an order approving a Competing Bid, subject to the limitations set forth in the Bid Procedures Order and subject to Buyer's right to payment of the Break-Up Fee and Expense Reimbursement in accordance with the provisions of this Agreement and the Bid Procedures Order and in addition to the provisions in Section 6.2(d) regarding the Buyer being the second highest bid;

(iii) upon twenty (20) Business Days' written notice to the other party after ninety (90) days after the entry of the Sale Order by the Bankruptcy Court, Buyer or the Sellers may terminate this Agreement under this Section 13.1(d)(iii) if DOH has disapproved or indicated that it will disapprove the CON Application provided that no such termination shall occur if within such twenty (20) Business Day period DOH approves the CON Application; or

(iv) upon written notice to the other party if the Closing shall not have occurred by the close of business on Outside Closing Date, unless extended by mutual written agreement of the Parties; provided, however, that, if (A) the Closing shall not have occurred by the close of such date due to an action or failure to act by a Governmental Authority that prevents the consummation of the Contemplated Transactions and (B) the non-terminating party is otherwise capable of satisfying the conditions to its obligations to consummate the Contemplated Transactions set forth in Article IX, a termination under this Section 13.1(d)(iv) shall not be effective for forty-five (45) days after the provision of written notice; provided, further, that such termination shall not be effective if all conditions to the obligations of the non-terminating party to consummate the Contemplated Transactions set forth in Article IX shall have been satisfied or otherwise waived and the Closing shall have occurred within such forty-five (45) day period.

(v) upon thirty (30) days written notice to the other party if the date of the Closing shall not have occurred thirty (30) days after all closing conditions have been satisfied, or by the Outside Closing Date unless otherwise agreed to, in writing by Sellers or Buyer subject to Section 13.1(d)(iv).

(e) Additional Termination Rights. Notwithstanding anything in this Agreement to the contrary, but without limiting any other termination rights expressly provided in this Agreement, this Agreement may be terminated at any time prior to the Closing as follows:

(i) if the Bankruptcy Court enters a Sale Order approving the sale of the Acquired Assets (or any portion thereof) to any Competing Bidder, and Buyer is the second

highest bidder and bound to close pursuant to the terms of such Sale Order, then this Agreement shall automatically terminate the earlier of: (A) the date Sellers consummate the Sale of the Acquired Assets (or any portion thereof) to any Competing Bidder, or (B) ninety (90) days following entry of the Sale Order;

(ii) if (i) the Bankruptcy Court enters an order approving the sale of the Acquired Assets (or any portion thereof) to any Competing Bidder, and (ii) Buyer is not the second highest bidder and bound to close pursuant to the terms of such Sale Order in the event that all Competing Bidders fail to close, then this Agreement shall terminate automatically upon the earlier of (a) ten days after the Auction; or (b) the entry of such Sale Order by the Bankruptcy Court;

(iii) if this Agreement is terminated in accordance with clause (i) or (ii) of this Section 13.1(e), then from and after such termination neither party shall have any further rights or obligations hereunder at law or in equity, for damages or otherwise (other than any such rights or such obligations that are expressly stated herein to survive the termination of this Agreement), except that Buyer shall receive a return of the Deposit upon such termination and payment of the Break-Up Fee and Expense Reimbursement to the extent otherwise due and payable in accordance with Article VI.

(f) Extension of Time Periods. The time periods for termination of this Agreement set forth in this Section 13.1 may be extended upon the written agreement of the parties without the further approval of the Bankruptcy Court.

13.2 Procedure For Termination. In the event of termination of this Agreement by Buyer or the Sellers, or both, pursuant to Section 13.1, written notice thereof shall promptly be given to the other party, and upon the giving of such notice (or at such time as specified in the particular termination right set forth in Section 13.1), the Contemplated Transactions shall be abandoned and this Agreement shall terminate to the extent and with the effect provided by Section 12.3, without further action by the parties.

13.3 Effect of Termination.

If any Party terminates this Agreement pursuant to Section 13.1, except as otherwise provided herein, all rights and obligations of the Parties hereunder shall terminate without any liability of any Party to any other Party (except for any Liability of any Party then in breach of this Agreement); provided that if such termination is the result of a breach or default hereunder by the non-terminating Party, then the non-breaching Party shall be entitled to seek any and all remedies available to the terminating Party at law or in equity.

ARTICLE XIV
MISCELLANEOUS

14.1 Press Releases and Public Announcements. No Party shall issue any press release or make any public announcement relating to the subject matter of this Agreement without the prior written approval of the other Party such approval not to be unreasonably withheld or delayed; provided, however, that any Party may make any public disclosure it believes in good faith is required by Applicable Law or by the Bankruptcy Court with respect to filings to be

made with the Bankruptcy Court in connection with this Agreement (in which case the disclosing Party will use its reasonable efforts consistent with such Applicable Law or Bankruptcy Court requirement to advise the other Party prior to making the disclosure).

14.2 No Third-Party Beneficiaries. This Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns.

14.3 Entire Agreement. This Agreement and the other Transaction Documents constitute the entire agreement between the Parties and supersedes any prior understandings, agreements, or representations by or between the Parties, written or oral, to the extent they relate in any way to the subject matter hereof.

14.4 Succession and Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties named herein and their respective successors and permitted assigns. No Party may assign either this Agreement or any of its rights, interests, or obligations hereunder without the prior written approval of the other Party provided, however, that Buyer may (a) assign any or all of its rights and interests hereunder to one or more of its Affiliates, including any not-for-profit corporation of which Buyer is a member and which succeeds to the interest of Buyer in any Seller and (b) designate one or more of its Affiliates to perform its obligations hereunder (in any or all of which cases Buyer nonetheless shall remain responsible for the performance of all of its obligations hereunder).

14.5 Counterparts. This Agreement may be executed in one or more counterparts (including by means of facsimile), each of which shall be deemed an original but all of which together will constitute one and the same instrument. The delivery of an executed signature page of this Agreement or any other Transaction Document by portable document (.pdf) format shall have the same effect as the delivery of a manually executed counterpart hereof or thereof.

14.6 Headings. The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

14.7 Notices. All notices, requests, demands, claims, and other communications hereunder shall be in writing. Any notice, request, demand, claim, or other communication hereunder shall be deemed duly given (i) when delivered personally to the recipient, (ii) one Business Day after being sent to the recipient by reputable overnight courier service (charges prepaid), (iii) one Business Day after being sent to the recipient by facsimile transmission, or (iv) four Business Days after being mailed to the recipient by certified or registered mail, return receipt requested and postage prepaid, and addressed to the intended recipient as set forth below:

If to the Sellers: Sound Shore Health System, Inc.
 [TBD]
 [TBD]
 Attn: [TBD]
 Fax: [TBD]

Copy to: Garfunkel Wild, P.C.

111 Great Neck Road, Suite 600
Great Neck, New York 11021
Attn: Burton S. Weston, Esq.
Fax: (516) 466-5964

If to Buyer: Montefiore Health System, Inc.
111 East 210th Street
Bronx, New York 10467
Attn: Christopher S. Panczner, Esq.
Fax: (718) 652-3404

Copy to: Togut, Segal & Segal LLP
One Penn Plaza
New York, New York 10119
Attn: Frank Oswald, Esq.
Fax: (212) 967-4258

and

Epstein Becker & Green, P.C.
250 Park Avenue
New York, New York 10199
Attn: Jay E. Gerzog, Esq.
Fax: (212) 878-8604

Any Party may change the address to which notices, requests, demands, claims, and other communications hereunder are to be delivered by giving the other Party notice in the manner herein set forth.

14.8 Governing Law; Waiver of Jury Trial. This Agreement shall be governed by and construed in accordance with the domestic laws of the State of New York without giving effect to any choice or conflict of law provision or rule (whether of the State of New York or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of New York. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE CONTEMPLATED TRANSACTIONS.

14.9 Submission to Jurisdiction; Consent to Service of Process. Without limiting any Party's right to appeal any order of the Bankruptcy Court, (a) the Bankruptcy Court shall retain exclusive jurisdiction to enforce the terms of this Agreement and to decide any claims or disputes which may arise or result from, or be connected with, this Agreement, any breach or default hereunder, or the Contemplated Transactions, and (b) any and all proceedings related to the foregoing shall be filed and maintained only in the Bankruptcy Court, and the parties hereby consent to and submit to the jurisdiction and venue of the Bankruptcy Court and shall receive notices at such locations as indicated in Section 14.7 hereof; provided, however, that, if the Bankruptcy Case has closed, the parties agree to unconditionally and irrevocably submit to the

exclusive jurisdiction of the United States District Court for the Southern District of New York sitting in New York County or the Commercial Division, Civil Branch of the Supreme Court of the State of New York sitting in New York County and any appellate court from any thereof, for the resolution of any such claim or dispute. The parties hereby irrevocably waive, to the fullest extent permitted by applicable law, any objection which they may now or hereafter have to the laying of venue of any such dispute brought in such court or any defense of inconvenient forum for the maintenance of such dispute. Each of the parties hereto agrees that a judgment in any such dispute may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Each of the parties hereto hereby consents to process being served by any party to this Agreement in any suit, action or proceeding by delivery of a copy thereof in accordance with the provisions of Section 14.7.

14.10 Amendments. No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by Buyer and each Seller. The Sellers may consent to any such amendment at any time prior to the Closing with the prior authorization of each Seller's Board of Directors.

14.11 Severability. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

14.12 Expenses. Except with respect to the Break-Up Fee and Expense Reimbursement, each of Buyer and each Seller will bear its own costs and expenses (including legal fees and expenses) incurred in connection with this Agreement and the Contemplated Transactions, except that Buyer on the one hand and the Sellers on the other hand shall each bear fifty percent (50%) of any and all real property transfer taxes payable with respect to the conveyance of the Owned Real Property and the assignment of the Real Property Leases, if any.

14.13 Construction. The Parties participated fully in the negotiation and preparation of this Agreement with full benefit of counsel. Accordingly, this Agreement is to be construed as if the Parties drafted it jointly and is not to be more strictly construed against any Party.

14.14 Incorporation of Exhibits and Schedules. The Exhibits and Schedules identified in this Agreement are incorporated herein by reference and made a part hereof. The Parties acknowledge that the Schedules attached hereto may be updated after the Effective Date with the Buyer's consent, which consent shall not be unreasonably withheld.

14.15 Tax Disclosure Authorization. Notwithstanding anything herein to the contrary, the Parties (and each Affiliate and Person acting on behalf of any Party) agree that each Party (and each employee, representative, and other agent of such party) may disclose to any and all Persons, without limitation of any kind, the transaction's tax treatment and tax structure (as such terms are used in Code §§6011 and 6112 and regulations thereunder) contemplated by this agreement and all materials of any kind (including opinions or other tax analyses) provided to such party or such Person relating to such tax treatment and tax structure, except to the extent necessary to comply with any applicable federal or states securities laws; provided, however, that such disclosure may not be made until the earlier of date of (x) public announcement of

discussions relating to the transaction, (y) public announcement of the transaction, or (z) execution of this Agreement. This authorization is not entitled to permit disclosure of any other information including (without limitation) (a) any portion of any materials to the extent not related to the transaction's tax treatment or tax structure, (b) the identities of participants or potential participants, (c) the existence or status of any negotiations, (d) any pricing or financial information (except to the extent such pricing or financial information is related to the transaction's tax treatment or tax structure), or (e) any other Confidential Information or term or detail not relevant to the transaction's tax treatment or the tax structure.

14.16 No Waiver. The failure of any party to this Agreement to assert any of its rights under this Agreement or otherwise shall not constitute a waiver of such rights. The waiver of any such right with respect to particular facts and other circumstances shall not be deemed a waiver with respect to any other facts and circumstances and each such right shall be deemed an ongoing right that may be asserted at any time and from time to time. No right, remedy or election given by any term of this Agreement shall be deemed exclusive but shall be cumulative with all of the rights, remedies and elections available at law or in equity.


14.17 Charitable Purposes. Nothing in this Agreement shall prevent Buyer and/or the Sellers from taking any actions to carry out their respective charitable missions, provided that no such action shall excuse any breach of the terms hereof that occurs thereby.

[SIGNATURES ARE ON NEXT PAGE]


IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first above written.

Buyer:

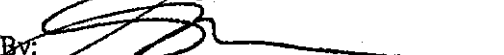
Montefiore SS Operations, Inc.

By: 
Name: Steven M. Satyer, MD
Its: _____


Montefiore MV Operations, Inc.

By: 
Name: Steven M. Satyer, MD
Its: _____


Montefiore HA Operations, Inc.

By: 
Name: Steven M. Satyer, MD
Its: _____

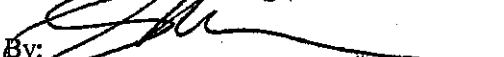
Montefiore SS Holdings, LLC

By: 
Name: Steven M. Satyer, MD
Its: _____

Montefiore MV Holdings, LLC

By: 
Name: Steven M. Satyer, MD
Its: _____

Montefiore HA Holdings, LLC

By: 
Name: Steven M. Satyer, MD
Its: _____

SSHS: Sound Shore Health System, Inc.

By: John R. Spicer
Name: John R. Spicer
Its: President

SSMC: Sound Shore Medical Center of Westchester

By: John R. Spicer
Name: John R. Spicer
Its: President

MVH: The Mount Vernon Hospital, Inc.

By: John R. Spicer
Name: John R. Spicer
Its: President

SECC: Howe Avenue Nursing Home d/b/a Schaffer
Extended Care Center

By: John R. Spicer
Name: John R. Spicer
Its: President

NRHMC: NRHMC, Inc.

By: John R. Spicer
Name: John R. Spicer
Its: President

MVHC: M.V.H. Corporation

By: John R. Spicer
Name: John R. Spicer
Its: Vice President

NRSS: New Rochelle Sound Shore Housing LLC

By: John R. Spicer
Name: John R. Spicer
Its: President

**DISCLOSURE SCHEDULES ARE ON FILE
WITH THE COURT.**

DISCLOSURE SCHEDULE

TO

ASSET PURCHASE AGREEMENT

by and among

**Montefiore SS Operations, Inc., Montefiore MV Operations, Inc., and Montefiore HA
Operations, Inc., each a New York not-for-profit corporation, and**

**Montefiore SS Holdings, LLC, Montefiore MV Holdings, LLC, and Montefiore HA
Holdings, LLC, each a New York limited liability company**

as Buyer and

**Sound Shore Health System, Inc.,
a New York not-for-profit corporation**

**Sound Shore Medical Center of Westchester,
a New York not-for-profit corporation**

**The Mount Vernon Hospital,
a New York not-for-profit corporation**

**Howe Avenue Nursing Home, Inc. d/b/a Schaffer Extended Care Center,
a New York not-for-profit corporation**

**NRHMC Services Corporation,
a New York business corporation**

**The M.V.H. Corporation,
a New York not-for-profit corporation**

and

**New Rochelle Sound Shore Housing, LLC,
a New York limited liability company**

as Sellers

Dated as of [_____, 2013]

Introduction

This document constitutes the Disclosure Schedule to the Asset Purchase Agreement (this “Agreement”) entered into as of [_____, 2013] (the “Effective Date”), by and among Montefiore SS Operations, Inc., Montefiore MV Operations, Inc., Montefiore HA Operations, Inc., Montefiore SS Holdings, LLC, Montefiore MV Holdings, LLC, and Montefiore HA Holdings, LLC, each being either a New York not-for-profit corporation or a New York limited liability company, as the case may be, or their designees (collectively, the “Buyer”), on the one hand; and Sound Shore Health System, Inc. (“SSHS”), a New York not-for-profit corporation, Sound Shore Medical Center of Westchester (“SSMC”), a New York not-for-profit corporation, The Mount Vernon Hospital (“MVH”), a New York not-for-profit corporation, Howe Avenue Nursing Home, Inc. d/b/a Schaffer Extended Care Center (“SECC”), a New York not-for-profit corporation, NRHMC Services Corporation (“Services Corporation”), a New York business corporation, The M.V.H. Corporation (“MVHC”), a New York not-for-profit corporation and New Rochelle Sound Shore Housing, LLC (“NRSSH”), a New York limited liability company on the other hand. SSHS, SSMC, MVH, SECC, Services Corporation, MVHC, and NRSSH are referred to individually as a “Seller” and collectively as the “Sellers”. Buyer and the Sellers are referred to individually as a “Party” and collectively as the “Parties”. All capitalized terms used, but not defined, herein shall have the meaning ascribed to such term in the Agreement.

Section and sub-section numbers and letters used herein correspond to the section and sub-section numbers and letters in the Agreement, unless otherwise noted. The titles given to each part, paragraph, or section of this Disclosure Schedule are summaries of the material included in such part, paragraph or section of the Agreement. The titles are included for convenience only and are not intended to limit the scope of such part, paragraph or section of the Disclosure Schedule as set forth in the Agreement.

Schedule 1.1

Certain Individuals

SSHS

John R. Spicer	President
Clark E. Walter	Senior Vice President General Counsel
Stanley Buturla	Interim Chief Financial Officer
Richard Barone, MD	Senior Vice President of Medical Affairs
Paul Rowland	Senior Vice President of Planning
Pamela Dupuis	Senior Vice President of Patient Care Services
Dennis Ashley	Senior Vice President Human Resources
Amy Cassidy	Senior Vice President for Advancement
Rosemary Martino	Senior Vice President Clinical Systems Development
John Mamangakis	Senior Vice President of Operations
Nick D'Addesio	Senior Vice President of Operations

SSMC

John R. Spicer	President
Clark E. Walter	Senior Vice President General Counsel
Stanley Buturla	Interim Chief Financial Officer
Richard Barone, MD	Senior Vice President of Medical Affairs
Paul Rowland	Senior Vice President of Planning
Pamela Dupuis	Senior Vice President of Patient Care Services
Dennis Ashley	Senior Vice President Human Resources
Amy Cassidy	Senior Vice President for Advancement
Rosemarie Martino	Senior Vice President Clinical Systems Development
John Mamangakis	Senior Vice President of Operations

MVH

John R. Spicer	President
Clark E. Walter	Senior Vice President General Counsel
Gary Ishkanian, MD	Medical Director
Stanley Buturla	Interim Chief Financial Officer
Paul Rowland	Senior Vice President of Planning
Pamela Dupuis	Senior Vice President of Patient Care Services
Dennis Ashley	Senior Vice President Human Resources
Amy Cassidy	Senior Vice President for Advancement
John Mamangakis	Senior Vice President of Operations
Nick D'Addesio	Senior Vice President of Operations
Stanley Buturla	Interim Chief Financial Officer
Rosemary Martino	Senior Vice President Clinical Systems Development

SECC

John R. Spicer
Stanley Buturla

President
Acting Assistant Treasurer

Services Corporation

John R. Spicer

President

MVHC

John R. Spicer

Vice President

NRSSH

John R. Spicer

President

Schedule 2.1(c)
Excluded Furniture, Equipment and Inventory

Schedule 2.1(d)
Assigned Contracts

**Schedule 2.3(ii)
Debt Obligations**

Lienholder	Lien Amount	Entity	Lien Assets
Sun Life Assurance Co. Canada	\$9.0 million (secured)	SSMC	Lien on SSMC's real property (<i>i.e.</i> , the hospital and ambulatory care facility).
Dormitory Authority State of New York	\$5.1 million (secured)	SSMC	Subordinate lien on nursing home.
	\$2.9 million*(secured)	SSMC	Second lien in MVH's real property and assignment of rents. Lien on proceeds of HEAL NY grants to SSMC. \$
Hudson Valley Bank	\$700,000 (secured)	MVH (Revolver Credit Line)	First lien on all MVH's property (real and personal).
Midcap Financial, LLC/ Midcap Funding IV, LLC	\$ 5.9 million (secured)	Schaffer Term Loan	First lien on Schaffer's real property.
Pension Benefit Guaranty Corporation	\$5.9 million (secured)	SSMC	Lien on certain parking lots on SSMC hospital campus. Notice of Tax Lien for plan termination amounts
	\$4.1 million (secured)	MVH	
1199 SEIU	\$908,000 (secured)	SSMC	Lien on SSMC real property. Lien on MVH real property.
	\$496,000 (secured)	MVH	
New York State Dept of Labor	\$117,670 (secured)	MVH	Recorded Judgments against MVH and SSMC.
	\$ 21,800 (secured)	SSMC	

* Garfunkel believes \$11.5 million is outstanding unclear whether this is secured or unsecured or a combination of both.

Lienholder	Lien Amount	Entity	Lien Assets
Various Mechanics Lien Claimants	\$687,000 (secured)	SSMC	Mechanics liens on SSMC property.

Schedule 3.6
Allocation of Purchase Price

**Schedule 4.1
Organization**

<u>Entity</u>	<u>Organization Type</u>
SSHS	Not-for-profit corporation
SSMC	Not-for-profit corporation
MVH	Not-for-profit corporation
SECC	Not-for-profit corporation
Services Corporation	Business corporation
MVHC	Not-for-profit corporation
NRSSH	Limited liability company

State of New York
Department of State } **ss:**

I hereby certify, that the Certificate of Incorporation of SOUND SHORE HEALTH SYSTEM, INC. was filed on 03/25/1998, as a Not-for-Profit Corporation and that a diligent examination has been made of the Corporate index for documents filed with this Department for a certificate, order, or record of a dissolution, and upon such examination, no such certificate, order or record has been found, and that so far as indicated by the records of this Department, such corporation is an existing corporation. I further certify the following:

A Certificate of Amendment was filed on 01/21/2000.

A Certificate of Amendment was filed on 10/21/2011.

I further certify that no other documents have been filed by such corporation.



*Witness my hand and the official seal
of the Department of State at the City
of Albany, this 22nd day of May
two thousand and thirteen.*

A handwritten signature in black ink, appearing to read "Daniel Shapiro".

Daniel Shapiro
Special Deputy Secretary of State

State of New York
Department of State } **ss:**

I hereby certify, that the Certificate of Incorporation of SOUND SHORE MEDICAL CENTER OF WESTCHESTER was filed on 11/18/1892, under the name of NEW ROCHELLE HOSPITAL ASSOCIATION, as a Not-for-Profit Corporation and that a diligent examination has been made of the Corporate index for documents filed with this Department for a certificate, order, or record of a dissolution, and upon such examination, no such certificate, order or record has been found, and that so far as indicated by the records of this Department, such corporation is an existing corporation. I further certify the following:

A Certificate of Amendment was filed on 05/05/1943.

A Certificate of Amendment was filed on 05/06/1943.

A Certificate of Amendment was filed on 10/25/1946.

A Certificate of Amendment was filed on 04/05/1951.

A certificate changing name to THE NEW ROCHELLE HOSPITAL MEDICAL CENTER was filed on 04/08/1970.

A Certificate of Amendment was filed on 11/23/1970.

A Certificate of Amendment was filed on 08/15/1979.

A Certificate of Amendment was filed on 06/25/1985.

A certificate changing name to SOUND SHORE MEDICAL CENTER OF WESTCHESTER was filed on 02/05/1997.

A Certificate of Amendment was filed on 04/14/1998.

A Certificate of Amendment was filed on 11/24/1999.

I further certify that no other documents have been filed by such corporation.



*Witness my hand and the official seal
of the Department of State at the City
of Albany, this 22nd day of May
two thousand and thirteen.*

Daniel Shapiro
Special Deputy Secretary of State

201305230344 * K4

State of New York
Department of State } **ss:**

I hereby certify, that the Certificate of Incorporation of HOWE AVENUE NURSING HOME, INC. was filed on 10/30/1968, as a Not-for-Profit Corporation

and that a diligent examination has been made of the Corporate index for documents filed with this Department for a certificate, order, or record of a dissolution, and upon such examination, no such certificate, order or record has been found, and that so far as indicated by the records of this Department, such corporation is an existing corporation. I further certify the following:

A Certificate of Amendment was filed on 04/25/1969.

A Certificate of Amendment was filed on 11/16/1970.

I further certify that no other documents have been filed by such corporation.



*Witness my hand and the official seal
of the Department of State at the City
of Albany, this 22nd day of May
two thousand and thirteen.*

A handwritten signature in black ink, appearing to read "Daniel Shapiro".

Daniel Shapiro
Special Deputy Secretary of State

**State of New York
Department of State } ss:**

I hereby certify, that the Certificate of Incorporation of THE MOUNT VERNON HOSPITAL was filed on 12/13/1890, as a Not-for-Profit Corporation and that a diligent examination has been made of the Corporate index for documents filed with this Department for a certificate, order, or record of a dissolution, and upon such examination, no such certificate, order or record has been found, and that so far as indicated by the records of this Department, such corporation is an existing corporation. I further certify the following:

A Certificate of Amendment was filed on 03/11/1947.

A Certificate of Amendment was filed on 12/27/1950.

A Certificate of Amendment was filed on 08/05/1963.

A Certificate of Amendment was filed on 04/02/1998.

A Certificate of Amendment was filed on 11/30/1999.

I further certify that no other documents have been filed by such corporation.



*Witness my hand and the official seal
of the Department of State at the City
of Albany, this 22nd day of May
two thousand and thirteen.*

Daniel Shapiro
Special Deputy Secretary of State

State of New York
Department of State } **ss:**

I hereby certify, that NEW ROCHELLE SOUND SHORE HOUSING, LLC a NEW YORK Limited Liability Company filed Articles of Organization pursuant to the Limited Liability Company Law on 11/02/2005, and that the Limited Liability Company is existing so far as shown by the records of the Department. I further certify the following:

An Affidavit of Publication of NEW ROCHELLE SOUND SHORE HOUSING, LLC was filed on 01/23/2006.

An Affidavit of Publication of NEW ROCHELLE SOUND SHORE HOUSING, LLC was filed on 01/23/2006.

A Biennial Statement was filed 12/20/2007.

A Biennial Statement was filed 12/01/2011.

I further certify, that no other documents have been filed by such Limited Liability Company.



*Witness my hand and the official seal
of the Department of State at the City
of Albany, this 22nd day of May
two thousand and thirteen.*

A handwritten signature in black ink, appearing to read "Daniel Shapiro".

Daniel Shapiro
Special Deputy Secretary of State

State of New York
Department of State } **SS:**

I hereby certify, that the Certificate of Incorporation of THE M.V.H. CORPORATION was filed on 05/17/1985, as a Not-for-Profit Corporation and that a diligent examination has been made of the Corporate index for documents filed with this Department for a certificate, order, or record of a dissolution, and upon such examination, no such certificate, order or record has been found, and that so far as indicated by the records of this Department, such corporation is an existing corporation.

I further certify that no other documents have been filed by such corporation.



*Witness my hand and the official seal
of the Department of State at the City
of Albany, this 22nd day of May
two thousand and thirteen.*

A handwritten signature in black ink, appearing to read "Daniel Shapiro".

Daniel Shapiro
Special Deputy Secretary of State

State of New York
Department of State } **SS:**

I hereby certify, that the Certificate of Incorporation of NRHMC SERVICES CORPORATION was filed on 04/12/1994, with perpetual duration, and that a diligent examination has been made of the Corporate index for documents filed with this Department for a certificate, order, or record of a dissolution, and upon such examination, no such certificate, order or record has been found, and that so far as indicated by the records of this Department, such corporation is an existing corporation. I further certify the following:

A Biennial Statement was filed 05/04/2004.

A Biennial Statement was filed 07/02/2008.

A Biennial Statement was filed 05/14/2010.

The Biennial Statement is past due.

I further certify that no other documents have been filed by such corporation.



*Witness my hand and the official seal
of the Department of State at the City
of Albany, this 23rd day of May
two thousand and thirteen.*

A handwritten signature in black ink, appearing to read "Daniel Shapiro".

Daniel Shapiro
Special Deputy Secretary of State

**Schedule 4.3
Qualification**

Each Seller is qualified or licensed to do business in New York.

Schedule 4.5
Brokers' Fees of the Sellers

None

Schedule 4.6
Events Subsequent

- (a) NRSSH had a sale of apartments in April of 2013 that was not in the Ordinary Course of Business. The price of the sale was \$15million and the apartments were sold to Soundview Management Associates, LLC.
- (b) SSMC had a modification of its contract with Stryker Orthopaedics in March of 2013. MVH had a termination of its contract with Crothall Services in October of 2012.
- (c) SSMC closed the Kirschenbaum Mental Health Center in August of 2012 and its Alcohol Detoxification service in October of 2012.
- (d) SSMC had a termination of its contract with Modern Medical, Fresenius and Pathology Services. Both SSMC and MVH had a termination of tis contract with the fellowship and resident program at Westchester Medical Center.
- (e) None
- (f) None
- (g) SSHS is in the process of amending its Certificate of Incorporation and Bylaws to remove Pinnacle Healthcare, Inc. as its sole member
- (h) None
- (i) NRSSH had a sale of apartments in April of 2013 that was not in the Ordinary Course of Business. The price of the sale was \$15million and the apartments were sold to Soundview Management Associates, LLC.
- (j) None
- (k) None

Schedule 4.7(a)
IRS Determination Letters

See attached

Internal Revenue Service

Date: October 26, 2004

Sound Shore Medical Center of Westchester
16 Guilon Pl.
New Rochelle, NY 10801

Department of the Treasury
P. O. Box 2508
Cincinnati, OH 45201

Person to Contact:
Jamie Arnes 31-08342
Customer Service Representative
Toll Free Telephone Number:
8:00 a.m. to 6:30 p.m. EST
877-829-5500
Fax Number:
513-263-3756
Federal Identification Number:
13-1740117

Dear Sir or Madam:

This is in response to your request of October 26, 2004, regarding your organization's tax-exempt status.

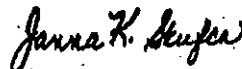
In June 1940 we issued a determination letter that recognized your organization as exempt from federal income tax. Our records indicate that your organization is currently exempt under section 501(c)(3) of the Internal Revenue Code.

Our records indicate that your organization is also classified as a public charity under sections 509(a)(1) and 170(b)(1)(A)(iii) of the Internal Revenue Code.

Our records indicate that contributions to your organization are deductible under section 170 of the Code, and that you are qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Internal Revenue Code.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely,



Janna K. Skufca, Director, TE/GE
Customer Account Services

Internal Revenue Service

Department of the Treasury

District
Director

35 Tillary St., Brooklyn, NY 11201

Date: **MAY 02 1998**

Mount Vernon Hospital
12 N. Seventh Ave.
Mount Vernon, NY 10550

Person to Contact:
Clifton G. Belnavis
Contact Telephone Number:
(718) 780-4501
EIN: 13-1740115

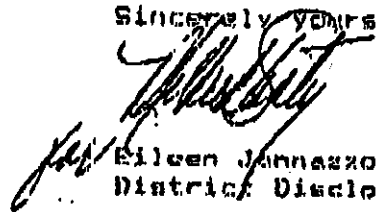
Dear Sir or Madam:

Reference is made to your request for verification of the tax exempt status of Mount Vernon Hospital.

A determination or ruling letter issued to an organization granting exemption under the Internal Revenue Code of 1954 or under a prior or subsequent Revenue Act remains in effect until exempt status has been terminated, revoked or modified:

Our records indicate that exemption was granted as shown below.

Sincerely yours,



Eileen Jannazzo
District Disclosure Officer

Name of Organization: Mount Vernon Hospital

Date of Exemption Letter: March 1937

Exemption granted pursuant to 1954 Code section 501(c)(3) or its predecessor Code section.

Foundation Classification (if applicable): Not a private foundation as you are an organization described in sections 509(a)(1) and 170(b)(1)(A)(iii) of the Internal Revenue Code.



Department of the Treasury
Internal Revenue Service

P.O. Box 2508
Cincinnati OH 45201

In reply refer to: 0248574146
June 10, 2011 LTR 4168C EO
23-7000781 000000 00

00015546
BODC: TE

HOWE AVENUE NURSING HOME INC
16 GUION PL
NEW ROCHELLE NY 10801-5502

Employer Identification Number: 23-7000781
Person to Contact: MRS. CRUZ
Toll Free Telephone Number: 1-877-829-5500

Dear TAXPAYER:

This is in response to your June 01, 2011, request for information regarding your tax-exempt status.

Our records indicate that you were recognized as exempt under section 501(c)(3) of the Internal Revenue Code in a determination letter issued in DECEMBER 1968.

Our records also indicate that you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section 509(a)(2).

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Please refer to our website www.irs.gov/eo for information regarding filing requirements. Specifically, section 6033(j) of the Code provides that failure to file an annual information return for three consecutive years results in revocation of tax-exempt status as of the filing due date of the third return for organizations required to file. We will publish a list of organizations whose tax-exempt status was revoked under section 6033(j) of the Code on our website beginning in early 2011.

020191

0248574146

June 10, 2011 LTR 4168C E0

23-7000781 000000 00

00015547

HOWE AVENUE NURSING HOME INC
16 GUION PL
NEW ROCHELLE NY 10801-5502

If you have any questions, please call us at the telephone number
shown in the heading of this letter.

Sincerely yours,



S. A. Martin, Operations Manager
Accounts Management Operations

Schedule 4.7(b)
Tax Returns

The 2011 990 Tax Returns for SSMC, SECC and MVH have not been filed.

The 2012 990 Tax Returns for all Sellers have not been filed.

Schedule 4.7(c)
Tax Compliance Matters


Certain penalties and interest related to payroll taxes

Schedule 4.7(d)
Tax Jurisdictions

The tax jurisdictions for each Seller is Federal, New York State, Westchester County, City of New Rochelle and City of Mount Vernon.

Schedule 4.7(e)
Lien or Claims for Taxes


See attached

 **IRS** Department of the Treasury
Internal Revenue Service
CCP-LU S LAWRENCE
1200 WATERS PLACE
STE 108
BRONX, NY 10461

CERTIFIED MAIL

7105 5678 7185 1309 7662

Letter Date: 04/16/2013
Taxpayer Identification Number:
13-1740115
Person to Contact:
S LAWRENCE
Contact Telephone Number:
(718) 536-3542
Employee Identification Number:
10-00261


MOUNT VERNON HOSPITAL
12 N 7TH AVE
MOUNT VERNON, NY 10550-2026

000733

Notice of Federal Tax Lien Filing and Your Right to a Hearing Under IRC 6320

Dear MOUNT VERNON HOSPITAL

We filed a Notice of Federal Tax Lien on 04/16/2013 .

Type of Tax	Tax Period	Assessment Date	Amount on Lien
941	09/30/2012	02/11/2013	198876.69
941	03/31/2012	08/06/2012	201875.17
941	06/30/2012	11/26/2012	336054.04

NOTE: Please contact the person whose name and telephone number appears on this notice to obtain the current amount you owe. Additional interest and penalties may be increasing the amount on the lien shown above.

A lien attaches to all property you currently own and to all property you may acquire in the future. It also may damage your credit rating and hinder your ability to obtain additional credit.

You have the right to a hearing with us to appeal this collection action and to discuss your payment method options. To explain the different collection appeal procedures available to you, we have enclosed Publication 1660, Collection Appeal Rights.

You must request your hearing by 05/23/2013 . Please complete the enclosed Form 12153, *Request for a Collection Due Process or Equivalent Hearing*, and mail it to:

Internal Revenue Service
1200 WATERS PLACE
STE 100
BRONX, NY 10461

We will issue a Form 668(Z), Certificate of Release of Notice of Federal Tax Lien, within 30 days:

- After you pay the full amount of your debt;
- We accept a bond guaranteeing payment of the amount owed; or
- A decision is made to adjust your account (i.e., during an Appeals hearing).

We have enclosed Publication 1450, Instructions on How to Request a Certificate of Release of Federal Tax Lien.

If you have any questions, please contact the person whose name and telephone number appear at the top of this letter.

Sincerely,



Operations Manager,
Centralized Case Processing-Lien Unit

Enclosures:

Publication 594, *The Collection Process*
Publication 1450
Publication 1660
Form 668 (Y) (C), *Notice of Federal Tax Lien*
Form 12153

Form 668 (Y)(c) (Rev. February 2004) 1872 Department of the Treasury - Internal Revenue Service
Notice of Federal Tax Lien

Area: **SMALL BUSINESS/SELF EMPLOYED AREA #1** Serial Number: **931912813**
 (800) 913-6050

For Optional Use by Recording Office

As provided by section 6321, 6322, and 6323 of the Internal Revenue Code, we are giving a notice that taxes (including interest and penalties) have been assessed against the following-named taxpayer. We have made a demand for payment of this liability, but it remains unpaid. Therefore, there is a lien in favor of the United States on all property and rights to property belonging to this taxpayer for the amount of these taxes, and additional penalties, interest, and costs that may accrue.

- This Notice of Federal Tax Lien has been filed as a matter of public record.
- IRS will continue to charge penalty and interest until you satisfy the amount you owe.
- Contact the Area Office Collection Function for information on the amount you must pay before we can release this lien.
- See the back of this page for an explanation of your Administrative Appeal rights.

Name of Taxpayer: **MOUNT VERNON HOSPITAL, a Corporation**

Residence: **12 N 7TH AVE
 MOUNT VERNON, NY 10550-2026**

IMPORTANT RELEASE INFORMATION: For each assessment listed below, unless notice of the lien is refilled by the date given in column (e), this notice shall, on the day following such date, operate as a certificate of release as defined in IRC 6325(a).

Kind of Tax (a)	Tax Period Ending (b)	Identifying Number (c)	Date of Assessment (d)	Last Day for Refiling (e)	Unpaid Balance of Assessment (f)
941	03/31/2012	13-1740115	08/06/2012	09/05/2022	201875.17
941	06/30/2012	13-1740115	11/26/2012	12/26/2022	336054.04
941	09/30/2012	13-1740115	02/11/2013	03/13/2023	198876.69
Place of Filing: DEPARTMENT OF STATE - UCC SECRETARY OF STATE ALBANY, NY 12231					Total: 736805.90

This notice was prepared and signed at MANHATTAN, NY, on this, the 05th day of April, 2013.

Signature: *[Signature]* Title: **REVENUE OFFICER**
 for **S LAWRENCE** 21-09-1020

(NOTE: Certificate of officer authorized by law to take acknowledgment is not essential to the validity of Notice of Federal Tax Lien Rev. Rul. 71-466, 1971 - 2 C.B. 409)

000733



Lien

This Notice of Federal Tax Lien gives public notice that the government has a lien on all your property (such as your house or car), all your rights to property (such as money owed to you) and to property you acquire after this lien is filed.

Your Administrative Appeal Rights

If you believe the IRS filed this Notice of Federal Tax Lien in error, you may appeal if any of the following conditions apply:

- You had paid all tax, penalty and interest before the lien was filed;
- IRS assessed tax after the date you filed a petition for bankruptcy;
- IRS mailed your notice of deficiency to the wrong address;

You have already filed a timely petition with the Tax Court;

The statute of limitations for collection ended before IRS filed the notice of lien.

Your appeal request must be in writing and contain the following:

- Your name, current address and SSN/EIN;
- Copy of this notice of lien, if available;
- The specific reason(s) why you think the IRS is in error;
- Proof that you paid the amount due (such as cancelled check);
- Proof that you filed a bankruptcy petition before this lien was filed.

Send your written request to the IRS, Attention: Technical Services Group Manager, in the office where this notice of lien was filed.

When This Lien Can Be Released

The IRS will issue a Certificate of Release of Federal Tax Lien within 30 days after:

- You pay the tax due, including penalties, interest, and any other additions under law, or IRS adjusts the amount due, or;
- The end of the time period during which we can collect the tax (usually 10 years).

Publication 1450, Request for Release of Federal Tax Lien, available at IRS offices, describes this process.

When a Lien against Property can be Removed

The IRS may remove the lien from a specific piece of property if any of the following conditions apply:

- You have other property subject to this lien that is worth at least two times the total of the tax you owe, including penalties and interest, plus the amount of any other debts you owe on the property (such as a mortgage);
- You give up ownership in the property and IRS receives the value of the government's interest in the property;
- IRS decides the government's interest in the property has no value when you give up ownership;
- The property in question is being sold; there is a dispute about who is entitled to the sale proceeds; and the proceeds are placed in escrow while the dispute is being resolved.

Publication 783, Instructions on How to Apply for a Certificate of Discharge of Property from a Federal Tax Lien, available at IRS offices, describes this process.

Gravamen

Este Aviso de Gravamen del Impuesto Federal da aviso público que el gobierno tiene un gravamen en todas sus propiedades (tal como su casa o carro), todos sus derechos a propiedad (tales como el dinero que le adeudan a usted) y la propiedad que adquiera después que se presentó éste gravamen.

Sus Derechos de Apelación Administrativos

Si usted cree que el IRS presentó éste Aviso de Gravamen del Impuesto Federal por error, usted puede apelar si cualquiera de las siguientes condiciones le aplican:

- Usted pagó todo el impuesto, multa, interés antes de que el gravamen fuera presentado;
- El IRS tasó el impuesto después de la fecha en que usted presentó una petición de quiebra;
- El IRS le envió por correo el aviso de deficiencia a una dirección incorrecta;
- Usted presentó a tiempo una petición ante la Corte de Impuesto;
- El IRS no presentó el aviso de gravamen dentro del término prescriptivo.

Su petición de apelación tiene que estar por escrito y debe incluir lo siguiente:

- Su nombre, dirección actual y SSN/EIN;
- Una copia de este aviso de gravamen, si está disponible;
- La razón (o razones) específica(s) por qué piensa que el IRS está erróneo;
- Prueba que pagó la cantidad adeudada (tal como un cheque cancelado);
- Prueba que presentó una petición de quiebra antes de que se presentara el gravamen.

Envíe su petición por escrito al IRS, Atención: "Technical Services Group Manager" (Grupo de Gerente-Servicios Técnicos) en la oficina donde este aviso de gravamen fue presentado.

Cuándo Este Gravamen Se Puede Cancelar

El IRS emitirá un Certificado de Cancelación de Gravamen del Impuesto Federal dentro de 30 días después que:

- Usted paga el impuesto adeudado, incluyendo multas, intereses, y otras sumas adicionales según la ley, o el IRS ajusta la cantidad adeudada, o;
- Aceptemos una fianza garantizando el pago de su deuda;
- La expiración del término en que podemos cobrar el impuesto (usualmente 10 años).

La Publicación 1450, en inglés, "Petición Para Cancelar el Gravamen del Impuesto Federal", describe este proceso y está disponible en las oficinas del IRS.

Cuándo un Gravamen en Contra de la Propiedad Puede Eliminarse

El IRS puede eliminar el gravamen de una propiedad específica si cualquiera de las siguientes condiciones aplica:

- Usted tiene otra propiedad sujeta a este gravamen cuyo valor es por lo menos dos veces el total del impuesto que usted adeuda, incluyendo intereses y multas, más la cantidad de cualquiera de las otras deudas que adeuda sobre la propiedad (tal como una hipoteca);
- Usted cede su interés en la propiedad y el IRS recibe el valor del interés del gobierno en la propiedad;
- El IRS decide que el interés del gobierno en la propiedad no tiene valor alguno cuando usted cedió su interés en la propiedad;
- La propiedad gravada será vendida; existe una controversia sobre quién tiene derecho al producto de la venta; y se depositan los fondos recibidos en la venta en una cuenta especial en lo que se resuelve la controversia.

La Publicación 783 en inglés, "Instrucciones de Cómo Solicitar un Certificado de Release de la Propiedad de un Gravamen del Impuesto Federal", describe éste proceso y está disponible en las oficinas del IRS.



CCP-LU K. HERRING
1200 WATERS PLACE
STE 108
BRONX, NY 10461




7105 5678 7185 1277 9262

000418.310135.0005.001 3 MB 0.655 2052



SOUND SHORE MEDICAL CENTER OF
WESTCHESTER
16 GUION PL.
NEW ROCHELLE, NY 10801-5502

000418

 **IRS** Department of the Treasury
Internal Revenue Service
CCP-LU K. HERRING
1200 WATERS PLACE
STE 108
BRONX, NY 10461

CERTIFIED MAIL

7105 5678 7185 1277 9262

Letter Date: 03/28/2013
Taxpayer Identification Number:
13-1740117
Person to Contact:
K. HERRING
Contact Telephone Number:
(718) 536-3563
Employee Identification Number:
1000253786

SOUND SHORE MEDICAL CENTER OF
WESTCHESTER
16 GUION PL
NEW ROCHELLE, NY 10801-5502



000418

Notice of Federal Tax Lien Filing and Your Right to a Hearing Under IRC 6320

Dear SOUND SHORE MEDICAL CENTER OF

We filed a Notice of Federal Tax Lien on 03/28/2013 .

Type of Tax	Tax Period	Assessment Date	Amount on Lien
941	03/31/2012	08/20/2012	459636.80
941	09/30/2012	02/18/2013	319193.12
941	06/30/2012	11/26/2012	682570.36

NOTE: Please contact the person whose name and telephone number appears on this notice to obtain the current amount you owe. Additional interest and penalties may be increasing the amount on the lien shown above.

A lien attaches to all property you currently own and to all property you may acquire in the future. It also may damage your credit rating and hinder your ability to obtain additional credit.

You have the right to a hearing with us to appeal this collection action and to discuss your payment method options. To explain the different collection appeal procedures available to you, we have enclosed Publication 1660, Collection Appeal Rights.

You must request your hearing by 05/06/2013 . Please complete the enclosed Form 12153, *Request for a Collection Due Process or Equivalent Hearing*, and mail it to:

Internal Revenue Service
1200 WATERS PLACE
STE 108
BRONX, NY 10461

We will issue a Form 668(Z), Certificate of Release of Notice of Federal Tax Lien, within 30 days:

- After you pay the full amount of your debt;
- We accept a bond guaranteeing payment of the amount owed; or
- A decision is made to adjust your account (i.e., during an Appeals hearing).

We have enclosed Publication 1450, Instructions on How to Request a Certificate of Release of Federal Tax Lien.

If you have any questions, please contact the person whose name and telephone number appear at the top of this letter.

Sincerely,



Operations Manager,
Centralized Case Processing-Lien Unit

Enclosures:

Publication 594, *The Collection Process*
Publication 1450
Publication 1660
Form 668 (Y) (C), *Notice of Federal Tax Lien*
Form 12153

Form 668 (Y)(c)
(Rev. February 2004)

1872

Department of the Treasury - Internal Revenue Service

Notice of Federal Tax Lien

Area:

SMALL BUSINESS/SELF EMPLOYED AREA #1
(800) 913-6050

Serial Number

928118713

For Optional Use by Recording Office

As provided by section 6321, 6322, and 6323 of the Internal Revenue Code, we are giving a notice that taxes (including interest and penalties) have been assessed against the following-named taxpayer. We have made a demand for payment of this liability, but it remains unpaid. Therefore, there is a lien in favor of the United States on all property and rights to property belonging to this taxpayer for the amount of these taxes, and additional penalties, interest, and costs that may accrue.

- This Notice of Federal Tax Lien has been filed as a matter of public record.
- IRS will continue to charge penalty and interest until you satisfy the amount you owe.
- Contact the Area Office Collection Function for information on the amount you must pay before we can release this lien.
- See the back of this page for an explanation of your Administrative Appeal rights.

Name of Taxpayer:

SOUND SHORE MEDICAL CENTER OF WESTCHESTER
a Corporation

Residence

16 GUION PL
NEW ROCHELLE, NY 10801-5502

IMPORTANT RELEASE INFORMATION: For each assessment listed below, unless notice of the lien is refilled by the date given in column (e), this notice shall, on the day following such date, operate as a certificate of release as defined in IRC 6325(a).

Kind of Tax (a)	Tax Period Ending (b)	Identifying Number (c)	Date of Assessment (d)	Last Day for Refiling (e)	Unpaid Balance of Assessment (f)
941	03/31/2012	13-1740117	08/20/2012	09/19/2022	459636.80
941	06/30/2012	13-1740117	11/26/2012	12/26/2022	682570.36
941	09/30/2012	13-1740117	02/18/2013	03/20/2023	319193.12
Place of Filing DEPARTMENT OF STATE - UCC SECRETARY OF STATE ALBANY, NY 12231					Total 1461400.28

This notice was prepared and signed at MANHATTAN, NY, on this,

the 18th day of March, 2013.

Signature



for K. HERRING

Title

REVENUE OFFICER
(718) 536-3563

21-09-1013

(NOTE: Certificate of officer authorized by law to take acknowledgment is not essential to the validity of Notice of Federal Tax Lien Rev. Rul. 71-466, 1971 - 2 C.B. 409)

Part 3 - Taxpayer's Copy

CAT. NO 60025X
Form 668 (Y)(c) (Rev. 02-04)

Lien

This Notice of Federal Tax Lien gives public notice that the government has a lien on all your property (such as your house or car), all your rights to property (such as money owed to you) and to property you acquire after this lien is filed.

Your Administrative Appeal Rights

If you believe the IRS filed this Notice of Federal Tax Lien in error, you may appeal if any of the following conditions apply:

- You had paid all tax, penalty and interest before the lien was filed;
- IRS assessed tax after the date you filed a petition for bankruptcy;
- IRS mailed your notice of deficiency to the wrong address;

You have already filed a timely petition with the Tax Court;

The statute of limitations for collection ended before IRS filed the notice of lien.

Your appeal request must be in writing and contain the following:

- Your name, current address and SSN/EIN;
- Copy of this notice of lien, if available;
- The specific reason(s) why you think the IRS is in error;
- Proof that you paid the amount due (such as cancelled check);
- Proof that you filed a bankruptcy petition before this lien was filed.

Send your written request to the IRS, Attention: Technical Services Group Manager, in the office where this notice of lien was filed.

When This Lien Can Be Released

The IRS will issue a Certificate of Release of Federal Tax Lien within 30 days after:

- You pay the tax due, including penalties, interest, and any other additions under law, or IRS adjusts the amount due, or;
- The end of the time period during which we can collect the tax (usually 10 years).

Publication 1450, Request for Release of Federal Tax Lien, available at IRS offices, describes this process.

When a Lien against Property can be Removed

The IRS may remove the lien from a specific piece of property if any of the following conditions apply:

- You have other property subject to this lien that is worth at least two times the total of the tax you owe, including penalties and interest, plus the amount of any other debts you owe on the property (such as a mortgage);
- You give up ownership in the property and IRS receives the value of the government's interest in the property;
- IRS decides the government's interest in the property has no value when you give up ownership;
- The property in question is being sold; there is a dispute about who is entitled to the sale proceeds; and the proceeds are placed in escrow while the dispute is being resolved.

Publication 783, Instructions on How to Apply for a Certificate of Discharge of Property from a Federal Tax Lien, available at IRS offices, describes this process.

Gravamen

Este Aviso de Gravamen del Impuesto Federal da aviso público que el gobierno tiene un gravamen en todas sus propiedades (tal como su casa o carro), todos sus derechos a propiedad (tales como el dinero que le adeudan a usted) y la propiedad que adquiera después que se presentó este gravamen.

Sus Derechos de Apelación Administrativos

Si usted cree que el IRS presentó este Aviso de Gravamen del Impuesto Federal por error, usted puede apelar si cualquiera de las siguientes condiciones le aplican:

- Usted pagó todo el impuesto, multa, interés antes de que el gravamen fuera presentado;
- El IRS tasó el impuesto después de la fecha en que usted presentó una petición de quiebra;
- El IRS le envió por correo el aviso de deficiencia a una dirección incorrecta;
- Usted presentó a tiempo una petición ante la Corte de Impuesto;
- El IRS no presentó el aviso de gravamen dentro del término prescriptivo.

Su petición de apelación tiene que estar por escrito y debe incluir lo siguiente:

- Su nombre, dirección actual y SSN/EIN;
- Una copia de este aviso de gravamen, si está disponible;
- La razón (o razones) específica(s) por qué piensa que el IRS está erróneo;
- Prueba que pagó la cantidad adeudada (tal como un cheque cancelado);
- Prueba que presentó una petición de quiebra antes de que se presentara el gravamen.

Envíe su petición por escrito al IRS, Atención: "Technical Services Group Manager" (Grupo de Gerente-Servicios Técnicos) en la oficina donde este aviso de gravamen fue presentado.

Cuándo Este Gravamen Se Puede Cancelar

El IRS emitirá un Certificado de Cancelación de Gravamen del Impuesto Federal dentro de 30 días después que:

- Usted paga el impuesto adeudado, incluyendo multas, intereses, y otras sumas adicionales según la ley, o el IRS ajusta la cantidad adeudada, o;
- Aceptemos una fianza garantizando el pago de su deuda;
- La expiración del término en que podemos cobrar el impuesto (usualmente 10 años).

La Publicación 1450, en inglés, "Petición Para Cancelar el Gravamen del Impuesto Federal", describe este proceso y está disponible en las oficinas del IRS.

Cuándo un Gravamen en Contra de la Propiedad Puede Eliminarse

El IRS puede eliminar el gravamen de una propiedad específica si cualquiera de las siguientes condiciones aplica:

- Usted tiene otra propiedad sujeta a este gravamen cuyo valor es por lo menos dos veces el total del impuesto que usted adeuda, incluyendo intereses y multas, más la cantidad de cualquiera de las otras deudas que adeuda sobre la propiedad (tal como una hipoteca);
- Usted cede su interés en la propiedad y el IRS recibe el valor del interés del gobierno en la propiedad;
- El IRS decide que el interés del gobierno en la propiedad no tiene valor alguno cuando usted cedió su interés en la propiedad;
- La propiedad gravada será vendida; existe una controversia sobre quién tiene derecho al producto de la venta; y se depositan los fondos recibidos en la venta en una cuenta especial en lo que se resuelve la controversia.

La Publicación 783 en inglés, "Instrucciones de Cómo Solicitar un Certificado de Relevó de la Propiedad de un Gravamen del Impuesto Federal", describe este proceso y está disponible en las oficinas del IRS.



Department of the Treasury
Internal Revenue Service

Notice 1155 (CG/EN/SP)

Disaster Relief from the IRS

If you have been impacted by the recent disaster in your area and are unable to meet your tax obligations, the IRS may be able to assist with payment and filing extensions, and if qualified, with an expedited tax refund for casualty losses. Please call the IRS Disaster Hotline at 1-866-562-5227 to find out what type of administrative tax relief is available.



000410

For assistance in calculating any disaster loss, please call 1-800-829-3676 and order Publication 2194, Disaster Resource Guide for Individuals and Businesses. If you have access to the Internet you may log on to www.irs.gov and use the keyword "disaster" to view additional information.

Aviso 1155

Alivio de Desastre por parte del IRS

Si usted ha sido impactado por el reciente desastre en su área y no ha podido cumplir con sus obligaciones tributarias, el IRS podría ayudarle a extender el término para el pago y la presentación, y si califica, con un reembolso rápido del impuesto por las pérdidas fortuitas. Por favor llame a la Línea de Emergencia del IRS al 1-866-562-5227, para averiguar qué tipo de alivio administrativo tributario está disponible.

Para ayudarle a calcular cualquier pérdida fortuita, por favor llame al 1-800-829-3676, y ordene la Publicación 2194, Disaster Resource Guide for Individuals and Businesses (Guía de recursos en casos de desastres para personas y negocios), en inglés. Si usted tiene acceso al Internet conéctese con la página del IRS en www.irs.gov, y use la palabra clave "desastre" (*disaster*), para ver la información adicional.

Schedule 4.7(h)
Extension or Waiver of Tax

None

Schedule 4.7(i)
Tax Proceedings

None

**Schedule 4.8(a-1)
Owned Real Property**

Fee Simple Title

Owner	Address	Block/Lot	Description
SECC	75 Glover Johnson Place, New Rochelle	1235/40	Nursing Home
SSMC	16 Guion Place, New Rochelle	1235/23	Hospital
SSMC	Glover Johnson & Warren Street, New Rochelle	1232/1&2	Department Head – Visitor Parking Lots
SSMC	Glover Johnson, New Rochelle	1236/15	Parking Lot 2 – Volunteer Lot
SSMC	87 Lockwood Avenue, New Rochelle	1237/8	Sound Shore Medical Center – Parking Lot
SSMC	23 Washington Avenue, New Rochelle	1232/25	Hospital
SSMC	Washington Avenue, New Rochelle	1232/50	Doctor Lot 1
SSMC	Guion Place & Van Guilder, New Rochelle	1208/12	Emergency Room Parking Lot
SSMC	Guion Place & Lockwood Avenue, New Rochelle	1209/7	Physician ED Parking Lot
SSMC	111 Warren Street, New Rochelle	1232/3	Vacant House
SSMC	Glover Johnson Place, New Rochelle	1235/50	Loading Dock
SSMC	Washington & Warren, New Rochelle	1247/18	Vacant Land
MVH	12 North Seventh Avenue, Mount Vernon	1084/10-21	Mount Vernon Hospital
MVH	28 Seventh Avenue, Mount Vernon	1084/7	Lot
MVH	26 Seventh Avenue, Mount Vernon	1084/8	Doctor's Parking Lot
MVH	12-24 Seventh Avenue, Mount Vernon	1084/9	Hospital & School of Nursing
MVH	12 Eighth Avenue, Mount Vernon	1085/0018.2	Parking Lot
MVH	1 Sixth Avenue, Mount Vernon	1111/0014	Parking Lot
MVH	15 Seventh Avenue, Mount Vernon	1111/0019	Parking Lot
MVH	19 Seventh Avenue, Mount Vernon	1111/0020	Parking Lot
MVH	38 First Street, Mount Vernon	3086/0001&00 01.1	Methadone Clinic
NRSSH	9-29 Glover Johnson Place, New Rochelle	1235/2	Goldstein Pavilion

**Schedule 4.8(a-2)
Leased Real Property**

Address	Lease Documents and Dates	Parties
110 Lockwood Avenue, New Rochelle, New York 10801	Lease dated 12/19/1995; Lease Modification and Extension Agreement dated 12/19/2005	NRHMC Services Corp. (assignee of Obstetric and Gynecological Associates of Westchester), as Tenant, and Lockwood Realty, L.L.C., as Landlord
140 Lockwood Avenue, New Rochelle, New York 10801	Lease dated 8/1/2001; Lease Modification and Extension Agreement dated 6/17/2011	NRHMC Services Corp. , as Tenant, and Lockwood Realty, L.L.C., as Landlord
150 Lockwood Avenue, New Rochelle, New York 10801	Lease dated 1/1/1999; Unspecified extension agreements dated 12/7/2004, 12/15/2007, 7/28/2010, and 1/4/2012	NRHMC Services Corp. (assignee of Private Medical Group and James Robert Mussman, M.D.), as Tenant, and Lockwood Realty, L.L.C., as Landlord
1600 E. 233rd Street, Bronx, New York	Lease dated 8/31/1996; Extension and Modification of Lease dated 7/2004; Extension and Modification of Lease dated 2/14/2012	NRHMC Services Corp. , as Tenant, and 233rd Street Realty Corp., as Landlord
830 Pelhamdale Avenue, New Rochelle, New York	Agreement of Lease dated 6/1/2011	NRHMC Services Corp. , as Tenant, and GISH Realty Corp., as Landlord
77 Quaker Ridge Road, #200-A, New Rochelle, New York	Lease Agreement dated 6/4/1996; First Amendment of Lease dated 9/6/2011; Second Amendment of Lease dated 7/24/2012	CW North Ridge Plaza LLC (successor to KRT Property Holdings, Inc.), as Landlord, and NRHMC Services Corp. , as Tenant
77 Quaker Ridge Road, #205 & 207, New Rochelle, New York	Lease Agreement dated 8/27/1996; First Amendment of Lease dated 2/27/2012; Second Amendment of Lease dated 8/20/2012	CW North Ridge Plaza LLC (successor to KRT Property Holdings, Inc.), as Landlord, and NRHMC Services Corp. , as Tenant
2365 Boston Post Road, Larchmont, New York	Sublease Agreement dated 6/29/2007	Allied Health Care Physicians, PLLC, as Sublessor, and NRHMC Services Corp. , as Sublessee
4773 Boston Post Road, Pelham Manor, New York	Lease Agreement dated 3/9/2012; Letter dated 8/8/2012; Commencement Date	Urstadt Biddle Properties Inc., as Landlord, and

Address	Lease Documents and Dates	Parties
(Lease misidentifies address as 4783 Boston Post Road)	Certificate dated 9/13/2012	NHRMC Services Corp. , as Tenant. <u>Note: Also includes Sound Shore Medical as Guarantor.</u>
Goldstein Pavilion, 9-29 Glover Johnson Place, New Rochelle, New York	Lease dated 3/2000	Guion Place Housing Company, Inc., as Landlord, and Sound Shore Medical Center of Westchester , as Tenant
50 Guion Place, New Rochelle, New York	Agreement of Lease dated 12/24/12; Amendment to Lease dated 4/15/13	Soundview Management Associates, L.L.C., as Landlord, and Sound Shore Medical Center of Westchester , as Tenant
110 Lockwood Avenue, New Rochelle, New York 10801	Lease dated 12/1/2006	Lockwood Realty LLC, as Landlord, and New Rochelle Medical Services, PC , as Tenant
2365 Boston Post Road, 1st Floor, Larchmont, New York	License Agreement dated 12/1/2006	Pulmonary and Sleep Specialists of Westchester, LLC, as Licensor, and Sound Shore Medical Center of Westchester , as Licensee
16 Guion Place, New Rochelle, New York	Lease Agreement dated 12/23/1999; First Amendment to Lease dated 3/1/2010	Sound Shore Medical Center of Westchester , as Landlord, and New York Dialysis Services, Inc., d/b/a Sound Shore Dialysis Center, as Tenant
12 North Seventh Avenue, Mount Vernon, New York 10550	Lease dated 8/12/2004; First Amendment to Lease Agreement dated 6/8/2005; Second Amendment to Lease Agreement dated 11/27/2007	The Mount Vernon Hospital , as Landlord, and Mount Vernon Dialysis, LLC, as Tenant
50 Guion Place, New Rochelle, New York	Sublease dated 8/14/1997	Sound Shore Medical Center of Westchester , as Sublessor, and Dr. Bernard Bernhardt, as Sublessee
16 Guion Place, New Rochelle, New York	Sublease Agreement dated 4/1/2000	Sound Shore Medical Center of Westchester , as Overtenant, and Howe Avenue Nursing Home,

Address	Lease Documents and Dates	Parties
		Inc., as Undertenant
77 Quaker Ridge Road, #207, New Rochelle, New York	License Agreement dated 2/28/2009; Amendment and Extension of License Agreement dated 2/27/2012; Second Amendment and Extension of License Agreement dated 8/20/2012	NRHMC Services Corp. , as Licensor, and Pediatric Group of New Rochelle, PC, as Licensee
12 North Seventh Avenue, Mount Vernon, New York 10550	License Agreement dated 7/1/2007; Letters of extension dated 7/16/2010, 12/28/2012	The Mount Vernon Hospital , as Licensor, and Mahdi Abdullah, MD, as Licensee
12 North Seventh Avenue, Mount Vernon, New York 10550	Space agreement dated 12/1/2009; Letter agreement dated 9/1/2011; Letter agreement dated 12/20/2012	The Mount Vernon Hospital and Dariush Alaie, MD
12 North Seventh Avenue, Mount Vernon, New York 10550	License Agreement dated 7/1/2009; Letters of extension dated 7/16/2010, 12/20/2012	The Mount Vernon Hospital , as Licensor, and Paula Greiger, MD, as Licensee
12 North Seventh Avenue, Mount Vernon, New York 10550	Lease dated 4/26/2005; Letter agreement dated 7/22/2008; Letter agreement dated 7/16/2010; Letter of extension dated 12/28/2012	The Mount Vernon Hospital and Asok Lahiri, MD
12 North Seventh Avenue, Mount Vernon, New York 10550	License Agreement dated 1/1/2012; Letter of extension dated 1/3/2013	The Mount Vernon Hospital , as Licensor, and Payam Rafat, DPM, as Licensee
12 North Seventh Avenue, Mount Vernon, New York 10550	Lease dated 6/1/2007; Lease dated 8/11/2009; Letter of extension dated 9/24/2012	The Mount Vernon Hospital and Niel J. Squillante, MD
12 North Seventh Avenue, Mount Vernon, New York 10550	Lease dated 6/1/2007; Letter of extension dated 7/1/2008; 7/16/2010; 1/2/2013	The Mount Vernon Hospital and Claire Iamele, MD
12 North Seventh Avenue, Mount Vernon, New York 10550	Rental Lease Agreement dated 1/1/2006; Letters of extension dated 7/24/2008, 7/21/2010, 1/3/2013	The Mount Vernon Hospital and Claire Iamele, MD
140 Lockwood Avenue, Suites 205-207, New Rochelle, New York	Lease dated 9/1/2001; Lease Modification and Extension Agreement dated 7/6/2011	Lockwood Realty, As Landlord and Sound Shore Medical Center of Westchester , as Tenant
Guion Place & Lockwood Avenue, New Rochelle, New York	Permit Number 81971	NYS Department of Transportation, as Landlord and Sound Shore

Address	Lease Documents and Dates	Parties
		Medical Center of Westchester , as Tenant
175 Memorial Highway, New Rochelle, New York, Suite 2-2	Lease dated 7/5/2011	Sound Shore Medical Center of Westchester , as Tenant and 175 Medical Vision Properties, LLC, as Landlord
3401-3405 White Plains Road, Bronx, New York	Lease dated 6/1/2003; Rider to Lease dated 5/30/2007	Magenta Realty, LLC, as Landlord, and Sound Shore Medical Center of Westchester , as Tenant
421 Huguenot Street, New Rochelle, New York	Lease dated 8/1/2011	Professional Office Building Corporation, as Landlord and Sound Shore Medical Center of Westchester , as Tenant
Roosevelt Square Garage, Mount Vernon, New York	Leased dated 8/9/1994	The M.V.H. Corporation as Landlord, and The Mount Vernon Hospital as Tenant
50 Guion Place, New Rochelle, New York	License Agreement dated 3/15/13	Sound Shore Medical Center of Westchester , as Licensor and Subhash Gulati, M.D., as Licensee
Goldstein Pavilion, 9-29 Glover Johnson Place, New Rochelle, New York	Lease Agreement dated 6/1/12	Sound Shore Medical Center of Westchester , as Lessor and NEEKLANTH LLC, as Lessee (retail pharmacy)
12 North 7 th Avenue, Mount Vernon, New York	Lease Agreement dated 6/1/12	Mount Vernon Hospital , as Lessor and NEEKLANTH LLC, as Lessee (retail pharmacy)

Schedule 4.8(a-3)
Oral Leases

Address	Parties	Purpose
16 Guion Place, New Rochelle, New York	Sound Shore Medical Center of Westchester and LAMAJACK Inc., d/b/a Lori's Hallmark Shops	Gift Shop (there is no longer an agreement in place for the gift shop and it is currently month to month)
12 North Seventh Avenue, Mount Vernon, New York	The Mount Vernon Hospital and Pranab Patel	Coffee Shop (there is no longer an agreement in place for the coffee shop and it is currently month to month)

Schedule 4.8(b)

Permitted Encumbrances.

The Owned Real Property is being sold and shall be conveyed subject to the following "Permitted Encumbrances":

- i. covenants, easements, restrictions and agreements of record provided that same do not materially interfere with or impair the Owned Real Property's current use; and
- ii. building, zoning, subdivision and other governmental laws, codes and regulations, and landmark, historic and wetlands designations, certificates of occupancy and open permits; and
- iii. consents for the erection of any structures on, under or above any streets, alleys, roads or highways which abut the Owned Real Property; and
- iv. any state of facts a current, accurate survey of the Owned Real Property would disclose provided same do not materially reduce the fair market value of the Owned Real Property; and
- v. all violations of law or municipal ordinances, codes, orders or requirements, open permits, deficiencies in certificates of occupancy unnoticed, noticed or issued by any governmental agency or department, including, the environmental control board, having authority as to lands, housing, buildings, fire, health and labor conditions affecting the Owned Real Property provided, however, that the foregoing items shall not include monetary liens, fines, penalties and/or interest associated therewith; and
- vi. all encroachments of the Owned Real Property upon any street, road, alley, highway or adjoining premises of three feet or less; and
- vii. all encroachments upon and affixations to the Owned Real Property from any adjoining premises of three feet or less; and
- viii. rights, if any, relating to the construction and maintenance by any public utility of wires, poles, pipes, conduits and appurtenances thereto, on, under or across the Owned Real Property; and
- ix. variations between the record lot lines of the Owned Real Property and those shown on the official tax map of Westchester County; and
- x. non-delinquent real estate taxes, water charges, sewer rents, vault charges and other assessments subject to adjustment as provided herein, provided, however, that the foregoing items shall not include monetary liens, fines, penalties and/or interest associated therewith; and

- xi. assessments or installments thereof arising after the date of this Agreement, whether or not a lien as of Closing, which are due and payable on or after Closing; and
- xii. any other matter of title, survey inspection or otherwise not expressly referred to herein, provided Title Company will either omit as an exception or affirmatively insure, without additional premium, against collection from or enforcement against the Owned Real Property; and
- xiii. the Owned Real Property Leases existing on the date hereof, as more particularly set forth on Schedule 4.8(b) attached hereto and made a part hereof; provided same have not been rejected in the Bankruptcy Case.

Schedule 4.8(d)
Condition of Property

None

**Schedule 4.8(f)
Real Property Defaults**

Address	Lease Documents and Dates	Parties
110 Lockwood Avenue, New Rochelle, New York 10801	Lease dated 12/19/1995; Lease Modification and Extension Agreement dated 12/19/2005	NRHMC Services Corp. (assignee of Obstetric and Gynecological Associates of Westchester), as Tenant, and Lockwood Realty, L.L.C., as Landlord
140 Lockwood Avenue, New Rochelle, New York 10801	Lease dated 8/1/2001; Lease Modification and Extension Agreement dated 6/17/2011	NRHMC Services Corp. , as Tenant, and Lockwood Realty, L.L.C., as Landlord
150 Lockwood Avenue, New Rochelle, New York 10801	Lease dated 1/1/1999; Unspecified extension agreements dated 12/7/2004, 12/15/2007, 7/28/2010, and 1/4/2012	NRHMC Services Corp. (assignee of Private Medical Group and James Robert Mussman, M.D.), as Tenant, and Lockwood Realty, L.L.C., as Landlord
77 Quaker Ridge Road, #200-A, New Rochelle, New York	Lease Agreement dated 6/4/1996; First Amendment of Lease dated 9/6/2011; Second Amendment of Lease dated 7/24/2012	CW North Ridge Plaza LLC (successor to KRT Property Holdings, Inc.), as Landlord, and NRHMC Services Corp. , as Tenant
77 Quaker Ridge Road, #205 & 207, New Rochelle, New York	Lease Agreement dated 8/27/1996; First Amendment of Lease dated 2/27/2012; Second Amendment of Lease dated 8/20/2012	CW North Ridge Plaza LLC (successor to KRT Property Holdings, Inc.), as Landlord, and NRHMC Services Corp. , as Tenant
Goldstein Pavilion, 9-29 Glover Johnson Place, New Rochelle, New York	Lease dated 3/2000	Guion Place Housing Company, Inc., as Landlord, and Sound Shore Medical Center of Westchester , as Tenant
50 Guion Place, New Rochelle, New York	Agreement of Lease dated 12/24/12; Amendment to Lease dated 4/15/13	Soundview Management Associates, L.L.C., as Landlord, and Sound Shore Medical Center of Westchester , as Tenant
110 Lockwood Avenue, New Rochelle, New York 10801	Lease dated 12/1/2006	Lockwood Realty LLC, as Landlord, and New Rochelle Medical Services, PC , as Tenant

Address	Lease Documents and Dates	Parties
2365 Boston Post Road, 1st Floor, Larchmont, New York	License Agreement dated 12/1/2006	Pulmonary and Sleep Specialists of Westchester, LLC, as Licensor, and Sound Shore Medical Center of Westchester , as Licensee
140 Lockwood Avenue, Suites 205-207, New Rochelle, New York	Lease dated 9/1/2001; Lease Modification and Extension Agreement dated 7/6/2011	Lockwood Realty, As Landlord and Sound Shore Medical Center of Westchester , as Tenant
Guion Place & Lockwood Avenue, New Rochelle, New York	Permit Number 81971	NYS Department of Transportation, as Landlord and Sound Shore Medical Center of Westchester , as Tenant
175 Memorial Highway, New Rochelle, New York, Suite 2-2	Lease dated 7/5/2011	Sound Shore Medical Center of Westchester , as Tenant and 175 Medical Vision Properties, LLC, as Landlord
3401-3405 White Plains Road, Bronx, New York	Lease dated 6/1/2003; Rider to Lease dated 5/30/2007	Magenta Realty, LLC, as Landlord, and Sound Shore Medical Center of Westchester , as Tenant
421 Huguenot Street, New Rochelle, New York	Lease dated 8/1/2011	Professional Office Building Corporation , as Landlord and Sound Shore Medical Center of Westchester , as Tenant
Roosevelt Square Garage, Mount Vernon, New York	Leased dated 8/9/1994	The M.V.H. Corporation as Landlord, and The Mount Vernon Hospital as Tenant

**Schedule 4.9
Intellectual Property**

List of Intellectual Property

Domain Name	Expiry	Registrar	Admin Email
SSHWSW.ORG	January 9, 2017	Sound Shore Medical Center	bcooke@sshsw.org
SOUNDSHORE.ORG	December 10, 2012	Medseek	Domain_registrations@medseek.com
SOUNDSHOREHEALTH.ORG	December 10, 2010	Medseek	Domain_registrations@medseek.com
SSMC.ORG	February 11, 2014	Sound Shore Medical Center	BCooke@ssmc.org
TMVH.ORG		Glenn Butler	
SCHAFFEREXTENDED CARE.ORG	December 10, 2010	Medseek	Domain_registrations@medseek.com
HOPFER.ORG	December 10, 2010	Medseek	Domain_registrations@medseek.com
HOPFERSCHOOL OF NURSING.ORG	March 26, 2014	Medseek	
MTVERNONHOSPITAL.COM	September 29, 2014	Medseek	
MTVERNONHOSPITAL.ORG	September 29, 2014	Medseek	
SOUNDSHOREWEIGHTLOSS.COM	June 4, 2013	Medseek	Domain_registrations@medseek.com
sshsevents.org	February 23, 2011	Amy Cassidy	Network Solutions Acassidy@sshsw.org
Thestride.net	September 25, 2011	Amy Cassidy	Network Solutions Acassidy@sshsw.org
Soundshoremedicalcenter.org	2013	Medseek	
Soundshorejoints.com			Network Solutions Acassidy@sshsw.org
Soundshoresolutions.com			Network Solutions Acassidy@sshsw.org
Ssmcjointsolutions.com			Network Solutions Acassidy@sshsw.org
southernwestchestermedicalgroup.com			Network Solutions Acassidy@sshsw.org

Domain Name	Expiration	Registration	Admin Email
southernwestmed.com			Network Solutions Acassidy@sshsw.org
southernwestchesterdoctors.com			Network Solutions Acassidy@sshsw.org

**Schedule 4.10
Contracts**

SSMC

CONTRACT	CONTRACT TYPE
GE HEALTHCARE	CAPITAL LEASE
GE OEC MEDICAL	CAPITAL LEASE
HILL ROM	CAPITAL LEASE
INSIGHTINVESTMENTS	CAPITAL LEASE
NIHON KHODEN	CAPITAL LEASE
SIEMENS	CAPITAL LEASE
PANTHEON CAPITAL	CAPITAL LEASE - 43 COPIERS/SCANNERS/ FAX MACHINES
HILL ROM	CAPITAL LEASE - 77 CAREASSIST BEDS WITH SCALE, 77 VERSACARE BEDS WITH SCALE, 9 TOTALCARE SPORT BED SYSTEM, AMONG OTHER ITEMS
MED ONE	CAPITAL LEASE - 9 AESPIRE ANESTHESIA MACHINES
PANTHEON	CAPITAL LEASE - ACUSON ANTARES
SIEMENS	CAPITAL LEASE - ACUSON ANTAROS SYSTEM
SIEMENS	CAPITAL LEASE - ACUSON SEQUOIA OPTIONS

CONTRACT	CONTRACT TYPE
PANTHEON	CAPITAL LEASE - ACUSSON S2000
AGFA	CAPITAL LEASE - AGFA CR 85 SP +NX PACKAGE
INSIGHTINVESTMENTS	CAPITAL LEASE - ARBUA MULTI-SERVICE MOBILITY MODULE MARK I, ETC.
GE CAPITAL	CAPITAL LEASE - BOBCAT SKID STEER LOADER
INSIGHTINVESTMENTS	CAPITAL LEASE - DELL SERVERS, HP COMPUTERS, HP PRINTERS
TLC HEALTHCARE	CAPITAL LEASE - EXAM SERVER, EXAM CONSOLE, AMONG OTHER ITEMS
FIRST FINANCIAL	CAPITAL LEASE - FIRE RATED ACCESS DOORS
INSIGHTINVESTMENTS	CAPITAL LEASE - INTUITIVE SURGICAL
INSIGHTINVESTMENTS	CAPITAL LEASE - INTUITIVE SURGICAL
IRIS INTERNATIONAL, INC.	CAPITAL LEASE - IQ 200 ELITE SYSTEM
FIRST FINANCIAL	CAPITAL LEASE - KRONOS WORKFORCE TIMEKEEPER V6
INSIGHTINVESTMENTS	CAPITAL LEASE - LENOVO THINKPADS, CISCO CONNECTIVITY
FIRST FINANCIAL	CAPITAL LEASE - LERUT VIDEO MEDIASTINOSCOPE
FIRST FINANCIAL	CAPITAL LEASE - MISCELLANOUS SURGICAL

CONTRACT	CONTRACT TYPE
	EQUIPMENT
FIRST FINANCIAL	CAPITAL LEASE - OLYMPUS GYRUS ACMI
PANTHEON	CAPITAL LEASE - OLYMPUS VIDEO AND LIGHT SOURCES
PANTHEON	CAPITAL LEASE - PALCO, CHILLED WATER COILS
CREEKRIDGE	CAPITAL LEASE - PYXSIS MEDSTATION
CREEKRIDGE	CAPITAL LEASE - SECONDLOOK 300, V8.1 CAD SYSTEM
SIEMENS	CAPITAL LEASE - SIEMENS SYMBIA E. CAM, GE STRESS ECHO NIC
ALPHA MEDICAL	CAPITAL LEASE - TOSHIBA R/F SYSTEM
PANTHEON	CAPITAL LEASE - TRIBRIDGE, IT EQUIPMENT
FIRST FINANCIAL	CAPITAL LEASE - TYCO HEALTHCARE VENT AND KIT
PANTHEON	CAPITAL LEASE - VERATHON, MOBILE CARTS
FIRST FINANCIAL	CAPITAL LEASE - VIVID E9 BT11 AND ECHOPAC SOFTWARE
PANTHEON	CAPITAL LEASE - VMAX ENCORE PULMONARY INSTRUMENTS

CONTRACT	CONTRACT TYPE
ASCOM	CAPITAL LEASE - W 220 MAIL MACHINE, DYNAMIC WEIGHING PLATFORM SCALE, ACCOUNTING PACKAGE
MALA BALAKUMAR	EQUIPMENT LEASE
RYDER TRANSPORTATION AND SOUND SHORE MEDICAL CENTER 6/6/12	EQUIPMENT LEASE
AYESHA , ZAHIRUDDIN	FELLOW CONTRACT
JONATHAN , ANG	FELLOW CONTRACT
RAJIV , PAUDEL	FELLOW CONTRACT
SHIKHA , MEHTA	FELLOW CONTRACT
A PLUS COMPUTER SOLUTIONS	INFORMATION TECHNOLOGY
ARDENT SUPPORT TECHNOLOGI	INFORMATION TECHNOLOGY
BLACKBAUD SPHERE (KINTERA/RAISERS EDGE)	INFORMATION TECHNOLOGY
CA NIMSOFT	INFORMATION TECHNOLOGY
CDW GOVERMENT	INFORMATION TECHNOLOGY
CISCO SYSTEMS, INC.	INFORMATION TECHNOLOGY
CITRIX STRATEGIC HEADQUARTERS	INFORMATION TECHNOLOGY
CXTEC	INFORMATION TECHNOLOGY
DATABIT, INC	INFORMATION TECHNOLOGY
DELL MARKETING	INFORMATION TECHNOLOGY
EDIMS, LLC	INFORMATION TECHNOLOGY
EMC2	INFORMATION TECHNOLOGY

CONTRACT	CONTRACT TYPE
ENTERPRISE SYSTEMS SOFTWA	INFORMATION TECHNOLOGY
ESOLUTIONS INC	INFORMATION TECHNOLOGY
FISHBOWL INVENTORY	INFORMATION TECHNOLOGY
HEALTH CARE COMPLIANCE STR	INFORMATION TECHNOLOGY
HEALTHCARE RETROACTIVE AUD	INFORMATION TECHNOLOGY
HIPLINE	INFORMATION TECHNOLOGY
HLNCC (HEATHER LEWIS)	INFORMATION TECHNOLOGY
IBM CORP -POBOX 676673	INFORMATION TECHNOLOGY
MCKESSON INFORMATION SOLU	INFORMATION TECHNOLOGY
MCROBERTS SEC. TECH./PROSE	INFORMATION TECHNOLOGY
MEDSEEK, INC.	INFORMATION TECHNOLOGY
OPTICAL ARCHIVES	INFORMATION TECHNOLOGY
PERCEPTIVE HEALTHCARE INC	INFORMATION TECHNOLOGY
QS/1 DATA SYSTEMS	INFORMATION TECHNOLOGY
RELAYHEALTH	INFORMATION TECHNOLOGY
THE KENALY COMPLEMENT	INFORMATION TECHNOLOGY
TIGR UNIVERSITY/TELEHEALTH SERVICES	INFORMATION TECHNOLOGY
VANDIS, INC	INFORMATION TECHNOLOGY
WEBSense	INFORMATION TECHNOLOGY
MILLER & MILONE, P.C.	LEGAL SERVICES
PHYSICIANS RECIPROCAL INSURANCE AND AND SOUND SHORE MEDICAL CENTER OF	MALPRACTICE COVERAGE

CONTRACT	CONTRACT TYPE
WESTCHESTER 1/16/13	
CARDINAL HEALTH/PYXIS/PHAR	MEDICAL SERVICES
CCH MEDIREGS	MEDICAL SERVICES
EMERGENCY MEDICAL ASSOCIA	MEDICAL SERVICES
MERCY COLLEGE OF DOBBS FERRY	MEDICAL SERVICES
NEW YORK MEDICAL COLLEGE	MEDICAL SERVICES
TRANSCARE AMBULANCE	MEDICAL SERVICES
WEILL CORNELL MEDL COLLEG	MEDICAL SERVICES
ALERE NORTH AMERICA, INC.	MEDICAL SUPPLIES
AMERISOURCEBERGEN DRUG CO	MEDICAL SUPPLIES
BAXTER HEALTHCARE CORP.	MEDICAL SUPPLIES
MCKESSON MEDICAL SURGICAL	MEDICAL SUPPLIES
MEDLINE INDUSTRIES,	MEDICAL SUPPLIES
NEW YORK BLOOD CENTER	MEDICAL SUPPLIES
NEW YORK DIALYSIS SERVICES	MEDICAL SUPPLIES
ACKERMAN, MICHAEL	PHYSICIAN CONTRACT
ALPER, BARBERA	PHYSICIAN CONTRACT
ALTMAN, JILL	PHYSICIAN CONTRACT
ARSLANOV, RENAT	PHYSICIAN CONTRACT
BALAKUMAR, MALA	PHYSICIAN CONTRACT

CONTRACT	CONTRACT TYPE
BARONE, RICHARD	PHYSICIAN CONTRACT
BASAK, PRASANTA	PHYSICIAN CONTRACT
BERENFELD, BENJAMIN	PHYSICIAN CONTRACT
BLUM, DAVID (SSMC)	PHYSICIAN CONTRACT
BOUHLEV, OGNIAN	PHYSICIAN CONTRACT
BOZIC, STANIMIR	PHYSICIAN CONTRACT
BROTEA, CRISTIAN	PHYSICIAN CONTRACT
BURGER, STEVEN	PHYSICIAN CONTRACT
CADMAN, GREGORY	PHYSICIAN CONTRACT
CARDIOLOGY CONSULTANTS OF WESTCHESTER	PHYSICIAN CONTRACT
CASINO, JOSEPH	PHYSICIAN CONTRACT
CENTRAL ADMIXTURE PHARMACY SERVICES, INC.	PHYSICIAN CONTRACT
CHILDREN'S PHYSICIANS OF WESTCHESTER - PEDS LEAD LAB	PHYSICIAN CONTRACT
CHILDREN'S PHYSICIANS OF WESTCHESTER LETTER AGREEMENT 7-2003	PHYSICIAN CONTRACT
CHIRUMAMILLA, VASU	PHYSICIAN CONTRACT
CLOUGH, THOMAS	PHYSICIAN CONTRACT
COLUMBIA UNIVERSITY SURGERY AGREEMENT	PHYSICIAN CONTRACT
CONJEEVARAM, SRINIVASULU	PHYSICIAN CONTRACT
COOPER, JEROME CARDIOLOGY TEACHING ATTENDING AGREEMENT	PHYSICIAN CONTRACT
COOPER, JEROME PCU	PHYSICIAN CONTRACT

CONTRACT	CONTRACT TYPE
CORON, ROGER	PHYSICIAN CONTRACT
D'ALLEGRO, DIANE (PSYCHIATRIST)	PHYSICIAN CONTRACT
DAS, KAUSHIK	PHYSICIAN CONTRACT
DELIANA, DANILA	PHYSICIAN CONTRACT
DEVINE, PATRICIA	PHYSICIAN CONTRACT
DHAR, YASMIN	PHYSICIAN CONTRACT
DOCKERAY, ALAN	PHYSICIAN CONTRACT
FOUNDATION FOR MINIMALLY INVASIVE SURGERY AGREEMENT	PHYSICIAN CONTRACT
FOX, NORRIS	PHYSICIAN CONTRACT
GARAN, ARED	PHYSICIAN CONTRACT
GARVEY, RICHARD	PHYSICIAN CONTRACT
GENDLER, SETH	PHYSICIAN CONTRACT
GENNARELLI, LOUIS	PHYSICIAN CONTRACT
GINSBERG, DANIEL	PHYSICIAN CONTRACT
GITLER, BERNARD CARDIOLOGY TEACHING AGREEMENT	PHYSICIAN CONTRACT
GITLER, BERNARD PCU	PHYSICIAN CONTRACT
GLASSMAN, MARK	PHYSICIAN CONTRACT
GONZALEZ, LILLIAN	PHYSICIAN CONTRACT
GRESSEAU, SHIRLEY	PHYSICIAN CONTRACT

CONTRACT	CONTRACT TYPE
HALPERN, MICHELLE	PHYSICIAN CONTRACT
HASSAN, KHALED	PHYSICIAN CONTRACT
HERNANDEZ, MIGUEL	PHYSICIAN CONTRACT
HERZBERG, GILBERT	PHYSICIAN CONTRACT
HOLGERSEN, LIEF	PHYSICIAN CONTRACT
HOLSTEIN, STANLEY	PHYSICIAN CONTRACT
JAZAYERI-MOGADASS, BEHNAM	PHYSICIAN CONTRACT
JESMAJIAN, STEPHEN	PHYSICIAN CONTRACT
KAMINER, RUTH	PHYSICIAN CONTRACT
KARANFILIAN, RICHARD	PHYSICIAN CONTRACT
KAZANSKAYA, ANNA	PHYSICIAN CONTRACT
KELTZ, THEODORE CARDIOLOGY TEACHING ATTENDING AGREEMENT	PHYSICIAN CONTRACT
KELTZ, THEODORE PCU	PHYSICIAN CONTRACT
KESSLER, SAMUEL	PHYSICIAN CONTRACT
KILCHEVSKY, EITAN	PHYSICIAN CONTRACT
KLASS, STEPHEN	PHYSICIAN CONTRACT
KRAMER, MARSHALL	PHYSICIAN CONTRACT

CONTRACT	CONTRACT TYPE
KWON, HYE-EUN	PHYSICIAN CONTRACT
LAKSHMI, KAMESWARI	PHYSICIAN CONTRACT
LANDAU, THOMAS	PHYSICIAN CONTRACT
LANWEHR, BERNARD	PHYSICIAN CONTRACT
LEVITT, MARGARET	PHYSICIAN CONTRACT
LISS, MARK	PHYSICIAN CONTRACT
LYO, ROSIE	PHYSICIAN CONTRACT
MAFFUCCI, LEONARD	PHYSICIAN CONTRACT
MANDEL, MICHAEL	PHYSICIAN CONTRACT
MARRERRO, LISA	PHYSICIAN CONTRACT
MARSDEN MEDICAL PHYSICS	PHYSICIAN CONTRACT
MATOS, MARSHALL CARDIOLOGY TEACHING ATTENDING	PHYSICIAN CONTRACT
MATOS, MARSHALL PCU	PHYSICIAN CONTRACT
MCWILLIAM, JAMES (SSMC)	PHYSICIAN CONTRACT
MEACHAM, KEVIN	PHYSICIAN CONTRACT
MEDINA, EMMA CARDIOLOGY TEACHING ATTENDING AGREEMENT	PHYSICIAN CONTRACT
MEDINA, EMMA PCU	PHYSICIAN CONTRACT
MIGNONE, PAUL	PHYSICIAN CONTRACT
MILLER, MARIAN (PEDIATRICIAN)	PHYSICIAN CONTRACT
MILLER, DONALD CARDIOLOGY TEACHING ATTENDING AGREEMENT	PHYSICIAN CONTRACT

CONTRACT	CONTRACT TYPE
MILLER, DONALD PCU	PHYSICIAN CONTRACT
MINOWITZ, LAWRENCE	PHYSICIAN CONTRACT
MITAMURA, JOHN	PHYSICIAN CONTRACT
NEUROLOGY ASSOCIATES OF WESTCHESTER	PHYSICIAN CONTRACT
NEW YORK RADIOLOGY ALLIANCE	PHYSICIAN CONTRACT
NEWELL, ROSANNE	PHYSICIAN CONTRACT
NNAEMEKA, PETER	PHYSICIAN CONTRACT
NYMC PEDIATRICS	PHYSICIAN CONTRACT
NYU CARDIOTHORACIC SURGERY ASSOCIATES	PHYSICIAN CONTRACT
OLSEWSKI, JOHN	PHYSICIAN CONTRACT
ORANGE PATHOLOGY ASSOCIATES	PHYSICIAN CONTRACT
PALI, ROSAFA	PHYSICIAN CONTRACT
PERRY BOTTINGER, LYNNE (2003 MONITORING AGREEMENT)	PHYSICIAN CONTRACT
PERRY BOTTINGER, LYNNE CARDIOLOGY TEACHING ATTENDING	PHYSICIAN CONTRACT
PIAZZA, STEPHAN	PHYSICIAN CONTRACT
PISANO, RICHARD	PHYSICIAN CONTRACT
POMERANTZ, DAN	PHYSICIAN CONTRACT
PONTICIELLO, JOSEPH	PHYSICIAN CONTRACT
PROTASS, LEON	PHYSICIAN CONTRACT
PULMONARY AND SLEEP SPECIALISTS LICENSE AGREEMENT	PHYSICIAN CONTRACT

CONTRACT	CONTRACT TYPE
RANGRAJ, MADHU	PHYSICIAN CONTRACT
REMOTE PHARMACIST SERVICES	PHYSICIAN CONTRACT
RODRIGUEZ, BARTHOLOME	PHYSICIAN CONTRACT
RODRIGUEZ, CONSUELO	PHYSICIAN CONTRACT
ROMANO, ALICIA - CHILDREN'S WOMENS PHYSICIANS OF WESTCHESTER	PHYSICIAN CONTRACT
ROSENFELD, NATHAN	PHYSICIAN CONTRACT
RUSSEL, JULIUS	PHYSICIAN CONTRACT
S&D MEDICAL RADIOLOGY	PHYSICIAN CONTRACT
SAITTA, RICHARD	PHYSICIAN CONTRACT
SAMOLSKY, MARC	PHYSICIAN CONTRACT
SANTOPIETRO, ROBERT	PHYSICIAN CONTRACT
SCHUETTENBERG, SUSAN	PHYSICIAN CONTRACT
SHARMA, BHARATEE	PHYSICIAN CONTRACT
SHOOKSTER, LINDA (RHEUMATOLOGIST)	PHYSICIAN CONTRACT
SHUKLA, VAISHALEE	PHYSICIAN CONTRACT
SILBERMAN, ADAM	PHYSICIAN CONTRACT
SILBERSTEIN, MICHAEL	PHYSICIAN CONTRACT
SLEEP SERVICES OF AMERICA	PHYSICIAN CONTRACT
SOLOMON, MOLHAM	PHYSICIAN CONTRACT
SOTUDEH, SHARIAR	PHYSICIAN CONTRACT
ST. CHARLES, MARISE	PHYSICIAN CONTRACT

CONTRACT	CONTRACT TYPE
ST. JOSEPHS FAMILY MEDICINE	PHYSICIAN CONTRACT
STIER, JEFF	PHYSICIAN CONTRACT
STIVALA, GEORGE	PHYSICIAN CONTRACT
SUN PARK, KYUNG	PHYSICIAN CONTRACT
TAMARIN, FRANK	PHYSICIAN CONTRACT
TRANSCARE CORPORATION AGREEMENT	PHYSICIAN CONTRACT
TRAUZZI, STEPHEN	PHYSICIAN CONTRACT
UROLOGY CENTER OF WESTCHESTER	PHYSICIAN CONTRACT
WASSERMAN, SHELDON	PHYSICIAN CONTRACT
WEIGLE, MARK (PHYSIATRIST)	PHYSICIAN CONTRACT
WEILL CORNELL CARDIOLOGY AGREEMENT AMENDMENT	PHYSICIAN CONTRACT
WESTCHESTER COUNTY - CHEST X-RAY SERVICES	PHYSICIAN CONTRACT
WHANG, MICHAEL	PHYSICIAN CONTRACT
WILLIAMS, LINDA	PHYSICIAN CONTRACT
YOUNG, ZENAIDA	PHYSICIAN CONTRACT
ZELICOF, STEVEN	PHYSICIAN CONTRACT
SPICER, JOHN	EMPLOYMENT CONTRACT
ASHLEY, DENNIS	EMPLOYMENT CONTRACT
LANGBIEN, BARBARA	EMPLOYMENT CONTRACT
ROWLAND, PAUL	EMPLOYMENT CONTRACT
WALTER, CLARK	EMPLOYMENT CONTRACT

CONTRACT	CONTRACT TYPE
MCKAY KATHLEEN	EMPLOYMENT CONTRACT
CASSIDY, AMY	EMPLOYMENT CONTRACT
DUPUIS, PAM	EMPLOYMENT CONTRACT
BARONE, RICHARD	EMPLOYMENT CONTRACT
MARTINO, ROSEMARY	EMPLOYMENT CONTRACT
MAMANGAKIS, JOHN	EMPLOYMENT CONTRACT
SOUND SHORE MEDICAL CENTER OF WESTCHESTER	REAL ESTATE - LEASE OF GOLDSTEIN PAVILION FROM NRSSH
NRSSH (OWNER OF GOLDSTEIN PAVILION)	REAL ESTATE - LEASE OF GOLDSTEIN PAVILION TO SSMC
HOWE AVENUE NURSING HOME	REAL ESTATE - SUBLEASE OF GOLDSTEIN PAVILION FROM SSMC
175 MEDICAL VISION PROPER	REAL ESTATE LEASE
MAGENTA REALTY LLC	REAL ESTATE LEASE
233RD ST REALTY CORP	REAL ESTATE LEASE - 1600 E 233RD ST BRONX
ALLIED HEATH CARE PHYSICIANS, PPLC	REAL ESTATE LEASE - 2365 BOSTON RD LARCHMONT
BERNARD BERNHARDT MD (MONTEFIORE)	REAL ESTATE LEASE - 50 GUION PLACE SUBLEASE
NEW YORK DIALYSIS SERVICES D/B/A SOUND SHORE DIALYSIS CENTER	REAL ESTATE LEASE - DIALYSIS CENTER
LOCKWOOD REALTY LLC	REAL ESTATE LEASE - 140 LOCKWOOD AVE STE 104

CONTRACT	CONTRACT TYPE
NRHMC SERVICES CORP	REAL ESTATE LEASE - 140 LOCKWOOD AVE STE 104 SUBLEASE
SOUND SHORE MEDICAL CENTER OF WESTCHESTER	REAL ESTATE LEASE - 140 LOCKWOOD AVE STE 104 SUBLEASE
LOCKWOOD REALTY LLC	REAL ESTATE LEASE - 150 LOCKWOOD AVE STE 108
JAMES MUSSMAN MD	REAL ESTATE LEASE - 150 LOCKWOOD AVE STE 18 LICENSE
URSTADT BIDDLE PROPERTIES INC.	REAL ESTATE LEASE - 4773 BOSTON ROAD PEL MANOR
CW NORTH RIDGE PLAZA, LLC	REAL ESTATE LEASE - 77 QUAKER RIDGE RD, SUITE 200A, NEW ROCHELLE
CW NORTH RIDGE PLAZA, LLC	REAL ESTATE LEASE - 77 QUAKER RIDGE RD, SUITE 205, NEW ROCHELLE
PEDIATRIC GROUP OF NEW ROCHELLE	REAL ESTATE LEASE - 77 QUAKER RIDGE RD, SUITE 205 SUBLEASE, NEW ROCHELLE
GISH REALTY	REAL ESTATE LEASE - 830 PELHAMDALE AVE, NEW ROCHELLE
KAMASWARI LAKSHMI MD	REAL ESTATE LICENSE - 110 LOCKWOOD AVE, STE. 300, NEW ROCHELLE
CONSUELO RODRIGUEZ	REAL ESTATE LICENSE - 77 QUAKER RIDGE RD, SUITE 200A LICENSE
LARRY ROBERTS MD	REAL ESTATE LICENSE - 77 QUAKER RIDGE RD, SUITE 200A

CONTRACT	CONTRACT TYPE
	LICENSE
LESA KELLY MD	REAL ESTATE LICENSE - 77 QUAKER RIDGE RD, SUITE 200A LICENSE
MARIA WING MD	REAL ESTATE LICENSE - 77 QUAKER RIDGE RD, SUITE 200A LICENSE
SOUND SHORE CARDIOLOGY	REAL ESTATE LICENSE - 77 QUAKER RIDGE RD, SUITE 200A LICENSE
AANU , SIHOTA	RESIDENT CONTRACT
ADITYA , ATHANIKAR	RESIDENT CONTRACT
ADRIANA , LOMBARDI	RESIDENT CONTRACT
ALEXIS , C. FERGUSON	RESIDENT CONTRACT
AMANDA , WEISS	RESIDENT CONTRACT
ARCH , AARON AMON	RESIDENT CONTRACT
ASHUTOSSH , NAARAAYAN	RESIDENT CONTRACT
BINAYA , RAMAN DAHAL	RESIDENT CONTRACT
BUBU , BANINI	RESIDENT CONTRACT
CHAMUNDESWARI , SUBRAMANIAN	RESIDENT CONTRACT
CHRISTINE , NGO PABILONA	RESIDENT CONTRACT
DAVID , GUTMAN	RESIDENT CONTRACT
DIANA , DE JESUS	RESIDENT CONTRACT
DIVYA , SAMBANDAN	RESIDENT CONTRACT

CONTRACT	CONTRACT TYPE
ELISA , MERCEDES GARD	RESIDENT CONTRACT
FAN , YANG	RESIDENT CONTRACT
GRETTEL , TESADO	RESIDENT CONTRACT
HARKINDER , KHANGURA	RESIDENT CONTRACT
JIE , LING	RESIDENT CONTRACT
JULIA , DRY	RESIDENT CONTRACT
LEAH , KATZ	RESIDENT CONTRACT
LEILA , GINO-GINO	RESIDENT CONTRACT
LEOMERTO , SOMERA	RESIDENT CONTRACT
MAMTA , CHHETRI	RESIDENT CONTRACT
MANASI , NABAR	RESIDENT CONTRACT
MARIE , LOUIES LAMSEN	RESIDENT CONTRACT
MEGAN , RIDLEY-LANE	RESIDENT CONTRACT
MELISSA , ALETA	RESIDENT CONTRACT
MILTON , CHUA	RESIDENT CONTRACT
MITCHELL , ONWOCHEI	RESIDENT CONTRACT
PANTEA , HASHEMI	RESIDENT CONTRACT
POSTE , JENNIFER	RESIDENT CONTRACT
RACHANA , SHUKLA	RESIDENT CONTRACT
RASHMI , BANJADE	RESIDENT CONTRACT
REHA , POKHAREL	RESIDENT CONTRACT

CONTRACT	CONTRACT TYPE
RESMI , PREMI	RESIDENT CONTRACT
RICHA , AGGARWAL	RESIDENT CONTRACT
RISHIKESH , MOREY	RESIDENT CONTRACT
RONALD , LUNA	RESIDENT CONTRACT
RUTHIE , MAY CHUA	RESIDENT CONTRACT
SANDHYA , MANOHAR	RESIDENT CONTRACT
SANJAY , PANDEY	RESIDENT CONTRACT
SANJEEV , GUPTA	RESIDENT CONTRACT
SHANTI , NULU	RESIDENT CONTRACT
SHARANJEET , THIND	RESIDENT CONTRACT
SWINBURNE, NATHANIEL	RESIDENT CONTRACT
VINITA , SINGH	RESIDENT CONTRACT
VIOLAGO, MICHAEL	RESIDENT CONTRACT
ZHI , XU	RESIDENT CONTRACT
ADVENT HEALTH PARTNERS INC. AND SOUND SHORE HEALTH SYSTEM 9/3/11	REVENUE CYCLE
ALLEGIANCE BILLING AND COLLECTION SERVICE	REVENUE CYCLE
APOLLO HEALTH STREET INC	REVENUE CYCLE
BOTTOMLINE REIMBURSEMENT,	REVENUE CYCLE
CMS COMPLIANCE GROUP, INC	REVENUE CYCLE
PROFESSIONAL CLAIMS BUREAU	REVENUE CYCLE
QBS – QUALITY BUSINESS SOLUTIONS	REVENUE CYCLE

CONTRACT	CONTRACT TYPE
UDS	REVENUE CYCLE
APOGEE CONSULTING GROUP	REVENUE CYCLE
CONVERGENT	REVENUE CYCLE
GROUP J AND SOUND SHORE MEDICAL SYSTEM 6/27/11	REVENUE CYCLE
HEALTH / ROI AND MOUNT VERNON HOSPITAL 12/9/11	REVENUE CYCLE
THE OUTSOURCE GROUP	REVENUE CYCLE
3M HEALTH INFORMATION SYS	REVENUE CYCLE/ INFORMATION TECHNOLOGY
BLUEMARK, LLC	REVENUE CYCLE/ INFORMATION TECHNOLOGY
COACTIV, LLC	REVENUE CYCLE/ INFORMATION TECHNOLOGY
ECLIPSYS CORP/ NOW ALLSCR*	REVENUE CYCLE/ INFORMATION TECHNOLOGY
PASSPORT HEALTH COMMUNICA	REVENUE CYCLE/ INFORMATION TECHNOLOGY
SUMM IT HEALTHCARE CONSUL	REVENUE CYCLE/ INFORMATION TECHNOLOGY
GROSS & EDELSTEIN, LLP	SERVICE AGREEMENT
NEW YORK BOARD OF RABBIS,	SERVICE AGREEMENT
NUTRITION MGMT SERVICES C	SERVICE AGREEMENT
OCEAN SIDE INSTITUTIONAL INDUSTRIES, INC. AND SOUND SHORE HEALTH SYSTEM 12/10/03	SERVICE AGREEMENT
AUTOMATIC DATA PROCESSING	SERVICE AGREEMENT
BARR & BARR, INC	SERVICE AGREEMENT

CONTRACT	CONTRACT TYPE
CANNON DESIGN	SERVICE AGREEMENT
CONTROL POINT ASSOCIATES	SERVICE AGREEMENT
CYRACOM, LLC	SERVICE AGREEMENT
D & D ELEVATOR, INC.	SERVICE AGREEMENT
DEAF-TALK, LLC	SERVICE AGREEMENT
FIRESTOP SOLUTIONS, INC.	SERVICE AGREEMENT
INTERIOR CONSTRUCTION CORP	SERVICE AGREEMENT
MICHAEL ANTHONY CONTRACTIN	SERVICE AGREEMENT
PERKINS EASTMAN ARCHITECTS	SERVICE AGREEMENT
TELERENT LEASING CORP.	SERVICE AGREEMENT
AT & T (5019)	TELECOMMUNICATIO NS
AT&T- (13146)	TELECOMMUNICATIO NS
CABLEVISION LIGHTPATH, INC	TELECOMMUNICATIO NS
RESEARCH IN MOTION	TELECOMMUNICATIO NS
TELSERV LLC	TELECOMMUNICATIO NS
VERIZON (4820)	TELECOMMUNICATIO NS
VERIZON (ACCESS BILLING)	TELECOMMUNICATIO NS
VERIZON WIRELESS	TELECOMMUNICATIO NS
ARDOR HEALTH SOLUTIONS	TRAVELER STAFFING
DELTA HEALTHCARE PROVIDERS	TRAVELER STAFFING

CONTRACT	CONTRACT TYPE
EXECU-SYS, LTD.	TRAVELER STAFFING
FLORENCE RASUL	TRAVELER STAFFING
GOOD NEWS PERSONNEL	TRAVELER STAFFING
KATHLEEN KERN	TRAVELER STAFFING
MARGARET SCARCELLA	TRAVELER STAFFING
MEDICAL STAFFING NETWORK	TRAVELER STAFFING
MELANIE KATZ	TRAVELER STAFFING
MITCHELL MARTIN	TRAVELER STAFFING
PRIDE HEALTHCARE	TRAVELER STAFFING
SALVEO HEALTHCARE SOLUTIONS INC.	TRAVELER STAFFING
TRUSTAFF TRAVEL NURSES, LLC	TRAVELER STAFFING
VTA MANAGEMENT SERVICES	TRAVELER STAFFING
WHITE GLOVE	TRAVELER STAFFING

MVH

CONTRACT	CONTRACT TYPE
ALCON LABORATORIES INC.	CAPITAL LEASE
AGFA	CAPITAL LEASE
ALPHA MEDICAL	CAPITAL LEASE

CONTRACT	CONTRACT TYPE
CREEKRIDGE	CAPITAL LEASE
PITNEY BOWES	CAPITAL LEASE
SIEMENS	CAPITAL LEASE
SIEMENS	CAPITAL LEASE
TLC HEALTHCARE	CAPITAL LEASE
A PLUS COMPUTER SOLUTIONS	INFORMATION TECHNOLOGY
ARDENT SUPPORT TECHNOLOGI	INFORMATION TECHNOLOGY
BLACKBAUD SPHERE (KINTERA/RAISERS EDGE)	INFORMATION TECHNOLOGY
CA NIMSOFT	INFORMATION TECHNOLOGY
CDW GOVERNMENT	INFORMATION TECHNOLOGY
CISCO SYSTEMS, INC.	INFORMATION TECHNOLOGY
CITRIX STRATEGIC HEADQUARTERS	INFORMATION TECHNOLOGY
CXTEC	INFORMATION TECHNOLOGY
DATABIT, INC	INFORMATION TECHNOLOGY
DELL MARKETING	INFORMATION TECHNOLOGY
EDIMS, LLC	INFORMATION TECHNOLOGY
EMC2	INFORMATION TECHNOLOGY
ENTERPRISE SYSTEMS SOFTWA	INFORMATION TECHNOLOGY
ESOLUTIONS INC	INFORMATION TECHNOLOGY
FISHBOWL INVENTORY	INFORMATION TECHNOLOGY
HEALTH CARE COMPLIANCE STR	INFORMATION TECHNOLOGY

CONTRACT	CONTRACT TYPE
HEALTHCARE RETROACTIVE AUD	INFORMATION TECHNOLOGY
HIPLINE	INFORMATION TECHNOLOGY
HLNCC (HEATHER LEWIS)	INFORMATION TECHNOLOGY
IBM CORP -POBOX 676673	INFORMATION TECHNOLOGY
MCKESSON INFORMATION SOLU	INFORMATION TECHNOLOGY
MEDSEEK, INC.	INFORMATION TECHNOLOGY
OPTICAL ARCHIVES	INFORMATION TECHNOLOGY
PERCEPTIVE HEALTHCARE INC	INFORMATION TECHNOLOGY
QS/1 DATA SYSTEMS	INFORMATION TECHNOLOGY
RELAYHEALTH	INFORMATION TECHNOLOGY
TIGR UNIVERSITY/TELEHEALTH SERVICES	INFORMATION TECHNOLOGY
VANDIS, INC	INFORMATION TECHNOLOGY
WEBSense	INFORMATION TECHNOLOGY
MILLER & MILONE, P.C.	LEGAL SERVICES
CARDINAL HEALTH/PYXIS/PHAR	MEDICAL SERVICES
CCH MEDIREGS	MEDICAL SERVICES
DOROTHEA HOPFER SCHOOL OF NURSING	MEDICAL SERVICES
LAWRENCE HOSPITAL CENTER	MEDICAL SERVICES
MERCY COLLEGE OF DOBBS FERRY	MEDICAL SERVICES
MT. VERNON RADIOLOGY ASSOC	MEDICAL SERVICES
NAT'L WOUNDCARE & HYPERBAR	MEDICAL SERVICES

CONTRACT	CONTRACT TYPE
NEW YORK MEDICAL COLLEGE	MEDICAL SERVICES
TRANSCARE AMBULANCE	MEDICAL SERVICES
WEILL CORNELL MEDL COLLEG	MEDICAL SERVICES
AMERISOURCEBERGEN DRUG CO	MEDICAL SUPPLIES
BAXTER HEALTHCARE CORP.	MEDICAL SUPPLIES
MCKESSON MEDICAL SURGICAL	MEDICAL SUPPLIES
NEW YORK BLOOD CENTER	MEDICAL SUPPLIES
ABDULLAH, MAHDI	PHYSICIAN CONTRACT
AGBONKPOLO, FRANCIS	PHYSICIAN CONTRACT
AGNANT, GUIRLAINE	PHYSICIAN CONTRACT
AHSAN, MOHAMMAD	PHYSICIAN CONTRACT
ALAIE, DARIUS	PHYSICIAN CONTRACT
ANTONELLE, ROBERT	PHYSICIAN CONTRACT
ASIF, AHMED	PHYSICIAN CONTRACT
AURICCHIO, JOHN	PHYSICIAN CONTRACT
BALASKONIS, ASIMINA	PHYSICIAN CONTRACT
BANGARURAJU, KOLANUVADA	PHYSICIAN CONTRACT
BLUM, DAVID	PHYSICIAN CONTRACT
BORKER, PRITI	PHYSICIAN CONTRACT
CARATAS, MIHAI	PHYSICIAN CONTRACT

CONTRACT	CONTRACT TYPE
CARREY, ZEV	PHYSICIAN CONTRACT
CENTRAL ADMIXTURE PHARMACY SERVICES, INC.	PHYSICIAN CONTRACT
CHANG, CHIH	PHYSICIAN CONTRACT
CHEN, JIM	PHYSICIAN CONTRACT
CHEPURU, YADAGIRI	PHYSICIAN CONTRACT
CLINICAL TRAINING AGREEMENT-HOPFER SON LAWRENCE HOSPITAL	PHYSICIAN CONTRACT
DEMEO, JAMES	PHYSICIAN CONTRACT
DESHMUKH, JYOTSNA	PHYSICIAN CONTRACT
DEVI, SARALI	PHYSICIAN CONTRACT
EFIONG, JAMES	PHYSICIAN CONTRACT
FAIERMAN, EIAN	PHYSICIAN CONTRACT
FAUCI, PETER	PHYSICIAN CONTRACT
GRAVES, DARYL	PHYSICIAN CONTRACT
GREEN, AYODELE	PHYSICIAN CONTRACT
HA KIM, KYUNG	PHYSICIAN CONTRACT
HANNA, RAOUF	PHYSICIAN CONTRACT
HOLDER, JONATHAN	PHYSICIAN CONTRACT
IBRAHIMI, SAID	PHYSICIAN CONTRACT
ISHKANIAN, GARY	PHYSICIAN CONTRACT
JANIS, MARC	PHYSICIAN CONTRACT
KAISER, RICHARD	PHYSICIAN CONTRACT

CONTRACT	CONTRACT TYPE
KOLTOVICH, PAUL	PHYSICIAN CONTRACT
KRESSNER, MICHAEL	PHYSICIAN CONTRACT
LAHIRI, ASHOK	PHYSICIAN CONTRACT
MCCOLLUM, ALAN	PHYSICIAN CONTRACT
MCWILLIAM, JAMES	PHYSICIAN CONTRACT
MIGNONE, BIAGIO	PHYSICIAN CONTRACT
NAGER, RALPH	PHYSICIAN CONTRACT
NAIK, GEETHA	PHYSICIAN CONTRACT
NAIK, RAMESH	PHYSICIAN CONTRACT
NNAEMEKA, PETER	PHYSICIAN CONTRACT
OGOKE, BENTLEY	PHYSICIAN CONTRACT
OHAJEKWE, OGEDI	PHYSICIAN CONTRACT
ORANGE PATHOLOGY ASSOCIATES	PHYSICIAN CONTRACT
PARKER, FREDERICK	PHYSICIAN CONTRACT
PAUL, EVELYNE	PHYSICIAN CONTRACT
PERLMUTER, ILISE	PHYSICIAN CONTRACT
PETRILLO, RICHARD	PHYSICIAN CONTRACT
PRASAD, BALASA	PHYSICIAN CONTRACT
PRICE, RICHARD	PHYSICIAN CONTRACT
PULMONARY AND SLEEP SPECIALISTS LICENSE AGREEMENT	PHYSICIAN CONTRACT
PURI, RAJSHREE	PHYSICIAN CONTRACT

CONTRACT	CONTRACT TYPE
RAFAT, PAYAM	PHYSICIAN CONTRACT
RAMALINGAM, SARAVANAN	PHYSICIAN CONTRACT
RAVIKUMAR, SUNDARAM	PHYSICIAN CONTRACT
RENAL CARE	PHYSICIAN CONTRACT
ROE, ROBERT	PHYSICIAN CONTRACT
SCHER, MARK	PHYSICIAN CONTRACT
SCHORN, CLAUD VON	PHYSICIAN CONTRACT
SEGAL, DONALD	PHYSICIAN CONTRACT
SHAUKAT, KAMRAN	PHYSICIAN CONTRACT
SINGH, PUSHPINDER	PHYSICIAN CONTRACT
SLEEP SERVICES OF AMERICA	PHYSICIAN CONTRACT
SOO KIM, DONG	PHYSICIAN CONTRACT
SPICERHANDLER, DEBORAH	PHYSICIAN CONTRACT
SPLICHAL, EMILY	PHYSICIAN CONTRACT
TAFLET, SANFORD	PHYSICIAN CONTRACT
TELLUS, FRANCOIS	PHYSICIAN CONTRACT
TEUSCHER, ENRIQUE	PHYSICIAN CONTRACT
WALSH, NICHOLAS	PHYSICIAN CONTRACT
WATKINS, FRANK	PHYSICIAN CONTRACT
WESTCHESTER COUNTY - CHEST X-RAY SERVICES	PHYSICIAN CONTRACT

CONTRACT	CONTRACT TYPE
WU, HENRY	PHYSICIAN CONTRACT
ISHKANIAN, GARY	EMPLOYMENT CONTRACT
BATORFALVY, BOHDAN	RESIDENT CONTRACT
BEEREDDY, RANADHIR REDDY	RESIDENT CONTRACT
CAO, SHANJIN	RESIDENT CONTRACT
CHEN, YUEFENG	RESIDENT CONTRACT
COHEN, JUSTIN	RESIDENT CONTRACT
FANG, LEEHSIN BILLY	RESIDENT CONTRACT
GEE, RONGRONG	RESIDENT CONTRACT
GUO, SONGCHUAN	RESIDENT CONTRACT
HUO, LIHONG	RESIDENT CONTRACT
JOGU, PRASAD	RESIDENT CONTRACT
KARNAM, PADMANAIDU	RESIDENT CONTRACT
KATAMREDDY, SASIKUMAR	RESIDENT CONTRACT
KAY, ARAS	RESIDENT CONTRACT
LI, ZHAODONG	RESIDENT CONTRACT
LI, ZHAOHUI	RESIDENT CONTRACT
LIU, YING	RESIDENT CONTRACT
MAMSA, KHADIJA AHMAD	RESIDENT CONTRACT
NIMMAKAYALA, KAMESWARA RAO	RESIDENT CONTRACT
PANTSULAIA, NATIA	RESIDENT CONTRACT

CONTRACT	CONTRACT TYPE
PRAVEEN LAL, ADITYA	RESIDENT CONTRACT
QIN, YEHUI	RESIDENT CONTRACT
RIERA, DENISA	RESIDENT CONTRACT
SIDDIQUI, ANWAR	RESIDENT CONTRACT
SUN, LI	RESIDENT CONTRACT
TANG, YUZHU	RESIDENT CONTRACT
VELUSWAMY, ANURADUA	RESIDENT CONTRACT
VUDATHANENI, VIJAJA KRISHNA	RESIDENT CONTRACT
WANG, HONGTAO	RESIDENT CONTRACT
WU, TAO	RESIDENT CONTRACT
ADVENT HEALTH PARTNERS	REVENUE CYCLE
ALLEGIANCE BILLING AND COLLECTION SERVICE	REVENUE CYCLE
APOLLO HEALTH STREET INC	REVENUE CYCLE
BOTTOMLINE REIMBURSEMENT,	REVENUE CYCLE
CMS COMPLIANCE GROUP, INC	REVENUE CYCLE
PROFESSIONAL CLAIMS BUREAU	REVENUE CYCLE
QBS – QUALITY BUSINESS SOLUTIONS	REVENUE CYCLE
QUALITY BILLING SERVICES	REVENUE CYCLE
UDS	REVENUE CYCLE
APOGEE CONSULTING GROUP AND SOUND SHORE HEALTH SYSTEM 8/11/11	REVENUE CYCLE
CONVERGENT	REVENUE CYCLE

CONTRACT	CONTRACT TYPE
GROUP J	REVENUE CYCLE
HEALTH / ROI	REVENUE CYCLE
THE OUTSOURCE GROUP	REVENUE CYCLE
3M HEALTH INFORMATION SYS	REVENUE CYCLE/ INFORMATION TECHNOLOGY
BLUEMARK, LLC	REVENUE CYCLE/ INFORMATION TECHNOLOGY
COACTIV, LLC	REVENUE CYCLE/ INFORMATION TECHNOLOGY
ECLIPSYS CORP/ NOW ALLSCR*	REVENUE CYCLE/ INFORMATION TECHNOLOGY
PASSPORT HEALTH COMMUNICA	REVENUE CYCLE/ INFORMATION TECHNOLOGY
SUMM IT HEALTHCARE CONSUL	REVENUE CYCLE/ INFORMATION TECHNOLOGY
GROSS & EDELSTEIN, LLP	SERVICE AGREEMENT
NEW YORK BOARD OF RABBIS,	SERVICE AGREEMENT
NUTRITION MANAGEMENT SERVICES COMPANY AND SOUND SHORE MEDICAL CENTER OF WESTCHESTER 9/1/10	SERVICE AGREEMENT
OCEAN SIDE INSTITUTIONAL	SERVICE AGREEMENT
AUTOMATIC DATA PROCESSING	SERVICE AGREEMENT
BARR & BARR, INC	SERVICE AGREEMENT
CANNON DESIGN	SERVICE AGREEMENT
CONTROL POINT ASSOCIATES	SERVICE AGREEMENT

CONTRACT	CONTRACT TYPE
CYRACOM, LLC	SERVICE AGREEMENT
D & D ELEVATOR, INC.	SERVICE AGREEMENT
DEAF-TALK, LLC	SERVICE AGREEMENT
FIRESTOP SOLUTIONS, INC.	SERVICE AGREEMENT
INTERIOR CONSTRUCTION CORP	SERVICE AGREEMENT
MICHAEL ANTHONY CONTRACTIN	SERVICE AGREEMENT
PERKINS EASTMAN ARCHITECTS	SERVICE AGREEMENT
TELERENT LEASING CORP.	SERVICE AGREEMENT
AT & T (5019)	TELECOMMUNICATIONS
AT&T- (13146)	TELECOMMUNICATIONS
CABLEVISION LIGHTPATH, INC	TELECOMMUNICATIONS
RESEARCH IN MOTION	TELECOMMUNICATIONS
TELSERV LLC	TELECOMMUNICATIONS
VERIZON (4820)	TELECOMMUNICATIONS
VERIZON (ACCESS BILLING)	TELECOMMUNICATIONS
VERIZON WIRELESS	TELECOMMUNICATIONS
ARDOR HEALTH SOLUTIONS	TRAVELER STAFFING
BARBARA ROSENTHAL	TRAVELER STAFFING
DELTA HEALTHCARE PROVIDERS	TRAVELER STAFFING
EXECU-SYS, LTD.	TRAVELER STAFFING

CONTRACT	CONTRACT TYPE
GOOD NEWS PERSONNEL	TRAVELER STAFFING
MEDICAL STAFFING NETWORK	TRAVELER STAFFING
MITCHELL MARTIN	TRAVELER STAFFING
PRIDE HEALTHCARE	TRAVELER STAFFING
TRUSTAFF TRAVEL NURSES, LLC	TRAVELER STAFFING
WHITE GLOVE	TRAVELER STAFFING
ZOMBACK, ELLEN	TRAVELER STAFFING

SECC

CONTRACT	CONTRACT TYPE
CA NIMSOFT	INFORMATION TECHNOLOGY
CDW GOVERNMENT	INFORMATION TECHNOLOGY
HEALTH CARE COMPLIANCE STR	INFORMATION TECHNOLOGY
HIPLINE	INFORMATION TECHNOLOGY
IBM CORP -POBOX 676673	INFORMATION TECHNOLOGY
MEDSEEK, INC.	INFORMATION TECHNOLOGY
OPTICAL ARCHIVES	INFORMATION TECHNOLOGY
VANDIS, INC	INFORMATION TECHNOLOGY

CONTRACT	CONTRACT TYPE
WEBSense	INFORMATION TECHNOLOGY
MERCY COLLEGE OF DOBBS FERRY	MEDICAL SERVICES
NEW YORK MEDICAL COLLEGE	MEDICAL SERVICES
TRANSCARE AMBULANCE	MEDICAL SERVICES
ZIMMET HEALTHCARE SVSC.GRO	MEDICAL SERVICES
AMERISOURCEBERGEN DRUG CORPORATION AND SOUND SHORE HEALTH SYSTEM 9/5/09	MEDICAL SUPPLIES
MEDLINE INDUSTRIES, INC. AND SOUND SHORE MEDICAL CENTER 4/25/07	MEDICAL SUPPLIES
SOUND SHORE MEDICAL CENTER OF WESTCHESTER	REAL ESTATE - SUBLEASE OF GOLDSTEIN PAVILION TO HANH
ADVENT HEALTH PARTNERS	REVENUE CYCLE
ALLEGIANCE BILLING AND COLLECTION SERVICE	REVENUE CYCLE
RELIABLE HEALTH SYSTEM	REVENUE CYCLE
APOGEE CONSULTING GROUP	REVENUE CYCLE
CONVERGENT REVENUE CYCLE MANAGEMENT, INC. AND SOUND SHORE HEALTH SYSTEM 8/13/12	REVENUE CYCLE
NEW YORK BOARD OF RABBIS,	SERVICE AGREEMENT
NUTRITION MGMT SERVICES C	SERVICE AGREEMENT
OCEAN SIDE INSTITUTIONAL	SERVICE AGREEMENT
AUTOMATIC DATA PROCESSING	SERVICE AGREEMENT
D & D ELEVATOR, INC.	SERVICE AGREEMENT

CONTRACT	CONTRACT TYPE
AT &T (5019)	TELECOMMUNICATIONS
AT&T- (13146)	TELECOMMUNICATIONS
CABLEVISION LIGHTPATH, INC	TELECOMMUNICATIONS
RESEARCH IN MOTION	TELECOMMUNICATIONS
TELSERV LLC	TELECOMMUNICATIONS
VERIZON (4820)	TELECOMMUNICATIONS
VERIZON (ACCESS BILLING)	TELECOMMUNICATIONS
VERIZON WIRELESS	TELECOMMUNICATIONS
ARDOR HEALTH SOLUTIONS	TRAVELER STAFFING
DELTA HEALTHCARE PROVIDERS	TRAVELER STAFFING
EXECU-SYS, LTD.	TRAVELER STAFFING
GOOD NEWS PERSONNEL	TRAVELER STAFFING
MEDICAL STAFFING NETWORK	TRAVELER STAFFING
MITCHELL MARTIN	TRAVELER STAFFING
PRIDE HEALTHCARE	TRAVELER STAFFING
TRUSTAFF TRAVEL NURSES, LLC	TRAVELER STAFFING
WHITE GLOVE	TRAVELER STAFFING

Schedule 4.10(d)
Notices and Approval for Contracts

None

Schedule 4.10(f)
Related Party Transactions

Services Corporation has entered into a lease agreement dated 8/31/1996, as modified, with 233rd Street Realty Corp. 233rd Street Realty Corp is owned by Richard Naclerio.

Schedule 4.11
Consents and Approvals

None

Schedule 4.12
Powers of Attorney

None

**Schedule 4.13
Litigation of the Sellers**

Case Number	Caption of Suit	Nature of Proceeding	Court or Agency and Location
09 CV 00010	Alexis Pena, by his m/n/g, Victoria Trejo v. USA and SSMC	Alleged Medical Malpractice Claim	SDNY
12 Civ. 3614	Howard Gale v. Smith & Nephew, Inc., SSMC, Specialty Orthopaedics, PLLC, Dr. Steven Zelicof, Dr. Vaishsfee R. Shukla, Dr. Ognian I. Boulev, Dr. Michael S. Ackerman, Dr. Yigal Samoch, Dr. Ira Novich, P.A. Courtney Kuhn, P.A. Craig S. Stejnberg, P.A. Michael J. Cicatelli, Nurse. J. Delacruz, Nurse K. Miller, Nurse D. Brown, Nurse Vennetta L/ Doles and Nurse C.D.	Alleged Medical Malpractice Claim	SDNY
Index No. 11251/08	Jocelyn Carter, as Admin. of the Estate of Brian Bennett, deceased v. Dr. Katayun Mama, Elizabeth Mellia, RN, and SSMC	Alleged Medical Malpractice Claim	Sup. Court of Westchester County
Index No. 11681/09	Giovanna Morales v. Dr. Loreceli A. Quintos, Dr. M. Wm. Sloan, Dr. Enyioma Nwankpa, Dr. Chaudry Hameed, Dr. Bruce Walsh, Dr. V. Botabula and SSMC	Alleged Medical Malpractice Claim	Sup. Court of Westchester County
Index No. 1412/09	Aaron Murray v. Westchester County Health Care Corp. and SSMC	Alleged Medical Malpractice Claim	Sup. Court of Westchester County
Index No. 1592/05	Louis J. Galgano v. Dr. Donald Scott Miller, Westchester Heart Specialists, LLP, Dr. Jeffrey Lederman, SSMC	Alleged Medical Malpractice Claim	Sup. Court of Westchester County
Index No. 16152/05	Yordi Guerra, by his m/n/g, Lilian Guerra v. SSMC, Dr. Kevin Meacham, Dr. Romelle J. Maloney, Dr. Jennifer Harper and Dr. Tristan DaChuna	Alleged Medical Malpractice Claim	Sup. Court of Bronx County
Index No. 16643/09	Salvatore Porretto, Individ. and on behalf of the Estate of Josephine Porretto and Stephen Porretto v. Dr. Maddu S. Rangraj, Dr. Venkatesh Sasthakinar, Dr. Amirhissein Paymon Mahfoozi, SSMC a/k/a SSHS	Alleged Medical Malpractice Claim	Sup. Court of Westchester County
Index No. 17575/10	Mary Maher and William Maher v. Dr. Michael A. Mecca, Dr. Ira S. Novich, New Rochelle Radiology Associates, P.C., Dr. Erica Krauss, Dr. Remus Moucha, Dr. Hillary Biberman, Manor Medical Offices, P.C., and SSMC	Alleged Medical Malpractice Claim	Sup. Court of Westchester County
Index No. 18821/09	Ronald Harris & Cynthia Harris v. SSMC, Dr. Richard Karanfilian and Dr. James McWilliam	Alleged Medical Malpractice Claim	Sup. Court of Westchester County
Index No. 20380/12	Loretta Dolphus and Nathaniel Graham v. SSMC and TMVH	Alleged Medical Malpractice Claim	Sup. Court of Bronx County
Index No. 20913/05	Lizette Rodriguez, m/n/g of Trinity Jenkins and Lizette Rodriguez v. SSMC, Dr. "John" Moneke, Dr. Lorcelli Quintos; Lorcelli Quintos, M.D. P.C., Dr. Jennifer Harper and Jennifer Harper, M.D. P.C.	Alleged Medical Malpractice Claim	Sup. Court of Westchester County
Index No. 21161/09	Pedro U. Gonzalez v. SSMC and The Winifred Masterson Burke Rehanilitation	Alleged Medical Malpractice Claim	Sup. Court of Westchester County

	Hospital		
Index No. 21731/11	Leslie Trammell and Tracey Mitchell, as Admin. of the Estate of Kathy M. Berryman v. Dr. Peter Efor Nnaemeka, Dr. Raheel Shafi, Dr. "John/Jane" Rivera, Nurse Peta Ann Gayle, Nurse Elaine Podszus, and SSMC,	Alleged Medical Malpractice Claim	Sup. Court of Bronx County
Index No. 22877/12	John Lombardi v. Dr. Bernard Bernhardt, Dr. Elizabeth Phillips, Dr. Warren Geisler, Dr. Howard Kivell, Dr. Stephen C. Klass, Dr. Marc R. Samolsky, Advanced Oncology Associates, LLP, medical Renal Associates, P.C., Associates for Urologic Care, P.C., Stephen C. Klass MD, P.C., SSMC, Emergency Medical Associates, PLLC, Emergency Medical Association-Sound Shore, PLLC and Emergency Medical Associates/CHS, LLC	Alleged Medical Malpractice Claim	Sup. Court of Bronx County
Index No. 23006/12	Toure Edjang, An Infant by Kushana Peat-Edjang and Deogracias Edjang, Her parents and atural guardians, and Kushanan Peat-Edjang and Decgracias Edjang, Individually, v. Dr. Rozafa L. Pali, Dr. Kevin L. Meacham, Dr. Scott M. Sickles, Dr. Jeffrey Stein, SSMC, Emergency Medical Associates, PLLC, Emergency Meedical Association-Sound Shore, PLLC, Emergency Medical Associates/CHS, LLC, and We Care Women's medical Services, P.C.	Alleged Medical Malpractice Claim	Sup. Court of Bronx County
Index No. 23331/05	Anthony Garrio v. Montefiore Hospital, SSMC and Dr. Michael Palmeri	Alleged Medical Malpractice Claim	Sup. Court of Bronx County
Index No. 23369/05	The Estate of Desiree Weeks by Brenda Phillips, Ebony Coleman by Brenda Phillips, Brian Weeks by Brenda Phillips and Brenda Phillips v. Dr. Peter Fauci, Dr. Morton Hantman, SSMC and Dr. Shelly Weiner	Alleged Medical Malpractice Claim	Sup. Court of Bronx County
Index No. 24358/10	Jorge Joanen v. Dr. Joseph Ponticello, Dr. Edward Gundy, Dr. Robert Cristofaro, SSMC and The Westchester Medical Group	Alleged Medical Malpractice Claim	Sup. Court of Westchester County
Index No. 24409/99	Amari Sherrill, by his m/n/g Marie Ferguson and Marie Ferguson v. SSMC, Dr. Lorcelli A. Quintos, Dr. Johannes Hermanto, Dr. Jean Claude Germain, MV Neighborhood Health Center	Alleged Medical Malpractice Claim	Sup. Court of Bronx County
Index No. 26285/09	Denise Colombo and John Colombo v. New Rochelle Medical Services, P.C., Dr. Cheryl Y. Counsel, Olga Waters, P.A., Dr. Amy Levav; Dr. Maritza Cruz; Hudson Valley Radiology Associates, PLLC, Central Imaging Associates, PLLC, Dr. Robert F. Mackey, Dr. Nelville Glajchen, Dr. Peter A. Fauci and Peter A. Fauci Jr., M.D., P.C.	Alleged Medical Malpractice Claim	Sup. Court of Westchester County
Index No. 26856/10	Dalai Maruri, by her m/n/g Arminda Mauri and Arminda Mauri v. Janice	Alleged Medical Malpractice Claim	Sup. Court of Westchester County

	Bistriz, N.P., SSMC and Sound Shore Children's Medical Group		
Index No. 27658/10	Greg Foster, as Admin. of the Estate of Geneva Ackridge v. SSMC and Dr. Bruce Walsh	Alleged Medical Malpractice Claim	Sup. Court of Westchester County
Index No. 306572/08	Carmen Nieves v. Dr. Michael Palmeri, Michael Palmeri M.D., P.L.L.C, Richard Alan Cohen, P.A., "John/Jane" Steinberg, P.A. and SSMC	Alleged Medical Malpractice Claim	Sup. Court of Bronx County
Index No. 306725/08	Patricia Henry as Administratrix of the Estate of Verda Henry v. SSMC, Dr. Shashiskekhar Palekar, and Palekar Family Medical Services, P.C.	Alleged Medical Malpractice Claim	Sup. Court of Bronx County
Index No. 308459/12	Sergio Lopez, as Administrator of the Estate of Tara Lopez v. NYC Fire Department, Ambulance of NYC, City of New York, Montefiore Medical Center, SSMC and Dumont Center for Rehabilitation and Nursing Care	Alleged Medical Malpractice Claim	Sup. Court of Bronx County
Index No. 309022/10	Gloria Felton. As Admin. of the Estate of Pearl Felton v. Montefiore Medical Center and SSMC	Alleged Medical Malpractice Claim	Sup. Court of Bronx County
Index No. 310119/11	Rose Zair v. Dr. Seth Gendler, Dr. Robert Santopietro, Dr. Sherrilyn Detiquez, Dr. Vivek Lingiah, SSMC and Dr. "John/Jane" Habib	Alleged Medical Malpractice Claim	Sup. Court of Bronx County
Index No. 38010/09	William P. Furey, as Executor of the Estate of Virginia T. Greco, Deceased v. Sunrise Senior Living, Sunrise Senior Living, Inc., Sunrise Senior Living Management, Inc., Sunrise Senior Living Services, Inc., Sound Shore Medical center of Westchester, Sound Shore Medical Center, Jewish Home Lifecare, SRN Corporation and Sarah Neuman Center for Healthcare and Rehabilitation The Jewish Home and Hospital	Alleged Medical Malpractice Claim	Sup. Court of Suffolk County
Index No. 4083/11	Bernadette Falletta v. Dr. Robert Yarrish, Dr. Douglas Kaiden, Dr. Prasanta Basak and SSMC	Alleged Medical Malpractice Claim	Sup. Court of Westchester County
Index No. 4186/11	Walter L. Brown, as Admin. of the Estate of Dovie L. Patterson, and Walter L. Brown v. SSMC, Helen & Michael Schaffer Extended Care Center and SSHS	Alleged Medical Malpractice Claim	Sup. Court of Westchester County
Index No. 4546/10	Joane Faraone, as Admin. of the Goods, Chattels and Credits of the Estate of Amelia A. Marra v. Dr. Madhu S. Rangraj, Dr. Leonard Maffucci, Dr. Venkatesh Sasthakonar Esackimuth, Dr. E. Aquista, Sound Shore Surgical Associates of New Rochelle, LLP, Dr. Joseph E. Casino, Dr. Michael Mandel, Pulmonary and Sleep Specialists of Southern Westchester, LLC, Dr. George Joseph Stivala, Dr. Aaron , Dr. Firas Abdulheim Hamdi, Dr. Samer Arab, Dr. Daniel Paul Hoffman and SSMC	Alleged Medical Malpractice Claim	Sup. Court of Westchester County

Index No. 50006/11	Maria DiFatta, as Admin. of the Estate of Mario DiFatta v. Dr. Richard Karanfillian, Dr. Anton Galitsky, Dr. Katayun Mama, Dr. Ligija Rociunas, Dr. George Stivala, Dr. Vincent A. Cirillo, Dr. Hershel Ozick and SSMC/Sound Shore Medical Systems, Inc.	Alleged Medical Malpractice Claim	Sup. Court of Westchester County
Index No. 50221/11	Emilia Prince v. Stephen Veefkind, RN and SSMC	Alleged Medical Malpractice Claim	Sup. Court of Westchester County
Index No. 50322/11	Rondeen Walters v. Dr. Madhu Rangraj, Dr. Leonard Muffucci, Dr. Seth Gendler, SSMC, Sound Shore Surgical Associates of New Rochelle, LLP and Sound Shore Bariatric Surgery Center	Alleged Medical Malpractice Claim	Sup. Court of Westchester County
Index No. 50413/11	Gaetana E. Ingrassia and Joseph Ingrassia v. Dr. Brian Matier, Dr. Denise McCormack, Ann Thomas, R.N., Dr. Charles Bruce Walsh, Charles Bruce Walsh MD LLP, Sound Shore Surgical Associates of New Rochelle, LLP and SSMC	Alleged Medical Malpractice Claim	Sup. Court of Westchester County
Index No. 50470/11	Patricia Nardozi, as the Admin. of the Estate of Magdaleno Ignacio Alonso Cruz and Patricia Nardozi, Individually v. SSMC, Dr. Wayne Abrahams and Dr. Ligija Rociunas	Alleged Medical Malpractice Claim	Sup. Court of Westchester County
Index No. 50982/12	Carol D'Ancona, Individually and as Administratrix of the Estate of Philip D'Ancona v. SSMC, Dumont Center for Rehabilitation and Nursing, and Dumont Masonic Nursing Home	Alleged Medical Malpractice Claim	Sup. Court of Westchester County
Index No. 51053/13	Winifred Haughey, a/k/a Una Haughey v. Dr. Mark Kindschuh and SSMC	Alleged Medical Malpractice Claim	Sup. Court of Westchester County
Index No. 51100/13	Frank Allgaier v. Dr. Robert Cristoforo, Dr. John Nelson, SSMC, Cabrini Nursing and Rehabilitation Center	Alleged Medical Malpractice Claim	Sup. Court of Westchester County
Index No. 51216/13	Aurelia Herrera v. Dr. Robert Santopietro, Dr. Srikanth Parsi and SSMC	Alleged Medical Malpractice Claim	Sup. Court of Westchester County
Index No. 51706/12	Clora Jackson, as Admin. of the Estate of Paul Jackson, Sr. v. Dr. Seung Ook Lee, Mohammad Ahsan, Dr. Jeffrey Lederman, Dr. Anna Kazanshaya, Dr. Steven Zelicof, Dr. Michelle Thompson, Dr. Sung Wu Sun, SSHS, Inc., Geriatric Medical Service, PLLC, Specialty Orthopaedics, PLLC, Sung Wu Sun, M.D., P.C., Wartburg Nursing Home, Inc., TMVH, SSMC	Alleged Medical Malpractice Claim	Sup. Court of Westchester County
Index No. 51925/12	Audrey Panteles and Theodore Panteles v. Dr. Benjamin Berenfeld, Specialty Orthopaedics, PLLC, and SSMC	Alleged Medical Malpractice Claim	Sup. Court of Westchester County
Index No. 53891/11	Phyllis Carcia v. Dr. Keneil We Tlaang and SSMC	Alleged Medical Malpractice Claim	Sup. Court of Westchester County
Index No. 53917/13	Javier Rosenzwaig, as Administrator of the Estate of Maximo Rosenzwaig, and Javier Rosenzwaig, Individually v. SSMC, MS Acquisition I, LLC d/b/a Westchester Center for Rehabilitation & Nursing, Dr. Vanessa G. Completo Buot, Dr. Christopher O. Adubor, Dr. Stephen H. Jesmajian and Dr. Daniel H. Pomerantz	Alleged Medical Malpractice Claim	Sup. Court of Westchester County

Index No. 56349/11	Rhonda Metz v. SSMC	Alleged Medical Malpractice Claim	Sup. Court of Westchester County
Index No. 5708/10	Eileen Vega v. Dr. James R. McWilliam, Specialty Orthopadics, PLLC and SSMC	Alleged Medical Malpractice Claim	Sup. Court of Westchester County
Index No. 59526/11	Reinaldo Alves DaCosta v. Dr. Steven S. Klein, Steven S. Klein, M.D., P.C., and SSMC	Alleged Medical Malpractice Claim	Sup. Court of Westchester County
Index No. 59576/12	Public Administrator of Westchester County as Administrator of the Estate of Perry Tucker v. Glen Island Nursing and Rehabilitation Center and SSMC	Alleged Medical Malpractice Claim	Sup. Court of Westchester County
Index No. 60511/11	Sandra Weinstein and Johathan Weinstein, as parents and natural guardians of Evan Weinstein, an infant and Sandra Weinstein and Jonathan Weinstein, individually v. Nurse A. Villanueva, Dr. Victor Moneke, Dr. Mostafa S. Hassan, Dr. Stephen Piazza and SSMC	Alleged Medical Malpractice Claim	Sup. Court of Westchester County
Index No. 61665/12	Martha Kathy Guadagnolo and Eugene Guadagnolo v. Dr. Seth L. Gendler	Alleged Medical Malpractice Claim	Sup. Court of Westchester County
Index No. 62564/12	Jennifer Slade v. Dr. Ashutosh Kaul, Surgical Intensivists, P.C., Dr. Tunc Aksehirli, Dr. David Cho and Westchester County Health Care Corp.	Alleged Medical Malpractice Claim	Sup. Court of Westchester County
Index No. 63386/12	Janet White by Henry White her Power of Attorney and Janet White individually v.SSMC	Alleged Medical Malpractice Claim	Sup. Court of Westchester County
Index No. 66276/12	Jean Sinatra v. SSMC	Alleged Medical Malpractice Claim	Sup. Court of Westchester County
Index No. 6698/05	Trevaun Wright by her m/n/g Tracey Wright and Tracey Wright v. Dr. Claudette Anderson, Dr. Thomas Clough, Dr. Lillian Gonzalez, Dr. Jennifer Harper, and SSMC	Alleged Medical Malpractice Claim	Sup. Court of Bronx County
Index No. 68016/12	Sharif Washington v. SSMS and Dr. Hilton Mirels	Alleged Medical Malpractice Claim	Sup. Court of Westchester County
Index No. 6832/10	Gwendolyn Snipes v. SSMC, CAN Vanetta "Doe", Nurse "Jane Doe"	Alleged Medical Malpractice Claim	Sup. Court of Westchester County
Index No. 8349/10	Jose Salazar v. SSMC, Dr. Rameshchandra Shukla and Dr. Katayun Mama	Alleged Medical Malpractice Claim	Sup. Court of Westchester County
Index No. 12891/07	Amari Sherrill by his m/n/g Marie F Ferguson and Marie Ferguson v. Dr. Jean Claude Bermain and SSMC	Alleged Medical Malpractice Claim	Sup. Court of Westchester County
Index No. 307712/11	James Ferguson and Jean Ferguson v. Dr. Melanie Moses, Dr. Herman Lubetsky, Montefiore Medical Group, Montefiore Medical Center, Dr. Robert Wilkins, Robert Wilkins, M.D., P.C. and SSMC	Alleged Medical Malpractice Claim	Sup. Court of Bronx County
Index No. 7377/07	Darlene Clanton v. Westchester Ambulatory Surgery Center, SSMC and Dr. Michael Palmeri	Alleged Medical Malpractice Claim	Sup. Court of Bronx County
CV-10-6003939	Vivian Gagliano and Philip Gagliano v. Advanced Specialty Care, PC, Joseph R. Gordon, Danbury Hospital, and Venkata Bodavula	Alleged Medical Malpractice Claim	Superior Court of Connecticut
	1199 SEIU	Breach of CBA	AAA (Labor)

Index No. 121551/06	New York Dialysis Services, Inc. and Fresenius USA, Inc. v. Sound Shore Medical Center of Westchester	Breach of Contract	Sup. Court Westchester County
Index No. 6291/11	Sound Shore Medical Center v. Romelle Maloney, M.D	Breach of Contract	Sup. Court Westchester County
Docket No. MJ-38123-CV-0000065-2013	Advanced Surgical v. Sound Shore Medical Center of Westchester	Breach of Contract	Commonwealth of PA; Montgomery Co.
A-022213-1077	Apogee Consulting Group, Inc. v. Sound Shore Health System, Inc.	Breach of Contract	American Health Lawyers
13-CV-0225	Boston Scientific, Corp v. Sound Shore Medical Center of Westchester	Breach of Contract	US District Court; SO. District
Index No. 53119/13	Carstens, Inc. v. Sound Shore Medical Center of Westchester	Breach of Contract	Sup. Court Westchester County
Index No. 51337/13	Complete Management Solutions, LLC v. Sound Shore Health System, Inc.	Breach of Contract	Sup. Court Westchester County
Index No. 55701/13	Health/Resources of Optimization, Inc v. Sound Shore Medical Center of Westchester	Breach of Contract	Sup. Court Westchester County
Index No. 600916/13	Mullooly, Jeffrey, Rooney & Flynn, LLP v. Sound Shore Medical Center of Westchester and Sound Shore Health System, Inc.	Breach of Contract	Sup. Court Nassau Co.
12-CV-7872	National Wound Care & Hyberbaric Services Inc. v. Sound Shore Health System, Inc.	Breach of Contract	US District Crt, SD of NY
Index No. 54262/13	Peak Performance, Inc. v. Sound Shore Medical Center of Westchester	Breach of Contract	Sup. Court Westchester County
Claim. No. 002-OF4-WU4	QualCode, Inc. v. Sound Shore Health System, Inc.	Breach of Contract	AAA (commercial)
Index No. 55150/13	Smith's Medical ASD, Inc. v. Sound Shore Medical Center of Westchester	Breach of Contract	Sup. Court Westchester County
CV-443-13	Stephen Bluth, ADR, Inc. v. Sound Shore Medical Center of Westchester	Breach of Contract	City Court, City of NR
Index No. 53540/13	The Trio Company, Inc. v. Sound Shore Medical Center of Westchester	Breach of Contract	Sup. Court Westchester County
Index No. 501776/13	White Glove Placement, Inc. v. Sound Shore Health System, Inc.	Breach of Contract	Sup. Court Kings Co.
Index No. 63680/12	Zimmet Healthcare Services Group, L.L.C. v. Sound Shore Health System, Inc.	Breach of Contract	Sup. Court Westchester County
Case No. 10158460	Djoka Nikac v. Sound Shore Medical Center of Westchester	Claim of Discrimination	NYSDHR
Case No. 10158973	Macclaring Blanchard v. Sound Shore Medical Center of Westchester	Claim of Discrimination	NYSDHR
Index No. 60196/12	Globus Medical, Inc. v. Sound Shore Medical Center of Westchester	Breach of Contract	Sup. Court of Westchester County
Index No. 7494/12	Graybar Electric Co., Inc. v. The Mount Vernon Hospital, Sound Shore Medical Center of Westchester and Sound Shore Health System, Inc.	Breach of Contract	Sup. Court of Westchester County
Index No. 70203/12	New York Medical College v. Sound Shore Medical Center of Westchester	Breach of Contract	Sup. Court of Westchester County
Index No. 51091/12	NuEnergen, LLC v. Sound Shore Medical Center of Westchester, The Mount Vernon Hospital and Howe Avenue Nursing Home, Inc. d/b/a Schaffer Extended Care Center	Breach of Contract	Sup. Court of Westchester County

Claim No. 13-506-E-02323-12	Pride Healthcare v. Sound Shore Medical Center of Westchester	Breach of Contract	AAA (Commercial)
CC-001652-12/NR	Robertson Enterprises, Inc. v. Sound Shore Medical Center of Westchester	Breach of Contract	City Court, City of New Rochelle
12CV6917	Summ-it Healthcare, LLC v. Sound Shore Medical Center of Westchester	Breach of Contract	US District Court, SD of NY
Index No. 7584/12	Telehealth Services, a division of Telerent Leasing Corporation v. Sound Shore Medical Center of Westchester	Breach of Contract	Sup. Court of Westchester County
Index No. 68761/12	Whitaker Medical, LLC v. Sound Shore Medical Center of Westchester and Mount Vernon Hospital	Breach of Contract	Sup. Court of Westchester County
LT-2665/12	175 Medical Vision Properties, LLC-Suite 2-2 v. Sound Shore Medical Center of Westchester	Breach of Contract	City Court, City of New Rochelle
LT-62-2013 LT-63-2013	C.W. Northridge v. NRHMC Services Corporation	Breach of Contract	City Court, City of NR
LT-2535-12	Lockwood Realty, LLC-Suite 104 v. NRHMC Services Corporation	Breach of Contract	City Court, City of NR
LT-2532-12	Lockwood Realty, LLC-Suite 205-207 v. NRHMC Services Corporation	Breach of Contract	City Court, City of New Rochelle
LT-2533-12	Lockwood Realty, LLC-Suite 300 v. New Rochelle Medical Services, P.C.	Breach of Contract	City Court, City of NR
LT-2534-12	Lockwood Realty-Suite 18 v. NRHMC Services Corporation	Breach of Contract	City Court, City of NR
Index No. 402038	Magenta Realty, LLC v. Sound Shore Medical Center of Westchester and NRHMC Services Corp.	Breach of Contract	City Court, City of Bronx
Index No. 61558/12	Medical Specialties Distributors, LLC. v. Sound Shore Medical Center of Westchester and Sound Shore Health System, Inc.	Breach of Contract	Sup. Court of Westchester County
Index No. 51337/13	AMH Healthcare, Inc. v. Sound Shore Health System, Inc.	Breach of Contract	Sup. Court Westchester County
Index No. 01-12974	Teligent, Inc. v. Sound Shore Medical Center of Westchester	Preferential Payments Made to SSMC by Telegent	Bankruptcy Court, SD of NY
Case No. 13 300 2700-10	1199 SEIU Health Care Workers East and Sound Shore Medical Center of Westchester	Termination of Irene Andrades	AAA (Labor)
Index No. 51584/13	Angela Lasorsa and Joanne Lasalle-Herliby, as Co-Administrators of the Estate of Rose Ann Tocco v. Dr. Ognian Bouhlev and Sound Shore Medical center of Westchester	Alleged Medical Malpractice Claim	Sup. Court of Westchester County
Index No. 51182/13	Andrew Encarcion v. Sound Shore Medical Center of Westchester	Alleged Medical Malpractice Claim	Sup. Court of Westchester County
Index No. 55545/13	Francis Massaro v. Sound Shore Medical center of Westchester	Alleged Medical Malpractice Claim	Sup. Court of Westchester County
Index No. 53518/13	Coratolo & Carrieri Associates, LLC v. New Rochelle Sound Shore Housing, LLC and Sound Shore Medical Center of Westchester	Breach of Contract	Sup. Court of Westchester County
Index No. 57565/13	The Outsource Group, Inc. v. Sound Shore Medical Center of Westchester	Breach of Contract	Sup. Court of Westchester County
Index No. 21777/12	Denise Vinson, as Administratrix of the Goods, Chattels and Credit which were of Keith Robinson, Deceased v. Dr. Hiyad Al-	Alleged Medical Malpractice Claim	Sup. Court Bronx Country

	Husaini, Dr. John Rao, Dr. Raj Kumar and TMVH		
Index No. 105293/09	Bernarda Perez and Ivelisse Perez-Ali, Co-Admin. of the Estate of Victor Farfan v. Dr. Keith Edwards and TMVH	Alleged Medical Malpractice Claim	Sup. Court New York Country
Index No. 107608/11	Theoplis Mutry v. TMVH and Dr. James Goldszer	Alleged Medical Malpractice Claim	Sup. Court NY Country
Index No. 11895/10	Anyiah Smith, an Infant by her Custodian and Next Friend, Patricia Copeland v. Dr. Joytsna Deshmukh and Michael Pellegrino	Alleged Medical Malpractice Claim	Sup. Court Westchester Country
Index No. 20169/10	Douglas Bryan v. TMVH, Dr. Priti Borker and Dr. Mahdi Abdullah	Alleged Medical Malpractice Claim	Sup. Court Westchester Country
Index No. 20380/12	Loretta Dolphus and Nathaniel Graham v. SSMC and TMVH	Alleged Medical Malpractice Claim	Sup. Court Bronx Country
Index No. 30108/10	Mary Ann Cioffi and Ralph Cioffi v. Wartburg Adult Care Community and Dr. Sung Wu Sun	Alleged Medical Malpractice Claim	Sup. Court Westchester Country
Index No. 305675/10	Mary Lyn Gordon v. Dr. Kyung Sun Park, Dr. Guirlaine Agnant, Dr. Kyung Sun Park, M.D., P.C., Guirlaine Agnant, M.D., P.C., Women's Medical Wellness of Westchester, PLLC and TMVH	Alleged Medical Malpractice Claim	Sup. Court Bronx Country
Index No. 306000/09	Jettie Brown and Ian Brown v. Dr. Sung Wu Sun, Dr. Ogedi Alexander Ohajekwe, Dr. Lee Adam Berk, Katherine M. Lai, D.P.M., Healing Feet, LLC, TMVH, Joseph J. Geldwert, D.P.M.	Alleged Medical Malpractice Claim	Sup. Court Bronx Country
Index No. 3364/06	Angela Santoro, as Amin. of the Estate of Concetta Santoro v. TMVH, Dr. Shin Yi, Dr. Kyung Kim, Dr. James Efiang, Dr Chi Ho Chang	Alleged Medical Malpractice Claim	Sup. Court Westchester Country
Index No. 4246/11	Brenda Alvarado and Nicholas Alvarado v. Dr. Donald F. Roland, Donald F. Roland, M.D., P.C., TMVH and SSHS	Alleged Medical Malpractice Claim	Sup. Court Queens Country
Index No. 4289/09	Ralph Oyague v. Dr. Stephen O. Schwartz and TMVH	Alleged Medical Malpractice Claim	Sup. Court Sullivan Country
Index No. 50503/12	Patsy Mack-Botwe v. Dr. Barry M. Baylis, Dr. Balasa L. Prasad, Mt. Vernon Anesthesia, Anesthesia Group at Mt. Vernon Hospital, Dr. Aaron Roth	Alleged Medical Malpractice Claim	Sup. Court Westchester Country
Index No. 50843/12	David Katz and Shirley Katz v. Mount Vernon Dialysis, LLC, SSHS, Individually and d/b/a TMVH, Dr. Muhammed Irfan Qudir, Nurse Neida Delgado Zayas, John Doe and Jane Doe	Alleged Medical Malpractice Claim	Sup. Court Westchester Country
Index No. 51706/12	Clora Jackson, as Administratrix of the Estate of Paul Jackson, Sr., Deceased v. Dr. Seung Ook Lee, Dr. Mohammad Ahsan, Dr. Jeffrey Lederman, Dr. Anna Kazanskaya, Dr. Steven Zelicof, Dr. Michelle Thompson, Dr. Sung Wu Sun, SSHS, Inc, Geriatric Medical Service, PLLC, Specialty Orthopaedics, PLLC, Sung Wu Sun, MD, P.C., Wartburg Nursing Home, Inc., TMVH and SSMC	Alleged Medical Malpractice Claim	Sup. Court Westchester Country

Index No. 52296/12	Adrienne Lewis v. Dr. Sung Sun, TMVH, Mount Vernon Hospital Clinic	Alleged Medical Malpractice Claim	Sup. Court Westchester Country
Index No. 52665/11	Beena John v. TMVH, MS Acquisition I, LLC, Dr. Satyavathi Sharma, Dr. Francois Tellus and Dr. Zoran Svorcan	Alleged Medical Malpractice Claim	Sup. Court Westchester Country
Index No. 5706/10	Robert Gentile v. Dr. Bangaruraj Kolanuvada, Dr. Paul Koltovich, Dr. Thomas J. Price, Jr., Dr. Pavan Madadi, Dr. Dariush Alaie, Dr. "John" Raju, MVH Medical, P.C. and TMVH	Alleged Medical Malpractice Claim	Sup. Court Westchester Country
Index No. 307816/11	Leonard Reece, Individually and as Administrator of the Estate of Silvia Kelly-Reese, Deceased v. Dr. Dhansukhal Patel, TMVH, Dr. Alma Day Anghirang, Dr. Kevin Reilly, Montefiore Medical Center North and Montefiore Medical Center	Alleged Medical Malpractice Claim	Sup. Court Bronx Country
Index No. 22876/12	Clement Ferguson v. Dr. Preiti Borker, Dr. Bhargavi Mandipalle and The Mount Vernon Hospital	Alleged Medical Malpractice Claim	Sup. Court Bronx Country
12-CV-3345	Roger Crique v. Dr. Richard Magil, Dr. Kun-Young Chung and The Mount Vernon Hospital	Alleged Medical Malpractice Claim	SDNY
	1199 SEIU	Breach of CBA	AAA (Labor)
	1199 SEIU	Breach of CBA	AAA (Labor)
	1199 SEIU	Breach of CBA	AAA (Labor)
13-CV-00410	TGC, LLC v. Sound Shore Health System, Inc.	Breach of Contract	US District Court; District of MD
Index No. 70973/12	Control Point Associates, Inc. v. The Mount Vernon Hospital.	Breach of contract	Sup. Court Westchester Country
Index No. 69324/12	Shin I Yi, MD, P.C.	Failure to pay balance of promissory note	Sup. Court Westchester Country
Index No. 64542/12	Proformance, inc. v. Mount Vernon Hospital	Breach of Contract	Sup. Court Westchester Country
Index No. 9806/13	United Rentals, Inc. v. Mount Vernon Hospital and Sound Shore Medical Center.	Breach of contract	Supreme Court, Queens County

Schedule 4.14(a)(ii)
Filing of Cost Reports

Costs reports for 2012 were not filed.

Schedule 4.14(a)(iii)
Amounts Due Under Cost Reports

None

Schedule 4.14(a)(v)
Hill-Burton Act

Schedule 4.14(a)(vi)
Non-Compliance with Government Reimbursement Programs

See Attached



RECEIVED MAR - 8 2012

State of New York
OFFICE OF THE ATTORNEY GENERAL
MEDICAID FRAUD CONTROL UNIT
Civil Enforcement Division, One Blue Hill Plaza PO Box 1747
Pearl River, NY 10965-1747
(845) 732-7350 Fax: (845) 732-7557

ERIC T. SCHNEIDERMAN
Attorney General

MONICA J. HICKEY-MARTIN
Special Deputy Attorney General

March 5, 2012

Kathleen McKay
Compliance Officer
Sound Shore Health System
16 Guion Place
New Rochelle, New York 10802

Re: Medicaid Only Drug Billing By Mount Vernon
Hospital (Provider ID Nos. 00274117 & 03000222)

Dear Ms. McKay:

Enclosed please find an original fully executed Settlement Agreement between The Mount Vernon Hospital and this office. Thank you for your cooperation and assistance in resolving this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Laura J. Meehan', written over a horizontal line.

Laura J. Meehan
Special Assistant Attorney General

Enclosure

SETTLEMENT AGREEMENT

AGREEMENT dated the 1st day of March, 2012, by and between the STATE OF NEW YORK (hereinafter "STATE"), by the Office of the Attorney General, Medicaid Fraud Control Unit (hereinafter "MFCU"), and THE MOUNT VERNON HOSPITAL (hereinafter "MVH") (collectively referred to as the "Parties"),

WHEREAS, MVH, a hospital with its main campus located at 12 North Seventh Avenue, Mount Vernon, New York, was enrolled in the Medicaid program, under provider numbers 00274117 and 03000222, as a provider, among other things, of ambulatory services during the period, during the period February 3, 2005 through January 24, 2011; and

WHEREAS, MVH is required, pursuant to New York Social Services Law 367-a 9(a), to submit any claims to the Medicaid program for drugs administered to Medicaid recipients at their respective acquisition cost; and

WHEREAS, the MFCU conducted an investigation of claims submitted by MVH to the Medicaid program for drugs administered to Medicaid recipients and conducted an audit of such claims for dates of service from February 3, 2005 through January 24, 2011 (hereinafter the "Audit Period"); and

WHEREAS, the STATE has certain causes of action against MVH for the following conduct (hereinafter the "Covered Conduct"):

During the Audit Period, MVH in violation of New York State Finance Law § 189, *et seq.*, and New York Social Services Law § 367-a 9(a) submitted claims to Medicaid and secured payment thereon for drugs

administered to Medicaid recipients at amounts in excess of MVH's actual cost of said drugs, and the New York State Medicaid program was thereby overbilled.

WHEREAS, MVH cooperated fully with the MFCU throughout the audit process;

WHEREAS, MVH and the STATE have agreed to resolve the issues raised by the STATE'S investigation;

NOW, THEREFORE, in consideration of the mutual covenants and undertakings set forth herein, MVH and the STATE agree as follows:

1. The STATE represents that it has the authority to enter into this settlement and to effectuate a final resolution with regard to the alleged Medicaid overpayments and civil claims on behalf of the State of New York. It is understood that MVH is entering into this settlement in reliance on this representation.
2. MVH agrees to pay the STATE the sum of EIGHTY-FIVE THOUSAND FOUR HUNDRED NINETY-SEVEN DOLLARS AND NINETY CENTS (\$85,497.90) in principal and pre-settlement interest (the "Full Payment") in a single payment to be made upon full execution of this Settlement Agreement.
3. The Full Payment due hereunder shall be by check payable to the "NYS Attorney General Medicaid Fraud Control Restitution Fund" delivered to the Office of the Attorney General, MFCU, Special Projects Unit, One Blue Hill Plaza, 6th Floor, Pearl River, New York 10965-1747, or by electronic funds transfer pursuant to written instructions to be provided by the Attorney General..
4. In consideration of the foregoing payment by MVH, the payment made hereunder shall be received in full satisfaction of the obligations of MVH for the Covered

Conduct during the Audit Period, and the STATE shall not seek to impose any other financial obligation due to the Covered Conduct and the STATE further agrees to release and discharge MVH and its respective employees, agents, officers and directors, from, any and all claims for repayment of Medicaid funds, including interest and monetary penalties thereon, by the STATE against MVH which arose or could have arisen as a result of the Covered Conduct.

5. The making of this Agreement is not intended, and shall not be construed as an admission that MVH knowingly or intentionally overbilled the Medicaid program or violated any law, ordinance or regulation, but MVH admits that MVH received Medicaid overpayments due to the Covered Conduct.
6. This Agreement is intended to be for the benefit of the Parties only, and, by this instrument, the Parties do not release any claims against any other person or entity.
7. MVH will not submit additional or adjusted claims for the Covered Conduct.
8. MVH agrees not to further contest MFCU's determinations concerning the Covered Conduct and hereby waives all administrative and procedural rights, if any, with respect to the MFCU investigation.
9. Notwithstanding any terms of the Agreement, the relief provided for herein relates solely to Medicaid compensation paid to or claimed by MVH pursuant to any statutes, rules, regulations and official directives governing Medicaid payment with respect to the Covered Conduct and not to any other relationship between MVH and STATE.
10. Nothing in this Agreement shall relieve MVH from obligations imposed by any applicable state or federal law or regulation or other applicable law, except as specifically set forth herein.

11. MVH agrees not to take any action or to make or permit to be made any public statement denying, directly or indirectly, any finding in this Agreement or creating the impression that this Agreement is without factual basis. Nothing in this paragraph affects MVH's (a) testimonial obligations or (b) right to take legal or factual positions in defense of litigation or other legal proceedings to which the Attorney General is not a party.
12. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York without regard to choice of law or conflict of laws principles. The Parties consent to the jurisdiction of the Supreme Court of the State of New York, New York County, in any action to enforce or interpret this Agreement.
13. Any failure by the STATE to insist upon the strict performance by MVH of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, and the STATE, notwithstanding that failure, shall have the right thereafter to insist upon the strict performance of any and all of the provisions of this Agreement by MVH.
14. If this Agreement is cancelled or voided for any reason, all payments made by MVH pursuant to this Agreement, and any interest and income accrued thereon, shall be retained by the STATE and credited against any potential cause of action concerning the Covered Conduct. The STATE shall retain full rights to assert any and all causes of action against MVH, and MVH shall retain any and all defenses thereto.
15. This Agreement is binding upon all parties and upon the assigns, transferees, purchasers and any successors-in-interest of MVH.

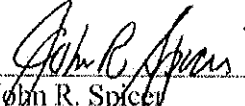
16. The Agreement shall be deemed to have been mutually prepared by the Parties hereto and shall not be construed against any of them solely by reason of authorship.
17. MVH acknowledges that it has entered into this Agreement freely and voluntarily and upon due deliberation, with the advice of counsel, and without coercion or duress.
18. This Agreement may be executed in counterparts, each of which shall constitute an original and all of which shall constitute one and the same Agreement.
19. This Agreement constitutes the complete and full agreement reached by the STATE and MVH, and may not be changed in any respect, except by a writing duly executed by the parties or their authorized representatives.

WHEREFORE, the Parties have read the foregoing Agreement and accept and agree to the provisions contained therein and hereby have caused this Agreement to be signed as of the date set forth above.

AGREED TO:


THE MOUNT VERNON HOSPITAL

By:


John R. Spicer
President & Chief Executive Officer
The Mount Vernon Hospital
12 North Seventh Avenue
Mount Vernon, New York 10550

STATE OF NEW YORK
OFFICE OF THE ATTORNEY GENERAL
MEDICAID FRAUD CONTROL UNIT

By:


Laura J. Meehan
Special Assistant Attorney General
Office of the Attorney General
Medicaid Fraud Control Unit
One Blue Hill Plaza, 6th Floor
Pearl River, New York 10965

APR 21 2012

State of New York
OFFICE OF THE ATTORNEY GENERAL
MEDICAID FRAUD CONTROL UNIT
Civil Enforcement Division, One Blue Hill Plaza PO Box 1747
Pearl River, NY 10965-1747
(845) 732-7550 Fax: (845) 732-7557

ERIC T. SCHNEIDERMAN
Attorney General

MONICA J. HICKEY-MARTIN
Special Deputy Attorney General

April 20, 2012

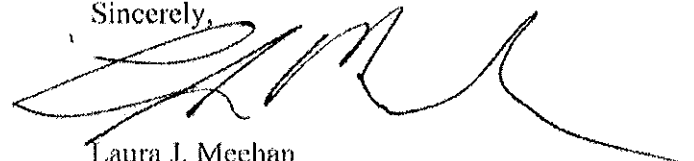
Kathleen McKay
Compliance Officer
Sound Shore Health System
16 Guion Place
New Rochelle, New York 10802

Re: Medicaid Only Drug Billing By Sound Shore Medical
Center of Westchester (Provider ID No. 00274126)

Dear Ms. McKay:

Enclosed please find an original fully executed Settlement Agreement between Sound Shore Medical Center of Westchester and this office. Also enclosed is a copy of the Confession of Judgment, which per the agreement will remain unfiled at this time. Thank you for your cooperation and assistance in resolving this matter.

Sincerely,



Laura J. Meehan
Special Assistant Attorney General

Enclosures

SETTLEMENT AGREEMENT

AGREEMENT dated the 16 day of April, 2012, by and between the STATE OF NEW YORK (hereinafter "STATE"), by the Office of the Attorney General, Medicaid Fraud Control Unit (hereinafter "MFCU"), and SOUND SHORE MEDICAL CENTER OF WESTCHESTER (hereinafter "SSMC") (collectively referred to as the "Parties"),

WHEREAS, SSMC, a hospital with its main campus located at 16 Guion Place, New Rochelle, New York, was enrolled in the Medicaid program, under provider number 00274126, as a provider, among other things, of ambulatory services during the period, during the period October 3, 2004 through January 31, 2011; and

WHEREAS, SSMC is required, pursuant to New York Social Services Law 367-a 9(a), to submit any claims to the Medicaid program for drugs administered to Medicaid recipients at their respective acquisition cost; and

WHEREAS, the MFCU conducted an investigation of claims submitted by SSMC to the Medicaid program for drugs administered to Medicaid recipients and conducted an audit of such claims for dates of service from October 3, 2004 through January 31, 2011 (hereinafter the "Audit Period"); and

WHEREAS, the STATE has certain civil and administrative causes of action against SSMC for the following conduct (hereinafter the "Covered Conduct");

During the Audit Period, SSMC in violation of New York State Finance Law § 189, *et seq.*, and New York Social Services Law § 367-a 9(a) submitted claims to Medicaid and secured payment thereon for drugs administered to Medicaid recipients at amounts in excess of SSMC's

actual cost of said drugs, and the New York State Medicaid program was
thereby overbilled.

WHEREAS, SSMC cooperated fully with the MFCU throughout the audit
process;

WHEREAS, SSMC and its affiliated entities, Howe Avenue Nursing Home, Inc.
(the "nursing home") and New Rochelle Sound Shore Housing, LLC (the "housing
company"), are currently seeking to refinance the existing mortgages on their on-campus
real estate, and specifically mortgages on SSMC itself, the nursing home, and the housing
company's apartments (a "Refinancing Event");

WHEREAS, SSMC and the STATE have agreed to resolve the issues raised by the
STATE'S investigation;

NOW, THEREFORE, in consideration of the mutual covenants and undertakings set
forth herein, SSMC and the STATE agree as follows:

1. The STATE represents that it has the authority to enter into this settlement and to
effectuate a final resolution with regard to the alleged Medicaid overpayments and
civil claims on behalf of the State of New York. It is understood that SSMC is
entering into this settlement in reliance on this representation.
2. SSMC agrees to pay the STATE the sum of TWO MILLION TWO HUNDRED
FORTY-ONE THOUSAND SEVEN HUNDRED SIXTY DOLLARS AND
THIRTY-FIVE CENTS (\$2,241,760.35) in principal and pre-settlement interest
pursuant to the following schedule (hereinafter, "SCHEDULED PAYMENTS"):

- (a) An initial SCHEDULED PAYMENT of ONE HUNDRED THOUSAND DOLLARS (\$100,000.00), to be made upon the execution of this agreement on or before April 13, 2012; and,
- (b) The balance of TWO MILLION ONE HUNDRED FORTY-ONE THOUSAND SEVEN HUNDRED SIXTY DOLLARS AND THIRTY-FIVE CENTS (\$2,141,760.35), and interest calculated thereon at the rate of Nine Percent (9%) per annum, for a total of TWO MILLION FOUR HUNDRED FORTY-THREE THOUSAND SIX HUNDRED FOURTEEN DOLLARS AND FIFTY-THREE CENTS (\$2,443,614.53) to be paid pursuant to a schedule of the principal and interest payments due hereunder ("Scheduled Payments") as set forth on Exhibit "A";
- (c) The first of the SCHEDULED PAYMENTS shall be made on or before May 1, 2012. All subsequent SCHEDULED PAYMENTS shall be made on or before the 1st day of each succeeding month.
- (d) Upon the occurrence of a Refinancing Event, all Scheduled Payments shall be immediately due and payable, and SSMC shall pay the STATE, at the closing of the Refinancing Event, the remaining principal then due, together with any interest accrued thereon, in full satisfaction of this agreement. SSMC further states and agrees that at such closing, other than the holders of the mortgages referred to in the recitals to this Agreement, no other creditor will be paid ahead of the STATE. This term is a material term of this Agreement.

(e) Notwithstanding paragraph 2(b) and 2(d) above, SSMC may at anytime, and without penalty, pay the remaining principal then due, together with any interest accrued thereon, in full satisfaction of this agreement.

3. All SCHEDULED PAYMENTS due hereunder shall be by check payable to the "NYS Attorney General Medicaid Fraud Control Restitution Fund" delivered to the Office of the Attorney General, MFCU, Special Projects Unit, One Blue Hill Plaza, 6th Floor, Pearl River, New York 10965-1747, or by electronic funds transfer pursuant to written instructions to be provided by the Attorney General.
4. In the event of the commencement of a bankruptcy proceeding by or against SSMC, or the withdrawal or disqualification of SSMC from participation in the Medicaid program (the "Acceleration Events"), SSMC shall give notice of such Acceleration Event to MFCU by overnight courier service by the earlier of (a) any determination by SSMC to participate in such Acceleration Event or upon receipt of notice from any third-party that such Acceleration Event may occur; or (b) no later than twenty-four (24) hours after the Acceleration Event if SSMC lacked advance notice of such Acceleration Event. If such an Acceleration Event occurs, the entire unpaid balance, including interest, due to the STATE under the terms of this Agreement shall become immediately due and payable.
5. In return for MFCU's agreement to accept installment payments for the amounts due under this Agreement, SSMC shall provide the STATE, upon execution of this Agreement, a signed confession of judgment in the form annexed as Exhibit "B" hereto in the amount of TWO MILLION ONE HUNDRED FORTY-ONE THOUSAND SEVEN HUNDRED SIXTY DOLLARS AND THIRTY-FIVE CENTS

(\$2,141,760.35) plus interest calculated as set forth in "2b" above. If SSMC fails to make a payment by the first day of the month, then the STATE shall provide SSMC five (5) business days written notice to cure the default. If payment is not made by the expiration of said five (5) business days, the STATE may file the Confession of Judgment without further notice to SSMC. Upon the occurrence of any other circumstance which would give the STATE good cause to believe that SSMC will default upon its obligation, including but not limited to the occurrence of an Acceleration Event, the STATE may file said Confession of Judgment without notice to SSMC. In such event, the STATE may execute upon the Judgment without notice to SSMC, in the full amount of the unpaid balance due under this Agreement.

6. In consideration of the foregoing payment by SSMC, the payments made hereunder shall be received in full satisfaction of the obligations of SSMC for the Covered Conduct during the Audit Period, and the STATE shall not seek to impose any other financial obligation due to the Covered Conduct and the STATE further agrees to release and discharge SSMC and its respective employees, agents, officers and directors, from, any and all claims for repayment of Medicaid funds, including interest and monetary penalties thereon, by the STATE against SSMC which arose or could have arisen as a result of the Covered Conduct.
7. The making of this Agreement is not intended, and shall not be construed as an admission that SSMC knowingly or intentionally overbilled the Medicaid program or violated any law, ordinance or regulation, but SSMC admits that SSMC received Medicaid overpayments due to the Covered Conduct.

8. This Agreement is intended to be for the benefit of the Parties only, and, by this instrument, the Parties do not release any claims against any other person or entity.
9. SSMC will not submit additional or adjusted claims for the Covered Conduct.
10. SSMC agrees not to further contest MFCU's determinations concerning the Covered Conduct and hereby waives all administrative and procedural rights, if any, with respect to the MFCU investigation.
11. Notwithstanding any terms of the Agreement, the relief provided for herein relates solely to Medicaid compensation paid to or claimed by SSMC pursuant to any statutes, rules, regulations and official directives governing Medicaid payment with respect to the Covered Conduct and not to any other relationship between SSMC and STATE.
12. Nothing in this Agreement shall relieve SSMC from obligations imposed by any applicable state or federal law or regulation or other applicable law, except as specifically set forth herein.
13. SSMC agrees not to take any action or to make or permit to be made any public statement denying, directly or indirectly, any finding in this Agreement or creating the impression that this Agreement is without factual basis. Nothing in this paragraph affects SSMC's (a) testimonial obligations or (b) right to take legal or factual positions in defense of litigation or other legal proceedings to which the Attorney General is not a party.
14. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York without regard to choice of law or conflict of laws principles.

The Parties consent to the jurisdiction of the Supreme Court of the State of New York, New York County, in any action to enforce or interpret this Agreement.

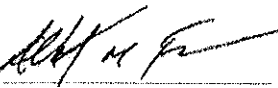
15. Any failure by the STATE to insist upon the strict performance by SSMC of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, and the STATE, notwithstanding that failure, shall have the right thereafter to insist upon the strict performance of any and all of the provisions of this Agreement by SSMC.
16. If this Agreement is cancelled or voided for any reason, all payments made by SSMC pursuant to this Agreement, and any interest and income accrued thereon, shall be retained by the STATE and credited against any potential cause of action concerning the Covered Conduct. The STATE shall retain full rights to assert any and all causes of action against SSMC, and SSMC shall retain any and all defenses thereto.
17. This Agreement is binding upon all parties and upon the assigns, transferees, purchasers and any successors-in-interest of SSMC.
18. The Agreement shall be deemed to have been mutually prepared by the Parties hereto and shall not be construed against any of them solely by reason of authorship.
19. SSMC acknowledges that it has entered into this Agreement freely and voluntarily and upon due deliberation, with the advice of counsel, and without coercion or duress.
20. This Agreement may be executed in counterparts, each of which shall constitute an original and all of which shall constitute one and the same Agreement.
21. This Agreement constitutes the complete and full agreement reached by the STATE and SSMC, and may not be changed in any respect, except by a writing duly executed by the parties or their authorized representatives.

WHEREFORE, the Parties have read the foregoing Agreement and accept and agree to the provisions contained therein and hereby have caused this Agreement to be signed as of the date set forth above.

AGREED TO:

SOUND SHORE MEDICAL CENTER
OF WESTCHESTER

STATE OF NEW YORK
OFFICE OF THE ATTORNEY GENERAL
MEDICAID FRAUD CONTROL UNIT

By: 
Albert M. Farina
Chief Financial Officer
Sound Shore Medical Center of Westchester
16 Guion Place
New Rochelle, New York 10802

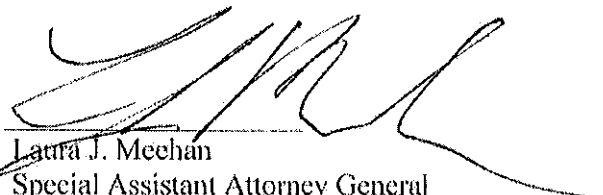
By: 
Laura J. Meehan
Special Assistant Attorney General
Office of the Attorney General
Medicaid Fraud Control Unit
One Blue Hill Plaza, 6th Floor
Pearl River, New York 10965

EXHIBIT A
TO THE SOUND SHORE MC WESTCHESTER SETTLEMENT AGREEMENT

Total Restitution Amount		\$2,241,760.35			
Less: Downpayment		(\$100,000.00)			
Paydown Principal		\$2,141,760.35			
Annual Interest		9%			
Periods per Year		12			
Period Interest		0.75%			
Number of Years		3			
Number of Periods		36			
Period Payment Amount		\$67,600.40			
Payment Number	Payment Date	Period Payment	Period Interest	Period Principal	Remaining Balance
1	5/1/2012	\$67,600.40	\$0.00	\$67,600.40	\$2,074,159.95
2	6/1/2012	\$67,600.40	\$15,556.20	\$52,044.20	\$2,022,115.75
3	7/1/2012	\$67,600.40	\$15,165.87	\$52,434.53	\$1,969,681.22
4	8/1/2012	\$67,600.40	\$14,772.61	\$52,827.79	\$1,916,853.43
5	9/1/2012	\$67,600.40	\$14,376.40	\$53,224.00	\$1,863,629.43
6	10/1/2012	\$67,600.40	\$13,977.22	\$53,623.18	\$1,810,006.25
7	11/1/2012	\$67,600.40	\$13,575.05	\$54,025.35	\$1,755,980.90
8	12/1/2012	\$67,600.40	\$13,169.86	\$54,430.54	\$1,701,550.35
9	1/1/2013	\$67,600.40	\$12,761.63	\$54,838.77	\$1,646,711.58
10	2/1/2013	\$67,600.40	\$12,350.34	\$55,250.06	\$1,591,461.52
11	3/1/2013	\$67,600.40	\$11,935.96	\$55,664.44	\$1,535,797.08
12	4/1/2013	\$67,600.40	\$11,518.48	\$56,081.92	\$1,479,715.16
13	5/1/2013	\$67,600.40	\$11,097.86	\$56,502.54	\$1,423,212.62
14	6/1/2013	\$67,600.40	\$10,674.09	\$56,926.31	\$1,366,286.31
15	7/1/2013	\$67,600.40	\$10,247.15	\$57,353.25	\$1,308,933.06
16	8/1/2013	\$67,600.40	\$9,817.00	\$57,783.40	\$1,251,149.66
17	9/1/2013	\$67,600.40	\$9,383.62	\$58,216.78	\$1,192,932.88
18	10/1/2013	\$67,600.40	\$8,947.00	\$58,653.40	\$1,134,279.48
19	11/1/2013	\$67,600.40	\$8,507.10	\$59,093.30	\$1,075,186.17
20	12/1/2013	\$67,600.40	\$8,063.90	\$59,536.50	\$1,015,649.67
21	1/1/2014	\$67,600.40	\$7,617.37	\$59,983.03	\$955,666.64
22	2/1/2014	\$67,600.40	\$7,167.50	\$60,432.90	\$895,233.74
23	3/1/2014	\$67,600.40	\$6,714.25	\$60,886.15	\$834,347.60
24	4/1/2014	\$67,600.40	\$6,257.61	\$61,342.79	\$773,004.80
25	5/1/2014	\$67,600.40	\$5,797.54	\$61,802.86	\$711,201.94
26	6/1/2014	\$67,600.40	\$5,334.01	\$62,266.39	\$648,935.55
27	7/1/2014	\$67,600.40	\$4,867.02	\$62,733.38	\$586,202.17
28	8/1/2014	\$67,600.40	\$4,396.52	\$63,203.88	\$522,998.29
29	9/1/2014	\$67,600.40	\$3,922.49	\$63,677.91	\$459,320.37
30	10/1/2014	\$67,600.40	\$3,444.90	\$64,155.50	\$395,164.88
31	11/1/2014	\$67,600.40	\$2,963.74	\$64,636.66	\$330,528.21
32	12/1/2014	\$67,600.40	\$2,478.96	\$65,121.44	\$265,406.77
33	1/1/2015	\$67,600.40	\$1,990.55	\$65,609.85	\$199,796.93
34	2/1/2015	\$67,600.40	\$1,498.48	\$66,101.92	\$133,695.00
35	3/1/2015	\$67,600.40	\$1,002.71	\$66,597.69	\$67,097.32
36	4/1/2015	\$67,600.55	\$503.23	\$67,097.32	(\$0.00)
Totals		\$2,433,614.55	\$291,854.20	\$2,141,760.35	

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

-----)(
STATE OF NEW YORK,

Plaintiff,

Index No. _____

-against-

AFFIDAVIT OF
CONFESSION OF
JUDGMENT

SOUND SHORE MEDICAL CENTER OF
WESTCHESTER,

Defendant.

-----)(

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

Albert M. Farina, being duly sworn, deposes and says:

1. I am the Chief Financial Officer of SOUND SHORE MEDICAL CENTER OF WESTCHESTER (hereinafter "SSMC"), a not for profit corporation duly organized and existing under the laws of the State of New York. SSMC's principal place of business is located at 16 Guion Place, New Rochelle, County of Westchester, New York. In the period October 3, 2004 through January 31, 2011, SSMC, a provider with the New York State Medical Assistance Program, commonly known as Medicaid, provided care and services to Medicaid recipients. SSMC's Medicaid Management Information System number is 00274126.

2. In my capacity as Chief Financial Officer of SSMC and acting within the scope of my authority and on behalf of SSMC, I hereby confess judgment against SSMC and authorize entry thereof in favor of the State of New York (the "STATE") in the sum of **TWO MILLION ONE HUNDRED FORTY-ONE THOUSAND SEVEN HUNDRED SIXTY DOLLARS AND THIRTY-FIVE CENTS (\$2,141,760.35)** plus NINE PERCENT (9%) interest thereon, as

detailed in paragraph 2b of the Settlement Agreement, incorporated herein by reference, and a true and correct copy of which is attached hereto, and which I executed on behalf of SSMC.

3. In my official capacity as Chief Financial Officer of SSMC, I hereby authorize entry of judgment against SSMC in New York County, in the State of New York, and in any other county in which SSMC owns property, including Westchester County.

4. This Confession of Judgment is for a debt due the STATE arising out of SSMC's participation as a provider in the Medicaid Program. As set forth in the attached Settlement Agreement, SSMC received overpayments from the Medicaid Program during the period of October 3, 2004 through January 31, 2011.

5. The overpayment amounts due and owing to the Medicaid Program total **TWO MILLION ONE HUNDRED FORTY-ONE THOUSAND SEVEN HUNDRED SIXTY DOLLARS AND THIRTY-FIVE CENTS (\$2,141,760.35)** plus interest thereon, as set forth in paragraph 2 herein and in paragraph 2b of the attached Settlement Agreement.


6. In my official capacity as Chief Financial Officer of SSMC, I expressly authorize entry of judgment based on this Affidavit of Confession of Judgment against SSMC at any time in the amount of **TWO MILLION ONE HUNDRED FORTY-ONE THOUSAND SEVEN HUNDRED SIXTY DOLLARS AND THIRTY-FIVE CENTS (\$2,141,760.35)**, plus interest thereon as set forth in paragraph 2 herein and in paragraph 2b of the attached Settlement Agreement, less any amounts that may have been paid to the STATE pursuant to the Settlement Agreement.

SOUND SHORE MEDICAL
CENTER OF WESTCHESTER

By: 
Chief Financial Officer

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

On this 10th day of April, 2012, before me personally came Albert M. Farina, to me known, who being by me duly sworn, did depose and say that he resides in Westchester County; that he is the Chief Financial Officer of Sound Shore Medical Center of Westchester, the Not For Profit Corporation which is described in the above instrument; that he signed his name thereto in his capacity as Chief Financial Officer of said Corporation.


Notary Public

STEPHANIE KATE BOYER
NOTARY PUBLIC-STATE OF NEW YORK
No. 01BO6235215
Qualified in Westchester County
My Commission Expires February 07, 2015

SOUND SHORE MEDICAL CENTER OF WESTCHESTER
New Rochelle, New York 10802

5001611

10210

DATE 04/16/12

PAY TO THE ORDER OF NYS Attorney General Medicaid Fraud Control Restitution Fund

\$ 100,000.00

THE SUM OF ONE HUNDRED THOUSAND DOLLARS

DOLLARS

JPMorgan Chase Bank, N.A.
New York, NY

FOR

⑈ 5001611 ⑆ ⑆ 021000021 ⑆

⑆ 60110 25 2012 ⑈

DETACH AT PERFORATION BEFORE DEPOSITING CHECK

MEMO	DATE	INVOICE NO.	PURCHASES (GROSS)	DEDUCTIONS	BALANCES
Payment for legal settlement.					

BY ENDORSEMENT THE ATTACHED CHECK WHEN PAID, IS ACCEPTED
IN FULL PAYMENT OF THE ABOVE ITEMIZED ACCOUNT
SOUND SHORE MEDICAL CENTER OF WESTCHESTER
NEW ROCHELLE, N.Y.

Schedule 4.14(b-1)
Excluded Medical Staff

Dr. Stephen Klass was on list and now currently off list.

Schedule 4.14(b-2)
Medical Staff Disputes

None

Schedule 4.14(c)
Accreditation

See Attached

The Mount Vernon Hospital

Mount Vernon, NY

has been Accredited by



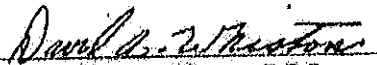
The Joint Commission

Which has surveyed this organization and found it to meet the requirements for the

Hospital Accreditation Program

May 27, 2010

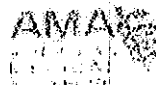
Accreditation is customarily valid for up to 39 months.


David A. Whiston, D.D.S.
Chairman of the Board

Organization ID #: 5804
Print/Reprint Date: 09/01/10


Mark Chassin, M.D.
President

The Joint Commission is an independent, not-for-profit, national body that oversees the safety and quality of health care and other services provided in accredited organizations. Information about accredited organizations may be provided directly to The Joint Commission at 1-800-994-6610. Information regarding accreditation and the accreditation performance of individual organizations can be obtained through The Joint Commission's web site at www.jointcommission.org.



This reproduction of the original accreditation certificate has been issued for use in regulatory/payer agency verification of accreditation by The Joint Commission. Please consult Quality Check on The Joint Commission's website to confirm the organization's current accreditation status and for a listing of the organization's locations of care.

The Mount Vernon Hospital Methadone Maintenance Program

Mount Vernon, NY

has been Accredited by



The Joint Commission

Which has surveyed this organization and found it to meet the requirements for the
Behavioral Health Care Accreditation Program

May 17, 2012

Accreditation is customarily valid for up to 36 months.

Handwritten signature of Isabel V. Hoverman in black ink.

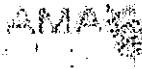
Isabel V. Hoverman, MD, MACP
Chair, Board of Commissioners

Organization ID #: 379671
Print/Reprint Date: 07/23/12

Handwritten signature of Mark R. Chassin in black ink.

Mark R. Chassin, MD, FACP, MPP, MPH
President

The Joint Commission is an independent, not-for-profit, national body that oversees the safety and quality of health care and other services provided in accredited organizations. Information about accredited organizations may be provided directly to The Joint Commission at 1-800-994-6610. Information regarding accreditation and the accreditation performance of individual organizations can be obtained through The Joint Commission's web site at www.jointcommission.org.



This reproduction of the original accreditation certificate has been issued for use in regulatory/payer agency verification of accreditation by The Joint Commission. Please consult Quality Check on The Joint Commission's website to confirm the organization's current accreditation status and for a listing of the organization's locations of care.



April 15, 2013

John R. Spicer
President and CEO
Sound Shore Medical Center of Westchester
16 Guion Place
New Rochelle, NY 10802

Joint Commission ID #: 5807
Program: Hospital Accreditation
Accreditation Activity: Unannounced Full
Event
Accreditation Activity Completed:
03/07/2013

Dear Mr. Spicer:

The Joint Commission would like to thank your organization for participating in the accreditation process. This process is designed to help your organization continuously provide safe, high - quality care, treatment, and services by identifying opportunities for improvement in your processes and helping you follow through on and implement these improvements. We encourage you to use the accreditation process as a continuous standards compliance and operational improvement tool.

With that goal in mind, your organization received Requirement(s) for Improvement during its recent survey. These requirements have been summarized in the Accreditation Report provided by the survey team that visited your organization.

Please be assured that The Joint Commission will keep the report confidential, except as required by law. To ensure that The Joint Commission's information about your organization is always accurate and current, our policy requires that you inform us of any changes in the name or ownership of your organization or the health care services you provide.

Please visit [Quality Check®](#) on The Joint Commission web site for updated information related to your accreditation decision.

Sincerely,

Mark G. Pelletier, RN, MS

Chief Operating Officer

Division of Accreditation and Certification Operations



April 15, 2013

John R. Spicer
President and CEO
Sound Shore Medical Center of Westchester
16 Guilon Place
New Rochelle, New York 10802

HCO ID: #5807

Dear Mr. Spicer:

We appreciate your patience while we reviewed your clarification request regarding the findings of the March 5-7, 2013 full resurvey of your hospital program. Our review is now complete. Careful consideration was given to the original survey findings and the documentation submitted by your organization. Based on our review, below you will find information specific to each of the clarifications submitted and the impact on your organization's final report.

- **EC.02.03.03, EP 1** – The clarification submitted at this standard/ep was accepted. The documentation submitted for review contained sufficient evidence to demonstrate that your organization was compliant with the requirements of this EP at the time of your survey. As a result, the findings at EP 1 have been removed from your report. Please note, EC.02.03.03 remains listed as a Requirement for Improvement on your official accreditation report, due to the finding that remains at EP 2.
- **EC.02.05.01, EP 6** – Based on our central office review, the finding made at this standard /ep remains based on information submitted still citing an air flow deficiency. However, based on the observation cited and the specific room locations identified in the clarification, the finding has been reduced from a Condition-level deficiency to a Standard-level deficiency. Within your Evidence of Standards Compliance corrective action documentation, please show that decontamination is negative and sterile room is positive to the adjoining corridor. If you have specific questions regarding this review, please contact the Standards Interpretation reviewer, Anne Guglielmo, at 630-792-5900, option 6.
- **EC.02.05.07, EP 4** – The clarification submitted at this standard/ep was not accepted. The documentation submitted for review did not contain sufficient evidence to demonstrate that your organization was compliant with the requirements of this EP at the time of your survey. As a result, EC.02.05.07 remains listed as a Requirement for Improvement on your official accreditation report. If you have specific questions regarding this review, please contact the Standards Interpretation reviewer, Anne Guglielmo, at 630-792-5900, option 6.
- **EC.02.05.07, EP 6** – The clarification submitted at this standard/ep was not accepted. The documentation submitted for review did not contain sufficient evidence to demonstrate that your organization was compliant with the requirements of this EP at the time of your survey. As a result, EC.02.05.07 remains listed as a Requirement for Improvement on your official accreditation report. If you have specific questions regarding this review, please contact the Standards Interpretation reviewer, Anne Guglielmo, at 630-792-5900, option 6.
- **LD.04.03.09, EP 5** – The clarification submitted at this standard/ep was accepted, as there was sufficient evidence submitted to demonstrate that expectations were written into the contract dialysis service. As a result, the findings at EP 5 have been removed from your

www.jointcommission.org

Headquarters
One Renaissance Boulevard
Oakbrook Terrace, IL 60181
630 792 5000 Voice

report. Please note, LD.04.03.09 remains listed as a Requirement for Improvement on your official accreditation report, due to the findings that remain at EP 6 and EP 7.

- **LD.04.03.09, EP 6** -- The clarification submitted at this standard/ep was not accepted, as the documentation submitted for review did not demonstrate that quarterly evaluations were being monitored. Documents submitted show that although quarterly evaluations were being submitted, the supporting documents did not demonstrate that an accurate evaluation of the dialysis services were being performed. As a result, LD.04.03.09 remains listed as a Requirement for Improvement on your official accreditation report. If you have specific questions regarding this review, please contact the Standards Interpretation reviewer, Heidi Beckstrom, at 630-792-5900, option 6.
- **LD.04.03.09, EP 7** -- The clarification submitted at this standard/ep was not accepted. The organization provided quarterly reports of dialysis machine maintenance which did not meet the expectation, but no action was taken. As a result, LD.04.03.09 remains listed as a Requirement for Improvement on your official accreditation report. Please note, the finding at this EP has been downgraded from a Condition-level deficiency to a Standard-level deficiency. If you have specific questions regarding this review, please contact the Standards Interpretation reviewer, Heidi Beckstrom, at 630-792-5900, option 6.
- **LS.01.02.01, EP 1** -- The clarification submitted at this standard/ep was accepted, based on Fire Watch Policy in place at time of survey. As a result, LS.01.02.01 no longer appears as a Requirement for Improvement on your official accreditation report.
- **LS.02.01.10, EP 4** -- The clarification submitted at this standard/ep was not accepted. The PFI in system does not identify locations of deficient doors. The doors cited on survey cannot be linked to the PFI. As a result, LS.02.01.10 remains listed as a Requirement for Improvement on your official accreditation report. If you have specific questions regarding this review, please contact the Standards Interpretation reviewer, Anne Guglielmo, at 630-792-5900, option 6.
- **LS.02.01.30, EP 2** -- The clarification submitted at this standard/ep was not accepted. The PFI in system does not identify locations of deficient doors. The doors cited on survey cannot be linked to the PFI. As a result, LS.02.01.30 remains listed as a Requirement for Improvement on your official accreditation report. If you have specific questions regarding this review, please contact the Standards Interpretation reviewer, Anne Guglielmo, at 630-792-5900, option 6.
- **LS.02.01.34, EP 2** -- The clarification submitted at this standard/ep was not accepted, as the disclosure of items in the PPR process does not exempt the items from being cited on survey. In addition, the fire alarm system PFI referenced deficiencies found during annual testing - missing locations. As a result, LS.02.01.34 remains listed as a Requirement for Improvement on your official accreditation report. If you have specific questions regarding this review, please contact the Standards Interpretation reviewer, Anne Guglielmo, at 630-792-5900, option 6.
- **LS.02.01.34, EP 4** - The clarification submitted at this standard/ep was not accepted, as the disclosure of items in the PPR process does not exempt the items from being cited on survey. In addition, the fire alarm system PFI referenced deficiencies found during annual testing - missing locations. As a result, LS.02.01.34 remains listed as a Requirement for Improvement on your official accreditation report. If you have specific questions regarding this review, please contact the Standards Interpretation reviewer, Anne Guglielmo, at 630-792-5900, option 6.

- **LS.02.01.35, EP 14** – The clarification submitted at this standard/ep was not accepted. The Joint Commission does not reference the 2011 edition of NFPA 25 nor is Annex material enforceable; only guidance. Also, the NFPA interpretation stated "it is part of the system and should be replaced" and the observations do not discuss system performance as discussed in the NFPA interpretation. The NFPA comment as quoted further demonstrates that the maintenance was lacking for the resultant observation. As a result, LS.02.01.35 remains listed as a Requirement for Improvement on your official accreditation report. If you have specific questions regarding this review, please contact the Standards Interpretation reviewer, John Maurer, at 630-792-5900, option 6.

Please feel free to contact me at 630-792-5737 with any questions.

Sincerely,

Kelli Jacobs

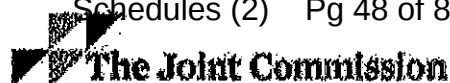
Kelli Jacobs
Sr. Account Executive
Accreditation and Certification Operations

cc: Thomas Barton, Field Director, The Joint Commission
Mary Janda, Field Representative, The Joint Commission
Anthony Lombardino, MD, Field Representative, The Joint Commission
Pamela Stewart, Field Representative, The Joint Commission
Kenneth Blackwell, Field Representative, The Joint Commission

One Renaissance Boulevard
Oakbrook Terrace, IL 60181
(630) 792-5000
<http://www.jcaho.org>

Member Organizations
American College of Physicians
American College of Surgeons

American Dental Association
American Hospital Association
American Medical Association



Sound Shore Medical Center of Westchester
16 Guion Place
New Rochelle, NY 10802

Organization Identification Number: 5807

Program(s)
Hospital Accreditation

Survey Date(s)
03/05/2013-03/07/2013

Executive Summary

Hospital Accreditation : As a result of the accreditation activity conducted on the above date(s), Requirements for Improvement have been Identified in your report.

You will have follow-up in the area(s) indicated below:

- Evidence of Standards Compliance (ESC)

If you have any questions, please do not hesitate to contact your Account Executive.

Thank you for collaborating with The Joint Commission to improve the safety and quality of care provided to patients.

**The Joint Commission
Summary of Findings**

Evidence of DIRECT Impact Standards Compliance is due within 45 days from the day the survey report was originally posted to your organization's extranet site:

Program:	Hospital Accreditation Program	
Standards:	EC.02.04.03	EP5
	EC.02.05.01	EP6
	EC.02.05.07	EP4,EP6
	EM.02.02.13	EP5
	LS.02.01.34	EP2,EP4
	MM.03.01.01	EP7
	MM.05.01.07	EP1
	PC.01.02.07	EP3
	PC.02.01.03	EP1

Evidence of INDIRECT Impact Standards Compliance is due within 60 days from the day the survey report was originally posted to your organization's extranet site:

Program:	Hospital Accreditation Program	
Standards:	EC.02.03.03	EP2
	EC.02.03.05	EP6
	IC.02.02.01	EP4
	LD.04.03.09	EP6,EP7
	LS.02.01.10	EP4
	LS.02.01.20	EP13,EP29
	LS.02.01.30	EP2,EP23
	LS.02.01.35	EP14
	MM.04.01.01	EP10
	MS.06.01.03	EP6
	MS.06.01.05	EP12
	MS.08.01.01	EP3
	RC.01.01.01	EP19

**The Joint Commission
Summary of CMS Findings**

CoP: §482.23 **Tag:** A-0385 **Deficiency:** Standard

Corresponds to: HAP

Text: §482.23 Condition of Participation: Nursing Services

The hospital must have an organized nursing service that provides 24-hour nursing services. The nursing services must be furnished or supervised by a registered nurse.

CoP Standard	Tag	Corresponds to	Deficiency
§482.23(c)	A-0404	HAP - PC.02.01.03/EP1	Standard
§482.23(b)(6)	A-0398	HAP - LD.04.03.09/EP7	

CoP: §482.24 **Tag:** A-0431 **Deficiency:** Standard

Corresponds to: HAP

Text: §482.24 Condition of Participation: Medical Record Services

The hospital must have a medical record service that has administrative responsibility for medical records. A medical record must be maintained for every individual evaluated or treated in the hospital.

CoP Standard	Tag	Corresponds to	Deficiency
§482.24(c)(2)	A-0450	HAP - RC.01.01.01/EP19	Standard
§482.24(c)(1)	A-0450	HAP - RC.01.01.01/EP19	Standard

CoP: §482.25 **Tag:** A-0490 **Deficiency:** Standard

Corresponds to: HAP

Text: §482.25 Condition of Participation: Pharmaceutical Services

The hospital must have pharmaceutical services that meet the needs of the patients. The institution must have a pharmacy directed by a registered pharmacist or a drug storage area under competent supervision. The medical staff is responsible for developing policies and procedures that minimize drug errors. This function may be delegated to the hospital's organized pharmaceutical service.

CoP Standard	Tag	Corresponds to	Deficiency
§482.25(b)(1)	A-0501	HAP - MM.05.01.07/EP1	Standard

CoP: §482.41 **Tag:** A-0700 **Deficiency:** Standard

Corresponds to: HAP

Text: §482.41 Condition of Participation: Physical Environment

The hospital must be constructed, arranged, and maintained to ensure the safety of the patient, and to provide facilities for diagnosis and treatment and for special hospital services appropriate to the needs of the community.

**The Joint Commission
Summary of CMS Findings**

CoP Standard	Tag	Corresponds to	Deficiency
§482.41(c)(2)	A-0724	HAP - EC.02.05.07/EP4, EP6	Standard
§482.41(b)(7)	A-0714	HAP - EC.02.03.03/EP2	Standard
§482.41(b)(1)(I)	A-0710	HAP - EC.02.03.05/EP8, LS.02.01.10/EP4, LS.02.01.20/EP13, EP29, LS.02.01.30/EP2, EP23, LS.02.01.34/EP2, EP4, LS.02.01.35/EP14	Standard

CoP: §482.51 **Tag:** A-0940 **Deficiency:** Standard

Corresponds to: HAP - EC.02.05.01/EP6

Text: §482.51 Condition of Participation: Surgical Services

If the hospital provides surgical services, the services must be well organized and provided in accordance with acceptable standards of practice. If outpatient surgical services are offered the services must be consistent in quality with inpatient care in accordance with the complexity of services offered.

CoP Standard	Tag	Corresponds to	Deficiency
§482.51(b)	A-0951	HAP - IC.02.02.01/EP4	Standard

CoP: **Tag:** **Deficiency:**

Corresponds to: HAP

Text:

CoP Standard	Tag	Corresponds to	Deficiency
§482.12(e)(1)	A-0084	HAP - LD.04.03.09/EP6	Standard

**The Joint Commission
Findings**

Chapter: Emergency Management
Program: Hospital Accreditation
Standard: EM.02.02.13

ESC 45 days

Standard Text: During disasters, the hospital may grant disaster privileges to volunteer licensed independent practitioners.
Note: A disaster is an emergency that, due to its complexity, scope, or duration, threatens the organization's capabilities and requires outside assistance to sustain patient care, safety, or security functions.

Primary Priority Focus Area: Credentialed Practitioners

Element(s) of Performance:

5. Before a volunteer practitioner is considered eligible to function as a volunteer licensed independent practitioner, the hospital obtains his or her valid government-issued photo identification (for example, a driver's license or passport) and at least one of the following:
- A current picture identification card from a health care organization that clearly identifies professional designation
 - A current license to practice
 - Primary source verification of licensure
 - Identification indicating that the individual is a member of a Disaster Medical Assistance Team (DMAT), the Medical Reserve Corps (MRC), the Emergency System for Advance Registration of Volunteer Health Professionals (ESAR-VHP), or other recognized state or federal response organization or group
 - Identification indicating that the individual has been granted authority by a government entity to provide patient care, treatment, or services in disaster circumstances
 - Confirmation by a licensed independent practitioner currently privileged by the hospital or by a staff member with personal knowledge of the volunteer practitioner's ability to act as a licensed independent practitioner during a disaster



Scoring

Category : A
Score : Insufficient Compliance

Observation(s):

EP 5
Observed in Credentialed and Privileging at Sound Shore Medical Center of Westchester (16 Gulon Place, New Rochelle, NY) site.
It was observed that the medical staff bylaws did not require a government-issued photo identification card in addition to one other form of identification. Based on the wording, a practitioner would be eligible for disaster privileges by presenting just a "picture hospital ID card".

Chapter: Environment of Care
Program: Hospital Accreditation
Standard: EC.02.03.03
Standard Text: The hospital conducts fire drills.
Primary Priority Focus Area: Communication

ESC 60 days

The Joint Commission Findings

Element(s) of Performance:

2. The hospital conducts fire drills every 12 months from the date of the last drill in all freestanding buildings classified as business occupancies and in which patients are seen or treated.



Note: In leased or rented facilities, drills need be conducted only in areas of the building that the hospital occupies.

Scoring

Category : A
Score : Insufficient Compliance

Observation(s):

EP 2

§482.41(b)(7) - (A-0714) - (7) The hospital must have written fire control plans that contain provisions for prompt reporting of fires; extinguishing fires; protection of patients, personnel and guests; evacuation; and cooperation with fire fighting authorities.

This Standard is NOT MET as evidenced by:

Observed in Tracer Activities at Sound Shore Medical Center of Westchester Cardiac Rehab (2365 Boston Post Road, Larchmont, NY) site for the Hospital deemed service.

Discussion with staff at the outpatient cardiac rehabilitation clinic revealed that they had not had a fire drill in the clinic. They stated there had been safety rounds but not a fire drill.

Chapter: Environment of Care
Program: Hospital Accreditation
Standard: EC.02.03.05

ESC 60 days

Standard Text: The hospital maintains fire safety equipment and fire safety building features. Note: This standard does not require hospitals to have the types of fire safety equipment and building features described below. However, if these types of equipment or features exist within the building, then the following maintenance, testing, and inspection requirements apply.

Primary Priority Focus Area: Communication

Element(s) of Performance:

6. For automatic sprinkler systems: Every week, the hospital tests fire pumps under no-flow conditions. The completion date of the tests is documented.



Note: For additional guidance on performing tests, see NFPA 25, 1998 edition.

Scoring

Category : C
Score : Insufficient Compliance

Observation(s):

**The Joint Commission
Findings**

EP 6

§482.41(b)(1)(i) - (A-0710) - (i) The hospital must meet the applicable provisions of the 2000 edition of the Life Safety Code of the National Fire Protection Association. The Director of the Office of the Federal Register has approved the NFPA 101@2000 edition of the Life Safety Code, issued January 14, 2000, for incorporation by reference in accordance with 5 U.S.C. 552(a) and 1 CFR part 51. A copy of the Code is available for inspection at the CMS Information Resource Center, 7500 Security Boulevard, Baltimore, MD or at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call 202-741-6030, or go to: http://www.archives.gov/federal_register/code_of_federal_regulations/lbr_locations.html.

Copies may be obtained from the National Fire Protection Association, 1 Batterymarch Park, Quincy, MA 02269. If any changes in this edition of the Code are incorporated by reference, CMS will publish notice in the Federal Register to announce the changes.

This Standard is NOT MET as evidenced by:

Observed in Document Review at Sound Shore Medical Center of Westchester (16 Guion Place, New Rochelle, NY) site for the Hospital deemed service.

For the period of March 2012 - June 2012, the organization's weekly fire pump testing documentation didn't include the suction/discharge pressures or the run time.

Observed in Document Review at Sound Shore Medical Center of Westchester (16 Guion Place, New Rochelle, NY) site for the Hospital deemed service.

For the period of July 2012 - September 2012, the organization's weekly fire pump testing documentation didn't include the suction/discharge pressures or the run time.

Observed in Document Review at Sound Shore Medical Center of Westchester (16 Guion Place, New Rochelle, NY) site for the Hospital deemed service.

For the period of October 2012 - February 2013, the organization's weekly fire pump testing documentation didn't include the suction/discharge pressures or the run time.

Chapter: Environment of Care

Program: Hospital Accreditation

Standard: EC.02.04.03

ESD 48 days

Standard Text: The hospital inspects, tests, and maintains medical equipment.

Primary Priority Focus Area: Communication

Element(s) of Performance:

5. The hospital performs equipment maintenance and chemical and biological testing of water used in hemodialysis. These activities are documented.



Scoring

Category : A

Score : Insufficient Compliance

Observation(s):

EP 5

Observed at Sound Shore Medical Center of Westchester (16 Guion Place, New Rochelle, NY) site.

There was an open bottle of residual chlorine strips in the cabinet that did not have an open date or expiration date. The recommendations printed on the container read they were good for 90 days from the open date.

Chapter: Environment of Care

Program: Hospital Accreditation

**The Joint Commission
Findings**

Standard: EC.02.05.01

ESC 45 days

Standard Text: The hospital manages risks associated with its utility systems.

Primary Priority Focus Area: Physical Environment

Element(s) of Performance:

6. In areas designed to control airborne contaminants (such as biological agents, gases, fumes, dust), the ventilation system provides appropriate pressure relationships, air-exchange rates, and filtration efficiencies.



Note: Areas designed for control of airborne contaminants include spaces such as operating rooms, special procedure rooms, delivery rooms for patients diagnosed with or suspected of having airborne communicable diseases (for example, pulmonary or laryngeal tuberculosis), patients in 'protective environment' rooms (for example, those receiving bone marrow transplants), laboratories, pharmacies, and sterile supply rooms. For further information, see Guidelines for Design and Construction of Health Care Facilities, 2010 edition, administered by the Facility Guidelines Institute and published by the American Society for Healthcare Engineering (ASHE).

Scoring

Category : A
Score : Insufficient Compliance

Observation(s):

EP 6

§482.51 - (A-0940) - §482.51 Condition of Participation: Condition of Participation: Surgical Services

This Standard is NOT MET as evidenced by:

Observed in Building Tour at Sound Shore Medical Center of Westchester (16 Gulon Place, New Rochelle, NY) site for the Hospital deemed service.

The Sterile processing decontamination room airflow was positive to the back corridor that separated the sterile and dirty rooms respectively. The airflow test was conducted utilizing a tissue.

Chapter: Environment of Care

Program: Hospital Accreditation

Standard: EC.02.05.07

ESC 45 days

Standard Text: The hospital inspects, tests, and maintains emergency power systems.
Note: This standard does not require hospitals to have the types of emergency power equipment discussed below. However, if these types of equipment exist within the building, then the following maintenance, testing, and inspection requirements apply.

Primary Priority Focus Area: Communication

**The Joint Commission
Findings**

Element(s) of Performance:

4. Twelve times a year, at intervals of not less than 20 days and not more than 40 days, the hospital tests each emergency generator for at least 30 continuous minutes. The completion dates of the tests are documented.



Scoring

Category : A
Score : Insufficient Compliance

6. Twelve times a year, at intervals of not less than 20 days and not more than 40 days, the hospital tests all automatic transfer switches. The completion date of the tests is documented.



Scoring

Category : A
Score : Insufficient Compliance

Observation(s):

EP 4

§482.41(c)(2) - (A-0724) - (2) Facilities, supplies, and equipment must be maintained to ensure an acceptable level of safety and quality.

This Standard is NOT MET as evidenced by:

Observed in Document Review at Sound Shore Medical Center of Westchester (16 Guion Place, New Rochelle, NY) site for the Hospital deemed service.

The organization's monthly generator (150 KW) testing documentation reflected there was less than 20 days between the test dated November 15, 2012 and December 2, 2012 respectively.

Observed in Document Review at Sound Shore Medical Center of Westchester (16 Guion Place, New Rochelle, NY) site for the Hospital deemed service.

The organization's monthly generator (600 KW) testing documentation reflected there were less than 20 days between the test dated October 28, 2012 and November 15, 2012 respectively.

EP 6

§482.41(c)(2) - (A-0724) - (2) Facilities, supplies, and equipment must be maintained to ensure an acceptable level of safety and quality.

This Standard is NOT MET as evidenced by:

Observed in Document Review at Sound Shore Medical Center of Westchester (16 Guion Place, New Rochelle, NY) site for the Hospital deemed service.

The organization's monthly automatic transfer switch (150 KW generator) testing documentation reflected there was less than 20 days between the test dated November 15, 2012 and December 2, 2012 respectively.

Observed in Document Review at Sound Shore Medical Center of Westchester (16 Guion Place, New Rochelle, NY) site for the Hospital deemed service.

The organization's monthly automatic transfer switch (600 KW generator) testing documentation reflected there was less than 20 days between the test dated October 28, 2012 and November 15, 2012 respectively.

Chapter: Infection Prevention and Control
Program: Hospital Accreditation
Standard: IC.02.02.01

ESQ 00 days

The Joint Commission Findings

Standard Text: The hospital reduces the risk of infections associated with medical equipment, devices, and supplies.

Primary Priority Focus Area: Infection Control

Element(s) of Performance:

4. The hospital implements infection prevention and control activities when doing the following: Storing medical equipment, devices, and supplies.



Scoring

Category : C
Score : Insufficient Compliance

Observation(s):

EP 4
§482.51(b) - (A-0951) - §482.51(b) Standard: Delivery of Service

Surgical services must be consistent with needs and resources. Policies governing surgical care must be designed to assure the achievement and maintenance of high standards of medical practice and patient care.

This Standard is NOT MET as evidenced by:

Observed in Tracer Activities at Sound Shore Medical Center of Westchester (16 Guion Place, New Rochelle, NY) site for the Hospital deemed service.

It was observed on unit 3 North that laryngoscope blades in the crash cart were stored uncovered in a plastic tray, intermixed with other packaged and unpackaged items. There was no way to ascertain if these blades had been disinfected, nor were they stored in a way to maintain cleanliness.

Observed in Tracer Activities at Sound Shore Medical Center of Westchester (16 Guion Place, New Rochelle, NY) site for the Hospital deemed service.

It was observed in the Operating Suite that laryngoscope blades were stored uncovered in a crash cart drawer, intermixed with other medical items. There was no way to ascertain if these blades had been disinfected, nor were they packaged in a manner to maintain cleanliness.

Observed in Tracer Activities at Sound Shore Medical Center of Westchester (16 Guion Place, New Rochelle, NY) site for the Hospital deemed service.

The intubation blades stored in the crash cart in ICU and the crash cart on the telemetry unit were not stored in a manner to prevent contamination. The unwrapped blades were stored in an open bin under other supplies in the bottom drawer of the cart.

Chapter: Leadership
Program: Hospital Accreditation
Standard: LD.04.03.09

ESC 60 days

Standard Text: Care, treatment, and services provided through contractual agreement are provided safely and effectively.

Primary Priority Focus Area: Organizational Structure

**The Joint Commission
Findings**

Element(s) of Performance:

6. Leaders monitor contracted services by evaluating these services in relation to the hospital's expectations.



Scoring

Category : A
Score : Insufficient Compliance

7. Leaders take steps to improve contracted services that do not meet expectations.



Note: Examples of improvement efforts to consider include the following:

- Increase monitoring of the contracted services.
- Provide consultation or training to the contractor.
- Renegotiate the contract terms.
- Apply defined penalties.
- Terminate the contract.

Scoring

Category : A
Score : Insufficient Compliance

Observation(s):

**The Joint Commission
Findings**

EP 6

§482.12(e)(1) - (A-0084) - (1) The governing body must ensure that the services performed under a contract are provided in a safe and effective manner.

This Standard is NOT MET as evidenced by:

Observed In Tracer Visit at Sound Shore Medical Center of Westchester (16 Gulon Place, New Rochelle, NY) site for the Hospital deemed service.

Discussion with leadership verified that the organization was not monitoring the contracted dialysis service when the following observations were shared with them.

During the tracer visit to inpatient dialysis on the fourth floor, it was noted there was dust on top of the sharps container, at the bottom of the medication cart and on the counter behind the area of water sampling. There was a stained ceiling tile near the window and a broken ceiling tile above machine F57. On the counter, there was a holder of four plastic bottles containing liquid. One bottle was labeled with the initials RO and a date of 3/5/13. In the tubing of this bottle there were areas of black spots. The third bottle was labeled as conductivity solution. This bottle's tubing was entirely black on the inside. The Fresenius staff member was not able to explain what these bottles were used for, what the date represented or why the tubes on these two bottles were discolored. There was a phoenix meter, containing a filled syringe, attached to one of the bottles. The calibration sticker on the meter documented it was calibrated on 4/20/11 and the next calibration due date was 4/20/12. There was an open bottle of residual chlorine strips in the cabinet that did not have an open date or expiration date. The recommendations printed on the container read they were good for 90 days from the open date. The log book for patients having been dialyzed contained only the date and name of patient. When the medication cart was opened, there were two open multi-dose vials of Heparin which had a marking that was not legible by the staff. Also, in the medication cart, there were multiple, pre-signed photocopied, blank Physician Order Templates. These order set forms had blank areas to be filled in for dialyzer, treatment hours, fluid removal goal, dialysis flow rate, bicarbonate bath, heparin, etc. These order sets were already signed by the Nephrologist. When I reviewed an Inpatient record, the order set blanks were filled in and was signed with the nurse's initials and a date of 1/23/2013. There was also a date of 1/23/2013 beside the photocopy physician signature. Upon discussing the process for obtaining the dialysis order, the dialysis nurse stated she calls the nephrologist and obtains the order, fills in the blanks and places the date beside the photocopied signature. There was no documentation to indicate this order was a telephone order. There was no time on the dialysis order for 1/23/13, 2/6/13 and 2/7/13.

EP 7

§482.23(b)(6) - (A-0398) - (6) Non-employee licensed nurses who are working in the hospital must adhere to the policies and procedures of the hospital. The director of nursing service must provide for the adequate supervision and evaluation of the clinical activities of non-employee nursing personnel which occur within the responsibility of the nursing services.

This Standard is NOT MET as evidenced by:

Observed in Individual Tracer at Sound Shore Medical Center of Westchester (16 Gulon Place, New Rochelle, NY) site for the Hospital deemed service.

In meeting with management, it was admitted that there have been no attempts to mitigate or improve the deficiencies enumerated in the findings of EP 6, including performance issues of the non-employed nursing dialysis staff, as they were unaware those deficiencies were present.

Chapter:	Life Safety
Program:	Hospital Accreditation
Standard:	LS.02.01.10 NSC 90 days
Standard Text:	Building and fire protection features are designed and maintained to minimize the effects of fire, smoke, and heat.
Primary Priority Focus Area:	Physical Environment

**The Joint Commission
Findings**

Element(s) of Performance:

4. Openings in 2-hour fire-rated walls are fire rated for 1 1/2 hours.
(See also LS.02.01.20, EP 3; LS.02.01.30, EP 1) (For full text and any
exceptions, refer to NFPA 101-2000: 8.2.3.2.3.1)



Scoring

Category : A
Score : Insufficient Compliance

Observation(s):

EP 4

§482.41(b)(1)(i) - (A-0710) - (i) The hospital must meet the applicable provisions of the 2000 edition of the Life Safety Code of the National Fire Protection Association. The Director of the Office of the Federal Register has approved the NFPA 101@2000 edition of the Life Safety Code, issued January 14, 2000, for incorporation by reference in accordance with 5 U.S.C. 552(a) and 1 CFR part 51. A copy of the Code is available for inspection at the CMS Information Resource Center, 7500 Security Boulevard, Baltimore, MD or at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call 202-741-6030, or go to: http://www.archives.gov/federal_register/code_of_federal_regulations/lbr_locations.html.

Copies may be obtained from the National Fire Protection Association, 1 Batterymarch Park, Quincy, MA 02269. If any changes in this edition of the Code are incorporated by reference, CMS will publish notice in the Federal Register to announce the changes.

This Standard is NOT MET as evidenced by:

Observed In Building Tour at Sound Shore Medical Center of Westchester (16 Gulon Place, New Rochelle, NY) site for the Hospital deemed service.

The mechanical room fire door located at top of stairwell G had penetrations around the door handle.

Observed In Building Tour at Sound Shore Medical Center of Westchester (16 Gulon Place, New Rochelle, NY) site for the Hospital deemed service.

The telecom room fire door located at top of stairwell G had penetrations around the door handle.

Observed In Building Tour at Sound Shore Medical Center of Westchester (16 Gulon Place, New Rochelle, NY) site for the Hospital deemed service.

The fire door leading into stairwell G 8th floor rating label was covering with paint.

Observed In Building Tour at Sound Shore Medical Center of Westchester (16 Gulon Place, New Rochelle, NY) site for the Hospital deemed service.

The door leading into stairwell A 7th floor was missing a rating label.

Chapter: Life Safety
Program: Hospital Accreditation
Standard: LS.02.01.20
Standard Text: The hospital maintains the integrity of the means of egress.
Primary Priority Focus Area: Physical Environment

ESC 60 days

**The Joint Commission
Findings**

Element(s) of Performance:

13. Exits, exit accesses, and exit discharges are clear of obstructions or impediments to the public way, such as clutter (for example, equipment, carts, furniture), construction material, and snow and ice. (For full text and any exceptions, refer to NFPA 101-2000: 7.1.10.1)



Scoring

Category : C
Score : Partial Compliance

29. Stairs serving five or more stories have signs on each floor landing in the stairwell that identify the story, the stairwell, the top and bottom, and the direction to and story of exit discharge. The signs are placed 5 feet above the floor landing in a position that is easily visible when the door is open or closed. (For full text and any exceptions, refer to NFPA 101-2000: 7.2.2.5.4)



Scoring

Category : C
Score : Insufficient Compliance

Observation(s):

**The Joint Commission
Findings**

EP 13

§482.41(b)(1)(i) - (A-0710) - (i) The hospital must meet the applicable provisions of the 2000 edition of the Life Safety Code of the National Fire Protection Association. The Director of the Office of the Federal Register has approved the NFPA 101@2000 edition of the Life Safety Code, issued January 14, 2000, for incorporation by reference in accordance with 5 U.S.C. 552(a) and 1 CFR part 51. A copy of the Code is available for inspection at the CMS Information Resource Center, 7500 Security Boulevard, Baltimore, MD or at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call 202-741-6030, or go to: http://www.archives.gov/federal_register/code_of_federal_regulations/ibr_locations.html.

Copies may be obtained from the National Fire Protection Association, 1 Batterymarch Park, Quincy, MA 02269. If any changes in this edition of the Code are incorporated by reference, CMS will publish notice in the Federal Register to announce the changes.

This Standard is NOT MET as evidenced by:

Observed In Building Tour at Sound Shore Medical Center of Westchester (16 Gulon Place, New Rochelle, NY) site for the Hospital deemed service.

There was a clean linen cart stored in the Endoscopy corridor adjacent to the 8th floor PACU (corrected on survey).

Observed In Building Tour at Sound Shore Medical Center of Westchester (16 Gulon Place, New Rochelle, NY) site for the Hospital deemed service.

There was a row of chairs stored in the corridor across from the Infusion room.

EP 29

§482.41(b)(1)(i) - (A-0710) - (i) The hospital must meet the applicable provisions of the 2000 edition of the Life Safety Code of the National Fire Protection Association. The Director of the Office of the Federal Register has approved the NFPA 101@2000 edition of the Life Safety Code, issued January 14, 2000, for incorporation by reference in accordance with 5 U.S.C. 552(a) and 1 CFR part 51. A copy of the Code is available for inspection at the CMS Information Resource Center, 7500 Security Boulevard, Baltimore, MD or at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call 202-741-6030, or go to: http://www.archives.gov/federal_register/code_of_federal_regulations/ibr_locations.html.

Copies may be obtained from the National Fire Protection Association, 1 Batterymarch Park, Quincy, MA 02269. If any changes in this edition of the Code are incorporated by reference, CMS will publish notice in the Federal Register to announce the changes.

This Standard is NOT MET as evidenced by:

Observed In Building Tour at Sound Shore Medical Center of Westchester (16 Gulon Place, New Rochelle, NY) site for the Hospital deemed service.

The 9th floor stairwell landing was missing egress signage.

Observed In Building Tour at Sound Shore Medical Center of Westchester (16 Gulon Place, New Rochelle, NY) site for the Hospital deemed service.

The 8th floor stairwell landing signage located in stairwell D was posted on the back of the fire door.

Observed In Building Tour at Sound Shore Medical Center of Westchester (16 Gulon Place, New Rochelle, NY) site for the Hospital deemed service.

The 7th floor stairwell landing signage located in stairwell D was posted on the back of the fire door.

Chapter:	Life Safety
Program:	Hospital Accreditation
Standard:	LS.02.01.30
Standard Text:	The hospital provides and maintains building features to protect individuals from the hazards of fire and smoke.
Primary Priority Focus Area:	Physical Environment

ESC 60 days

The Joint Commission

Element(s) of Performance:

2. All hazardous areas are protected by walls and doors in accordance with NFPA 101-2000: 18/19.3.2.1. (See also LS.02.01.10, EP 5; LS.02.01.20, EP 18) Hazardous areas include, but are not limited, to the following:



Boiler/fuel-fired heater rooms

- Existing boiler/fuel-fired heater rooms have sprinkler systems, resist the passage of smoke, and have doors with self-closing or automatic-closing devices; or the rooms have 1-hour fire-rated walls and 3/4-hour fire-rated doors.

- New boiler/fuel-fired heater rooms have sprinkler systems and have 1-hour fire-rated walls and 3/4-hour fire-rated doors.

Central/bulk laundries larger than 100 square feet

- Existing central/bulk laundries larger than 100 square feet have sprinkler systems, resist the passage of smoke, and have doors with self-closing or automatic-closing devices; or the laundries have 1-hour fire-rated walls and 3/4-hour fire-rated doors.

- New central/bulk laundries larger than 100 square feet have sprinkler systems and have 1-hour fire-rated walls and 3/4-hour fire-rated doors.

Flammable liquid storage rooms (See NFPA 30-1996:4-4.2.1 and 4-4.4.2)

- Existing flammable liquid storage rooms have 2-hour fire-rated walls with 1 1/2-hour fire-rated doors.

- New flammable liquid storage rooms have sprinkler systems and have 2-hour fire-rated walls with 1 1/2-hour fire-rated doors.

Laboratories (See NFPA 45-1996 to determine if a laboratory is a 'severe hazard' area)

- Existing laboratories that are not severe hazard areas have sprinkler systems, resist the passage of smoke, and have doors with self-closing or automatic-closing devices; or the laboratories have walls fire rated for 1 hour with 3/4-hour fire-rated doors.

- New laboratories that are not severe hazard areas have sprinkler systems, resist the passage of smoke, and have doors with self-closing or automatic-closing devices.

- Existing laboratories that are severe hazard areas (See NFPA 99-1999: 10-3.1.1) have 2-hour fire-rated walls with 1 1/2-hour fire-rated doors. When there is a sprinkler system, the walls are fire rated for 1 hour with 3/4-hour fire-rated doors.

- New laboratories that are severe hazard areas (See NFPA 99-1999: 10-3.1.1) have sprinkler systems and have 1-hour fire-rated walls with 3/4-hour fire-rated doors.

- Existing flammable gas storage rooms in laboratories have 2-hour fire-rated walls with 1 1/2-hour fire-rated doors. (See NFPA 99-1999: 10-10.2.2)

- New flammable gas storage rooms in laboratories have sprinkler systems and have 2-hour fire-rated walls with 1 1/2-hour fire-rated doors. (See NFPA 99-1999: 10-10.2.2)

Maintenance repair shops

- Existing maintenance repair shops have sprinkler systems, resist the passage of smoke, and have doors with self-closing or automatic-closing devices; or the shops have 1-hour fire-rated walls with at least 3/4-hour fire-rated doors.

- New maintenance repair shops have sprinkler systems and have 1-hour fire-rated walls with 3/4-hour fire-rated doors.

Piped oxygen tank supply rooms (See NFPA 99-1999: 4-3.1.1.2)

- Existing piped oxygen tank supply rooms have 1-hour fire-rated walls with 3/4-hour fire-rated doors.

The Joint Commission Findings

- New piped oxygen tank supply rooms have sprinkler systems and have 1-hour fire-rated walls with 3/4-hour fire-rated doors.
- Paint shops that are not severe hazard areas
 - Existing paint shops that are not severe hazard areas have sprinkler systems, resist the passage of smoke, and have doors with self-closing or automatic-closing devices; or the shops have 1-hour fire-rated walls with 3/4-hour fire-rated doors.
 - New paint shops that are not severe hazard areas have sprinkler systems and have 1-hour fire-rated walls with 3/4-hour fire-rated doors.
- Soiled linen rooms
 - Existing soiled linen rooms have sprinkler systems, resist the passage of smoke, and have doors with self-closing or automatic-closing devices; or the rooms have 1-hour fire-rated walls with 3/4-hour fire-rated doors.
 - New soiled linen rooms have sprinkler systems and have 1-hour fire-rated walls with 3/4-hour fire-rated doors.
- Storage rooms
 - Existing storage rooms for combustible materials larger than 50 square feet have sprinkler systems, resist the passage of smoke, and have doors with self-closing or automatic-closing devices; or the rooms have 1-hour fire-rated walls with 3/4-hour fire-rated doors.
 - New storage rooms for combustible materials 50 to 100 square feet are sprinklered, resist the passage of smoke, and have doors with self-closing or automatic-closing devices.
 - New storage rooms for combustible materials larger than 100 square feet are sprinklered and have 1-hour fire-rated walls with 3/4-hour fire-rated doors.
- Trash collection rooms
 - Existing trash collection rooms have sprinkler systems, resist the passage of smoke, and have doors with self-closing or automatic-closing devices; or the rooms have 1-hour fire-rated walls with 3/4-hour fire-rated doors.
 - New trash collection rooms are sprinklered and have 1-hour fire-rated walls with 3/4-hour fire-rated doors.

Scoring

Category : C
Score : Partial Compliance

23. Doors in smoke barriers are self-closing or automatic-closing, constructed of 1 3/4-inch or thicker solid bonded wood core or equivalent, and fitted to resist the passage of smoke. The gap between meeting edges of door pairs is no wider than 1/8 inch, and undercuts are no larger than 3/4 inch. Doors do not have nonrated protective plates more than 48 inches above the bottom of the door. (For full text and any exceptions, refer to NFPA 101-2000: 18/19.3.7.5, 18/19.3.7.6, and 8.3.4.1)



Scoring

Category : C
Score : Partial Compliance

Observation(s):

**The Joint Commission
Findings**

EP 2

§482.41(b)(1)(i) - (A-0710) - (I) The hospital must meet the applicable provisions of the 2000 edition of the Life Safety Code of the National Fire Protection Association. The Director of the Office of the Federal Register has approved the NFPA 101@2000 edition of the Life Safety Code, issued January 14, 2000, for incorporation by reference in accordance with 5 U.S.C. 552(a) and 1 CFR part 51. A copy of the Code is available for inspection at the CMS Information Resource Center, 7500 Security Boulevard, Baltimore, MD or at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call 202-741-6030, or go to: http://www.archives.gov/federal_register/code_of_federal_regulations/lbr_locations.html.

Copies may be obtained from the National Fire Protection Association, 1 Batterymarch Park, Quincy, MA 02269. If any changes in this edition of the Code are incorporated by reference, CMS will publish notice in the Federal Register to announce the changes.

This Standard is NOT MET as evidenced by:

Observed in Building Tour at Sound Shore Medical Center of Westchester (16 Gulon Place, New Rochelle, NY) site for the Hospital deemed service.

The Endoscopy dirty utility room door didn't latch during the functional test.

Observed in Building Tour at Sound Shore Medical Center of Westchester (16 Gulon Place, New Rochelle, NY) site for the Hospital deemed service.

The 8th floor linen/trash chute room door had a hole located at the top of the cypher lock.

EP 23

§482.41(b)(1)(i) - (A-0710) - (I) The hospital must meet the applicable provisions of the 2000 edition of the Life Safety Code of the National Fire Protection Association. The Director of the Office of the Federal Register has approved the NFPA 101@2000 edition of the Life Safety Code, issued January 14, 2000, for incorporation by reference in accordance with 5 U.S.C. 552(a) and 1 CFR part 51. A copy of the Code is available for inspection at the CMS Information Resource Center, 7500 Security Boulevard, Baltimore, MD or at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call 202-741-6030, or go to: http://www.archives.gov/federal_register/code_of_federal_regulations/lbr_locations.html.

Copies may be obtained from the National Fire Protection Association, 1 Batterymarch Park, Quincy, MA 02269. If any changes in this edition of the Code are incorporated by reference, CMS will publish notice in the Federal Register to announce the changes.

This Standard is NOT MET as evidenced by:

Observed in Building Tour at Sound Shore Medical Center of Westchester (16 Gulon Place, New Rochelle, NY) site for the Hospital deemed service.

The smoke barrier door located at the entrance to 5 Joyce didn't latch during the functional test.

Observed in Building Tour at Sound Shore Medical Center of Westchester (16 Gulon Place, New Rochelle, NY) site for the Hospital deemed service.

The smoke barrier door located at the entrance to the 4 floor med-surge unit didn't latch during the functional test.

Chapter: Life Safety
Program: Hospital Accreditation
Standard: LS.02.01.34
Standard Text: The hospital provides and maintains fire alarm systems.
Primary Priority Focus Area: Physical Environment

ESC 46 days

**The Joint Commission
Findings**

Element(s) of Performance:

2. The master fire alarm control panel is located in a protected environment (an area enclosed with 1-hour fire-rated walls and 3/4-hour fire-rated doors) that is continuously occupied or in an area with a smoke detector. (See also LS.02.01.10, EP 5) (For full text and any exceptions, refer to NFPA 101-2000: 9.6.4 and NFPA 72-1999: 1-5.6 and 3-8.41)



Scoring

Category : A
Score : Insufficient Compliance

4. The hospital meets all other Life Safety Code fire alarm requirements related to NFPA 101-2000: 18/19.3.4.



Scoring

Category : C
Score : Partial Compliance

Observation(s):

**The Joint Commission
Findings**

EP 2

§482.41(b)(1)(i) - (A-0710) - (i) The hospital must meet the applicable provisions of the 2000 edition of the Life Safety Code of the National Fire Protection Association. The Director of the Office of the Federal Register has approved the NFPA 101@2000 edition of the Life Safety Code, issued January 14, 2000, for incorporation by reference in accordance with 5 U.S.C. 552(a) and 1 CFR part 51. A copy of the Code is available for inspection at the CMS Information Resource Center, 7500 Security Boulevard, Baltimore, MD or at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call 202-741-6030, or go to: http://www.archives.gov/federal_register/code_of_federal_regulations/ibr_locations.html.

Copies may be obtained from the National Fire Protection Association, 1 Batterymarch Park, Quincy, MA 02269. If any changes in this edition of the Code are incorporated by reference, CMS will publish notice in the Federal Register to announce the changes.

This Standard is NOT MET as evidenced by:

Observed in Building Tour at Sound Shore Medical Center of Westchester (16 Gulon Place, New Rochelle, NY) site for the Hospital deemed service.

The main fire alarm panel was located in room that was not continuously occupied or equipped with a smoke detector.

EP 4

§482.41(b)(1)(i) - (A-0710) - (i) The hospital must meet the applicable provisions of the 2000 edition of the Life Safety Code of the National Fire Protection Association. The Director of the Office of the Federal Register has approved the NFPA 101@2000 edition of the Life Safety Code, issued January 14, 2000, for incorporation by reference in accordance with 5 U.S.C. 552(a) and 1 CFR part 51. A copy of the Code is available for inspection at the CMS Information Resource Center, 7500 Security Boulevard, Baltimore, MD or at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call 202-741-6030, or go to: http://www.archives.gov/federal_register/code_of_federal_regulations/ibr_locations.html.

Copies may be obtained from the National Fire Protection Association, 1 Batterymarch Park, Quincy, MA 02269. If any changes in this edition of the Code are incorporated by reference, CMS will publish notice in the Federal Register to announce the changes.

This Standard is NOT MET as evidenced by:

Observed in Building Tour at Sound Shore Medical Center of Westchester (16 Gulon Place, New Rochelle, NY) site for the Hospital deemed service.

The 4th floor Doctor's on-call room #1 wasn't equipped with a smoke detector.

Observed in Building Tour at Sound Shore Medical Center of Westchester (16 Gulon Place, New Rochelle, NY) site for the Hospital deemed service.

The 4th floor Doctor's on-call room #2 wasn't equipped with a smoke detector.

Chapter: Life Safety
Program: Hospital Accreditation
Standard: LS.02.01.35 ESC 00 days
Standard Text: The hospital provides and maintains systems for extinguishing fires.
Primary Priority Focus Area: Physical Environment
Element(s) of Performance:

14. The hospital meets all other Life Safety Code automatic extinguishing requirements related to NFPA 101-2000: 18/19.3.5.



Scoring

Category : C
Score : Insufficient Compliance

**The Joint Commission
Findings**

Observation(s):

EP 14

§482.41(b)(1)(i) - (A-0710) - (I) The hospital must meet the applicable provisions of the 2000 edition of the Life Safety Code of the National Fire Protection Association. The Director of the Office of the Federal Register has approved the NFPA 101@2000 edition of the Life Safety Code, issued January 14, 2000, for incorporation by reference in accordance with 5 U.S.C. 552(a) and 1 CFR part 51. A copy of the Code is available for inspection at the CMS Information Resource Center, 7500 Security Boulevard, Baltimore, MD or at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call 202-741-6030, or go to: http://www.archives.gov/federal_register/code_of_federal_regulations/lbr_locations.html.

Copies may be obtained from the National Fire Protection Association, 1 Batterymarch Park, Quincy, MA 02269. If any changes in this edition of the Code are incorporated by reference, CMS will publish notice in the Federal Register to announce the changes.

This Standard is NOT MET as evidenced by:

Observed in Building Tour at Sound Shore Medical Center of Westchester (16 Guion Place, New Rochelle, NY) site for the Hospital deemed service.

The sprinkler head located just before the entrance to the 8th floor stair tower B was missing an escutcheon plate.

Observed in Building Tour at Sound Shore Medical Center of Westchester (16 Guion Place, New Rochelle, NY) site for the Hospital deemed service.

The sprinkler head located within the 4th floor med-surge clean utility room was missing an escutcheon plate.

Observed in Building Tour at Sound Shore Medical Center of Westchester (16 Guion Place, New Rochelle, NY) site for the Hospital deemed service.

The sprinkler head located outside of the 8th floor conference room was missing an escutcheon plate.

Chapter: Medical Staff
Program: Hospital Accreditation
Standard: MS.06.01.03

NSC 60 days

Standard Text: The hospital collects information regarding each practitioner's current license status, training, experience, competence, and ability to perform the requested privilege.

Primary Priority Focus Area: Credentialed Practitioners

Element(s) of Performance:

6. The credentialing process requires that the hospital verifies in writing and from the primary source whenever feasible; or from a credentials verification organization (CVO), the following information:

- The applicant's current licensure at the time of initial granting, renewal, and revision of privileges, and at the time of license expiration
- The applicant's relevant training
- The applicant's current competence

(See also PC.03.01.01, EP 1)



Scoring

Category : A
Score : Insufficient Compliance

Observation(s):

**The Joint Commission
Findings**

EP 6

Observed In Credentialing and Privileging at Sound Shore Medical Center of Westchester (16 Guion Place, New Rochelle, NY) site.

It was observed that the credentialing and privileging sections of the medical staff bylaws did not include language requiring that primary source verification be used, whenever feasible, when confirming licensure, training or competence. The hospital was using primary source verification, but the bylaws did not require it.

Chapter: Medical Staff
Program: Hospital Accreditation
Standard: MS.06.01.05

REC 60 days

Standard Text: The decision to grant or deny a privilege(s), and/or to renew an existing privilege(s), is an objective, evidence-based process.

Primary Priority Focus Area: Credentialed Practitioners

Element(s) of Performance:

12. Information regarding each practitioner's scope of privileges is updated as changes in clinical privileges for each practitioner are made.



Scoring

Category : A
Score : Insufficient Compliance

Observation(s):

EP 12

Observed In Credentialing and Privileging at Sound Shore Medical Center of Westchester (16 Guion Place, New Rochelle, NY) site.

It was observed that the medical staff did not review or update a provider's privilege list at the time of re-credentialing. Physicians who were on staff for many years maintained the same privileging form that was used during initial appointment. There was no process to identify which of those privileges the physician was still exercising, nor the quality of his/her performance regarding the individual privileges listed.

Chapter: Medical Staff
Program: Hospital Accreditation
Standard: MS.08.01.01

REC 60 days

Standard Text: The organized medical staff defines the circumstances requiring monitoring and evaluation of a practitioner's professional performance.

Primary Priority Focus Area: Credentialed Practitioners

**The Joint Commission
Findings**

Element(s) of Performance:

3. The performance monitoring process is clearly defined and includes each of the following elements:

- Criteria for conducting performance monitoring
- Method for establishing a monitoring plan specific to the requested privilege
- Method for determining the duration of performance monitoring
- Circumstances under which monitoring by an external source is required



Scoring

Category : A

Score : Insufficient Compliance

Observation(s):

EP 3

Observed In Document Review at Sound Shore Medical Center of Westchester (16 Gulon Place, New Rochelle, NY) site.

It was observed that the medical staff did not have a clearly defined written procedure for performance monitoring of credentialed practitioners. On initial appointment, practitioners were placed on provisional status until such time as the department chairman released them from provisional based on the practitioner's general performance. Thereafter, focused performance evaluation was conducted at the discretion of the department chairman based on undefined criteria. Neither the method and duration of monitoring, nor the circumstances requiring outside monitoring were defined in writing in the bylaws or any other medical staff policy.

Chapter: Medication Management

Program: Hospital Accreditation

Standard: MM.03.01.01

580 46 days

Standard Text: The hospital safely stores medications.

Primary Priority Focus Area: Information Management

Element(s) of Performance:

7. All stored medications and the components used in their preparation are labeled with the contents, expiration date, and any applicable warnings.



Scoring

Category : C

Score : Insufficient Compliance

Observation(s):

The Joint Commission Findings

EP 7

Observed in Tracer Activities at Sound Shore Medical Center of Westchester (16 Guion Place, New Rochelle, NY) site.

It was observed in the operating room that solution used for wound irrigation was being stored in a warmer without the bottles being labeled with an expiration date. The manufacturer's instructions stated that the solution was only good for 60 days after being warmed above room temperature. The nurse manager stated that the solution is not labeled because it is used so frequently that it never stays in the warmer longer than 60 days.

Observed in Tracer Activities at Sound Shore Medical Center of Westchester (16 Guion Place, New Rochelle, NY) site.

In a second finding, it was observed that solution used for instrument irrigation was being stored in a warmer without the bottles being labeled with an expiration date. The manufacturer's instructions stated that the solution was only good for 60 days after being warmed above room temperature.

Observed in Individual Tracer at Sound Shore Medical Center of Westchester (16 Guion Place, New Rochelle, NY) site.

During the tracer activity on the labor and delivery unit, it was noted there was an open vial of penicillin in the medication refrigerator. The vial was labeled with a date of 3/1/13. There was no way to know if this was the open date or expiration date. The hospital's policy stated, "multiple dose vials can be reused until the labeled date of expiration as long as they are stored according to the manufacturer's recommendations and aseptic technique is used while withdrawing contents". The manufacturer's recommendations for this vial of penicillin stated, "all solutions should be stored in a refrigerator and when refrigerated, penicillin solutions may be stored for seven days without significant loss of potency".

Observed in Tracer Activities at Sound Shore Medical Center of Westchester (16 Guion Place, New Rochelle, NY) site.

Two opened insulin vials in the medication refrigerator on the telemetry unit were not labeled with the date of expiration which would be 28 days after the vial was opened.

Observed in Tracer Activities at Sound Shore Medical Center of Westchester (16 Guion Place, New Rochelle, NY) site.

When the medication cart was opened, there were two open multi-dose vials of Heparin which had a marking that was not legible by the staff.

Chapter: Medication Management
Program: Hospital Accreditation
Standard: MM.04.01.01
Standard Text: Medication orders are clear and accurate.
Primary Priority Focus Area: Medication Management

ESC 60 days

Element(s) of Performance:

10. The hospital defines, in writing, the circumstances for which weight-based dosing is required for pediatric populations. (See also MM.01.01.01, EP 1)



Scoring

Category : A
Score : Insufficient Compliance

Observation(s):

The Joint Commission Findings

EP 10

Observed in Individual Tracer at Sound Shore Medical Center of Westchester (16 Guion Place, New Rochelle, NY) site.

During the individual tracer of a pediatric patient on 4 Joyce, it was noted the ED physician ordered an adult dose of acetaminophen (120mg) for a 4 month old pediatric patient. When requested to see the hospital's policy for weight-based dosing for pediatric patients, it was noted they did not have one.

Chapter: Medication Management

Program: Hospital Accreditation

Standard: MM.05.01.07

ESC 45 days

Standard Text: The hospital safely prepares medications.

Primary Priority Focus Area: Medication Management

Element(s) of Performance:

1. A pharmacist, or pharmacy staff under the supervision of a pharmacist, compounds or admixes all compounded sterile preparations except in urgent situations in which a delay could harm the patient or when the product's stability is short.



Scoring

Category : A

Score : Insufficient Compliance

Observation(s):

EP 1

§482.25(b)(1) - (A-0501) - (1) All compounding, packaging, and dispensing of drugs and biologicals must be under the supervision of a pharmacist and performed consistent with State and Federal laws.

This Standard is NOT MET as evidenced by:

Observed in Medical Management Session at Sound Shore Medical Center of Westchester (16 Guion Place, New Rochelle, NY) site for the Hospital deemed service.

It was identified that a number of sterile intravenous medications were being routinely admixed by the nursing staff on the nursing units prior to administration, including medication identified as high-alert by the organization, such as intravenous insulin for infusion. These medications were not needed urgently, nor did they have a short expiry. The organization explained that they made the decision to do this some time ago due to challenges they faced preparing all sterile medications in the pharmacy.

Observed in Tracer Visit at Sound Shore Medical Center of Westchester (16 Guion Place, New Rochelle, NY) site for the Hospital deemed service.

During the tracer visit on 4 Joyce, it was noted in the medication room there were four vials of vancomycin in a plastic bag in the medication area. The nursing staff verbalized they mix any odd dose medications in the medication room. There was no counter space in this particular medication room. The mixing of the medication was being done by the nursing staff on top of the medication cart.

Chapter: Provision of Care, Treatment, and Services

Program: Hospital Accreditation

Standard: PC.01.02.07

ESC 45 days

Standard Text: The hospital assesses and manages the patient's pain.

Primary Priority Focus Area: Assessment and Care/Services

The Joint Commission Findings

Element(s) of Performance:

3. The hospital reassesses and responds to the patient's pain, based on its reassessment criteria.



Scoring

Category : C
Score : Partial Compliance

Observation(s):

EP 3

Observed in Individual Tracer at Sound Shore Medical Center of Westchester (16 Guion Place, New Rochelle, NY) site.

During the Individual tracer on 4 Joyce, it was noted the patient received pain medication (hydromorphone) at 1200 on 3/3/13 and there was no reassessment of pain. The hospital policy was for pain to be reassessed within one hour of receiving pain medication.

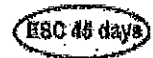
Observed in Individual Tracer at Sound Shore Medical Center of Westchester (16 Guion Place, New Rochelle, NY) site.

During the individual tracer on 4 Joyce, it was noted the patient was given pain medication at 0400 and was not reassessed until 0707. The hospital policy was for patients to be reassessed within one hour of receiving pain medication.

Chapter: Provision of Care, Treatment, and Services

Program: Hospital Accreditation

Standard: PC.02.01.03



Standard Text: The hospital provides care, treatment, and services as ordered or prescribed, and in accordance with law and regulation.

Primary Priority Focus Area: Communication

Element(s) of Performance:

1. For hospitals that use Joint Commission accreditation for deemed status purposes: Prior to providing care, treatment, and services, the hospital obtains or renews orders (verbal or written) from a licensed independent practitioner or other practitioner in accordance with professional standards of practice; law and regulation; hospital policies; and medical staff bylaws, rules, and regulations. *

Footnote *: For law and regulation guidance pertaining to those responsible for the care of the patient, refer to 42 CFR 482.12(c).



Scoring

Category : A
Score : Insufficient Compliance

Observation(s):

The Joint Commission Findings

EP 1

§482.23(c) - (A-0404) - §482.23(c) Standard: Preparation and Administration of Drugs

(c) Standard: Preparation and administration of drugs. (1) Drugs and biologicals must be prepared and administered in accordance with Federal and State laws, the orders of the practitioner or practitioners responsible for the patient's care as specified under §482.12(c), and accepted standards of practice.

This Standard is NOT MET as evidenced by:

Observed in Building Tour at Sound Shore Medical Center of Westchester (16 Gulon Place, New Rochelle, NY) site for the Hospital deemed service.

There were multiple, pre-signed photocopied, blank Physician Order Templates. These order set forms had blank areas to be filled in for dialyzer, treatment hours, fluid removal goal, dialysis flow rate, bicarbonate bath, heparin, etc. These order sets were already signed by the Nephrologist. When I reviewed an Inpatient record, the order set blanks were filled in and was signed with the nurse's initials and a date of 1/23/ 2013. There was also a date of 1/23/2013 beside the photocopy physician signature. Upon discussing the process for obtaining the dialysis order, the dialysis nurse stated she calls the nephrologist and obtains the order, fills in the blanks and places the date beside the photocopied signature. There was no documentation to indicate this order was a telephone order.

Chapter: Record of Care, Treatment, and Services

Program: Hospital Accreditation

Standard: RC.01.01.01

ESC 60 days

Standard Text: The hospital maintains complete and accurate medical records for each individual patient.

Primary Priority Focus Area: Information Management

Element(s) of Performance:

19. For hospitals that use Joint Commission accreditation for deemed status purposes: All entries in the medical record, including all orders, are timed.



Scoring

Category : C

Score : Insufficient Compliance

Observation(s):

The Joint Commission

Findings

EP 19

§482.24(c)(1) - (A-0450) - (1) All patient medical record entries must be legible, complete, dated, timed, and authenticated in written or electronic form by the person responsible for providing or evaluating the service provided, consistent with hospital policies and procedures.

This Standard is NOT MET as evidenced by:

Observed in Individual Tracer at Sound Shore Medical Center of Westchester (16 Gulon Place, New Rochelle, NY) site for the Hospital deemed service.

It was observed in the record of a patient who underwent an upper endoscopy that the consent form was dated, but the area designated for entry of the time was left blank.

§482.24(c)(2) - (A-0450) - (2) All orders, including verbal orders, must be dated, timed, and authenticated promptly by the ordering practitioner or by another practitioner who is responsible for the care of the patient only if such a practitioner is acting in accordance with State law, including scope-of-practice laws, hospital policies, and medical staff bylaws, rules, and regulations.

This Standard is NOT MET as evidenced by:

Observed in Individual Tracer at Sound Shore Medical Center of Westchester (16 Gulon Place, New Rochelle, NY) site for the Hospital deemed service.

It was observed in the record of a patient who underwent a colonoscopy that the consent form was dated, but the section designated for entry of the time was left blank.

Observed in Individual Tracer at Sound Shore Medical Center of Westchester (16 Gulon Place, New Rochelle, NY) site.

There was no time on the dialysis order for 1/23/13, 2/6/13 and 2/7/13

SSMC

Program: HAP Standard: EC.02.04.03 EP: 5

45 dy.

Corrective Action Taken:

(This display is not editable)

WHO: Title of who is responsible for the corrective action and ongoing compliance. Title of who approved the action, policy, or procedure. Title of who was trained.
The Senior VP for Patient Care Services is ultimately responsible for the corrective action and the overall and ongoing compliance.

WHAT: A description of the action taken, of the policy or process and how the element of performance was addressed.

All contracted Renal Dialysis RNs were in- serviced on the appropriate labeling of residual chlorine strips once the container is opened. The label should include the expiration date once the container is opened.

WHEN: A date of when each action, policy, procedure, and/or training was completed.

All contracted Renal Dialysis RNs were in-serviced immediately and on March 14, 2013 regarding the appropriate labeling of residual chlorine strips once the container is opened. Emphasis on labeling the container with the expiration date.

HOW: A description of how the policy or process was implemented.

Compliance will be sustained with this element of performance by the following action: weekly Unit rounds include checking containers for appropriate labeling which include the expiration date if the container is opened. This information is reported monthly to the Renal Dialysis Quality Improvement Committee.

Close Print

SSMC

Program: HAP Standard: EC.02.05.01 EP: 5

Corrective Action Taken:

(This display is not editable)

WHO: Title of who is responsible for the corrective action and ongoing compliance. Title of who approved the action, policy, or procedure. Title of who was trained.

The Administrator of Support Services is responsible for the corrective action, implementation and compliance of the Utility Policies.

WHAT: A description of the action taken, of the policy or process and how the element of performance was addressed.

The Supply and Exhaust vents in the decontamination room were readjusted in order to make the sterile room positive to the interior passageway. The decontamination room supply and exhaust vents were not touched as the room was already negative to the interior passageway. The Policy on Installing & Maintaining Appropriate Pressure Relationships will be revised to include monthly inspections of all areas requiring positive or negative pressure relationships.

WHEN: A date of when each action, policy, procedure, and/or training was completed.

All work was completed during the survey on 3/6/13. The policy was revised and presented and approved by the EOC Committee on 4/11/13.

HOW: A description of how the policy or process was implemented.

The Administrator of Support Services, or his designee, will assign engineering staff to perform Bi-Monthly inspections of all areas requiring positive or negative pressure relationships. These inspections will be kept in an inspection log in the engineering office. Results of these inspection reports will be made to the EOC Committee quarterly

Close

Print

SSMC

Program: HAP Standard: EC.02.05.07 EP: 4

Corrective Action Taken:

(This display is not editable)

WHO: Title of who is responsible for the corrective action and ongoing compliance. Title of who approved the action, policy, or procedure. Title of who was trained.

The Administrator of Support Services is responsible for the corrective action, implementation and compliance of the Utility Policies.

WHAT: A description of the action taken, of the policy or process and how the element of performance was addressed.

Review and additional education of the existing policy was performed to all staff directly responsible for the testing of the generators and ATS. It was emphasized that all tests must be within the 20 and 40 day time frames set by The Joint Commission.

WHEN: A date of when each action, policy, procedure, and/or training was completed.

The review and education of staff was completed on 3/14/13.

HOW: A description of how the policy or process was implemented.

Review of the generator inspections logs will occur monthly by the Administrator of Support Services, or his designee. These inspection reports will be submitted to the EOC Committee Quarterly.

Close Print

SSMC

Program: HAP Standard: EC.02.05.07 EP: 6

Corrective Action Taken:

(This display is not editable)

WHO: Title of who is responsible for the corrective action and ongoing compliance. Title of who approved the action, policy, or procedure. Title of who was trained.
The Administrator of Support Services is responsible for the corrective action, implementation and compliance of the Utility Policies.

WHAT: A description of the action taken, of the policy or process and how the element of performance was addressed.
Review and additional education of the existing policy was performed to all staff directly responsible for the testing of the generators and ATS. It was emphasized that all tests must be within the 20 and 40 day time frames set by The Joint Commission.

WHEN: A date of when each action, policy, procedure, and/or training was completed.
The review and education of staff was completed on 3/14/13.

HOW: A description of how the policy or process was implemented.
Review of the generator inspections logs will occur monthly by the Administrator of Support Services, or his designee. These inspection reports will be submitted to the EOC Committee Quarterly.

Close

Print

SSMC

Program: HAP Standard: EM.02.02.13 EP: 6

Corrective Action Taken:

(This display is not editable)

WHO: Title of who is responsible for the corrective action and ongoing compliance. Title of who approved the action, policy, or procedure. Title of who was trained.

The Medical Director is ultimately responsible for the corrective action and the overall and ongoing compliance.

WHAT: A description of the action taken, of the policy or process and how the element of performance was addressed.

A new policy was written "Credentialing of Licensed Independent Practitioners in a Disaster". The policy states two forms of identification are required; one must be a government issued photo ID and one other from a list of forms of identification. Bylaws have been revised to include the same requirements stated in the policy mentioned above.

WHEN: A date of when each action, policy, procedure, and/or training was completed.

"The Credentialing of Licensed Independent Practitioner in a Disaster" policy was developed March 10th, 2013. The revision of the Bylaws was approved May 1st, 2013. The revision will be presented to the Board of Governors on May 22nd 2013.

HOW: A description of how the policy or process was implemented.

Compliance will be sustained with this element of performance by the following action: If a Disaster occurs a list of volunteers with the primary source of identification (government issued photo ID and a secondary identification) will be completed.

Close

Print

SSMC

The Joint Commission

Connect™ / ESC-MOS

Evidence of Standards Compliance

Logged-In, Francine Cieślinski Extranet Home
 Sound Shore Medical Center of Westchester
 16 Gulon Place
 New Rochelle, NY 10802
 HGO ID:5807

Evidence Of Standards Compliance Form

- Select Event
- Print Form
- Esc Form Summary
- Resource Documents
- How To Navigate
- Clarification Instructions
- ESC Instructions
- ESC FAQs

Program: HAP Event: ESC46 Standard: LS.01.02.01

The Due Date for your ESC46 is 06/02/2013.

Standard Text
 The hospital protects occupants during periods when the Life Safety Code is not met or during periods of construction.

Surveyor Findings
 EP 1
 Observed In Document Review at Sound Shore Medical Center of Westchester (16 Gulon Place, New Rochelle, NY) site.
 The organization's Interim Life Safety Measure (ILSM) plan/program didn't address notifying the fire department and initiating a fire watch when the fire alarm or sprinkler system is out of service more than 4 hours in a 24-hour period in an occupied building.

Please select/highlight the element of performance (EP) you would like to respond to.

EP	Type	Element Of Performance (EP) Text	Ten Day Clarif	Ten Day Clarif Status
1	A	1. The hospital notifies the fire department (or other emergency response group) and initiates a fire watch when a fire alarm or sprinkler system is out of service more than 4 hours in a 24-hour period in an occupied building. Notification and fire watch times are documented. (For full text and any exceptions, refer to NFPA 101-2000: 9.6.1.8 and 9.7.6.1) (See also LS.01.01.01, EP 3)	<input checked="" type="checkbox"/>	Accepted

Clarification Documentation:

WHO: The title of who approved the policy or procedure.

The Administrator of Support Services is responsible for the implementation and compliance of the Life Safety Policies.

WHAT: A description of the policy, procedure, or process that was present prior to the survey. Include a description of the associated implementation as well as a description of how the surveyor's observation(s) actually met the requirements of the policy, procedure, or process.

As part of the ILSM Program, we have the Fire Watch Policy & Procedure. This policy states:
 A Fire Watch is required when the fire alarm system or the fire protection system, such as sprinklers, is inoperative for any four hours in a 24-hour period, or when "hot work" is being conducted, such as cutting, torching, or welding... The Engineering Department personnel will conduct

WHEN: The date the policy, procedure, or process was approved, as well as the effective date of implementation and date when training occurred. If the policy/procedure has been revised since the initial approval, please include all "reviewed" and "revised" dates.

Initial date the policy was January 2001 and revised 2004, 2007, 2010, 2012 and 2013.

HOW: The description of how the information was disseminated to staff members prior to the survey.

Policies are reviewed with engineering staff directly having responsibility upon hire, annually and every time the policy is reviewed or changed.

SSMC

Program: HAP Standard: LS.02.01.34 EP: 5

Corrective Action Taken:

(This display is not editable)

WHO: Title of who is responsible for the corrective action and ongoing compliance. Title of who approved the action, policy, or procedure. Title of who was trained.

The Administrator of Support Services is responsible for the corrective action, implementation and compliance of the Life Safety Policies.

WHAT: A description of the action taken, of the policy or process and how the element of performance was addressed.

Battery operated smoke detectors were placed in each of the on-call room and one in the main fire panel room. This work is done as an interim step to the project for upgrading of the main fire alarm system, which at that time hard wired smoke detectors will be installed into these areas.

WHEN: A date of when each action, policy, procedure, and/or training was completed.

New battery operated smoke detectors were installed on 4/11/13. The project to upgrade the entire Fire Alarm System on Campus is scheduled to begin October 2013 and to be completed by October 2016

HOW: A description of how the policy or process was implemented.

The Administrator of Support Services will assign engineering staff to perform Monthly inspections battery operated smoke detectors. These inspections will be kept in an inspection log in the engineering office. Results of these inspection reports will be made to the EOC Committee quarterly.

Close

Print

SSMC

Program: HAP Standard: LS.02.01.34 EP: 4

Corrective Action Taken:

(This display is not editable)

WHO: Title of who is responsible for the corrective action and ongoing compliance. Title of who approved the action, policy, or procedure. Title of who was trained.

The Administrator of Support Services is responsible for the corrective action, implementation and compliance of the Life Safety Policies.

WHAT: A description of the action taken, of the policy or process and how the element of performance was addressed.

Battery operated smoke detectors were placed in each of the on-call rooms and one in the main fire panel room. This work is done as an interim step to the project for upgrading of the main fire alarm system, which at that time hard wired smoke detectors will be installed into these areas.

WHEN: A date of when each action, policy, procedure, and/or training was completed.

New battery operated smoke detectors were installed on 4/11/13. The project to upgrade the entire Fire Alarm System on Campus is scheduled to begin October 2013 and to be completed by October 2016

HOW: A description of how the policy or process was implemented.

The Administrator of Support Services will assign engineering staff to perform Monthly inspections battery operated smoke detectors. These inspections will be kept in an inspection log in the engineering office. Results of these inspection reports will be made to the EOC Committee quarterly.

Close Print

SSMC

Program: HAP Standard: MM.03.01.01 EP: 4

Corrective Action Taken:

(This display is not editable)

WHO: Title of who is responsible for the corrective action and ongoing compliance. Title of who approved the action, policy, or procedure. Title of who was trained.

The Senior VP of Patient Care Services is ultimately responsible for the corrective action and overall and ongoing compliance.

WHAT: A description of the action taken, of the policy or process and how the element of performance was addressed.

In-services were provided for the Nursing staff regarding the policy for labeling solutions and multidose vials. Emphasis placed on labeling with the expiration date.

WHEN: A date of when each action, policy, procedure, and/or training was completed.

Inservices were provided for the Nursing staff regarding the policy for labeling solutions and multidose vials beginning March 6th, and continued through April 26th, 2013.

HOW: A description of how the policy or process was implemented.

To evaluate ongoing compliance, unit based data will be collected monthly regarding labeling of solutions and dating of multidose vials.

Close

Print

SSMC

Program: HAP Standard: MM.03.01.01 EP: 4

Evaluation Method:

(This display is not editable)

Random audits of solutions and multidose vials being labeled with expiration dates will be done for 4 consecutive months. 50 solutions and multidose vials per month will be audited. The denominator will equal the number of vials observed. The numerator will equal the number of solutions and multidose vials correctly labeled with the expiration date. The audit results will be reported monthly to the Hospital Quality Improvement Committee, the Quality Care Committee and to the Board of Governors.

Close Print

SSMC

Program: HAP Standard: MM.05.01.07 EP: 4

Corrective Action Taken:

(This display is not editable)

WHO: Title of who is responsible for the corrective action and ongoing compliance. Title of who approved the action, policy, or procedure. Title of who was trained.

The Pharmacy Administrator is ultimately responsible for the corrective action and for overall and ongoing compliance.

WHAT: A description of the action taken, of the policy or process and how the element of performance was addressed.

On March 25th Nursing and Pharmacy met to develop a timeline for changes with the Medication Admix program in order to reduce the Number of IV compounding done by Nursing. Pharmacy expanded their services to include an increase in compounding of IV products. The list of medications given by Nursing was revised to include Pharmacy additions. On 4/8/2013 the Pharmacy implemented the first change which included compounding High Risk medications and antibiotics. All High Risk medications are compounded by the Pharmacy during hours of operation. Medications that are emergent and/or have a short shelf life are mixed by Nursing when the Pharmacy is unavailable. In each medication room a countertop space has been designated for mixing medications. As of April 18th, the Pharmacy began the process of removing vials of IV medications from the Nursing Units and was replaced with premixed bags. Additional Pharmacy staff will be hired to facilitate compounding of IV products. Hiring process will be completed by July 1st, 2013. Pharmacy staff was informed of expansion of services and changes in the Admix program at the April Pharmacy Staff meeting. In-service education regarding the revision to the Admix program was provided to the Nursing staff through April 26th, 2013.

WHEN: A date of when each action, policy, procedure, and/or training was completed.

Pharmacy expansion of services as of April 8th, 2013. Admix policy revised April 8th, 2013. Removal of IV medication vials began April 18th, 2013; Countertop space designated in each medication room April 26th, 2013. New employee hiring process will be completed by July 1st, 2013. Pharmacy staff informed of expansion of services and changes in the Admix policy at the Pharmacy April Staff meeting. In-service education was provided to the nursing staff regarding changes in the Admix policy staff began on April 8th and continued through April 26th, 2013.

HOW: A description of how the policy or process was implemented.

The Pharmacy will report on a monthly basis to the Medication Safety Committee a review of the number of IV medications and the name of medications mixed by Nursing during hours of operation and when the Pharmacy is closed. Reports will facilitate identifying IV medications mixed by the Nursing Staff and will prompt investigating why this occurred. Compliance will be sustained by observing practice to ensure the policy is being adhered to. The Nursing Care Coordinator of each unit will observe nurses use of designated countertops for mixing medications and cleaning in between use. Compliance will be sustained by observing practice to ensure the policy is being adhered to.

Close Print

SSMC

Program: HAP Standard: PC.01.02.07 EP: 4

Corrective Action Taken:

(This display is not editable)

WHO: Title of who is responsible for the corrective action and ongoing compliance. Title of who approved the action, policy, or procedure. Title of who was trained.
The Senior Vice President for Patient Care Services is responsible for the implementation and compliance of the pain reassessment.

WHAT: A description of the action taken, of the policy or process and how the element of performance was addressed.
Changes were made to the electronic record on March 6th, 2013 to enable RNs to accurately document pain assessment and reassessment. Mandatory In-service education was provided immediately by Staff Development to all RN staff and continued on March 6th, 2013 through April 26th, 2013.

WHEN: A date of when each action, policy, procedure, and/or training was completed.
The sequence of pain reassessment criteria on the eMAR was corrected immediately during the survey. In-service education was provided by Staff Development immediately after the correction was completed and continued on March 6th through April 26th, 2013 through mandated education for all RNs.

HOW: A description of how the policy or process was implemented.
The Nursing Care Coordinator will perform a monthly medical record review to assess ongoing compliance with pain reassessment.

Close Print

SSMC

Program: HAP Standard: PC.01.02.07 EP: 4

Evaluation Method:

(This display is not editable)

Random systematic audits of medical records on the unit cited to determine compliance with pain reassessment will be done monthly for 4 consecutive months. 50 medical records per month will be audited. The denominator equals the number of records of patients receiving pain medication. The numerator equals the number of records in which the pain reassessment is documented. The audit results will be reported to the Hospital Quality Improvement Committee, to the Quality Care Committee and to the Board of Governors.

Close Print

SSMC

Program: HAP Standard: PC.02.01.03 EP: 4

Corrective Action Taken:

(This display is not editable)

WHO: Title of who is responsible for the corrective action and ongoing compliance. Title of who approved the action, policy, or procedure. Title of who was trained.

The Senior Vice President Patient Services in collaboration with the Senior Vice President Medical Affairs is responsible for the corrective action and ongoing compliance with the giving and obtaining of orders from a licensed independent practitioner in accordance with Hospital policy.

WHAT: A description of the action taken, of the policy or process and how the element of performance was addressed.

The contracted RNs and the MDs were counseled immediately to cease and desist pre-signed order sheets and the routine use of telephone orders. Hospital policies were reviewed with all contracted staff and MDs. Disciplinary action taken involved the MDs who had pre-signed the order sheets and the contracted RNs who accepted the pre-signed orders. The contracted RNs were replaced and the new contracted RNs were educated on appropriate Hospital policies and procedures. Monitoring of MD orders started March 8, 2013. Electronic MD order set guidelines were approved and implemented. The Senior Vice President Operations sent to the contracted dialysis vendor a 30 day notice of termination of contract pending immediate corrective action and cure of deficiencies. Hospital and contracted vendor management and MD Directors met to establish additional QI indicators in the contract for measurement of compliance with the corrective action plan and the Hospital expectations of the contracted service staff and the MDs. The additional QI addendum to the contract was signed by the Hospital and contracted vendor March 27, 2013. A QI Team (Acute Dialysis QI Committee) with Hospital and contracted service representatives as well as the nephrology MDs was established to provide ongoing monitoring of compliance with an expanded QI dashboard which includes the MD order sheets.

WHEN: A date of when each action, policy, procedure, and/or training was completed.

The MDs and contracted RNs were counseled individually on March 7, 2013 to immediately stop the use of pre-signed orders and routine telephone orders. On March 14, 2013 a letter of discipline was put in the files of the contracted RNs and the MDs. The contracted RNs were replaced and the new contracted RNs were educated on appropriate Hospital policies and procedures on March 14, 2013. Monitoring measures auditing the MD orders/signatures were put in place March 8, 2013. On March 13, 2013 the Hospital Senior Vice President Medical Affairs met with the Dialysis Medical Director and Assistant Director to approve guidelines for handling electronic medical orders regarding dialysis, and on March 15, 2013 the revised policy was implemented by the nephrologists. On March 12 the Hospital management met with the contracted Dialysis management team to give 30 day notice of termination pending corrective action, as well as a list of corrective measures, an expanded QI dashboard of Hospital expectations, and a weekly schedule of meetings of the Acute Dialysis QI Committee to track the corrective action. The additional QI addendum to the contract was signed by the Hospital and contracted vendor March 27, 2013. The Acute Dialysis QI Committee has met weekly March 26, 2013 through April 30, 2013 and will meet monthly starting May 7, 2013 to monitor the corrective action implementation and the ongoing monitoring of the QI dashboard. The first Acute Dialysis QI Committee report was given to the Medical Board April 16, 2013, to the Medical Board May 1, 2013 and will go to Hospital QI Committee May 21, 2013.

HOW: A description of how the policy or process was implemented.

An expanded QI dashboard was created and incorporated into a contractual amendment with the contracted provider March 27, 2013. The Acute Dialysis QI Committee has met weekly March 26, 2013 through April 30, 2013. Effective May 7, 2013 the Acute Dialysis QI Committee will meet and report monthly to the Hospital QI Committee, Medical Board QI and to the Board of Governors. If 100%

SSMC

compliant for 6 months on all standards in the QI dashboard, the Acute QI Dialysis Committee will meet quarterly and report to the Hospital QI Committee, Medical Board QI and to the Board of Governors quarterly.

Close Print



May 20, 2013

John R. Spicer
President and CEO
Sound Shore Medical Center of Westchester
16 Guion Place
New Rochelle, NY 10802

Joint Commission ID #: 5807
Program: Hospital Accreditation
Accreditation Activity: 45-day Evidence of
Standards Compliance
Accreditation Activity Completed:
05/16/2013

Dear Mr. Spicer:

The Joint Commission would like to thank your organization for participating in the accreditation process. This process is designed to help your organization continuously provide safe, high - quality care, treatment, and services by identifying opportunities for improvement in your processes and helping you follow through on and implement these improvements. We encourage you to use the accreditation process as a continuous standards compliance and operational improvement tool.

With that goal in mind, your organization received Requirement(s) for Improvement during its recent survey. These requirements have been summarized in the Accreditation Report provided by the survey team that visited your organization.

Please be assured that The Joint Commission will keep the report confidential, except as required by law. To ensure that The Joint Commission's information about your organization is always accurate and current, our policy requires that you inform us of any changes in the name or ownership of your organization or the health care services you provide.

Please visit [Quality Check®](#) on The Joint Commission web site for updated information related to your accreditation decision.

Sincerely,

Mark G. Pelletier, RN, MS

Chief Operating Officer

Division of Accreditation and Certification Operations



Sound Shore Medical Center of Westchester
16 Guion Place
New Rochelle, NY 10802

Organization Identification Number: 5807

Evidence of Standards Compliance (45 Day) Submitted: 5/16/2013

Program(s)

Hospital Accreditation

Executive Summary

Hospital Accreditation : As a result of the accreditation activity conducted on the above date(s), there were no Requirements for Improvement identified.

You will have follow-up in the area(s) indicated below:

- Measure of Success (MOS) – A follow-up Measure of Success will occur in four (4) months.

If you have any questions, please do not hesitate to contact your Account Executive.

Thank you for collaborating with The Joint Commission to improve the safety and quality of care provided to patients.

**The Joint Commission
Summary of Compliance**

Program	Standard	Level of Compliance
HAP	EC.02.04.03	Compliant
HAP	EC.02.05.01	Compliant
HAP	EC.02.05.07	Compliant
HAP	EM.02.02.13	Compliant
HAP	LS.02.01.34	Compliant
HAP	MM.03.01.01	Compliant
HAP	MM.05.01.07	Compliant
HAP	PC.01.02.07	Compliant
HAP	PC.02.01.03	Compliant

**The Joint Commission
Summary of CMS Findings**

CoP: §482.23 **Tag:** A-0385 **Deficiency:** Compliant

Corresponds to: HAP

Text: §482.23 Condition of Participation: Nursing Services

The hospital must have an organized nursing service that provides 24-hour nursing services. The nursing services must be furnished or supervised by a registered nurse.

CoP Standard	Tag	Corresponds to	Deficiency
§482.23(c)	A-0404	HAP - PC.02.01.03/EP1	Compliant

CoP: §482.25 **Tag:** A-0490 **Deficiency:** Compliant

Corresponds to: HAP

Text: §482.25 Condition of Participation: Pharmaceutical Services

The hospital must have pharmaceutical services that meet the needs of the patients. The institution must have a pharmacy directed by a registered pharmacist or a drug storage area under competent supervision. The medical staff is responsible for developing policies and procedures that minimize drug errors. This function may be delegated to the hospital's organized pharmaceutical service.

CoP Standard	Tag	Corresponds to	Deficiency
§482.25(b)(1)	A-0501	HAP - MM.05.01.07/EP1	Compliant

CoP: §482.41 **Tag:** A-0700 **Deficiency:** Compliant

Corresponds to: HAP

Text: §482.41 Condition of Participation: Physical Environment

The hospital must be constructed, arranged, and maintained to ensure the safety of the patient, and to provide facilities for diagnosis and treatment and for special hospital services appropriate to the needs of the community.

CoP Standard	Tag	Corresponds to	Deficiency
§482.41(c)(2)	A-0724	HAP - EC.02.05.07/EP4, EP6	Compliant
§482.41(b)(1)(I)	A-0710	HAP - LS.02.01.34/EP2, EP4	Compliant

CoP: §482.51 **Tag:** A-0940 **Deficiency:** Compliant

Corresponds to: HAP - EC.02.05.01/EP6

Text: §482.51 Condition of Participation: Surgical Services

If the hospital provides surgical services, the services must be well organized and provided in accordance with acceptable standards of practice. If outpatient surgical services are offered the services must be consistent in quality with inpatient care in accordance with the complexity of services offered.

The Joint Commission

Connect™ / ESC-MOS Evidence of Standards Compliance

Logged-In, Francine Cieslinski **Extranet Home**
 Sound Shore Medical Center of Westchester
 16 Gufon Place
 New Rochelle, NY 10802
 HGO ID:5807

Event Summary

Please check this box to see the Ten Day Clarification Information.

Select Event

- Resource Documents
- How To Navigate
- Clarification Instructions
- ESC Instructions
- ESC FAQs

ESC Instructions

The Due Date for your ESC45 is 05/02/2013.

ESC 45 Day

Address each standard indicated below. Once all the standards have been addressed click on the Submit ESC 45 button at the bottom of the page.

Manuals	Standard	Standard Text	Total EPs	Addressed 10-Day Clarif EPs	Addressed 45 Day EPs
HAP	EC.02.04.03	The hospital inspects, tests, and maintains medical equipment.	1	0	1
HAP	EC.02.05.01	The hospital manages risks associated with its utility systems.	1	0	1
HAP	EC.02.05.07	The hospital inspects, tests, and maintains emergency power systems. Note: This standard does not require hospitals to have the types of emergency power equipment discussed below. However, if these types of equipment exist within the building, then the following maintenance, testing, and inspection requirements apply.	2	0	2
HAP	EM.02.02.13	During disasters, the hospital may grant disaster privileges to volunteer licensed independent practitioners. Note: A disaster is an emergency that, due to its complexity, scope, or duration, threatens the organization's capabilities and requires outside assistance to sustain patient care, safety, or security functions.	1	0	1
HAP	LS.01.02.01	The hospital protects occupants during periods when the Life Safety Code is not met or during periods of construction.	1	1	0
HAP	LS.02.01.34	The hospital provides and maintains fire alarm systems.	2	0	2
HAP	MM.03.01.01	The hospital safely stores medications.	1	0	1
HAP	MM.05.01.07	The hospital safely prepares medications.	1	0	1
HAP	PC.01.02.07	The hospital assesses and manages the patient's pain.	1	0	1
HAP	PC.02.01.03	The hospital provides care, treatment, and services as ordered or prescribed, and in accordance with law and regulation.	1	0	1

The Due Date for your ESC60 is 08/17/2013.

ESC 60 Day

Address each standard indicated below. Once all the standards have been addressed click on the Submit ESC 60 button at the bottom of the page.

Manuals	Standard	Standard Text	Total EPs	Addressed 10-Day Clarif EPs	Addressed 60 Day EPs
HAP	EC.02.03.03	The hospital conducts fire drills.	2	1	1 ✓
HAP	EC.02.03.05	The hospital maintains fire safety equipment and fire safety building features. Note: This standard does not require hospitals to have the types of fire safety equipment and building features described below. However, if these types of equipment or features exist within the building, then the following maintenance, testing, and inspection requirements apply.	1	0	1 ✓
HAP	IC.02.02.01	The hospital reduces the risk of infections associated with medical equipment, devices, and supplies.	1	0	1 ✓
HAP	LD.04.03.09	Care, treatment, and services provided through contractual agreement are provided safely and effectively.	3	1	2 ✓
HAP	LS.02.01.10	Building and fire protection features are designed and maintained to minimize the effects of fire, smoke, and heat.	1	0	1 ✓
HAP	LS.02.01.20	The hospital maintains the integrity of the means of egress.	2	0	2 ✓
HAP	LS.02.01.30	The hospital provides and maintains building features to protect individuals from the hazards of fire and smoke.	2	0	2 ✓
HAP	LS.02.01.35	The hospital provides and maintains systems for extinguishing fires.	1	0	1 ✓
HAP	MM.04.01.01	Medication orders are clear and accurate.	1	0	1 ✓
HAP	MS.06.01.03	The hospital collects information regarding each practitioner's	1	0	1 ✓

		Current license status, training, experience, competence, and ability to perform the requested privilege.				
HAP	<u>MS.05.01.05</u>	The decision to grant or deny a privilege(s), and/or to renew an existing privilege(s), is an objective, evidence-based process.	1	0	1	✓
HAP	<u>MS.08.01.01</u>	The organized medical staff defines the circumstances requiring monitoring and evaluation of a practitioner's professional performance.	1	0	1	✓
HAP	<u>RC.01.01.01</u>	The hospital maintains complete and accurate medical records for each individual patient.	1	0	1	✓

Submit ESC 45

Submit ESC 80

SSmC

Program: HAP Standard: EC.02.03.03 EP: 2

Corrective Action Taken:

(This display is not editable)

WHO: Title of who is responsible for the corrective action and ongoing compliance. Title of who approved the action, policy, or procedure. Title of who was trained.

The Administrator of Support Services is responsible for the corrective action, implementation and compliance of the Fire Safety Policies.

WHAT: A description of the action taken, of the policy or process and how the element of performance was addressed.

- On April 4, 2013 during Environmental Rounds, the staff at Cardiac Rehab was in-serviced on the Fire Drill Policy for Business Occupancies.
- Upon completion of the in-service, a Fire Drill was conducted.

WHEN: A date of when each action, policy, procedure, and/or training was completed.

- In-service of the staff and the Fire Drill were both completed on April 4, 2013.

HOW: A description of how the policy or process was implemented.

- Monitoring of the staff knowledge of Fire Drills and Fire Safety will be conducted during the semi-annual Environmental Rounds for this space.

Close Print

SSMC

Program: HAP Standard: EC.02.03.05 EP: 1

Corrective Action Taken:

(This display is not editable)

WHO: Title of who is responsible for the corrective action and ongoing compliance. Title of who approved the action, policy, or procedure. Title of who was trained.

The Administrator of Support Services is responsible for the corrective action, implementation and compliance of the Fire Safety Policies.

WHAT: A description of the action taken, of the policy or process and how the element of performance was addressed.

1. Policy on Fire Equipment Inspections, Policy for Fire Pump Weekly Flow Test and the Weekly Fire Pump Test Log will be revised to require recording the suction & discharge pressure and run time of the test. 2. Additional training for staff responsible will be conducted to review the NFPA requirements of the test and to reivew the policy changes and log changes.

WHEN: A date of when each action, policy, procedure, and/or training was completed.

1. Policy on Fire Equipment Inspections, Policy for Fire Pump Weekly Flow Test and the Weekly Fire Pump Test Log was revised on 3/25/13. 2. Training was conducted on the NFPA requirements for the weekly fire pump testing by S&S Sprinkler Company on 3/25/13. 3. Training was conducted for the revised Policy on Fire Equipment Inspections, Policy for Fire Pump Weekly Flow Test and the Weekly Fire Pump Test Log on 3/25/13.

HOW: A description of how the policy or process was implemented.

The Assistant Director of Plant Services will conduct weekly reviews of the Weekly Fire Pump Test log to ensure compliance.

Close Print

Program: HAP Standard: EC.02.03.05 EP: 1

Evaluation Method:

(This display is not editable)

Weekly monitoring of the fire pump log will be performed for four months.

SSMC
60 DAY

Program: HAP Standard: IC.02.02.01 EP: 1

Corrective Action Taken:

(This display is not editable)

WHO: Title of who is responsible for the corrective action and ongoing compliance. Title of who approved the action, policy, or procedure. Title of who was trained.

The Senior Vice President for Patient Care Services is ultimately responsible for the corrective action and overall and ongoing compliance.

WHAT: A description of the action taken, of the policy or process and how the element of performance was addressed.

Central Sterile policy and the OR policy have been revised. The process now includes placing laryngoscope blades and handles in sealed peel pouch bags after disinfection and prior to placing them in a clean Crash Cart/ Anesthesia Cart. The Crash Cart content list for the Adult and Pediatric patient has been revised to include Laryngoscope blades and handles are in a sealed peel pouch. The lists are completed by Central Sterile and are placed on top of the Crash Cart after all contents are placed in the cart. The Code Blue CQI tool was revised and now includes Laryngoscope blades and handles in a sealed peel pouch. During a Code Blue the observer will check and document on the tool that the laryngoscope blade(s) and the handle were in a sealed peel pouch when the Crash Cart was opened.

WHEN: A date of when each action, policy, procedure, and/or training was completed.

All Crash Carts were checked and restocked with laryngoscopes blades and handles in sealed peel pouches by Central Sterile on April 5th, 2013. In the OR, the Anesthesia Tech, Operative Services tech and Nursing revised policy and are stocking laryngoscope blades and handles in sealed peel pouches as of April 13th, 2013. The Crash Cart content list for the Adult and Pediatric patient was revised April 5th, 2013. The Code Blue CQI tool was revised April 5th, 2013.

HOW: A description of how the policy or process was implemented.

Compliance will be sustained with this element of performance by the following actions: the Central Sterile staff will collect the Crash Cart content list when a cart is returned for an exchange. The content lists will be collected monthly to assure contents included Laryngoscope blades and handles in sealed peel pouches. All Code Blue CQI tools will be reviewed monthly to assure the Code Cart used contained Laryngoscope blades and handles in sealed peel pouches. If a cart contained a laryngoscope blade or handle not in a sealed peel pouch, the Manager of Central Sterile will review the Central Sterile Crash Cart log to identify the employee who restocked the cart. Re-education will be provided by the Central Sterile Manager.

Close Print

SSMC

Page 1 of 1

Program: HAP Standard: IC.02.02.01 EP: 1

GODAM

Evaluation Method:

(This display is not editable)

100% review of all Crash Cart content lists and Code Blue CQI tools will be done monthly for 4 months. Crash Cart content lists: Denominator = total number of Crash Cart lists reviewed. Numerator= total number of Crash Cart lists with laryngoscope blades and handles in a sealed peel pouch indicated. Code Blue CQI tool: Denominator = total number of Code Blue CQI tools reviewed. Numerator = total number of Code Blue CQI tools with laryngoscope blades and handles in a sealed peel pouch present when Code Cart was opened. These audit results will be reported monthly to the Director of QI for Patient Care Services. Reports will be submitted monthly to the Hospital QI committee.

Close

Print

SSMC
6004

Program: HAP Standard: LD.04.03.09 EP: 6

Corrective Action Taken:

(This display is not editable)

WHO: Title of who is responsible for the corrective action and ongoing compliance. Title of who approved the action, policy, or procedure. Title of who was trained.

The Senior Vice President Operations in collaboration with the Senior Vice President Patient Care Services and the Senior Vice President Medical Services is responsible for the corrective action and for evaluating the ongoing compliance with the Hospitals expectations of the contracted service.

WHAT: A description of the action taken, of the policy or process and how the element of performance was addressed.

The contracted RNs and the MDs were counseled immediately to cease and desist pre-signed order sheets and the routine use of telephone orders. Hospital policies were reviewed with all contracted staff and MDs. Disciplinary action taken involved the MDs who had pre-signed the order sheets and the contracted RNs who accepted the pre-signed orders. The contracted RNs were replaced and the new contracted RNs were educated on appropriate Hospital policies and procedures. Monitoring of MD orders started March 8, 2013. Electronic MD order set guidelines were approved and implemented. The Senior Vice President Operations sent to the contracted dialysis vendor a 30 day notice of termination of contract requiring immediate corrective action and cure of deficiencies. Hospital and contracted vendor management and MD Directors met to establish additional QI indicators in the contract for measurement of compliance with the corrective action plan and the Hospital expectations of the contracted service staff and the MDs. The additional QI addendum to the contract was signed by the Hospital and contracted vendor March 27, 2013. A QI Team (Acute Dialysis QI Committee) with Hospital and contracted service representatives as well as nephrology MDs was established to provide ongoing monitoring of compliance with an expanded QI dashboard: MD order sheets, treatment flowsheets, dialysis reactions, transfusion reactions, medication errors and adverse events. The Preventive Maintenance Log, the Renal Log (patient name, date of service, nurse and MD providers, machine number), the Calibration Log and the water /dialysate analysis reports are also included in the QI monthly monitoring by the Acute Dialysis QI Committee. Weekly QI rounds in the acute dialysis unit by Hospital and contracted members of the Acute Dialysis QI Committee were established to monitor ongoing compliance related to cleanliness of the unit, labeling of multi-dose vials and solutions, dating of chlorine strips, condition of ceiling tiles and tubing.

WHEN: A date of when each action, policy, procedure, and/or training was completed.

The MDs and contracted RNs were counseled individually on March 7, 2013 to immediately stop the use of pre-signed orders and routine telephone orders and educated again on Hospital policies regarding MD orders. The contracted RNs were also counseled on proper labeling of solutions, multi-dose vials and dating of chlorine strips. On March 14, 2013 a letter of discipline was put in the files of the contracted RNs and the MDs. The contracted RNs were replaced and the new contracted RNs were educated on appropriate Hospital policies and procedures on March 14, 2013. Monitoring measures auditing the MD orders/signatures were put in place March 8, 2013. On March 13, 2013 the Hospital Senior Vice President Medical Affairs met with the Dialysis Medical Director and Assistant Director to approve new guidelines for handling electronic medical orders for dialysis, and on March 15, 2013 the nephrologists were educated and the protocol implemented. On March 12 the Hospital met with the contracted Dialysis management team to give 30 day notice of termination pending corrective action as well as; a list of corrective measures, an expanded QI dashboard of Hospital expectations and a weekly schedule of meetings (Acute Dialysis Committee) to track the corrective action. The QI addendum to the contract was signed March 27, 2013. The Acute Dialysis QI Committee has met weekly March 26, 2013 through May 14, 2013 and going forward will meet monthly to continue to monitor the corrective action implementation and the ongoing monitoring of the QI dashboard. The first Acute Dialysis QI Committee report was presented to Medical Board QI April 16, 2013 and to the Medical Board May 1, 2013.

HOW: A description of how the policy or process was implemented.

An expanded QI dashboard was created and incorporated into a contractual amendment with the contracted provider March 27, 2013. The Acute Dialysis QI Committee has met weekly March 26, 2013 through May 14, 2013. Going forward the Acute Dialysis QI Committee will report monthly to the Hospital QI Committee, Medical Board QI and to the Board of Governors for 6 months. If 100% compliant for 6 months on all standards in the QI dashboard, the Acute Dialysis QI Committee will meet quarterly and report to the Hospital QI Committee, Medical Board QI and to the Board of Governors quarterly.

Program: HAP Standard: LD.04.03.09 EP: 7

SSm C
6004

Corrective Action Taken:

(This display is not editable)

WHO: Title of who is responsible for the corrective action and ongoing compliance. Title of who approved the action, policy, or procedure. Title of who was trained.

The Senior Vice President Patient Services, in collaboration with the Senior Vice President Operations and Senior Vice President Medical Affairs, is responsible for the corrective action and for improving contracted services that do not meet expectations.

WHAT: A description of the action taken, of the policy or process and how the element of performance was addressed.

The contracted RNs and the MDs were counseled immediately to cease and desist pre-signed order sheets and the routine use of telephone orders. Hospital policies were reviewed with all contracted staff and MDs. Disciplinary action taken involved the MDs who had pre-signed the order sheets and the contracted RNs who accepted the pre-signed orders. The contracted RNs were replaced and the new contracted RNs were educated on appropriate Hospital policies and procedures. Monitoring of MD orders started March 8, 2013. Electronic MD order set guidelines were approved and implemented. The Senior Vice President Operations sent to the contracted vendor a 30 day notice of termination of contract requiring immediate corrective action and cure of deficiencies. Hospital and contracted vendor management and MD Directors met to establish additional QI indicators in the contract for measurement of compliance with the corrective action plan and the Hospital expectations of the contracted service staff and the MDs. The addendum to the contract was signed by the Hospital and contracted vendor March 27, 2013. A QI Team (Acute Dialysis QI Committee) with Hospital and contracted service representatives as well as the nephrology MDs was established to provide ongoing monitoring of compliance with an expanded QI dashboard: MD order sheets, treatment flowsheets, dialysis reactions, transfusion reactions, medication errors and adverse events. The Preventive Maintenance Log, the Renal Log (patient name, date of service, nurse and MD providers, machine number), the Calibration Log and the water /dialysate analysis reports are also included in the QI monthly monitoring by the Acute Dialysis QI Committee. Weekly QI rounds in the acute dialysis unit by Hospital and contracted members of the Acute Dialysis QI Committee was established to monitor ongoing compliance related to cleanliness of the unit, labeling of multi-dose vials and solutions, dating of chlorine strips, condition of ceiling tiles and tubing.

WHEN: A date of when each action, policy, procedure, and/or training was completed.

The MDs and contracted RNs were counseled individually on March 7, 2013 to immediately stop the use of pre-signed orders and routine telephone orders and educated again on Hospital policies regarding MD orders. The contracted RNs were also counseled on proper labeling of solutions multi-dose vials and dating of chlorine strips. On March 14, 2013 a letter of discipline was put in the files of the contracted RNs and the MDs. The contracted RNs were replaced and the new contracted RNs were educated on appropriate Hospital policies and procedures on March 14, 2013. Monitoring measures auditing the MD orders/signatures were put in place March 8, 2013. On March 13, 2013 the Hospital Senior Vice President Medical Affairs met with the Dialysis Medical Director and Assistant Director to approve new guidelines for handling electronic medical orders regarding dialysis, and on March 15, 2013 the nephrologists were educated and the protocol implemented. On March 12 the Hospital met with the contracted Dialysis management team to give 30 day notice of termination pending corrective action as well as, a list of corrective measures, an expanded QI dashboard of Hospital expectations and a weekly measures, an expanded QI dashboard of Hospital expectations and a weekly schedule of meetings (Acute Dialysis QI Committee) to track the corrective action. The QI addendum to the contract was signed March 27, 2013. The Acute Dialysis QI Committee has met weekly March 26, 2013 through May 14, 2013 and going forward will meet monthly to monitor the corrective action implementation and the ongoing monitoring of the QI dashboard. The first Acute Dialysis QI Committee report was presented to Medical Board QI April 16, 2013 and to the Medical Board May 1, 2013.

HOW: A description of how the policy or process was implemented.

An expanded QI dashboard was created and incorporated into a contractual amendment with the contracted provider March 27, 2013. The Acute Dialysis QI Committee has met weekly March 26, 2013 through May 14, 2013. Going forward the Acute Dialysis QI Committee will meet and report monthly to the Hospital QI Committee, Medical Board QI and to the Board of Governors for 6 months. If 100% compliant for 6 months on all standards in the QI dashboard, the Acute Dialysis QI Committee will meet quarterly and report to the Hospital QI Committee, Medical Board QI and to the Board of Governors quarterly.

Program: HAP Standard: LS.02.01.10 EP: 7

SSMC
6004

Corrective Action Taken:

(This display is not editable)

WHO: Title of who is responsible for the corrective action and ongoing compliance. Title of who approved the action, policy, or procedure. Title of who was trained.

The Administrator of Support Services is responsible for the corrective action, implementation and compliance of the Life Safety Policies.

WHAT: A description of the action taken, of the policy or process and how the element of performance was addressed.

• The penetrations in the Mechanical Door located at top of stairwell G was corrected during the survey on 3/6/13. • The penetrations in the telecom Door located at top of stairwell G was corrected during the survey on 3/6/13. • The missing labels on the fire doors leading into Stairwell G, 8th floor, and Stairwell A, 7th floor, will be replaced using an outside company. • An ILSM Assessment will be completed for this and appropriate action will be taken. • An SOC PFI will be created to "clearly" identify these doors.

WHEN: A date of when each action, policy, procedure, and/or training was completed.

• The 2 doors in Stairwell G, Mechanical Room & telecom room, were corrected on 3/6/13. • The missing Labels on the fire doors for Stairwell G, 8th floor, and Stairwell A, 7th floor, will be replaced by 6/30/13.

HOW: A description of how the policy or process was implemented.

The Administrator of Support Services, or his designee, will assign engineering staff to perform monthly inspections of all Fire Doors for a period of 6 months. Providing there are no issues, inspections will go back to a quarterly inspection schedule. These inspections will be kept in an inspection log in the engineering office. Results of these inspection reports will be made to the EOC Committee quarterly.

Close

Print

SSMC
60dy
(This display is not editable)

Program: HAP Standard: LS.02.01.20 EP: 13

Corrective Action Taken:

WHO: Title of who is responsible for the corrective action and ongoing compliance. Title of who approved the action, policy, or procedure. Title of who was trained.
The Administrator of Support Services is responsible for the corrective action, implementation and compliance of the Life Safety Policies.

WHAT: A description of the action taken, of the policy or process and how the element of performance was addressed.
• The linen cart in the corridor in the Endoscopy suite was removed during the survey on 3/6/13. • The row of chairs in the corridor across from the infusion room was removed during the survey on 3/6/13.

WHEN: A date of when each action, policy, procedure, and/or training was completed.
• Linen cart and row of chairs in the corridors were removed during the survey on 3/6/13.

HOW: A description of how the policy or process was implemented.
• Storage of unauthorized items in egress corridors will be monitored during Environmental Rounds. Any deficiencies will be reported to the EOC Committee Quarterly and those departments will be required to go through re-education of the Life Safety requirements.

Close Print

Program: HAP Standard: LS.02.01.20 EP: 29

(This display is not editable)

Corrective Action Taken:

WHO: Title of who is responsible for the corrective action and ongoing compliance. Title of who approved the action, policy, or procedure. Title of who was trained.
The Administrator of Support Services is responsible for the corrective action, implementation and compliance of the Life Safety Policies.

WHAT: A description of the action taken, of the policy or process and how the element of performance was addressed.

- The signage issues for the 9th Floor landing Stairwell "A," 8th floor and 7th floor stairwell "D" landings were corrected during the survey on 3/6/13.

WHEN: A date of when each action, policy, procedure, and/or training was completed.

- All of the signage issues were corrected during the survey on 3/5/13.

HOW: A description of how the policy or process was implemented.

- On March 18, 2013 a survey of all of the stairwell signage was conducted and there were no additional issues identified.

Close

Print

Program: HAP Standard: LS.02.01.30 EP: 2

SSMC
603y

(This display is not editable)

Corrective Action Taken:

WHO: Title of who is responsible for the corrective action and ongoing compliance. Title of who approved the action, policy, or procedure. Title of who was trained.
The Administrator of Support Services is responsible for the corrective action, implementation and compliance of the Life Safety Policies.

WHAT: A description of the action taken, of the policy or process and how the element of performance was addressed.

- The latching issue on the Endoscopy Dirty Utility Door located was corrected during the survey on 3/6/13.
- The penetrations in the linen/trash chute room door located were corrected during the survey on 3/6/13.
- The latching issue on the smoke barrier doors leading into 5 Joyce, 5th floor, and 4 Joyce A, 4th floor, were corrected during the survey on 3/6/13.

WHEN: A date of when each action, policy, procedure, and/or training was completed.

- All the doors issues cited were corrected during the survey on 3/6/13.

HOW: A description of how the policy or process was implemented.

The Administrator of Support Services, or his designee, will assign engineering staff to perform monthly inspections of all Fire Doors for a period of 6 months. Providing there are no major issues, inspections will go back to a quarterly inspection schedule. These inspections will be kept in an inspection log in the engineering office. Results of these inspection reports will be made to the EOC Committee quarterly.

Close Print

SSMC
leody

Program: HAP Standard: LS.02.01.30 EP: 23

(This display is not editable)

Corrective Action Taken:

WHO: Title of who is responsible for the corrective action and ongoing compliance. Title of who approved the action, policy, or procedure. Title of who was trained.
The Administrator of Support Services is responsible for the corrective action, implementation and compliance of the Life Safety Policies.

WHAT: A description of the action taken, of the policy or process and how the element of performance was addressed.

- The latching issue on the Endoscopy Dirty Utility Door located was corrected during the survey on 3/6/13.
- The penetrations in the linen/trash chute room door located were corrected during the survey on 3/6/13.
- The latching issue on the smoke barrier doors leading into 5 Joyce, 5th floor, and 4 Joyce A, 4th floor, were corrected during the survey on 3/6/13.

WHEN: A date of when each action, policy, procedure, and/or training was completed.

- All the doors issues cited were corrected during the survey on 3/6/13.

HOW: A description of how the policy or process was implemented.

The Administrator of Support Services, or his designee, will assign engineering staff to perform monthly inspections of all Fire Doors for a period of 6 months. Providing there are no major issues, inspections will go back to a quarterly inspection schedule. These inspections will be kept in an inspection log in the engineering office. Results of these inspection reports will be made to the EOC Committee quarterly.



SSMC

6084

Program: HAP Standard: LS.02.01.35 EP: 23

(This display is not editable)

Corrective Action Taken:

WHO: Title of who is responsible for the corrective action and ongoing compliance. Title of who approved the action, policy, or procedure. Title of who was trained.
The Administrator of Support Services is responsible for the corrective action, implementation and compliance of the Life Safety Policies.

WHAT: A description of the action taken, of the policy or process and how the element of performance was addressed.
• A survey of 823 sprinklers was conducted and it was determined that 74 escutcheon plates were missing. • An outside sprinkler company, S&S Sprinkler, was brought in to determine the exact escutcheon plate sprinkler assembly part needed for each sprinkler. • All the escutcheon plates were placed on order. • When they are received, they will be installed. Installation will be combination of in-house staff and S&S Sprinkler Company. • An ILSM Assessment will be completed for this and appropriate action will be taken. • An SOC PFI will be created.

WHEN: A date of when each action, policy, procedure, and/or training was completed.
• The survey was completed 3/25/13. • S&S Sprinkler Company was brought in on 4/8/13 and the material was ordered the same day. • All the escutcheon plates are scheduled to arrive by 5/24/13. • The missing escutcheon plates will all be installed by 6/28/13.

HOW: A description of how the policy or process was implemented.
• Monitoring of the sprinklers will be conducted during Environmental Rounds. Any deficiencies will be documented and corrected. • Results of these inspection reports and follow-up corrective actions will be made to the EOC Committee quarterly.

Close Print

Program: HAP Standard: MM.04.01.01 EP: 23

SSMC
Goody

(This display is not editable)

Corrective Action Taken:

WHO: Title of who is responsible for the corrective action and ongoing compliance. Title of who approved the action, policy, or procedure. Title of who was trained.
The Director of Pharmacy is ultimately responsible for the corrective action and for overall and ongoing compliance.

WHAT: A description of the action taken, of the policy or process and how the element of performance was addressed.
The Policy for Pediatric dosages was revised and implemented by the Pharmacy. All Pharmacy employees received an in-service on the revised policy on April 26th, 2013. The IT department has built into the computer system weight based dosing. The system is set up to automatically calculate the Pediatric medication dosage using the patient's weight in kilograms (kg) and will not allow an order to go above the 'Dose Cap'. The ordering physician will be able to see the 'Dose Cap', as well as, the calculation on the order form. If the physician changes the weight or dosage the calculation built into the system will not allow the order to exceed the 'Dose Cap'. If the 'Dose Cap' is exceeded by the calculation then the error message below will display. The physician can manually enter the dose if they choose to exceed the "Dose Cap". The change went into production on May 16th, 2013. The Medical Director informed the Pediatricians regarding the IT changes on May 16th, 2013.

WHEN: A date of when each action, policy, procedure, and/or training was completed.
The Pediatric Dosage policy was revised April, 2013 All Pharmacy employees received an in-service on the revised policy on April 26th, 2013. The computerized ordering process to calculate pediatric medication dosage using patient's weight in kilograms (kg) went into production on May 16th, 2013.

HOW: A description of how the policy or process was implemented.
Compliance will be sustained with this element of performance: No medication order will reach the electronic medication record unless verified by a Pharmacist. This is noted in the electronic medical record for each medication ordered once completed.

Close Print

Program: HAP Standard: MS.06.01.03 EP: 23

SSMC
Goody

(This display is not editable)

Corrective Action Taken:

WHO: Title of who is responsible for the corrective action and ongoing compliance. Title of who approved the action, policy, or procedure. Title of who was trained.
The Medical Director is ultimately responsible for the corrective action and for the overall and ongoing compliance.

WHAT: A description of the action taken, of the policy or process and how the element of performance was addressed.
Bylaws were changed as per Bylaw regulations. As of May 1st, 2013, privileges of all new members and newly approved privileges for existing members of the Medical staff will require ongoing professional practice evaluation. If at any time, concerns are raised to a practitioner's current clinical competence, practice behavior and/or ability to perform his/her privileged, a period of focused evaluation may be indicated. Upon completion of the focused evaluation, significant findings shall be reported to the Medical Director through the Medical QI committee or the President of the Medical board through the Executive committee. The Medical Director through the Medical QI Committee or the Executive Committee shall evaluate the results and make recommendation. Recommendations may include, but are not limited to the following: there are training/current competence issues. In this case, the matter is referred to the credentials Committee for evaluation further evaluation as necessary, subsequent review following the completion of proctoring or training required by the Credentials Committee shall occur to re-evaluate the practitioner's ability to exercise the privileges in question on an independent basis. The Department Directors/or their designee will evaluate all members of their department on a continuous and ongoing professional practice evaluation basis using these areas of competence: 1. patient care, 2. Medical /Clinical knowledge 3. Practice-based learning and improvement 4. Interpersonal and communication skills 5. Professionalism 6. Systems-based practice. The data for continuous and ongoing professional practice evaluation of department members will be collected as part of the departments Quality Improvement activities. Sources of data will include but are not limited to 1. Medical record review 2. Length of stay patterns 3. Practitioner's use of consultants 4 review of operative and other clinical procedures performed and their outcomes 5. Direct Observation 6. Use of Diagnostic and Treatment Techniques.

WHEN: A date of when each action, policy, procedure, and/or training was completed.
May 1st, 2013 Bylaws were changed as per Bylaw regulations. Privileges of all new members and newly approved privileges for existing members of the medical staff will require ongoing professional practice evaluation. The data collected will be collated and presented the Medical Staff Secretary for placement in the records of the respective physicians or allied staff every 6 months. Findings may trigger a focused professional practice review. The Department directors or there designee will evaluate those staff members who function in a major way in the hospital setting on a continuous and ongoing basis using Peer Review Process as outlined by the Joint Commission. He/she will base his/her decisions for reappointment to the Medical staff, Privileging and delineation of privileges using responses from peer physicians.

HOW: A description of how the policy or process was implemented.
Each Department Director/ Division Chief will submit their department / division evaluations every six months to the office of the Medical Director for placement of the reports in the respective individual's files.

Close Print

SSMC
GORDY

Program: HAP Standard: MS.06.01.05 EP: 23

(This display is not editable)

Corrective Action Taken:

WHO: Title of who is responsible for the corrective action and ongoing compliance. Title of who approved the action, policy, or procedure. Title of who was trained.
The Medical Director is ultimately responsible for the corrective action and for overall and ongoing compliance.

WHAT: A description of the action taken, of the policy or process and how the element of performance was addressed.
Bylaws were changed as per Bylaw regulations. As of May 1st, 2013, privileges of all new members and newly approved privileges for existing members of the Medical staff will require ongoing professional practice evaluation. If at any time, concerns are raised relative to a practitioner's current clinical competence, practice behavior and/or ability to perform his/her privileges, a period of focused evaluation may be indicated. The Department Directors/or their designee will evaluate all members of their department on a continuous and ongoing professional practice evaluation basis using these areas of competence: 1. patient care, 2. Medical /Clinical knowledge3. Practice-based learning and improvement4. Interpersonal and communication skills 5. Professionalism 6. Systems-based practice. The data for continuous and ongoing professional practice evaluation of department members will be collected as part of the departments Quality Improvement activities. Sources of data will include but are not limited to 1. Medical record review2. Length of stay patterns 3. Practitioner's use of consultants4 review of operative and other clinical procedures performed and their outcomes5. Direct Observation6. Use of Diagnostic and Treatment Techniques.

WHEN: A date of when each action, policy, procedure, and/or training was completed.
May 1st, 2013 Bylaws were changed as per Bylaw regulations. Privileges of all new members and newly approved privileges for existing members of the medical staff will require ongoing professional practice evaluation. The data collected will be collated and presented the Medical Staff Secretary for placement in the records of the respective physicians or allied staff every 6 months. Findings may trigger a focused professional practice review. The Department directors or there designee will evaluate those staff members who function in a major way in the hospital setting on a continuous and ongoing basis using Peer Review Process as outlined by the Joint Commission. He/She will base His/her decisions for reappointment to the Medical staff, Privileging and delineation of privileges using responses from peer physicians.

HOW: A description of how the policy or process was implemented.
Each Department Director/ Division Chief will submit their department / division evaluations every six months to the office of the medical director for placement of the reports in the respective individual charts.

Close Print

SSMC
CO BY

Program: HAP Standard: MS.08.01.01 EP: 23

(This display is not editable)

Corrective Action Taken:

WHO: Title of who is responsible for the corrective action and ongoing compliance. Title of who approved the action, policy, or procedure. Title of who was trained.
The Medical Director is ultimately responsible for the corrective action and for overall and ongoing compliance.

WHAT: A description of the action taken, of the policy or process and how the element of performance was addressed.
Bylaws were changed as per Bylaw regulations. As of May 1st, 2013, privileges of all new members and newly approved privileges for existing members of the Medical staff will require ongoing professional practice evaluation. If at any time, concerns are raised relative to a practitioner's current clinical competence, practice behavior and/or ability to perform his/her privileges, a period of focused evolution may be indicated. The practice of members of the Medical and Affiliated Medical staff will be monitored on an ongoing basis, consistent with the policy regarding Peer Review/Ongoing Professional Practice Evaluation. Ongoing evaluation may identify patterns, outcomes, complications or other indicators associated with the practice of a specific individual which suggest the need for focused evaluation in accordance with this policy. Additionally, as of May 1st, 2013, privileges of all new members and newly approved privileges for existing members of the Medical staff will require focused evaluation. The Department Directors/or their designee will evaluate all members of their department on a continuous and on-going professional practice evaluation basis. She/he will base her/his decisions for reappointment to the Medical Staff, Privileging and the Delineation of Privileging using data collected as a part of the departmental and hospital Quality Improvement activities and by using peer recommendations evaluating the following areas of competence every six months: 1. Patient care, 2. Medical/Clinical Knowledge, 3. Practice – based learning and improvement, 4.interpersonal and communications skills, 5. Professionalism, 6. Systems-based practice. The data for continuous and ongoing professional practice evaluation of department members will be collected as part of the department's Quality Improvement activities. Sources of data will include, but are not limited to the following: 1. Medical record review, 2.length of stay patterns, 3. Practitioner's use of consultants,4.review of operative and other clinical procedures performed and their outcomes,5. Direct observation, 6. Use of Diagnostic and Treatment techniques, 7.Discussion with other care staff, 8. Information from other sources (National Practitioner Data bank and Joint Commission). Organizations: NYS Department of Health, NYS – Office of the Professions (Education Department), Office of professional Medical conduct, Medical Liability Insurers and Patient Complaints (written or verbal). A focused evaluation may include, but is not limited to one or more of the following: 1. Comparison of the practitioner's inpatient and outpatient complications/outcomes related to his/her peers, 2. Retrospective or prospective chart review, 3. Monitoring of clinical practice patterns, 4.proctoring, 5. External Peer review, 6.simulation, 7. Discussion with other individuals involved in the care of the practitioner's patients relative to the substance of the focused review. External peer review will be solicited when the Medical QI Committee or the Executive Committee of the Medical Board determines that an internal review would not be fair and objective when for example, 1.the case(s) under review is/are not performed by any other member of the Medical Staff;(2) when there is concern regarding competition between the practitioner in question and other practitioners on the Medical staff who would be considered appropriate peers; or (3) other circumstances exist that could compromise the review. The period of focused review is time limited. The duration and type of monitoring required will be dependent upon the nature/severity of the situation under evaluation, the type of privilege(s) in question and the practitioner's overall activity level. The affected practitioner and his/her Chief/Associate Chief/Section Chief are informed of the duration of the review as well as the mechanisms that will be employed during the review. The initial review period may be extended at the discretion of the Credentials committee, the Medical QI committee or the Executive Committee of the Medical Board or its appropriate designee based upon the extent to which sufficient information to evaluate the practitioner's performance has been obtained, Similarly, the initial method of evaluation may be expanded or supplemented with other methods as needed during the initial and any subsequent review periods. Upon completion of the

focused evaluation, significant findings shall be reported to the Medical Director through the Medical QI Committee or the President of the Medical Board through the Executive Committee. The Medical Director through the Medical QI Committee or the Executive committee shall evaluate the results and make a recommendation.

WHEN: A date of when each action, policy, procedure, and/or training was completed. May 1st, 2013 Bylaws were changed as per Bylaw regulations. Privileges of all new members and newly approved privileges for existing members of the medical staff will require ongoing professional practice evaluation. The data collected will be collated and presented the Medical Staff Secretary for placement in the records of the respective physicians or allied staff every 6 months. Findings may trigger a focused professional practice review. The Department directors or there designee will evaluate those staff members who function in a major way in the hospital setting on a continuous and ongoing basis using Peer Review Process as outlined by the Joint Commission. He/she will base his/her decisions for reappointment to the Medical staff, Privileging and delineation of privileges using responses from peer physicians.

HOW: A description of how the policy or process was implemented. Each Department Director/ Division Chief will submit their department / division evaluations every six months to the office of the Medical Director for placement of the reports in the respective individual's files.

SSMC

COPY

Program: HAP Standard: RC.01.01.01 EP: 23

(This display is not editable)

Corrective Action Taken:

WHO: Title of who is responsible for the corrective action and ongoing compliance. Title of who approved the action, policy, or procedure. Title of who was trained.
The Assistant Vice President for Health Information Management is ultimately responsible for the corrective action and for overall and ongoing compliance.

WHAT: A description of the action taken, of the policy or process and how the element of performance was addressed.
Record of Care Policy 01.01.01 was reviewed with the Chief of Gastroenterology and reinforced with members of the division of Gastroenterology specific to all medical record entries must be legible, complete, signed, dated and timed. Further a letter was sent to the Office Management Staff of this division restating Sound Shore Medical Center's policy relative to Record of Care 01.01.01. The Consent for Operation, Transfusion, Procedure or Treatment is being revised for ease of compliance with the Hospital Policy for authentication of all medical record entries.

WHEN: A date of when each action, policy, procedure, and/or training was completed.
Review and reinforcement of the Hospital Policy with the Chief of the Division and members of his division was completed on March 22, 2013 by the Sr. Vice President of Medical Affairs. The letter was mailed to the Office Management Staff of this division on March 27, 2013 Expected date of the availability of the revised Informed Consent form is June, 2013

HOW: A description of how the policy or process was implemented.
The Patient Access staff for the Gastroenterology Suite will monitor patient records for four (4) consecutive months. A minimum of 50 records will be selected each month; the selection of the records based upon first two cases per procedure room, per operational day, Monday thru Friday. Results of the audits will be shared monthly with the Chief of Gastroenterology and the Sr. Vice President of Medical Affairs and reported at the monthly Medical Staff Quality Improvement meetings. The Sr. Vice President for Medical Affairs will report results to the Board of Trustees of Sound Shore Medical Center. The Measure of Success (MOS) is ninety per cent (90%).

Close Print



March 8, 2013

John Spicer
Chief Executive Officer
The Mount Vernon Hospital
12 North Seventh Avenue
Mount Vernon, NY 10550

Joint Commission ID #: 5804
Program: Hospital Accreditation
Accreditation Activity: Unannounced Full
Event
Accreditation Activity Completed:
03/07/2013

Dear Mr. Spicer:

The Joint Commission would like to thank your organization for participating in the accreditation process. This process is designed to help your organization continuously provide safe, high - quality care, treatment, and services by identifying opportunities for improvement in your processes and helping you follow through on and implement these improvements. We encourage you to use the accreditation process as a continuous standards compliance and operational improvement tool.

With that goal in mind, your organization received Requirement(s) for Improvement during its recent survey. These requirements have been summarized in the Accreditation Report provided by the survey team that visited your organization.

Please be assured that The Joint Commission will keep the report confidential, except as required by law. To ensure that The Joint Commission's information about your organization is always accurate and current, our policy requires that you inform us of any changes in the name or ownership of your organization or the health care services you provide.

Please visit [Quality Check®](#) on The Joint Commission web site for updated information related to your accreditation decision.

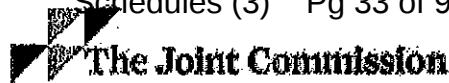
Sincerely,

A handwritten signature in cursive script that reads "Mark Pelletier".

Mark G. Pelletier, RN, MS

Chief Operating Officer

Division of Accreditation and Certification Operations



The Mount Vernon Hospital
12 North Seventh Avenue
Mount Vernon, NY 10550

Organization Identification Number: 5804

Program(s)
Hospital Accreditation
Behavioral Health Care Accreditation

Survey Date(s)
03/05/2013-03/07/2013

Executive Summary

Hospital Accreditation : As a result of the accreditation activity conducted on the above date(s), Requirements for Improvement have been Identified in your report.

You will have follow-up in the area(s) indicated below:

- Evidence of Standards Compliance (ESC)

Behavioral Health Care Accreditation : As a result of the accreditation activity conducted on the above date(s), Requirements for Improvement have been Identified in your report.

You will have follow-up in the area(s) indicated below:

- Evidence of Standards Compliance (ESC)

If you have any questions, please do not hesitate to contact your Account Executive.

Thank you for collaborating with The Joint Commission to improve the safety and quality of care provided to patients.

**The Joint Commission
Summary of Findings**

Evidence of DIRECT Impact Standards Compliance is due within 45 days from the day the survey report was originally posted to your organization's extranet site:

Program:	Hospital Accreditation Program	
Standards:	EC.02.05.01	EP6
	EM.02.02.13	EP4,EP5
	IC.02.02.01	EP2
	MM.03.01.01	EP7
	MM.05.01.07	EP2
	PC.01.03.01	EP1
Program:	Behavioral Health Care Accreditation Program	
Standards:	IM.02.02.01	EP3
	RC.02.01.01	EP2

Evidence of INDIRECT Impact Standards Compliance is due within 60 days from the day the survey report was originally posted to your organization's extranet site:

Program:	Hospital Accreditation Program	
Standards:	EC.02.06.01	EP1
	HR.01.02.05	EP1
	LS.02.01.20	EP13,EP30,EP31
	MS.01.01.01	EP3,EP16
	MS.06.01.03	EP6
	MS.06.01.05	EP8
	RC.01.01.01	EP7
	RC.01.04.01	EP4
	TS.03.01.01	EP8
Program:	Behavioral Health Care Accreditation Program	
Standards:	HR.01.05.03	EP1
	LD.04.01.07	EP2
	RC.01.03.01	EP3

* OCO - Observed Corrected Onsite.

The Joint Commission

**The Joint Commission
Summary of CMS Findings**

CoP: §482.11 **Tag:** A-0020 **Deficiency:** Standard

Corresponds to: HAP

Text: §482.11 Condition of Participation: Compliance with Federal, State and Local Laws

CoP Standard	Tag	Corresponds to	Deficiency
§482.11(c)	A-0023	HAP - MS.06.01.03/EP6	Standard

CoP: §482.22 **Tag:** A-0338 **Deficiency:** Standard

Corresponds to: HAP

Text: §482.22 Condition of Participation: Medical staff

The hospital must have an organized medical staff that operates under bylaws approved by the governing body and is responsible for the quality of medical care provided to patients by the hospital.

CoP Standard	Tag	Corresponds to	Deficiency
§482.22(a)(2)	A-0341	HAP - MS.06.01.05/EP8	Standard
§482.22(c)(5)(I)	A-0358	HAP - MS.01.01.01/EP16	Standard

CoP: §482.23 **Tag:** A-0385 **Deficiency:** Standard

Corresponds to: HAP

Text: §482.23 Condition of Participation: Nursing Services

The hospital must have an organized nursing service that provides 24-hour nursing services. The nursing services must be furnished or supervised by a registered nurse.

CoP Standard	Tag	Corresponds to	Deficiency
§482.23(b)(4)	A-0396	HAP - PC.01.03.01/EP1	Standard
§482.23(c)	A-0404	HAP - MM.05.01.07/EP2	Standard

CoP: §482.24 **Tag:** A-0431 **Deficiency:** Standard

Corresponds to: HAP

Text: §482.24 Condition of Participation: Medical Record Services

The hospital must have a medical record service that has administrative responsibility for medical records. A medical record must be maintained for every individual evaluated or treated in the hospital.

CoP Standard	Tag	Corresponds to	Deficiency
§482.24(c)	A-0449	HAP - RC.01.01.01/EP7	Standard

CoP: §482.41 **Tag:** A-0700 **Deficiency:** Standard

Corresponds to: HAP

**The Joint Commission
Summary of CMS Findings**

Text: §482.41 Condition of Participation: Physical Environment

The hospital must be constructed, arranged, and maintained to ensure the safety of the patient, and to provide facilities for diagnosis and treatment and for special hospital services appropriate to the needs of the community.

CoP Standard	Tag	Corresponds to	Deficiency
§482.41(b)(1)(I)	A-0710	HAP - LS.02.01.20/EP13, EP30, EP31	Standard
§482.41(c)(2)	A-0724	HAP - EC.02.06.01/EP1	Standard

CoP: §482.42 **Tag:** A-0747 **Deficiency:** Standard

Corresponds to: HAP - IC.02.02.01/EP2, EC.02.05.01/EP6

Text: §482.42 Condition of Participation: Infection Control

The hospital must provide a sanitary environment to avoid sources and transmission of infections and communicable diseases. There must be an active program for the prevention, control, and investigation of infections and communicable diseases.

CoP: §482.51 **Tag:** A-0940 **Deficiency:** Standard

Corresponds to: HAP - IC.02.02.01/EP2

Text: §482.51 Condition of Participation: Surgical Services

If the hospital provides surgical services, the services must be well organized and provided in accordance with acceptable standards of practice. If outpatient surgical services are offered the services must be consistent in quality with inpatient care in accordance with the complexity of services offered.

**The Joint Commission
Findings**

Chapter: Emergency Management
Program: Hospital Accreditation
Standard: EM.02.02.13

ESC 48 days

Standard Text: During disasters, the hospital may grant disaster privileges to volunteer licensed independent practitioners.
Note: A disaster is an emergency that, due to its complexity, scope, or duration, threatens the organization's capabilities and requires outside assistance to sustain patient care, safety, or security functions.

Primary Priority Focus Area: Credentialed Practitioners

Element(s) of Performance:

4. The medical staff describes, in writing, how it will oversee the performance of volunteer licensed independent practitioners who are granted disaster privileges (for example, by direct observation, mentoring, medical record review).



Scoring

Category : A
Score : Insufficient Compliance

5. Before a volunteer practitioner is considered eligible to function as a volunteer licensed independent practitioner, the hospital obtains his or her valid government-issued photo identification (for example, a driver's license or passport) and at least one of the following:



- A current picture identification card from a health care organization that clearly identifies professional designation
- A current license to practice
- Primary source verification of licensure
- Identification indicating that the individual is a member of a Disaster Medical Assistance Team (DMAT), the Medical Reserve Corps (MRC), the Emergency System for Advance Registration of Volunteer Health Professionals (ESAR-VHP), or other recognized state or federal response organization or group
- Identification indicating that the individual has been granted authority by a government entity to provide patient care, treatment, or services in disaster circumstances
- Confirmation by a licensed independent practitioner currently privileged by the hospital or by a staff member with personal knowledge of the volunteer practitioner's ability to act as a licensed independent practitioner during a disaster

Scoring

Category : A
Score : Insufficient Compliance

Observation(s):

**The Joint Commission
Findings**

EP 4

Observed in Document Review at The Mount Vernon Hospital (12 North Seventh Avenue, Mount Vernon, NY) site. The medical staff had not described, in writing, how it would oversee the performance of volunteer licensed independent practitioners who were granted disaster privileges.

EP 5

Observed in Document Review at The Mount Vernon Hospital (12 North Seventh Avenue, Mount Vernon, NY) site. The policy only required one form of identification rather than two, the policy and bylaws did not require one form of government issued photo identification and a second that identified the individual as a qualified healthcare provider.

Chapter: Environment of Care

Program: Hospital Accreditation

Standard: EC.02.05.01

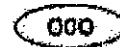
ESC 48 days

Standard Text: The hospital manages risks associated with its utility systems.

Primary Priority Focus Area: Physical Environment

Element(s) of Performance:

6. In areas designed to control airborne contaminants (such as biological agents, gases, fumes, dust), the ventilation system provides appropriate pressure relationships, air-exchange rates, and filtration efficiencies.



Note: Areas designed for control of airborne contaminants include spaces such as operating rooms, special procedure rooms, delivery rooms for patients diagnosed with or suspected of having airborne communicable diseases (for example, pulmonary or laryngeal tuberculosis), patients in 'protective environment' rooms (for example, those receiving bone marrow transplants), laboratories, pharmacies, and sterile supply rooms. For further information, see Guidelines for Design and Construction of Health Care Facilities, 2010 edition, administered by the Facility Guidelines Institute and published by the American Society for Healthcare Engineering (ASHE).

Scoring

Category : A

Score : Insufficient Compliance

Observation(s):

EP 6

§482.42 - (A-0747) - §482.42 Condition of Participation: Condition of Participation: Infection Control

This Standard is NOT MET as evidenced by:

Observed in Building Tour at The Mount Vernon Hospital (12 North Seventh Avenue, Mount Vernon, NY) site for the Hospital deemed service.

During tracer activity and a tour of the operating room area it was noted in the instrument clean room, used for surgical instrument packing and distribution, that the air pressure was negative relative to the outside hallway. Air pressure was also measured in operating room 1 and it was negative relative to the outside hallway.

Chapter: Environment of Care

Program: Hospital Accreditation

Standard: EC.02.06.01

ESC 40 days

**The Joint Commission
Findings**

Standard Text:

The hospital establishes and maintains a safe, functional environment.
Note: The environment is constructed, arranged, and maintained to foster patient safety, provide facilities for diagnosis and treatment, and provide for special services appropriate to the needs of the community.

Primary Priority Focus Area: Physical Environment

Element(s) of Performance:

1. Interior spaces meet the needs of the patient population and are safe and suitable to the care, treatment, and services provided.



Scoring

Category :

C

Score :

Insufficient Compliance

Observation(s):

EP 1

§482.41(c)(2) - (A-0724) - (2) Facilities, supplies, and equipment must be maintained to ensure an acceptable level of safety and quality.

This Standard is NOT MET as evidenced by:

Observed in Individual Tracer at The Mount Vernon Hospital (12 North Seventh Avenue, Mount Vernon, NY) site for the Hospital deemed service.

During a tour of the unit it was noted that the medication cart was visibly soiled.

Observed in Individual Tracer at The Mount Vernon Hospital (12 North Seventh Avenue, Mount Vernon, NY) site for the Hospital deemed service.

During a tour of the unit it was noted that the medication room counter was visibly soiled with dirt and dust particles in the corner.

Observed in Tracer Activities at The Mount Vernon Hospital (12 North Seventh Avenue, Mount Vernon, NY) site for the Hospital deemed service.

During a tour of the third floor unit it was noted that the oxygen cylinders were not separated and identified as full or empty.

Observed in Tracer Activities at The Mount Vernon Hospital (12 North Seventh Avenue, Mount Vernon, NY) site for the Hospital deemed service.

The ice machine in the dietary department deposited ice into a bin from which ice would be scooped. There was no cleaning schedule in place to insure the cleanliness of the equipment.

Observed in Building Tour at The Mount Vernon Hospital (12 North Seventh Avenue, Mount Vernon, NY) site for the Hospital deemed service.

During a tour of the dietary kitchen, it was noted that there were 12 refrigerator temperature checks omissions in February and three omissions in January. The hospital's policy is to check the refrigerator temperatures twice daily.

Observed in Tracer Activities at The Mount Vernon Hospital (12 North Seventh Avenue, Mount Vernon, NY) site for the Hospital deemed service.

During a tour of the unit it was noted that the lift pad used to transfer patients was visibly soiled.

Observed in Tracer Activities at The Mount Vernon Hospital (12 North Seventh Avenue, Mount Vernon, NY) site for the Hospital deemed service.

During a tour of the unit it was noted that the base of the portable vital sign equipment, which was directly used by patients, was stained and soiled.

Chapter:

Human Resources

Program:

Hospital Accreditation

**The Joint Commission
Findings**

Standard: HR.01.02.05

ESC 60 days

Standard Text: The hospital verifies staff qualifications.

Primary Priority Focus Area: Credentialed Practitioners

Element(s) of Performance:

1. When law or regulation requires care providers to be currently licensed, certified, or registered to practice their professions, the hospital both verifies these credentials with the primary source and documents this verification when a provider is hired and when his or her credentials are renewed. (See also HR.01.02.07, EP 2)



Note 1: It is acceptable to verify current licensure, certification, or registration with the primary source via a secure electronic communication or by telephone, if this verification is documented.

Note 2: A primary verification source may designate another agency to communicate credentials information. The designated agency can then be used as a primary source.

Note 3: An external organization (for example, a credentials verification organization [CVO]) may be used to verify credentials information. A CVO must meet the CVO guidelines identified in the Glossary.

Scoring

Category : A

Score : Insufficient Compliance

Observation(s):

EP 1

Observed In Competency Session at The Mount Vernon Hospital (12 North Seventh Avenue, Mount Vernon, NY) site.

Review of a registered nurse's file indicated that the license expired in March 2012 and the primary source verification had been completed in May 2012, two months after renewal.

Chapter: Infection Prevention and Control

Program: Hospital Accreditation

Standard: IC.02.02.01

ESC 45 days

Standard Text: The hospital reduces the risk of infections associated with medical equipment, devices, and supplies.

Primary Priority Focus Area: Infection Control

**The Joint Commission
Findings**

Element(s) of Performance:

2. The hospital implements infection prevention and control activities when doing the following: Performing intermediate and high-level disinfection and sterilization of medical equipment, devices, and supplies. * (See also EC.02.04.03, EP 4)



Note: Sterilization is used for items such as implants and surgical instruments. High-level disinfection may also be used if sterilization is not possible, as is the case with flexible endoscopes.

Footnote *: For further information regarding performing intermediate and high-level disinfection of medical equipment, devices, and supplies, refer to the website of the Centers for Disease Control and Prevention (CDC) at

http://www.cdc.gov/nicpac/Disinfection_Sterilization/acknowledg.html (Sterilization and Disinfection in Healthcare Settings).

Scoring

Category :

A

Score :

Insufficient Compliance

Observation(s):

EP 2

§482.51 - (A-0940) - §482.51 Condition of Participation: Condition of Participation: Surgical Services

This Standard is NOT MET as evidenced by:

Observed in Tracer Activities at The Mount Vernon Hospital (12 North Seventh Avenue, Mount Vernon, NY) site for the Hospital deemed service.

During tracer activity the logs of the bacterial indicators used for confirming sterilization were reviewed. The logs did not indicate the lot numbers of the controls or samples used in the growth of the biological indicators to compare with the lot numbers of the test and control samples. The log also did not indicate the results of the control samples.

Observed in Tracer Activities at The Mount Vernon Hospital (12 North Seventh Avenue, Mount Vernon, NY) site for the Hospital deemed service.

During review of the endoscopy decontamination process it was noted that the test strips for Cidex OPA were not labeled with the opening dates or subsequent expiration dates related to the dates the strips were opened. Dating the strips is required to prevent the use of outdated strips for testing disinfecting solution strength. Staff also indicated that they did not perform QC testing of the test strips when the packages were opened as recommended by the manufacturer.

§482.42 - (A-0747) - §482.42 Condition of Participation: Condition of Participation: Infection Control

This Condition is NOT MET as evidenced by:

Observed in Tracer Activities at The Mount Vernon Hospital (12 North Seventh Avenue, Mount Vernon, NY) site for the Hospital deemed service.

During a tour of the radiology department it was noted that Cidex was utilized to disinfect probes. Review of the hospital's process indicated a lack of knowledge in regards to the manufacturer's instructions. The quality control test strips had expired in 2010 and the manufacturer's instructions for quality control had not been fully implemented to recognize the change in expiration dates after opening the container and the QC testing of the strips.

Chapter:

Life Safety

Program:

Hospital Accreditation

Standard:

LS.02.01.20

ESC 60 days

Standard Text:

The hospital maintains the integrity of the means of egress.

**The Joint Commission
Findings**

Primary Priority Focus Area: Physical Environment

Element(s) of Performance:

13. Exits, exit accesses, and exit discharges are clear of obstructions or impediments to the public way, such as clutter (for example, equipment, carts, furniture), construction material, and snow and ice. (For full text and any exceptions, refer to NFPA 101-2000: 7.1.10.1)



Scoring

Category : C
Score : Partial Compliance

30. Signs reading 'No Exit' are posted on any door, passage, or stairway that is neither an exit nor an access to an exit but may be mistaken for an exit. (For full text and any exceptions, refer to NFPA 101-2000: 7.10.8.1)



Scoring

Category : A
Score : Insufficient Compliance

31. Exit signs are visible when the path to the exit is not readily apparent. Signs are adequately lit and have letters that are 4 or more inches high (or 6 inches high if externally lit). (For full text and any exceptions, refer to NFPA 101-2000: 7.10.1.2, 7.10.5, 7.10.6.1, and 7.10.7.1)



Scoring

Category : C
Score : Insufficient Compliance

Observation(s):

**The Joint Commission
Findings**

EP 13

§482.41(b)(1)(i) - (A-0710) - (i) The hospital must meet the applicable provisions of the 2000 edition of the Life Safety Code of the National Fire Protection Association. The Director of the Office of the Federal Register has approved the NFPA 101@2000 edition of the Life Safety Code, issued January 14, 2000, for incorporation by reference in accordance with 5 U.S.C. 552(a) and 1 CFR part 51. A copy of the Code is available for inspection at the CMS Information Resource Center, 7500 Security Boulevard, Baltimore, MD or at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call 202-741-6030, or go to: http://www.archives.gov/federal_register/code_of_federal_regulations/ibr_locations.html.

Copies may be obtained from the National Fire Protection Association, 1 Batterymarch Park, Quincy, MA 02269. If any changes in this edition of the Code are incorporated by reference, CMS will publish notice in the Federal Register to announce the changes.

This Standard is NOT MET as evidenced by:

Observed in Tracer Activities at The Mount Vernon Hospital (12 North Seventh Avenue, Mount Vernon, NY) site for the Hospital deemed service.

During tracer activity it was noted that wheel chairs and gurneys were stored on one side of the hallway in the emergency department narrowing the hallway.

Observed in Tracer Activities at The Mount Vernon Hospital (12 North Seventh Avenue, Mount Vernon, NY) site for the Hospital deemed service.

During a tour of the second floor unit, it was noted that there were multiple pieces of equipment stored in the corridor. This equipment included patient lifts, scales, medication carts, linen carts, computers and shelving that contained computers.

EP 30

§482.41(b)(1)(i) - (A-0710) - (i) The hospital must meet the applicable provisions of the 2000 edition of the Life Safety Code of the National Fire Protection Association. The Director of the Office of the Federal Register has approved the NFPA 101@2000 edition of the Life Safety Code, issued January 14, 2000, for incorporation by reference in accordance with 5 U.S.C. 552(a) and 1 CFR part 51. A copy of the Code is available for inspection at the CMS Information Resource Center, 7500 Security Boulevard, Baltimore, MD or at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call 202-741-6030, or go to: http://www.archives.gov/federal_register/code_of_federal_regulations/ibr_locations.html.

Copies may be obtained from the National Fire Protection Association, 1 Batterymarch Park, Quincy, MA 02269. If any changes in this edition of the Code are incorporated by reference, CMS will publish notice in the Federal Register to announce the changes.

This Standard is NOT MET as evidenced by:

Observed in Building Tour at The Mount Vernon Hospital (12 North Seventh Avenue, Mount Vernon, NY) site for the Hospital deemed service.

Observed on the second floor in the Central Storage Supply area that there is two doors one in the rear and one near the front that lead into the Emergency Preparedness storage room that should have a NO EXIT sign attached because it is not an exit.

EP 31

§482.41(b)(1)(i) - (A-0710) - (i) The hospital must meet the applicable provisions of the 2000 edition of the Life Safety Code of the National Fire Protection Association. The Director of the Office of the Federal Register has approved the NFPA 101@2000 edition of the Life Safety Code, issued January 14, 2000, for incorporation by reference in accordance with 5 U.S.C. 552(a) and 1 CFR part 51. A copy of the Code is available for inspection at the CMS Information Resource Center, 7500 Security Boulevard, Baltimore, MD or at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call 202-741-6030, or go to: http://www.archives.gov/federal_register/code_of_federal_regulations/ibr_locations.html.

Copies may be obtained from the National Fire Protection Association, 1 Batterymarch Park, Quincy, MA 02269. If any changes in this edition of the Code are incorporated by reference, CMS will publish notice in the Federal Register to announce the changes.

This Standard is NOT MET as evidenced by:

Observed in Building Tour at The Mount Vernon Hospital (12 North Seventh Avenue, Mount Vernon, NY) site for

**The Joint Commission
Findings**

the Hospital deemed service.

Observed on the fourth floor in the O.R. Recovery area that there was no means of egress fixture to identify the exit door from the rear of the area.

Observed in Building Tour at Mount Vernon Hospital-Behavioral Health Program (3 South 6th Avenue, Mount Vernon, NY) site for the Hospital deemed service.

Observed on the fourth floor in the O.R. Recovery area that there was no means of egress fixture to identify the exit door from the front of the area.

Observed in Building Tour at The Mount Vernon Hospital (12 North Seventh Avenue, Mount Vernon, NY) site for the Hospital deemed service.

Observed on the second floor in the Central Storage Supply area that there is no means of egress fixture to identify the rear exit door from the area.

Observed in Building Tour at Mount Vernon Hospital-Behavioral Health Program (3 South 6th Avenue, Mount Vernon, NY) site for the Hospital deemed service.

Observed on the second floor in the Central Storage Supply area that there is no means of egress fixture to identify the front exit door from the area.

Chapter: Medical Staff
Program: Hospital Accreditation
Standard: MS.01.01.01

ESC 60 days

Standard Text: Medical staff bylaws address self-governance and accountability to the governing body.

Primary Priority Focus Area: Organizational Structure

**The Joint Commission
Findings**

Element(s) of Performance:

3. Every requirement set forth in Elements of Performance 12 through 36 is in the medical staff bylaws. These requirements may have associated details, some of which may be extensive; such details may reside in the medical staff bylaws, rules and regulations, or policies. The organized medical staff adopts what constitutes the associated details, where they reside, and whether their adoption can be delegated. Adoption of associated details that reside in medical staff bylaws cannot be delegated. For those Elements of Performance 12 through 36 that require a process, the medical staff bylaws include at a minimum the basic steps, as determined by the organized medical staff and approved by the governing body, required for implementation of the requirement. The organized medical staff submits its proposals to the governing body for action. Proposals become effective only upon governing body approval. (See the 'Leadership' (LD) chapter for requirements regarding the governing body's authority and conflict management processes.)



Note: If an organization is found to be out of compliance with this Element of Performance, the citation will occur at the appropriate Element(s) of Performance 12 through 36.

Scoring

Category : A
Score : Insufficient Compliance

16. For hospitals that use Joint Commission accreditation for deemed status purposes: The medical staff bylaws include the following requirements, in accordance with Element of Performance 3: The requirements for completing and documenting medical histories and physical examinations. The medical history and physical examination are completed and documented by a physician, an oralmaxillofacial surgeon, or other qualified licensed individual in accordance with state law and hospital policy. (For more information on performing the medical history and physical examination, refer to MS.03.01.01, EPs 6 -11.)



Note 1: The definition of 'physician' is the same as that used by the Centers for Medicare & Medicaid Services (CMS) (refer to the Glossary).

Note 2: The requirements referred to in this element of performance are, at a minimum, those described in the element of performance and Standard PC.01.02.03, EPs 4 and 5.

Scoring

Category : A
Score : Insufficient Compliance

Observation(s):

The Joint Commission Findings

EP 3

Observed in Document Review at The Mount Vernon Hospital (12 North Seventh Avenue, Mount Vernon, NY) site. The organization had not amended the bylaws to include the basic steps for issues outlined in element of performance 16 as noted below.

EP 16

§482.22(c)(5)(i) - (A-0358) - (i) A medical history and physical examination be completed and documented for each patient no more than 30 days before or 24 hours after admission or registration, but prior to surgery or a procedure requiring anesthesia services. The medical history and physical examination must be completed and documented by a physician (as defined in section 1861(r) of the Act), an oromaxillofacial surgeon, or other qualified licensed individual in accordance with State law and hospital policy.

This Standard is NOT MET as evidenced by:

Observed in Document Review at The Mount Vernon Hospital (12 North Seventh Avenue, Mount Vernon, NY) site for the Hospital deemed service.

The bylaws did not have information related to the completion of the history and physical that included information that the history and physical must be completed within 24 hours of admission or before surgery and that the update of history and physicals completed within the previous 30 days must be completed within the same time frame.

Chapter: Medical Staff
Program: Hospital Accreditation
Standard: MS.06.01.03

ESC 60 days

Standard Text: The hospital collects information regarding each practitioner's current license status, training, experience, competence, and ability to perform the requested privilege.

Primary Priority Focus Area: Credentialed Practitioners

Element(s) of Performance:

6. The credentialing process requires that the hospital verifies in writing and from the primary source whenever feasible, or from a credentials verification organization (CVO), the following information:

- The applicant's current licensure at the time of initial granting, renewal, and revision of privileges, and at the time of license expiration
- The applicant's relevant training
- The applicant's current competence

(See also PC.03.01.01, EP 1)



Scoring

Category : A
Score : Insufficient Compliance

Observation(s):

EP 6

§482.11(c) - (A-0023) - (c) The hospital must assure that personnel are licensed or meet other applicable standards that are required by State or local laws.

This Standard is NOT MET as evidenced by:

Observed in Medical Management Session at The Mount Vernon Hospital (12 North Seventh Avenue, Mount Vernon, NY) site for the Hospital deemed service.

During review of credential files it was noted that licensure had not been verified by primary source. There was documentation of primary source verification after the last survey when it was found that primary source verification had not occurred. Subsequent to this verification, at the time of the licensed independent practitioner's license renewal it was noted that the organization obtained a copy of the renewed license from the licensed independent practitioner applying for renewal of credentialing and privileges but primary source verification of the license did not take place.

**The Joint Commission
Findings**

Chapter: Medical Staff
Program: Hospital Accreditation
Standard: MS.06.01.05

RSC 60 days

Standard Text: The decision to grant or deny a privilege(s), and/or to renew an existing privilege(s), is an objective, evidence-based process.

Primary Priority Focus Area: Credentialed Practitioners

Element(s) of Performance:

8. Peer recommendation includes written information regarding the practitioner's current:



- Medical/clinical knowledge
- Technical and clinical skills
- Clinical judgment
- Interpersonal skills
- Communication skills
- Professionalism

Note: Peer recommendation may be in the form of written documentation reflecting informed opinions on each applicant's scope and level of performance, or a written peer evaluation of practitioner-specific data collected from various sources for the purpose of validating current competence.

Scoring

Category : A
Score : Insufficient Compliance

Observation(s):

EP 8

§482.22(a)(2) - (A-0341) - (2) The medical staff must examine the credentials of all eligible candidates for medical staff membership and make recommendations to the governing body on the appointment of these candidates in accordance with State law, including scope-of-practice laws, and the medical staff bylaws, rules, and regulations. A candidate who has been recommended by the medical staff and who has been appointed by the governing body is subject to all medical staff bylaws, rules, and regulations, in addition to the requirements contained in this section. This Standard is NOT MET as evidenced by:

Observed in Medical Management Session at The Mount Vernon Hospital (12 North Seventh Avenue, Mount Vernon, NY) site for the Hospital deemed service.

During review of credential files for new and renewing applicants it was noted that for new applicants the peer recommendation did not include written information in all six areas as required. The peer letter was a request for a free text recommendation and there was no direction to the person providing the recommendation that would result in documenting information in all six required areas. For the records that were reviewed there was no information on communication or interpersonal skills.

Chapter: Medication Management
Program: Hospital Accreditation
Standard: MM.03.01.01

RSC 45 days

Standard Text: The hospital safely stores medications.

Primary Priority Focus Area: Medication Management

The Joint Commission Findings

Element(s) of Performance:

7. All stored medications and the components used in their preparation are labeled with the contents, expiration date, and any applicable warnings.



Scoring

Category : C
Score : Insufficient Compliance

Observation(s):

EP 7

Observed In Tracer Activities at The Mount Vernon Hospital (12 North Seventh Avenue, Mount Vernon, NY) site. Medications were examined in the ICU. Opened insulin vials were stored in the refrigerators in the medication room and were labeled with the date the vial was opened and not with the expiration date.

Observed In Tracer Activities at The Mount Vernon Hospital (12 North Seventh Avenue, Mount Vernon, NY) site. Medications were examined on the 2nd floor Med/Surg unit. Opened insulin vials were stored in the refrigerators in the medication room and were labeled with the date the vial was opened and not with the expiration date.

Observed In Tracer Activities at The Mount Vernon Hospital (12 North Seventh Avenue, Mount Vernon, NY) site. Medications were examined in the Emergency Department. Opened insulin vials were stored in the refrigerators in the medication room and were labeled with the date the vial was opened and not with the expiration date.

Observed In Tracer Activities at The Mount Vernon Hospital (12 North Seventh Avenue, Mount Vernon, NY) site. During a tour of the third floor medical surgical nursing unit it was noted that the various types of insulin vials were labeled with the date at the time of opening, not with the expiration date.

Chapter: Medication Management
Program: Hospital Accreditation
Standard: MM.05.01.07
Standard Text: The hospital safely prepares medications.
Primary Priority Focus Area: Medication Management

ESC 45 days

Element(s) of Performance:

2. Staff use clean or sterile techniques and maintain clean, uncluttered, and functionally separate areas for product preparation to avoid contamination of medications.



Scoring

Category : C
Score : Insufficient Compliance

Observation(s):

The Joint Commission Findings

EP 2

§482.23(c) - (A-0404) - §482.23(c) Standard: Preparation and Administration of Drugs

(c) Standard: Preparation and administration of drugs. (1) Drugs and biologicals must be prepared and administered in accordance with Federal and State laws, the orders of the practitioner or practitioners responsible for the patient's care as specified under §482.12(c), and accepted standards of practice.

This Standard is NOT MET as evidenced by:

Observed in Tracer Activities at The Mount Vernon Hospital (12 North Seventh Avenue, Mount Vernon, NY) site for the Hospital deemed service.

The examination of the pill cutter used in the ICU revealed medication debris from previous use contaminating the cutter. A note on the cutter indicated that the pill cutter should be cleaned after use. The pill cutter could be used in its current unclean state thus contaminating medications for subsequent patient use.

Observed in Tracer Activities at The Mount Vernon Hospital (12 North Seventh Avenue, Mount Vernon, NY) site for the Hospital deemed service.

The examination of the pill cutter used on the 2nd floor Med/Surg unit revealed medication debris from previous use contaminating the cutter. A note on the cutter indicated that the pill cutter should be cleaned after use. The pill cutter could be used in its current unclean state thus contaminating medications for subsequent patient use.

Observed in Tracer Activities at The Mount Vernon Hospital (12 North Seventh Avenue, Mount Vernon, NY) site for the Hospital deemed service.

Discussion with the nurse indicated that some IV admixtures are prepared by the nurses on the unit. The nurse stated that she prepares the IVs on top of the medication cart without any special preparation of the area.

Observed in Tracer Activities at The Mount Vernon Hospital (12 North Seventh Avenue, Mount Vernon, NY) site for the Hospital deemed service.

Discussion with a second nurse indicated that some IV admixtures are prepared by the nurses on the unit. This nurse stated that the medication counter top was utilized and did not describe how the area would be prepared to maintain a clean uncluttered surface. At the time of the survey the area contained blood glucose equipment and was visibly soiled. Above the counter area was a sign which read "IV tray" however the nurse manager stated that they did not use an IV tray to prepare medications and she removed the sign. There was no process to provide a clean uncluttered functional area to prepare IV solutions.

Chapter: Provision of Care, Treatment, and Services

Program: Hospital Accreditation

Standard: PC.01.03.01

ES0 45 days

Standard Text: The hospital plans the patient's care.

Primary Priority Focus Area: Information Management

Element(s) of Performance:

1. The hospital plans the patient's care, treatment, and services based on needs identified by the patient's assessment, reassessment, and results of diagnostic testing. (See also RC.02.01.01, EP 2)



Scoring

Category : C

Score : Insufficient Compliance

Observation(s):

The Joint Commission Findings

EP 1

§482.23(b)(4) - (A-0396) - (4) The hospital must ensure that the nursing staff develops, and keeps current, a nursing care plan for each patient. The nursing care plan may be part of an interdisciplinary care plan.

This Standard is NOT MET as evidenced by:

Observed in Individual Tracer at The Mount Vernon Hospital (12 North Seventh Avenue, Mount Vernon, NY) site for the Hospital deemed service.

The patient had been admitted to the unit with a MRSA positive culture. The plan of care did not address the necessary precautions .

Observed in Individual Tracer at The Mount Vernon Hospital (12 North Seventh Avenue, Mount Vernon, NY) site for the Hospital deemed service.

The nursing assessment indicated that the patient only spoke French. The plan of care did not address the needs for communication or translation services for this patient.

Observed in Individual Tracer at The Mount Vernon Hospital (12 North Seventh Avenue, Mount Vernon, NY) site for the Hospital deemed service.

During review of the medical record, it was noted that the physician and nursing assessment identified that the patient was legally blind. The plan of care did not address the vision impairment with a goal or action to meet the patient's needs.

Chapter: Record of Care, Treatment, and Services

Program: Hospital Accreditation

Standard: RC.01.01.01

ESC 00 days

Standard Text: The hospital maintains complete and accurate medical records for each individual patient.

Primary Priority Focus Area: Information Management

Element(s) of Performance:

7. The medical record contains information that documents the course and result of the patient's care, treatment, and services.



Scoring

Category : C

Score : Partial Compliance

Observation(s):

**The Joint Commission
Findings**

EP 7

§482.24(c) - (A-0449) - §482.24(c) Standard: Content of Record

The medical record must contain information to justify admission and continued hospitalization, support the diagnosis, and describe the patient's progress and response to medications and services.

This Standard is NOT MET as evidenced by:

Observed in Tracer Activities at The Mount Vernon Hospital (12 North Seventh Avenue, Mount Vernon, NY) site for the Hospital deemed service.

During review of the medical record it was noted that the patient was admitted to the hospital through the emergency room. The admission order had been written at 8:00 PM on February 27th. The first nurse's note on the unit was written at 8:00 AM on February 28th. According to hospital policy, Transfer of Patients on Nursing Units, "a brief narrative note is written by both the sending and the receiving nurse where patient was transferred from, where the patient was received, and how the patient was transported." It could not be determined, because of lack of documentation, when the patient had been transferred from the emergency room to the nursing unit.

Observed in Tracer Activities at The Mount Vernon Hospital (12 North Seventh Avenue, Mount Vernon, NY) site for the Hospital deemed service.

During review of the medical record it was noted that the patient was admitted to the hospital through the emergency room. The admission order had been written at 2:30 PM on March 4th. The first nurse's note on the unit was written at 10:50 PM on March 4th. According to hospital policy, Transfer of Patients on Nursing Units, "a brief narrative note is written by both the sending and the receiving nurse where patient was transferred from, where the patient was received, and how the patient was transported." It could not be determined, because of lack of documentation, when the patient had been transferred from the emergency room to the nursing unit.

Chapter: Record of Care, Treatment, and Services

Program: Hospital Accreditation

Standard: RC.01.04.01

ESC 60 days

Standard Text: The hospital audits its medical records.

Primary Priority Focus Area: Information Management

Element(s) of Performance:

4. The medical record delinquency rate averaged from the last four quarterly measurements is 50% or less of the average monthly discharge (AMD) rate. Each individual quarterly measurement is no greater than 50% of the AMD rate. (See also MS.05.01.03, EP 3)



Note: To calculate the quarterly and annual average medical record delinquency rate, the Medical Record Statistics Form can be used.

This form is available at

http://www.jointcommission.org/Hospital_Medical_Record_Statistics_Form/

Scoring

Category : A

Score : Insufficient Compliance

Observation(s):

The quarterly delinquency rate exceeded 50% of the Average Monthly Discharge rate in three of four quarters reported as well as the total average rate for the year. The total average delinquency rate was 52% of the Average Monthly Discharge Rate.

Chapter: Transplant Safety

**The Joint Commission
Findings**

Program: Hospital Accreditation

Standard: TS.03.01.01

ESC 60 days

Standard Text: The hospital uses standardized procedures for managing tissues.

Primary Priority Focus Area: Information Management

Element(s) of Performance:

8. The hospital maintains daily records to demonstrate that tissues requiring a controlled environment are stored at the required temperatures. (See also TS.03.02.01, EP 5)



Note 1: Types of tissue storage include room temperature, refrigerated, frozen (for example, deep freezing colder than -40°C), and liquid nitrogen storage.

Note 2: Tissues requiring no greater control than 'ambient temperature' (defined as the temperature of the immediate environment) for storage would not require temperature monitoring.

Scoring

Category : C

Score : Partial Compliance

Observation(s):

EP 8

Observed in Document Review at The Mount Vernon Hospital (12 North Seventh Avenue, Mount Vernon, NY) site. The organization did not document the daily temperature on Saturdays and Sundays when the operating room was closed in the area where tissue requiring storage at room temperature was kept during the month of February.

Observed in Document Review at The Mount Vernon Hospital (12 North Seventh Avenue, Mount Vernon, NY) site. When the operating room was closed on weekends daily temperatures were not recorded in the area where tissue requiring storage at room temperature was kept

Chapter: Human Resources

Program: Behavioral Health Care Accreditation

Standard: HR.01.05.03

ESC 60 days

Standard Text: Staff participate in education and training.

Primary Priority Focus Area: Orientation & Training

Element(s) of Performance:

1. Staff participate in education and training to maintain or increase their competency. Staff participation is documented.



Scoring

Category : C

Score : Partial Compliance

Observation(s):

The Joint Commission Findings

EP 1

Observed in HR File Review at Mount Vernon Hospital-Behavioral Health Program (3 South 6th Avenue, Mount Vernon, NY) site.

The complete training record that documented one staff member's participation and completion of training for more than the past twelve months was not in either of the two HR files reviewed during the survey.

Observed in HR File Review at Mount Vernon Hospital-Behavioral Health Program (3 South 6th Avenue, Mount Vernon, NY) site.

The training record of a second ACT staff member was not included in either of the two HR files that were reviewed during the survey. The training files were intact through 2008 and not intact after 2008. Documentation of required training was not verified.

Chapter: Information Management
Program: Behavioral Health Care Accreditation
Standard: IM.02.02.01

ESC 40 days

Standard Text: The organization effectively manages the collection of health information.

Primary Priority Focus Area: Communication

Element(s) of Performance:

3. The organization follows its list of prohibited abbreviations, acronyms, symbols, and dose designations, which includes the following:



- U,u
- IU
- Q.D., QD, q.d., qd
- Q.O.D., QOD, q.o.d, qod
- Trailing zero (X.0 mg)
- Lack of leading zero (.X mg)
- MS
- MSO4
- MgSO4

Note 1: A trailing zero may be used only when required to demonstrate the level of precision of the value being reported, such as for laboratory results, imaging studies that report the size of lesions, or catheter/tube sizes. It may not be used in medication orders or other medication-related documentation.

Note 2: The prohibited list applies to all orders, preprinted forms, and medication-related documentation. Medication-related documentation can be either handwritten or electronic.

Scoring

Category : C
Score : Partial Compliance

Observation(s):

EP 3

Observed in Individual Tracer at Mount Vernon Hospital-Behavioral Health Program (3 South 6th Avenue, Mount Vernon, NY) site.

QD was used repeatedly in reports and orders in one clinical record at ACT.

Observed in Individual Tracer at Mount Vernon Hospital-Behavioral Health Program (3 South 6th Avenue, Mount Vernon, NY) site.

QD was used repeatedly in reports, notes and orders in a second clinical record reviewed at ACT.

**The Joint Commission
Findings**

Chapter: Leadership
Program: Behavioral Health Care Accreditation
Standard: LD.04.01.07

ESC 60 days

Standard Text: The organization has policies and procedures that guide and support care, treatment, or services.

Primary Priority Focus Area: Organizational Structure

Element(s) of Performance:

2. The organization manages the implementation of policies and procedures.



Scoring

Category : C
Score : Partial Compliance

Observation(s):

EP 2

Observed In Individual Tracer at Mount Vernon Hospital-Behavioral Health Program (3 South 6th Avenue, Mount Vernon, NY) site.

The policies and procedures that are related to the provision of the scope of care in ACT indicate the need to provide groups that address wellness, MICA and vocational planning. Interviews with staff indicated that no groups were provided to the ACT clients for more than the past twelve months due to the availability of staff.

Observed In Individual Tracer at Mount Vernon Hospital-Behavioral Health Program (3 South 6th Avenue, Mount Vernon, NY) site.

The policies and procedures that relate to the scope of treatment that is required for the provision of Assertive Community Treatment indicate the staffing requirements for the team and the clinical disciplines that are required to be represented as members of the ACT Team. Interviews with staff indicated that the team did not consistently have nursing, social work and a substance abuse counselor on the team. The client census ranged from 55 to 62 over the past 12 or more months and there were months when there were only two or three clinicians on the ACT Team to provide the scope of ACT services to the clients.

Chapter: Record of Care, Treatment, and Services
Program: Behavioral Health Care Accreditation
Standard: RC.01.03.01

ESC 60 days

Standard Text: Documentation in the clinical/case record is entered in a timely manner.

Primary Priority Focus Area: Communication

Element(s) of Performance:

3. The organization implements its policy requiring timely entry of information into the clinical/case record of the individual served.



Scoring

Category : C
Score : Partial Compliance

Observation(s):

**The Joint Commission
Findings**

EP 3

Observed In Individual Tracer at Mount Vernon Hospital-Behavioral Health Program (3 South 6th Avenue, Mount Vernon, NY) site.

One client was readmitted to ACT 3/12/12 after having been discharged more than six months. Assessments required at the time of admission were not timely. The Safety Assessment was not conducted until 2/8/13. The Crises Intervention Assessment was not conducted until 1/11/13. A psychosocial assessment was not initiated or updated. The Patient Rights was not updated and was dated 2006 from the previous admission.

Observed In Individual Tracer at Mount Vernon Hospital-Behavioral Health Program (3 South 6th Avenue, Mount Vernon, NY) site.

Treatment plan reviews were not timely or were not conducted in three of three clinical records reviewed during tracer activities. The Initial Treatment Plan and the Treatment Plan due after thirty days of admission were timely but the six month reviews were not timely in all three records.

Chapter: Record of Care, Treatment, and Services

Program: Behavioral Health Care Accreditation

Standard: RC.02.01.01

ESG 46 days

Standard Text: The clinical/case record contains information that reflects the care, treatment, or services provided to the individual served.

Primary Priority Focus Area: Assessment and Care/Services

Element(s) of Performance:

2. The clinical/case record of the individual served contains the following clinical information:



- The reason(s) for admission for care, treatment, or services
- The initial diagnosis, diagnostic impression(s), or condition(s)
- Any findings of assessments and reassessments
- Any allergies to food
- Any allergies to medications
- Any conclusions or impressions drawn from the medical history and physical examination
- Any diagnoses or conditions established during the course of care, treatment, or services
- Any consultation reports
- Any observations relevant to care, treatment, or services
- The response to care, treatment, or services
- Any emergency care, treatment, or services provided prior to arrival
- Any progress notes
- Any medications ordered or prescribed
- Any medications administered, including the strength, dose, and route
- Any access site for medication, administration devices used, and rate of administration (for intravenous therapy)
- Any adverse drug reactions
- Treatment goals, plan of care, and revisions to the plan of care, treatment, or services
- Orders for diagnostic and therapeutic tests and procedures and their results

Scoring

Category : C

Score : Insufficient Compliance

**The Joint Commission
Findings**

Observation(s):

EP 2

Observed in Data Tracer at Mount Vernon Hospital-Behavioral Health Program (3 South 6th Avenue, Mount Vernon, NY) site.

The frequency of progress note documentation in the clinical record was not consistent with documentation policy requirements. The treatment plan reviews were not conducted every six months as required by policy. The treatment plan is supposed to be reviewed two times a year and it has only been reviewed one time a year for the past three years.

Observed in Individual Tracer at Mount Vernon Hospital-Behavioral Health Program (3 South 6th Avenue, Mount Vernon, NY) site.

The progress notes in a second clinical record were not written at the frequency required by policy. The treatment plan was not reviewed every six months as required by the policy. No treatment plan reviews were in the clinical record during 2012 and the last time the treatment plan was reviewed was 7/28/13.

Observed in Individual Tracer at Mount Vernon Hospital-Behavioral Health Program (3 South 6th Avenue, Mount Vernon, NY) site.

The documentation in a third clinical record reviewed during tracer activities did not contain the required number of progress notes. There were months during the past twelve months when there were no progress notes entered into the clinical record. Treatment plan reviews were not in the clinical record every six months as per policy.



March 8, 2013

John Spicer
Chief Executive Officer
The Mount Vernon Hospital
12 North Seventh Avenue
Mount Vernon, NY 10550

Joint Commission ID #: 5804
Program: Hospital Accreditation
Accreditation Activity: Unannounced Full
Event
Accreditation Activity Completed:
03/07/2013

Dear Mr. Spicer:

The Joint Commission would like to thank your organization for participating in the accreditation process. This process is designed to help your organization continuously provide safe, high - quality care, treatment, and services by identifying opportunities for improvement in your processes and helping you follow through on and implement these improvements. We encourage you to use the accreditation process as a continuous standards compliance and operational improvement tool.

With that goal in mind, your organization received Requirement(s) for Improvement during its recent survey. These requirements have been summarized in the Accreditation Report provided by the survey team that visited your organization.

Please be assured that The Joint Commission will keep the report confidential, except as required by law. To ensure that The Joint Commission's information about your organization is always accurate and current, our policy requires that you inform us of any changes in the name or ownership of your organization or the health care services you provide.

Please visit [Quality Check®](#) on The Joint Commission web site for updated information related to your accreditation decision.

Sincerely,

Mark G. Pelletier, RN, MS

Chief Operating Officer

Division of Accreditation and Certification Operations

MUH

450y.

Program: HAP Standard: PC.01.03.01 EP: 2

Corrective Action Taken:

(This display is not editable)

WHO: Title of who is responsible for the corrective action and ongoing compliance. Title of who approved the action, policy, or procedure. Title of who was trained.
The Director of Nursing is ultimately responsible for the corrective action and for overall and ongoing compliance.

WHAT: A description of the action taken, of the policy or process and how the element of performance was addressed.
The Hospital's policy on "Interdisciplinary Plan of Care" was reviewed with the nursing staff with emphasis on the need to address the precautionary measures needed for patients on isolation; the need for the Plan of Care to address how the communication and or translation needs of the patient will be met; and the need for the Plan of Care to address the goals and actions to be taken to meet the needs of the patient who is visually impaired.

WHEN: A date of when each action, policy, procedure, and/or training was completed.
The Hospital policy review with the staff was completed on May 1, 2013.

HOW: A description of how the policy or process was implemented.
The Nursing Supervisory staff will monitor inpatient charts weekly. Results will be reported monthly to Hospital QI and quarterly to BOT.



7

MUH

Program: HAP Standard: PC.01.03.01 EP: 2

Evaluation Method:

(This display is not editable)

Numerator will be the number of charts having appropriate Plans of Care in Place, Denominator will be the number of charts reviewed. Monitoring will commence with the acceptance of the plan and be done for 4 consecutive months. Results will be reported monthly to the the Hospital QI Committee and Quarterly to the Board of Trustees.

2

MUH

Program: HAP Standard: MM.05.01.07 EP: 2

Corrective Action Taken:

(This display is not editable)

WHO: Title of who is responsible for the corrective action and ongoing compliance. Title of who approved the action, policy, or procedure. Title of who was trained.

The Pharmacy Supervisor is ultimately responsible for the corrective action and for overall and ongoing compliance.

WHAT: A description of the action taken, of the policy or process and how the element of performance was addressed.

A policy and procedure titled Pill Cutters was developed and implemented. Pill cutters will now be dispensed by pharmacy for individual patient use when indicated. Medication Safety Policy was reviewed with nursing staff to ensure maintenance of medication preparation work surfaces utilizing standard precautions and free of equipment and supplies unrelated to the preparation of a given medication. It was established with the nursing staff that in the event of the need to prepare IV admixtures, only the medication room is to be utilized; and must have a clean uncluttered work surface before IV admixture can begin. Environmental Services Manager met with his staff to review their responsibilities for the daily cleaning of medication room counters.

WHEN: A date of when each action, policy, procedure, and/or training was completed.

Policy and Procedure was developed 3/25/13. Education of Pharmacy staff will be completed by 4/15. Policy review and education of the Nursing Staff will be completed by 5/1/13. Environmental Services Staff education was completed by 4/8/13

HOW: A description of how the policy or process was implemented.

Compliance will be sustained thru bi-weekly monitoring of the ICU and Med. Surg. units Results will be reported monthly to Hospital QI and quarterly to the BOT. Monitoring will commence upon acceptance of this plan.

Close Print

3'

MUH

Program: HAP Standard: MM.05.01.07 EP: 2

Evaluation Method:

(This display is not editable)

Numerator will represent compliance to standard. Denominator will represent the number of reviews performed.

Close Print

41

MVH

Program: HAP Standard: MM.03.01.01 EP: 2

Corrective Action Taken:

(This display is not editable)

WHO: Title of who is responsible for the corrective action and ongoing compliance. Title of who approved the action, policy, or procedure. Title of who was trained.
The Pharmacy Supervisor is responsible for the corrective action and for overall and ongoing compliance.

WHAT: A description of the action taken, of the policy or process and how the element of performance was addressed.

A policy titled Multi-dose Insulin Vial Expiration Dating was developed and implemented 3/20/13. In addition the policy and procedure entitled Multiple Dose Vials and Treatment Solutions was reviewed and revised on 3/13. Pharmacy and Nursing staff were educated regarding the new and revised policies.

WHEN: A date of when each action, policy, procedure, and/or training was completed.

The Policy policy titled Multi-dose Insulin Vial Expiration Dating was developed and implemented 3/20/13. In addition the policy and procedure entitled Multiple Dose Vials and Treatment Solutions was reviewed and revised on 3/13. Pharmacy and Nursing staff were educated regarding the new and revised policies. Nursing Education on the new and revised policy will be completed by May 1, 2013. Pharmacy education will be completed by April 14, 2013.

HOW: A description of how the policy or process was implemented.

Bi-Weekly inspections will be performed on all inpatient units that utilize insulin. Denominator will reflect total number of insulin vials on the unit. The numerator will consist of the number compliant with the standard. Inspections will be conducted weekly and reported monthly to the Hospital QI committee and to the Board of Trustees quarterly. Monitoring will commence upon acceptance of this plan.

Close Print

51

MVA

Program: HAP Standard: MM.03.01.01 EP: 2

Evaluation Method:

(This display is not editable)

Bi-Weekly inspections will be performed on all inpatient units that utilize insulin. Denominator will reflect total number of insulin vials on the unit. The numerator will consist of the number compliant with the standard. Inspections will be conducted weekly and reported monthly to the Hospital QI committee and to the Board of Trustees quarterly. Monitoring will commence upon acceptance of this plan.

Close Print

61

MUH

Program: HAP Standard: IC.02.02.01 EP: 2

Corrective Action Taken:

(This display is not editable)

WHO: Title of who is responsible for the corrective action and ongoing compliance. Title of who approved the action, policy, or procedure. Title of who was trained.

The Director of Nursing is responsible for the corrective action and overall and ongoing compliance.

WHAT: A description of the action taken, of the policy or process and how the element of performance was addressed.

The Standards and Protocols for sterilization using the steam Autoclave was reviewed with the staff on 4/4/13. The existing log was updated to reflect the lot numbers of the controls or samples used to compare with the lot numbers of the test and the control samples as well as action taken for positive findings. The staff was re-educated to the need to document the results of the control samples. (4/4/13) The Endoscopy Decontamination process was reviewed with the staff on 4/4/13, with emphasis on the need to date the test strips for Cidex to include opening and expiration dates. In addition the staff was re-educated to perform QC testing of the test strips when the packages are open in accordance with manufacturing guidelines. During the survey in the Radiology department the Cidex control strips were replaced. The policy titled Protocols for Use and Handling of Cidex and the Gus Station and quality control logs were developed and implemented. Staff training was performed on these procedures March 20th.

WHEN: A date of when each action, policy, procedure, and/or training was completed.

The Standards and Protocols for Sterilization using the steam Autoclave was reviewed with the staff on 4/4/13. Re-education of documentation of the results of the sterilization process was reviewed with the staff on 4/4/13. Endoscopy Decontamination process was reviewed with the staff on 4/4/13. Education of the Radiology staff regarding the Protocols for the Use and Handling of Cidex and Gus station and quality control logs was done on March 20, 2013

HOW: A description of how the policy or process was implemented.

Compliance will be sustained in the OR by monthly monitoring of the logs by the Director of Nursing or her designee. Findings will be reported to the Monthly Hospital QI Committee and to the Board of Trustees Quarterly. Compliance will be sustained in the Radiology department with monthly monitoring of the Quality Control logs by the Administrator of Imaging Services.

Close Print

7

MOH

Program: **HAP** Standard: **EM.02.02.13** EP: **5**

Corrective Action Taken:

(This display is not editable)

WHO: Title of who is responsible for the corrective action and ongoing compliance. Title of who approved the action, policy, or procedure. Title of who was trained.

The Senior Vice President of Medical Affairs is responsible for the corrective action and for overall and ongoing compliance.

WHAT: A description of the action taken, of the policy or process and how the element of performance was addressed.

A Policy and Procedure titled Credentialing of Licensed Independent Practitioners in a Disaster was developed. To be credentialed each licensed independent practitioner the hospital will obtain two forms of identification, one of which will be a valid government issued photo identification issued by a state or federal agency and the second which will identify the individual as a qualified health care provider.

WHEN: A date of when each action, policy, procedure, and/or training was completed.

The Policy and Procedure was developed and implemented on March 11. It was presented and reviewed with the Medical Board on March 14th and April 11th.

HOW: A description of how the policy or process was implemented.

The Senior Vice President of Medical Affairs or his designee will oversee the implementation of the Policy during any situation that requires the granting of emergency privileges during a disaster.

8

MOH

Program: HAP Standard: EM.02.02.13 EP: 2

Corrective Action Taken:

(This display is not editable)

WHO: Title of who is responsible for the corrective action and ongoing compliance. Title of who approved the action, policy, or procedure. Title of who was trained.
The Senior Vice President for Medical Affairs is responsible for the corrective action and overall ongoing compliance.

WHAT: A description of the action taken, of the policy or process and how the element of performance was addressed.
A policy and procedure titled Credentialing of Licensed Independent Practitioners in a Disaster was developed and implemented. The Professional performance of the licensed independent practitioner will be monitored through direct observation by the Chairman of the Department or his/her designee.

WHEN: A date of when each action, policy, procedure, and/or training was completed.
The policy and procedure was developed March 11, 2013. The policy and procedure was presented to the Medical Board on March 14th and April 11th.

HOW: A description of how the policy or process was implemented.
The Senior Vice President or his designee will oversee the implementation of the Policy during any situation that requires the granting of emergency privileges during a disaster.

9.

MUH

Program: HAP Standard: EC.02.05.01 EP: 2

Corrective Action Taken:

(This display is not editable)

WHO: Title of who is responsible for the corrective action and ongoing compliance. Title of who approved the action, policy, or procedure. Title of who was trained.
The Administrator of Support Services is responsible for the corrective action, implementation and compliance of the Utility Policies.

WHAT: A description of the action taken, of the policy or process and how the element of performance was addressed.

Slipping belts on the air handling units AC8 which serves the surgical suite were replaced at the time of survey. This immediately resolved the issue for OR #1 and the instrument clean room. An inspection log will be created to test of all areas of the surgical suite designed to control airborne contaminants for appropriate pressure relationships.

WHEN: A date of when each action, policy, procedure, and/or training was completed.
All repair work for OR #1 and the instrument clean room was completed during the survey on 3/6/13.
The policy was revised and presented and approved by the EOC Committee on 4/11/13.

HOW: A description of how the policy or process was implemented.
The Administrator of Support Services, or his designee, will assign engineering staff to perform weekly inspections of all areas of the surgical suite designed to control airborne contaminants for appropriate pressure relationships for a period of 2 months. Providing there are no issues with the pressure relationship in any of the rooms, inspections will go back to the monthly inspection schedule. These inspections will be kept in an inspection log in the engineering office. Results of these inspection reports will be made to the EOC Committee quarterly.

Close Print

10'

MOH

Page 1 of 2

Program: BHC Standard: IM.02.02.01 EP: 2

Corrective Action Taken:

(This display is not editable)

WHO: Title of who is responsible for the corrective action and ongoing compliance. Title of who approved the action, policy, or procedure. Title of who was trained.
The Program Director for ACT will be responsible for the corrective action and for overall and ongoing compliance.

WHAT: A description of the action taken, of the policy or process and how the element of performance was addressed.
The policy on Prohibited Abbreviations was reviewed with all staff at a unit meeting.

WHEN: A date of when each action, policy, procedure, and/or training was completed.
On March 11, 2013 a staff meeting was held to discuss and review the Joint Commission Findings related to the inappropriate use of abbreviations A follow up in-service was held on April 1, 2013

HOW: A description of how the policy or process was implemented.
A random sample of 30 charts per month will be reviewed to ensure that there aren't any unacceptable abbreviations used. The Program Director will be responsible to implement the monitoring.

Close Print

MUH

Page 1 of 1

Program: BHC Standard: IM.02.02.01 EP: 2

Evaluation Method:

(This display is not editable)

A random sample of 30 charts will be selected and reviewed monthly. Charts will be monitored for four consecutive months. The numerator will represent the number of charts compliant with the standard. The denominator will represent the number of charts reviewed. Monitoring will commence with the acceptance of the plan and be done for 4 consecutive months. Results will be reported monthly to the the Hospital QI Committee and Quarterly to the Board of Trustees.

Close Print

12

MOH

Program: BHC Standard: RC.02.01.01 BP: 2

Corrective Action Taken:

(This display is not editable)

WHO: Title of who is responsible for the corrective action and ongoing compliance. Title of who approved the action, policy, or procedure. Title of who was trained.
The Program Director of ACT will be responsible for the corrective action and for overall and ongoing compliance.

WHAT: A description of the action taken, of the policy or process and how the element of performance was addressed.
The Treatment Plans and Progress notes will be written in accordance with the ACT Policy. To achieve this the policy and the findings of the Joint Commission were reviewed with the staff.

WHEN: A date of when each action, policy, procedure, and/or training was completed.
On 3/11/13, following completion of the survey by the Joint Commission the findings were reviewed with the staff. An additional in-service was held on 4/1/13 to review the policy and procedure.

HOW: A description of how the policy or process was implemented.
Monthly the Program Director will review 30 for evidence of compliance.

Close Edit

13

MUH.

Page 1 of 1
JY

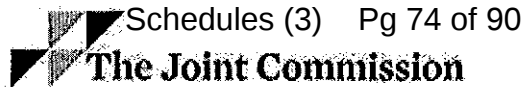
Program: BHC Standard: RC.02.01.01 EP: 2

Evaluation Method:

(This display is not editable)

A random sample of 30 charts per month will be reviewed. The denominator will reflect the total number of charts reviewed. The numerator will reflect the number of charts compliant with the standard. Charts will be monitored for 4 consecutive month. Monitoring will commence upon acceptance of the plan. Results will be reported monthly to the Hospital QI committee and quarterly to the Board of Trustees.

14



May 16, 2013

John Spicer
Chief Executive Officer
The Mount Vernon Hospital
12 North Seventh Avenue
Mount Vernon, NY 10550

Joint Commission ID #: 5804
Program: Hospital Accreditation
Accreditation Activity: 45-day Evidence of
Standards Compliance
Accreditation Activity Completed:
05/16/2013

Dear Mr. Spicer:

The Joint Commission would like to thank your organization for participating in the accreditation process. This process is designed to help your organization continuously provide safe, high - quality care, treatment, and services by identifying opportunities for improvement in your processes and helping you follow through on and implement these improvements. We encourage you to use the accreditation process as a continuous standards compliance and operational improvement tool.

With that goal in mind, your organization received Requirement(s) for Improvement during its recent survey. These requirements have been summarized in the Accreditation Report provided by the survey team that visited your organization.

Please be assured that The Joint Commission will keep the report confidential, except as required by law. To ensure that The Joint Commission's information about your organization is always accurate and current, our policy requires that you inform us of any changes in the name or ownership of your organization or the health care services you provide.

Please visit [Quality Check®](#) on The Joint Commission web site for updated information related to your accreditation decision.

Sincerely,

A handwritten signature in black ink that reads 'Mark Pelletier'.

Mark G. Pelletier, RN, MS

Chief Operating Officer

Division of Accreditation and Certification Operations

MUH

4504

Program: HAP Standard: PC.01.03.01 EP: 2

Corrective Action Taken:

(This display is not editable)

WHO: Title of who is responsible for the corrective action and ongoing compliance. Title of who approved the action, policy, or procedure. Title of who was trained.
The Director of Nursing is ultimately responsible for the corrective action and for overall and ongoing compliance.

WHAT: A description of the action taken, of the policy or process and how the element of performance was addressed.
The Hospital's policy on "Interdisciplinary Plan of Care" was reviewed with the nursing staff with emphasis on the need to address the precautionary measures needed for patients on isolation; the need for the Plan of Care to address how the communication and or translation needs of the patient will be met; and the need for the Plan of Care to address the goals and actions to be taken to meet the needs of the patient who is visually impaired.

WHEN: A date of when each action, policy, procedure, and/or training was completed.
The Hospital policy review with the staff was completed on May 1, 2013.

HOW: A description of how the policy or process was implemented.
The Nursing Supervisory staff will monitor inpatient charts weekly. Results will be reported monthly to Hospital QI and quarterly to BOT.

1

MUH

Program: HAP Standard: PC.01.03.01 EP: 2

Evaluation Method:

(This display is not editable)

Numerator will be the number of charts having appropriate Plans of Care in Place. Denominator will be the number of charts reviewed. Monitoring will commence with the acceptance of the plan and be done for 4 consecutive months. Results will be reported monthly to the the Hospital QI Committee and Quarterly to the Board of Trustees.

Close

Print

2

MUH

Program: HAP Standard: MM.05.01.07 EP: 2

Corrective Action Taken:

(This display is not editable)

WHO: Title of who is responsible for the corrective action and ongoing compliance. Title of who approved the action, policy, or procedure. Title of who was trained.

The Pharmacy Supervisor is ultimately responsible for the corrective action and for overall and ongoing compliance.

WHAT: A description of the action taken, of the policy or process and how the element of performance was addressed.

A policy and procedure titled Pill Cutters was developed and implemented. Pill cutters will now be dispensed by pharmacy for individual patient use when indicated. Medication Safety Policy was reviewed with nursing staff to ensure maintenance of medication preparation work surfaces utilizing standard precautions and free of equipment and supplies unrelated to the preparation of a given medication. It was established with the nursing staff that in the event of the need to prepare IV admixtures, only the medication room is to be utilized; and must have a clean uncluttered work surface before IV admixture can begin. Environmental Services Manager met with his staff to review their responsibilities for the daily cleaning of medication room counters.

WHEN: A date of when each action, policy, procedure, and/or training was completed.

Policy and Procedure was developed 3/25/13. Education of Pharmacy staff will be completed by 4/15. Policy review and education of the Nursing Staff will be completed by 5/1/13. Environmental Services Staff education was completed by 4/8/13

HOW: A description of how the policy or process was implemented.

Compliance will be sustained thru bi-weekly monitoring of the ICU and Med. Surg.units Results will be reported monthly to Hospital QI and quarterly to the BOT.Monitoring will commence upon acceptance of this plan.

Close Print

3'

MUH

Program: HAP Standard: MM.05.01.07 EP: 2

Evaluation Method:

(This display is not editable)

Numerator will represent compliance to standard. Denominator will represent the number of reviews performed.

Close

Print

41

MVH

Program: HAP Standard: MM.03.01.01 EP: 2

Corrective Action Taken:

(This display is not editable)

WHO: Title of who is responsible for the corrective action and ongoing compliance. Title of who approved the action, policy, or procedure. Title of who was trained.
The Pharmacy Supervisor is responsible for the corrective action and for overall and ongoing compliance.

WHAT: A description of the action taken, of the policy or process and how the element of performance was addressed.

A policy titled Multi-dose Insulin Vial Expiration Dating was developed and implemented 3/20/13. In addition the policy and procedure entitled Multiple Dose Vials and Treatment Solutions was reviewed and revised on 3/13. Pharmacy and Nursing staff were educated regarding the new and revised policies.

WHEN: A date of when each action, policy, procedure, and/or training was completed.

The Policy policy titled Multi-dose Insulin Vial Expiration Dating was developed and implemented 3/20/13. In addition the policy and procedure entitled Multiple Dose Vials and Treatment Solutions was reviewed and revised on 3/13. Pharmacy and Nursing staff were educated regarding the new and revised policies. Nursing Education on the new and revised policy will be completed by May 1, 2013. Pharmacy education will be completed by April 14, 2013.

HOW: A description of how the policy or process was implemented.

Bi-Weekly inspections will be performed on all inpatient units that utilize insulin. Denominator will reflect total number of insulin vials on the unit. The numerator will consist of the number compliant with the standard. Inspections will be conducted weekly and reported monthly to the Hospital QI committee and to the Board of Trustees quarterly. Monitoring will commence upon acceptance of this plan.

Close

Print

51

MVA

Program: HAP Standard: MM.03.01.01 EP: 2

Evaluation Method:

(This display is not editable)

Bi-Weekly inspections will be performed on all inpatient units that utilize insulin. Denominator will reflect total number of insulin vials on the unit. The numerator will consist of the number compliant with the standard. Inspections will be conducted weekly and reported monthly to the Hospital QI committee and to the Board of Trustees quarterly. Monitoring will commence upon acceptance of this plan.

61

MUH

Program: HAP Standard: IC.02.02.01 EP: 2

Corrective Action Taken:

(This display is not editable)

WHO: Title of who is responsible for the corrective action and ongoing compliance. Title of who approved the action, policy, or procedure. Title of who was trained.
The Director of Nursing is responsible for the corrective action and overall and ongoing compliance.

WHAT: A description of the action taken, of the policy or process and how the element of performance was addressed.
The Standards and Protocols for sterilization using the steam Autoclave was reviewed with the staff on 4/4/13. The existing log was updated to reflect the lot numbers of the controls or samples used to compare with the lot numbers of the test and the control samples as well as action taken for positive findings. The staff was re-educated to the need to document the results of the control samples. (4/4/13) The Endoscopy Decontamination process was reviewed with the staff on 4/4/13, with emphasis on the need to date the test strips for Cidex to include opening and expiration dates. In addition the staff was re-educated to perform QC testing of the test strips when the packages are open in accordance with manufacturing guidelines. During the survey in the Radiology department the Cidex control strips were replaced. The policy titled Protocols for Use and Handling of Cidex and the Gus Station and quality control logs were developed and implemented. Staff training was performed on these procedures March 20th.

WHEN: A date of when each action, policy, procedure, and/or training was completed.
The Standards and Protocols for Sterilization using the steam Autoclave was reviewed with the staff on 4/4/13. Re-education of documentation of the results of the sterilization process was reviewed with the staff on 4/4/13. Endoscopy Decontamination process was reviewed with the staff on 4/4/13. Education of the Radiology staff regarding the Protocols for the Use and Handling of Cidex and Gus station and quality control logs was done on March 20, 2013

HOW: A description of how the policy or process was implemented.
Compliance will be sustained in the OR by monthly monitoring of the logs by the Director of Nursing or her designee. Findings will be reported to the Monthly Hospital QI Committee and to the Board of Trustees Quarterly. Compliance will be sustained in the Radiology department with monthly monitoring of the Quality Control logs by the Administrator of Imaging Services.

Close Print

7

MUH

Program: HAP Standard: EM.02.02.13 EP: 5

Corrective Action Taken:

(This display is not editable)

WHO: Title of who is responsible for the corrective action and ongoing compliance. Title of who approved the action, policy, or procedure. Title of who was trained.

The Senior Vice President of Medical Affairs is responsible for the corrective action and for overall and ongoing compliance.

WHAT: A description of the action taken, of the policy or process and how the element of performance was addressed.

A Policy and Procedure titled Credentialing of Licensed Independent Practitioners in a Disaster was developed. To be credentialed each licensed independent practitioner the hospital will obtain two forms of identification, one of which will be a valid government issued photo identification issued by a state or federal agency and the second which will identify the individual as a qualified health care provider.

WHEN: A date of when each action, policy, procedure, and/or training was completed.

The Policy and Procedure was developed and implemented on March 11. It was presented and reviewed with the Medical Board on March 14th and April 11th.

HOW: A description of how the policy or process was implemented.

The Senior Vice President of Medical Affairs or his designee will oversee the implementation of the Policy during any situation that requires the granting of emergency privileges during a disaster.

8

MOH

Program: HAP Standard: EM.02.02.13 EP: 2

Corrective Action Taken:

(This display is not editable)

WHO: Title of who is responsible for the corrective action and ongoing compliance. Title of who approved the action, policy, or procedure. Title of who was trained.
The Senior Vice President for Medical Affairs is responsible for the corrective action and overall ongoing compliance.

WHAT: A description of the action taken, of the policy or process and how the element of performance was addressed.
A policy and procedure titled Credentialing of Licensed Independent Practitioners in a Disaster was developed and implemented. The Professional performance of the licensed independent practitioner will be monitored through direct observation by the Chairman of the Department or his/her designee.

WHEN: A date of when each action, policy, procedure, and/or training was completed.
The policy and procedure was developed March 11, 2013. The policy and procedure was presented to the Medical Board on March 14th and April 11th.

HOW: A description of how the policy or process was implemented.
The Senior Vice President or his designee will oversee the implementation of the Policy during any situation that requires the granting of emergency privileges during a disaster.

9.

MU H

Program: HAP Standard: EC.02.05.01 EP: 2

Corrective Action Taken:

(This display is not editable)

WHO: Title of who is responsible for the corrective action and ongoing compliance. Title of who approved the action, policy, or procedure. Title of who was trained.

The Administrator of Support Services is responsible for the corrective action, implementation and compliance of the Utility Policies.

WHAT: A description of the action taken, of the policy or process and how the element of performance was addressed.

Slipping belts on the air handling units AC8 which serves the surgical suite were replaced at the time of survey. This immediately resolved the issue for OR #1 and the instrument clean room. An inspection log will be created to test of all areas of the surgical suite designed to control airborne contaminants for appropriate pressure relationships.

WHEN: A date of when each action, policy, procedure, and/or training was completed.

All repair work for OR #1 and the instrument clean room was completed during the survey on 3/6/13.

The policy was revised and presented and approved by the EOC Committee on 4/11/13.

HOW: A description of how the policy or process was implemented.

The Administrator of Support Services, or his designee, will assign engineering staff to perform weekly inspections of all areas of the surgical suite designed to control airborne contaminants for appropriate pressure relationships for a period of 2 months. Providing there are no issues with the pressure relationship in any of the rooms, inspections will go back to the monthly inspection schedule. These inspections will be kept in an inspection log in the engineering office. Results of these inspection reports will be made to the EOC Committee quarterly.

10'

MOH

Page 1 of 1

Program: BHC Standard: IM.02.02.01 EP: 2

Corrective Action Taken:

(This display is not editable)

WHO: Title of who is responsible for the corrective action and ongoing compliance. Title of who approved the action, policy, or procedure. Title of who was trained.
The Program Director for ACT will be responsible for the corrective action and for overall and ongoing compliance.

WHAT: A description of the action taken, of the policy or process and how the element of performance was addressed.
The policy on Prohibited Abbreviations was reviewed with all staff at a unit meeting.

WHEN: A date of when each action, policy, procedure, and/or training was completed.
On March 11, 2013 a staff meeting was held to discuss and review the Joint Commission Findings related to the inappropriate use of abbreviations A follow up in-service was held on April 1, 2013

HOW: A description of how the policy or process was implemented.
A random sample of 30 charts per month will be reviewed to ensure that there aren't any unacceptable abbreviations used. The Program Director will be responsible to implement the monitoring.

MU H

Page 7 of 7

Program: BHC Standard: IM.02.02.01 EP: 2

Evaluation Method:

(This display is not editable)

A random sample of 30 charts will be selected and reviewed monthly. Charts will be monitored for four consecutive months. The numerator will represent the number of charts compliant with the standard. The denominator will represent the number of charts reviewed. Monitoring will commence with the acceptance of the plan and be done for 4 consecutive months. Results will be reported monthly to the the Hospital QI Committee and Quarterly to the Board of Trustees.

Close

Print

12.

MU H

Program: BHC Standard: RC.02.01.01 EP: 2

Corrective Action Taken:

(This display is not editable)

WHO: Title of who is responsible for the corrective action and ongoing compliance. Title of who approved the action, policy, or procedure. Title of who was trained.
The Program Director of ACT will be responsible for the corrective action and for overall and ongoing compliance.

WHAT: A description of the action taken, of the policy or process and how the element of performance was addressed.
The Treatment Plans and Progress notes will be written in accordance with the ACT Policy. To achieve this the policy and the findings of the Joint Commission were reviewed with the staff.

WHEN: A date of when each action, policy, procedure, and/or training was completed.
On 3/11/13, following completion of the survey by the Joint Commission the findings were reviewed with the staff. An additional in-service was held on 4/1/13 to review the policy and procedure.

HOW: A description of how the policy or process was implemented.
Monthly the Program Director will review 30 for evidence of compliance.

Close Print

13

MUH.

Page 1 of 1 JJ

Program: BHC Standard: RC.02.01.01 EP: 2

Evaluation Method:

(This display is not editable)

A random sample of 30 charts per month will be reviewed. The denominator will reflect the total number of charts reviewed. The numerator will reflect the number of charts compliant with the standard. Charts will be monitored for 4 consecutive month. Monitoring will commence upon acceptance of the plan. Results will be reported monthly to the Hospital QI committee and quarterly to the Board of Trustees.

Close Print

14

The Joint Commission

Connect™ / ESC-MOS Evidence of Standards Compliance

Logged-in, Francine Cieslinski Extranet Home
 The Mount Vernon Hospital
 12 North Seventh Avenue
 Mount Vernon, NY 10550
 HCO ID:5804

Event Summary

Select Event

Resource Documents

- How To Navigate
- Clarification Instructions
- ESC Instructions
- ESC FAQs

Please check this box to see the Ten Day Clarification Information.

ESC Instructions

The Due Date for your ESC45 is 05/07/2013.

ESC 45 Day

Address each standard indicated below. Once all the standards have been addressed click on the Submit ESC 45 button at the bottom of the page.

Manuals	Standard	Standard Text	Total EPs	Addressed 45 Day EPs
BHC	IM.02.02.01	The organization effectively manages the collection of health information.	1	1
BHC	RC.02.01.01	The clinical/case record contains information that reflects the care, treatment, or services provided to the individual served.	1	1
HAP	EC.02.05.01	The hospital manages risks associated with its utility systems.	1	1
HAP	EM.02.02.13	During disasters, the hospital may grant disaster privileges to volunteer licensed independent practitioners. Note: A disaster is an emergency that, due to its complexity, scope, or duration, threatens the organization's capabilities and requires outside assistance to sustain patient care, safety, or security functions.	2	2
HAP	IC.02.02.01	The hospital reduces the risk of infections associated with medical equipment, devices, and supplies.	1	1
HAP	MM.03.01.01	The hospital safely stores medications.	1	1
HAP	MM.05.01.07	The hospital safely prepares medications.	1	1
HAP	PC.01.03.01	The hospital plans the patient's care.	1	1

The Due Date for your ESC60 is 05/22/2013.

ESC 60 Day

Address each standard indicated below. Once all the standards have been addressed click on the Submit ESC 60 button at the bottom of the page.

Manuals	Standard	Standard Text	Total EPs	Addressed 60 Day EPs
BHC	HR.01.05.03	Staff participate in education and training.	1	1
BHC	LD.04.01.07	The organization has policies and procedures that guide and support care, treatment, or services.	1	1
BHC	RC.01.03.01	Documentation in the clinical/case record is entered in a timely manner.	1	1
HAP	EC.02.06.01	The hospital establishes and maintains a safe, functional environment. Note: The environment is constructed, arranged, and maintained to foster patient safety, provide facilities for diagnosis and treatment, and provide for special services appropriate to the needs of the community.	1	1
HAP	HR.01.02.05	The hospital verifies staff qualifications.	1	1
HAP	LS.02.01.20	The hospital maintains the integrity of the means of egress.	3	3
HAP	MS.01.01.01	Medical staff bylaws address self-governance and accountability to the governing body.	2	2
HAP	MS.06.01.03	The hospital collects information regarding each practitioner's current license status, training, experience, competence, and ability to perform the requested privilege.	1	1
HAP	MS.06.01.05	The decision to grant or deny a privilege(s), and/or to renew an existing privilege(s), is an objective, evidence-based process.	1	1
HAP	RC.01.01.01	The hospital maintains complete and accurate medical records for each individual patient.	1	1
HAP	RC.01.04.01	The hospital audits its medical records.	1	1
HAP	TS.03.01.01	The hospital uses standardized procedures for managing issues.	1	1

Submit ESC 45

Submit ESC 60

Program: BHC Standard: HR.01.05.03 EP: 1

Corrective Action Taken:

(This display is not editable)

WHO: Title of who is responsible for the corrective action and ongoing compliance. Title of who approved the action, policy, or procedure. Title of who was trained.

The Program Director for ACT will be responsible for the corrective action and for the overall and ongoing compliance.

WHAT: A description of the action taken, of the policy or process and how the element of performance was addressed.

Staff will attend relevant education and training to maintain and increase their competency. Staff participation will be documented. A documentation tool will be developed and implemented by May 17, 2013.

WHEN: A date of when each action, policy, procedure, and/or training was completed.

On 3/11/2013 a staff meeting was held and the findings of the Joint Commission Survey were reviewed with the staff. The importance of attending and documenting educational sessions were reviewed.

HOW: A description of how the policy or process was implemented.

Educational programs will be provided monthly. Staff participation will be documented by the Program Director or his designee.

Close

Print

Program: **BHC** Standard: **HR.01.05.03** EP: **1**

Evaluation Method:

(This display is not editable)

Attendance at all Educational Programs will be monitored. A minimum of one program per month will be offered. A minimum of 90% of the staff will attend the program. Numerator= Total number of ACT employees with documented evidence of attendance. Denominator = Total number of ACT employees. Results will be monitored monthly. Results will be reported to the Hospital QI committee monthly and to the Board of Trustees. Monitoring will commence upon acceptance of the plan and be done for 4 consecutive months.

Close

Print

Program: BHC Standard: LD.04.01.07 EP: 2

Corrective Action Taken:

(This display is not editable)

WHO: Title of who is responsible for the corrective action and ongoing compliance. Title of who approved the action, policy, or procedure. Title of who was trained.

The Director of the ACT Program is ultimately responsible for the corrective action and for overall and ongoing compliance

WHAT: A description of the action taken, of the policy or process and how the element of performance was addressed.

At the time of survey the findings of the Joint Commission were reviewed with the Medical Director of the Behavioral Health Unit and with the Senior Vice President . Findings of the Joint Commission were reviewed with the staff on March 11, 2013. As of April 15 all vacant positions were filled. With the Department fully staffed, groups can be implemented.

WHEN: A date of when each action, policy, procedure, and/or training was completed.

Prior to the survey available positions had been posted. Active recruiting and interviewing were done. As of April 15th all positions on the ACT team were filled. (LPN-3/25; Substance Abuse Counselor-4/15) On March 20th a Wellness Group was implemented to take place every Wednesday. Four Wellness Groups a month will be offered. The Wellness Group will address vocational planning as appropriate. On March 21st a Substance Abuse Group, (MICA) was implemented. Eight Substance Abuse Groups will be offered monthly. A minimum of 10 groups per month will be held.

HOW: A description of how the policy or process was implemented.

The Director of the Program will monitor the program to ensure that a minimum of 10 groups per month are offered.

Close

Print

Program: **BHC** Standard: **LD.04.01.07** EP: **2**

Evaluation Method:

(This display is not editable)

All groups will be monitored. The numerator will represent the number of groups offered. The denominator will represent the minimum number of groups required. Results will be monitored monthly. Results will be reported to the Hospital QI committee monthly and to the Board of Trustees. Monitoring will commence upon acceptance of the plan and be done for 4 consecutive months

Close

Print

Program: **BHC** Standard: **RC.01.03.01** EP: **3**

Corrective Action Taken:

(This display is not editable)

WHO: Title of who is responsible for the corrective action and ongoing compliance. Title of who approved the action, policy, or procedure. Title of who was trained.

The Program Director for Act will be responsible for the corrective action and overall and ongoing compliance.

WHAT: A description of the action taken, of the policy or process and how the element of performance was addressed.

On March 11 a staff meeting was held to discuss the findings of the survey. The policy and procedures related to Documentation (Assessments and Reassments including Safety Assessment, Crises Intervention, psychosocial and Patient Rights)were reviewed

WHEN: A date of when each action, policy, procedure, and/or training was completed.

On March 11 a staff meeting was held to discuss the findings of the survey. The policy and procedures related to Documentation (Assessments and Reassments including Safety Assessment, Crises Intervention, psychosocial and Patient Rights)were reviewed

HOW: A description of how the policy or process was implemented.

The Program Director or his designee will review 30 records monthly for compliance.

Close

Print

Program: **BHC** Standard: **RC.01.03.01** EP: **3**

Evaluation Method:

(This display is not editable)

Based on a population of 60 ACT clients a random sample of 30 charts will be reviewed. A list of patients seen will be generated. Every third chart will be selected until 30 charts have been selected. the numerator will reflect the number of charts compliant to standard. The denominator equals the total number of charts reviewed. Monitoring will commence upon acceptance of this plan and continue for four consecutive months. Results will be reported monthly to Hospital QI and quarterly to the Board of Trustees.

Close

Print

Program: HAP Standard: EC.02.06.01 EP: 1

Corrective Action Taken:

(This display is not editable)

WHO: Title of who is responsible for the corrective action and ongoing compliance. Title of who approved the action, policy, or procedure. Title of who was trained.

The AVP for QI will be responsible for the corrective action and for overall and ongoing compliance

WHAT: A description of the action taken, of the policy or process and how the element of performance was addressed.

Environmental Staff Supervisor met with his staff and reviewed their responsibilities for cleaning, 4/8/13. The policy on Temperature logs was reviewed with the staff 4/1/13. A new log was developed, in serviced and implemented on 4/1/13. A Cleaning schedule was developed, posted and implemented for the ice machine 4/1/13. The closets labeled "Oxygen Only:", were structurally separated to include a labeled area for Full (green) and Empty (red)

WHEN: A date of when each action, policy, procedure, and/or training was completed.

Environmental Staff Supervisor met with his staff and reviewed their responsibilities for cleaning, 4/8/13. The policy on Temperature logs was reviewed with the staff 4/1/13. A new log was developed, in serviced and implemented on 4/1/13. A Cleaning schedule was developed, posted and implemented for the ice machine 4/1/13. The closets labeled "Oxygen Only:", were structurally separated to include a labeled area for Full (green) and Empty (red)

HOW: A description of how the policy or process was implemented.

Monthly environmental rounds specific to these issues will be conducted by the AVP for QI or her designee. Results will be reported monthly to Hospital QI and quarterly to the Board of Trustees.

Close

Print

Program: HAP Standard: EC.02.06.01 EP: 1

Evaluation Method:

(This display is not editable)

Monthly monitoring of the environment will take place this will include: review of the refrigerator temperature logs, appropriate storage of oxygen, cleanliness of equipment (vital sign equip, medication carts, lift pads, med. room etc.) and adherence to the cleaning schedule for the ice machine. The numerator will include the total number of items that met the standard. The denominator will include the total number of items reviewed.

Program: **HAP** Standard: **HR.01.02.05** EP: 1

Corrective Action Taken:

(This display is not editable)

WHO: Title of who is responsible for the corrective action and ongoing compliance. Title of who approved the action, policy, or procedure. Title of who was trained.

The Director of Nursing is ultimately responsible for the corrective action and for overall and ongoing compliance.

WHAT: A description of the action taken, of the policy or process and how the element of performance was addressed.

The Hospital's responsibility to obtain a primary source verification of staff's license prior to expiration was reviewed with staff.

WHEN: A date of when each action, policy, procedure, and/or training was completed.

Staff review of requirement to obtain a primary source verification of staff's license prior to expiration was completed on May 1, 2013.

HOW: A description of how the policy or process was implemented.

Logs of staff's license renewal date and expiration date will be maintained and reviewed monthly. Prior to expiration date of license, primary source verification of renewal will be obtained. Staff will not be able to work without evidence of license verification.

Close

Print

Program: HAP Standard: LS.02.01.20 EP: 13

Corrective Action Taken:

(This display is not editable)

WHO: Title of who is responsible for the corrective action and ongoing compliance. Title of who approved the action, policy, or procedure. Title of who was trained.

The Safety Officer is responsible for the corrective action, implementation and compliance of the Life Safety Policies.

WHAT: A description of the action taken, of the policy or process and how the element of performance was addressed.

- The storage of multiple pieces of equipment stored on the second floor corridor was removed during the survey on 3/6/13.
- A Life Safety Assessment has been completed for the Computers on the shelves in the corridor. An SOC PFI was created and ILSM training with the staff will be completed by 5/17/13. The computer and shelving will be removed by 5/31/13.
- The "No Exit" sign was installed during the survey on 3/7/13.
- The Exit signs in the OR were installed during the survey on 3/5/13.
- The Exit Signs in the Central Storage area were installed on 4/10/13.

WHEN: A date of when each action, policy, procedure, and/or training was completed.

- The storage of multiple pieces of equipment stored on the second floor corridor was removed during the survey on 3/6/13.
- A Life Safety Assessment has been completed for the Computers on the shelves in the corridor. An SOC PFI was created and ILSM training with the staff will be completed by 5/17/13. The computer and shelving will be removed by 5/31/13.
- The "No Exit" sign was installed during the survey on 3/7/13.
- The Exit signs in the OR were installed during the survey on 3/5/13.
- The Exit Signs in the Central Storage area were installed on 4/10/13.

HOW: A description of how the policy or process was implemented.

- Storage of unauthorized items in egress corridors will be monitored during Environmental Rounds. Any deficiencies will be reported to the EOC Committee Quarterly and those departments will be required to go through re-education of the Life Safety requirements.
- Review for the need of additional "Exit" or "No Exit" Signs will be monitored during Environmental Rounds. Any deficiencies will be reported to the Engineering Department for immediate action and status of the deficiencies to the EOC Committee Quarterly.
- Status of the removal of the computers on the shelves will be made to the EOC Committee on a Quarterly basis.

Program: HAP Standard: LS.02.01.20 EP: 30

Corrective Action Taken:

(This display is not editable)

WHO: Title of who is responsible for the corrective action and ongoing compliance. Title of who approved the action, policy, or procedure. Title of who was trained.

The Safety Officer is responsible for the corrective action, implementation and compliance of the Life Safety Policies.

WHAT: A description of the action taken, of the policy or process and how the element of performance was addressed.

• The storage of multiple pieces of equipment stored on the second floor corridor was removed during the survey on 3/6/13. • A Life Safety Assessment has been completed for the Computers on the shelves in the corridor. An SOC PFI was created and ILSM training with the staff will be completed by 5/17/13. The computer and shelving will be removed by 5/31/13. • The "No Exit" sign was installed during the survey on 3/7/13. • The Exit signs in the OR were installed during the survey on 3/5/13. • The Exit Signs in the Central Storage area were installed on 4/10/13.

WHEN: A date of when each action, policy, procedure, and/or training was completed.

• The storage of multiple pieces of equipment stored on the second floor corridor was removed during the survey on 3/6/13. • A Life Safety Assessment has been completed for the Computers on the shelves in the corridor. An SOC PFI was created and ILSM training with the staff will be completed by 5/17/13. The computer and shelving will be removed by 5/31/13. • The "No Exit" sign was installed during the survey on 3/7/13. • The Exit signs in the OR were installed during the survey on 3/5/13. • The Exit Signs in the Central Storage area were installed on 4/10/13.

HOW: A description of how the policy or process was implemented.

• Storage of unauthorized items in egress corridors will be monitored during Environmental Rounds. Any deficiencies will be reported to the EOC Committee Quarterly and those departments will be required to go through re-education of the Life Safety requirements. • Review for the need of additional "Exit" or "No Exit" Signs will be monitored during Environmental Rounds. Any deficiencies will be reported to the Engineering Department for immediate action and status of the deficiencies to the EOC Committee Quarterly. • Status of the removal of the computers on the shelves will be made to the EOC Committee on a Quarterly basis.

Close

Print

Program: HAP Standard: LS.02.01.20 EP: 31

Corrective Action Taken:**(This display is not editable)**

WHO: Title of who is responsible for the corrective action and ongoing compliance. Title of who approved the action, policy, or procedure. Title of who was trained.

The Safety Officer is responsible for the corrective action, implementation and compliance of the Life Safety Policies.

WHAT: A description of the action taken, of the policy or process and how the element of performance was addressed.

- The storage of multiple pieces of equipment stored on the second floor corridor was removed during the survey on 3/6/13.
- A Life Safety Assessment has been completed for the Computers on the shelves in the corridor. An SOC PFI was created and ILSM training with the staff will be completed by 5/17/13. The computer and shelving will be removed by 5/31/13.
- The "No Exit" sign was installed during the survey on 3/7/13.
- The Exit signs in the OR were installed during the survey on 3/5/13.
- The Exit Signs in the Central Storage area were installed on 4/10/13.

WHEN: A date of when each action, policy, procedure, and/or training was completed.

- The storage of multiple pieces of equipment stored on the second floor corridor was removed during the survey on 3/6/13.
- A Life Safety Assessment has been completed for the Computers on the shelves in the corridor. An SOC PFI was created and ILSM training with the staff will be completed by 5/17/13. The computer and shelving will be removed by 5/31/13.
- The "No Exit" sign was installed during the survey on 3/7/13.
- The Exit signs in the OR were installed during the survey on 3/5/13.
- The Exit Signs in the Central Storage area were installed on 4/10/13.

HOW: A description of how the policy or process was implemented.

- Storage of unauthorized items in egress corridors will be monitored during Environmental Rounds. Any deficiencies will be reported to the EOC Committee Quarterly and those departments will be required to go through re-education of the Life Safety requirements.
- Review for the need of additional "Exit" or "No Exit" Signs will be monitored during Environmental Rounds. Any deficiencies will be reported to the Engineering Department for immediate action and status of the deficiencies to the EOC Committee Quarterly.
- Status of the removal of the computers on the shelves will be made to the EOC Committee on a Quarterly basis.

Program: HAP, Standard: MS.01.01.01 EP: 1 (3)

Corrective Action Taken:

(This display is not editable)

WHO: Title of who is responsible for the corrective action and ongoing compliance. Title of who approved the action, policy, or procedure. Title of who was trained.
The medical director/chief medical officer/senior vice president of medical affairs is responsible for the overall and ongoing compliance

WHAT: A description of the action taken, of the policy or process and how the element of performance was addressed.
The medical staff bylaws will be amended to comply with this deficient E.P. As per the bylaws, the proposed revisions must be voted on at two successive medical board/medical executive committee meetings and then approved by a quorum of the medical staff at it's quarterly meeting.

WHEN: A date of when each action, policy, procedure, and/or training was completed.
The deficiencies were presented at the 3/14/13 med exec meeting and the chair of the bylaws committee was given the necessary information to present to the entire bylaws committee for formal presentation to the medical board.

HOW: A description of how the policy or process was implemented.
The chairs of the respective clinical departments, or their designees, will monitor this E.P. and present the data in their quality care minutes. EP #16 will be amended and moved from the Rules and Regulations of the medical staff to the core text of the by-laws thus satisfying EP #3.

Program: HAP, Standard: MS.01.01.01 EP: 16

Corrective Action Taken:

(This display is not editable)

WHO: Title of who is responsible for the corrective action and ongoing compliance. Title of who approved the action, policy, or procedure. Title of who was trained.

The medical director, chief medical officer is ultimately responsible for compliance.

WHAT: A description of the action taken, of the policy or process and how the element of performance was addressed.

The medical staff bylaws will be revised and amended to include the appropriate requirements pertaining to the completion and revision of a medical history and physical examination

WHEN: A date of when each action, policy, procedure, and/or training was completed.

The proposed changes were presented at the 3/14/13 and 4/11/13 medical executive committee meetings and will be presented to the entire medical staff at the 6/13/13 quarterly meeting of the medical staff.

HOW: A description of how the policy or process was implemented.

The chairs of the respective clinical departments will monitor the quality of the H and P in order to ensure compliance with this E.P. and also thus satisfying E.P. 3 and present their data to the medical QI/medical board

Program: HAP Standard: MS.06.01.03 EP: 1

Corrective Action Taken:

(This display is not editable)

WHO: Title of who is responsible for the corrective action and ongoing compliance. Title of who approved the action, policy, or procedure. Title of who was trained.

The medical director/chief medical officer/senior vice president of medical affairs is responsible for the overall and ongoing compliance of this deficient E.P.

WHAT: A description of the action taken, of the policy or process and how the element of performance was addressed.

The medical staff coordinator has been given additional training as to the necessary procedures which must be completed in order to comply with this E.P.

WHEN: A date of when each action, policy, procedure, and/or training was completed.

The additional training and monitoring was started immediately after the completion of the recent JC survey on 3/11/13.

HOW: A description of how the policy or process was implemented.

The medical staff coordinator will complete a monthly review of the entire medical staff's licensing credentials, and if necessary, obtain primary source verification for any which are expiring. Quarterly, there will be a second audit performed to ensure compliance.

Close

Print

Program: **HAP** Standard: **MS.06.01.05** EP: 1

Corrective Action Taken:

(This display is not editable)

WHO: Title of who is responsible for the corrective action and ongoing compliance. Title of who approved the action, policy, or procedure. Title of who was trained.

The president of the medical staff, who is also chair of the credential's committee, will assume ultimate responsibility for compliance of this E.P.

WHAT: A description of the action taken, of the policy or process and how the element of performance was addressed.

The credentials committee will redesign the peer review letter which will be required at the time of initial application to join the medical staff and the six core competencies will be monitored by the department chairs as part of their OPPE process. This concept was presented to the medical executive committee at the 3/14/13 meeting.

WHEN: A date of when each action, policy, procedure, and/or training was completed.

The deficiency was presented to the medical executive committee on 3/14/13, immediately after the conclusion of the JC survey which was completed on 3/7/13.

HOW: A description of how the policy or process was implemented.

The credentials committee, along with the department chairs will be charged with monitoring the ongoing compliance of this E.P. at the initial appointment of the candidate.

Program: HAP Standard: RC.01.01.01 EP: 16

Corrective Action Taken:

(This display is not editable)

WHO: Title of who is responsible for the corrective action and ongoing compliance. Title of who approved the action, policy, or procedure. Title of who was trained.

The DON is ultimately responsible for the corrective action and for overall and ongoing compliance.

WHAT: A description of the action taken, of the policy or process and how the element of performance was addressed.

Hospital policy on Transfer of Patients Between Nursing Units was reviewed with staff with emphasis on the requirement for a hand off report in the form of a 'brief narrative note' written by both the sending and receiving nurse reflecting the patient's current status at time of transfer, where the patient was transferred from, where the patient was received, and how the patient was transported.

WHEN: A date of when each action, policy, procedure, and/or training was completed.

Hospital policy review with staff was completed on May 17, 2013

HOW: A description of how the policy or process was implemented.

Nursing Supervisory staff will monitor inpatient charts weekly. Results will be reported monthly to Hospital QI and quarterly to BOT.



Program: HAP Standard: RC.01.01.01 EP: 16

Evaluation Method:

(This display is not editable)

Numerator will be the number of charts having appropriate transfer notes in place. Denominator will be te number of charts reviewed. Random selection of Thirty charts will be monitored per month. Monitor will commence with the acceptance of the plan and be done for 4 consecutive months. Results will be reported monthly to hospital QI and quarterly to the Board of Trustees.

Program: HAP Standard: RC.01.04.01 EP: 3

Corrective Action Taken:

(This display is not editable)

WHO: Title of who is responsible for the corrective action and ongoing compliance. Title of who approved the action, policy, or procedure. Title of who was trained.

The Sr. Vice President for Medical Affairs is ultimately responsible for the corrective action and overall and ongoing compliance with the Hospital standard which states that medical records must be completed within 30 days of discharge.

WHAT: A description of the action taken, of the policy or process and how the element of performance was addressed.

A fulltime Health Information Management employee has been assigned to assist the Medical Staff with completion of their delinquent medical records. Individual letters and phone calls are being made daily to members of the Medical Staff. An announcement was made by the Sr. Vice President of Medical Affairs of the dedicated HIM resource at the Medical Board meeting

WHEN: A date of when each action, policy, procedure, and/or training was completed.

On April 16, 2013, a dedicated resource was assigned to the Health Information Management Department's Physician Incomplete Chart Unit. Daily and weekly reminders are mailed to members of the Medical Staff. Failure to complete medical records as per the criteria set forth in the medical staff by-laws will result in suspension of privileges as indicated in a letter from the Sr. VP for Medical Affairs.

HOW: A description of how the policy or process was implemented.

The Chairs of the respective departments will be given the charge of following up with their members who are delinquent in the completion of medical records

Close

Print

Program: HAP Standard: TS.03.01.01 EP: 16

Corrective Action Taken:

(This display is not editable)

WHO: Title of who is responsible for the corrective action and ongoing compliance. Title of who approved the action, policy, or procedure. Title of who was trained.

The Director of Nursing is ultimately responsible for the corrective action and for overall and ongoing compliance

WHAT: A description of the action taken, of the policy or process and how the element of performance was addressed.

Tissue Safety Standards were reviewed with staff with emphasis on monitoring and documenting the daily temperature 24/7 in the area where tissue requiring storage at room temperature is kept. A new thermometer with a weekly grid for 24/7 monitoring was installed on 5/9/13. Staff in-service will be completed by 5/17.

WHEN: A date of when each action, policy, procedure, and/or training was completed.

Tissue Safety Standards review with staff was completed on April 4, 2013.

HOW: A description of how the policy or process was implemented.

The Operating Room Charge Nurse will monitor the tissue storage room for temperature recording on a 24/7 basis. On Monday mornings and on the first operational day after a Holiday, the charge nurse will assess the room temperatures which occurred when the OR was closed. During normal operational days, the room temperature will be monitored daily. Results will be reported monthly to Hospital QI and quarterly to BOT.

Close

Print

Program: HAP Standard: TS.03.01.01 EP: 16

Evaluation Method:

(This display is not editable)

Numerator will be the number of days in the month that the temperature was monitored and in compliance. Denominator will be the number of days in the month. Monitor will commence with the acceptance of the plan and be done for 4 consecutive months. Results will be reported monthly to Hospital QI and quarterly to the Board of Trustees.

Close

Print

**Schedule 4.14(d)
Licenses**

SSMC

<u>CERTIFICATION</u>	<u>LICENSE EXPIRATION</u>
DOH – Operating Certificate	None
HHS/FDA – Certified Mammography Facility	4/15/2016
The College of American Pathologists – Accredited Laboratory	[Accreditation states reinspection should occur prior to 4/18/2012 to maintain accreditation]
DOH – Clinical Laboratory Permit	6/30/2013
American Academy of Sleep Medicine - Accreditation	None
DOH – Certificate of Registration for Radiation Installation	8/6/2013
Board of Pharmacy – Registered Pharmacy	1/31/2016
License to engage in controlled substances	3/31/2015
DEA – Controlled Substance Registration	2/29/2016

MVH

<u>CERTIFICATION</u>	<u>LICENSE EXPIRATION</u>
DOH Operating Certificate	None
OASAS Operating Certificate – Chemical Dependence	4/30/2014
OMH Operating Certificate – Outpatient Facilities Class	5/31/2013 (renewable)
OMH Operating Certificate – Hospitals for the Mentally Ill Class	5/31/2013 (renewable)
DOH – Certificate of Registration for	8/6/2013

Radiation Installation	
Council on Podiatric Medical Education -- Certificate of Approval	[States Effective throughout period of approval, but there is no period indicated]
DOH – Clinical Laboratory Permit	6/30/2013
DOH – Authorization for Patient Service Center	6/30/2013
DOH – Limited Service Laboratory Registration	6/3/2014

SECC

<u>CERTIFICATION</u>	<u>LICENSE EXPIRATION</u>
DOH Operating Certificate	None

Schedule 4.14(f)
Compliance Audits

See Attached



Memo

To: Sound Shore Health System, FY2011 Audit Team

From: Kate Barnhart, Health Industries Advisory

Date: February 2, 2012

Subject: Sound Shore Health System Compliance Inquiry

In order to address the auditing requirements promulgated in Statement on Auditing Standards ("SAS") no. 99, PricewaterhouseCoopers performed a high level assessment of Sound Shore Health System's ("SHSH") existing compliance structure and compliance program operations.

On February 1, 2012, PwC conducted a site visit interview with Kathleen McKay, Corporate Compliance Officer ("CCO"), John Mamangakis, Senior Vice President, Operations /HIPAA Privacy and Security Officer, and Rhonda Ruiz, Assistant Vice President, Operations / ICD-10 implementation lead. The purpose of the visit was to obtain a high level understanding of the compliance program structure, key compliance activities that occurred during fiscal year 2011, and whether there are any pending compliance issues which may impact the audit.

Sound Shore Health System is a multi-campus health care system consisting of Sound Shore Medical Center of Westchester (a 252-bed, community-based teaching facility), The Mount Vernon Hospital (a 196-bed community-based teaching facility) the Schaeffer Extended Care Center and the Hopper School of Nursing. Approximately 2,500 individuals are under the scope of the compliance program.

The CCO submitted the final report for The Mount Vernon Hospital Corporate Integrity Agreement ("CIA") in November 2010. At the conclusion of the one year follow up period, the CIA was fully discharged in November 2011.

SSHS reports a Medicaid Fraud Control Unit pharmacy pricing methodology audit was initiated during February 2011 at both Sound Shore and Mount Vernon hospitals. At time of interview, the final settlement was in process. SSHS reported that at the Mount Vernon site, for provider #00274117, total of overbilling plus interest of \$33,536.21 and for provider#03000222 total of overbilling plus interest of \$11,493.49. The Mount Vernon total for both provider numbers with damages is \$82,522.11. At Sound Shore for provider #00274126 total of overbilling plus interest is \$1,248,512.74. At time of interview, total with damages had not been formally computed. PwC Audit confirmed Medicaid repayment and reserve details have been communicated to the audit team.

SSHS reports a Medicare Secondary Payer Questionnaire ("MSPQ") site visit documentation audit occurred during 2011. SSHS received the Audit Report July 2011. Corrective action plan was implemented with no further action required on our part. Monitoring activities for MSPQ compliance continues.



Status of Prior Year Recommendations:

PwC last conducted a telephone inquiry of SSHS's compliance program on May 20, 2010 at which time a recommendation was made that routine self-monitoring and auditing activities conducted by various departments throughout the system be reported to the Compliance Committee to ensure robust communication regarding compliance concerns and the continuity of monitoring and auditing efforts, including corrective action plans. While Corporate Compliance Committee minutes for 2011 appear to show departmental representation at meetings, reporting of departmental self-monitoring activities appears to be inconsistent. PwC reiterates its recommendation that self-monitoring and auditing activities conducted at the department level be reported to the Corporate Compliance Committee and that departmental monitoring and auditing activities be coordinated with the annual Compliance work plan.

Compliance Program Activities:

Overall, SSHS appears to have maintained an active compliance program during the past year. Baseline controls appear to be in place to address the key components of an effective compliance program as defined by the Office of Inspector General¹ and compliance activities are reported periodically to the Board Finance Committee and the Boards of Trustees at Sound Shore and Mount Vernon Hospitals.

Specific indications that SSHS's compliance program is operational include, but are not limited to, the following:

- The CCO reports using the MediRegs Survey Manager on-line module for the annual Conflict of Interest statement process with 100% of management staff and 60% of Board members completing the questionnaire on-line. Remaining 40% of Board members completed hard copy statements.
- SSHS updated its Code of Conduct in January 2011. Upon the discharge of the Mount Vernon CIA in November 2010, SSHS replaced stand alone Sound Shore and Mount Vernon compliance policies and procedures with a system wide compliance program and system wide compliance policies and procedures. Compliance Program information, policies and procedures are posted on the SSHS intranet for employee access.
- SSHS reports using a vendor, Sterling Info systems, Inc. to conduct criminal background checks, drug screens, federal program and NYS Medicaid exclusion checks on new employees prior to the start of employment. Medical Staff Office conducts federal program exclusion checks during credentialing for new physicians. The CCO reports the SSHS Information Technology department created a database system of federal program and NYS Medicaid exclusion checks enabling Compliance to conduct monthly checks for existing employees, physicians, volunteers and students.

¹ OIG Supplemental Compliance Program Guidance for Hospitals; Federal Register, vol. 70, No. 19, III.A, January 31, 2005



- Purchasing conducts federal program exclusion checks for new vendors. SSHS has contracted with VeriRep to conduct ongoing vendor credentialing and will be implementing VeriRep vendor access management effective March 1, 2012.
- SSHS performed an evaluation of the effectiveness of its Compliance Program using the self-assessment tool distributed by the NYS Office of Medicaid Inspector General ("OMIG"). As a provider of services to Medicaid recipients, SSHS completes OMIG's annual Compliance Program Certification. The certification is signed by the Chief Executive Officer.
- The operational Compliance Committee met eight times during 2011. Departments participating on the Committee include; Operations, Nursing, Information Technology, Long Term Care, Finance, Revenue Cycle, Legal, Quality, Human Resources and staff Physicians.
- The CCO provided quarterly compliance program activity reports to the Board Finance Committee. Annual Board Compliance education was provided by General Counsel.
- The CCO reports receiving three calls on Compliance Hotline. Upon investigation, all three calls involved human resource issues. The CCO maintains an "Issues Reported to Compliance Log" and received nine questions/concerns during 2011.
- The CCO reports SSHS has retained a consultant to conduct a Compliance Program Effectiveness Review during the 2nd Quarter of 2012.

Monitoring and Auditing activities:

The CCO reports SSHS purchased the MediRegs suite of CompliTrack modules. Ten departments were assigned to complete the Risk Assessment Module; Schaffer Extended Care Center, Admissions, Dietary, Emergency Room General, Emergency Room Conditions of Participation, Finance, Medical Records, Pharmacy, Quality Assurance and Operating Room. As of the November 15, 2011 Compliance Committee meeting, six of the assessments had been completed: Emergency Room General, Emergency Room Conditions of Participation, Operating Room, Quality Assurance, Schaffer Extended Care Center and Dietary.

The SSHS Corporate Compliance Committee 2011 Work Plan Monitoring and Auditing section listed "Reports on Quality, Investigations, active monitoring and corrective action plans" with Committee members responsible for reporting departmental self-monitoring activities and third party audit requests. As noted above under "Status of Prior Year Recommendations," while Committee minutes for 2011 appear to show departmental representation at meetings, reporting of departmental self-monitoring activities appears to be inconsistent.

RAC activities:

The Assistant Vice President, Operations reports using the Greater New York Hospital Association RAC Tracking Tool to track SSHS's RAC requests. The Assistant Vice President reports RAC issues are shared with the Medical Management and Revenue Cycle Committees and reported to the Compliance Committee on a quarterly basis. Reviews of RAC findings are conducted by the Director of the Clinical Documentation Program and the HIM Coding Supervisor. SSHS had engaged an outside vendor to appeal RAC denials.

At time of interview, 532 requests had been received with only 6 for services at Mount Vernon. Requests initially were for DRG validation, currently requests are for medical necessity and short stays. SSHS reports RAC recoveries of \$621,290.04 with a number of cases in the appeals process.

HIPAA HITECH Activities:



SSHS maintains a HIPAA Hot Line and reports logging and investigating eight issues during 2011. SSHS reports four HIPAA incidents occurred during 2011. One incident involved improper use of Protected Health Information ("PHI") which upon investigation was determined to be a policy violation only and the individual involved received counseling and disciplinary action. A second incident involved a medical record inadvertently faxed to a wrong fax number. The recipient, a law office, notified SSHS and destroyed the medical record. The employee was counseled and disciplinary action was taken. A third incident involved a coder who violated policy by taking 23 charts home to code. The charts were returned and the coder terminated. A fourth incident involved an employee who removed a nursing supervisor's patient status notebook, copied pages containing information about a family member, slid the copies under the Nursing Administration door and then reported an alleged HIPAA breach. Security tape showed it was the employee sliding copies under the door. Human Resources and General Counsel were involved and the employee was suspended.

The HIPAA Privacy and Security Officer reports conducting weekly safety rounds that include a HIPAA component. Two checklists are used during the rounds, one for visual inspection and one for random interviews (staff, nurses, physicians, volunteers or students). HIPAA is part of new employee and annual employee mandatory training.

SSHS reports its HIPAA Task Force modified and updated Business Associates Agreements during the second half of 2011. The HIPAA Privacy and Security Officer reports Task Force meetings are scheduled in February to identify which types of vendors will be included in the March 1, 2012 VeriRep vendor credentialing and access management implementation. The CCO is a Task Force member.

With the installation of the AllScripts Electronic Medical Record ("EMR") system in October 2011, SSHS designated an Information Technology ("IT") Security Officer who reports to the Chief Information Officer. The IT Security Officer's responsibilities include issuing EMR access following a role based hierarchy of access rights. SSHS reports the HIPAA Task Force is in the process of evaluating access audit trail software for EMR system access.

ICD-10 Implementation Activities:

SSHS is in the process of selecting a vendor to conduct an ICD-10 gap analysis. The Assistant Vice President of Operations expects the gap analysis will provide guidance on ICD-10 education and training as well as implementation. SSHS is also researching ICD-10 training opportunities through the 1199 Union.

Recommendations:

In order to enhance the effectiveness of ongoing compliance efforts and to mitigate potential risk, PwC recommends the following:

Monitoring and Auditing Activities: As noted above under Status of Prior Year Recommendations, PwC reiterates its recommendation that self-monitoring and auditing activities conducted at the department level be reported to the Corporate Compliance Committee. PwC also recommends departmental monitoring and auditing activities are coordinated with the annual Compliance work plan to ensure areas identified by the Office of Inspector General's Annual Work Plan are being addressed.

HIPAA Security Risk Assessment: With the implementation of the HITECH Act, a HIPAA Security Risk Analysis (§164.308(a) (1)(ii)(A)) is required by law to be performed by every



Covered Entity and Business Associate. The Center for Medicare and Medicaid ("CMS") has contracted with KPMG to conduct 150+ hospital audits for compliance with the HIPAA privacy and security regulation. Given the government's commitment to resources and funding to conduct these audits, PwC recommends SSHS conduct a HIPAA Security Risk Analysis. PwC also recommends SSHS validates its BA's have conducted their own HIPAA Security Risk Analysis, especially critical should SSHS choose to off-shore medical records coding services and recommends SSHS put a formal plan in place to ensure completion.

ICD-10: PwC recommends the Board be provided with an educational presentation on the impact of ICD-10 and what implementation project entails and subsequently be provided with periodic implementation project status updates.

Given the rapidly changing health care environment and the impact on compliance issues, PwC recommends SSHS continue to monitor regulatory web sites and other industry sources for operational details as new statutory and regulatory requirements are enacted.

Should you have any questions about this information, please feel free to contact Kate Barnhart at (518) 424-2891.

Documents Viewed:

- Compliance Program 2011 Work Plan
- Corporate Compliance Committee Minutes, April, 2011, February 2011, January 2011, July 2011, June 2011, March 2011, May 2011, September 2011, November 2011
- HIPAA Task Force Minutes, March 23, 2011, April 21, 2011, June 17, 2011, August 29, 2011, October 6, 2011, December 15, 2011
- Compliance Report to Sound Shore Medical Center December 2011 Board Meeting
- Compliance Report to Mount Vernon Hospital December 2011 Board Meeting
- Compliance Program Policies and Procedures
 - Arrangement Review Process
 - Arrangements Tracking & Monitoring Procedures
 - Auditing & Monitoring High-Risk Areas
 - Code of Conduct
 - Compliance Hotline
 - Compliance Issue Resolution
 - Compliance Training
 - Compliance with Stark & Anti-Kickback Statutes
 - Confidentiality
 - Conflict of Interest
 - Deficit Reduction Act
 - Equal Opportunity, anti- Discrimination & Sexual Harassment
 - Fair Market Valuations
 - General Statement on Agreements with Referral Sources; Approval Process
 - Investigation
 - Non-Retaliation
 - Physician Employment
 - Professional Services Agreements
 - Red Flag / Identity Theft Prevention Program
 - Response to Government Officials Policy
 - Sanction Screening
 - Search Warrant Policy

Schedule 4.14(i)
Billings

See Schedule 4.14(a)(vi)

**Schedule 4.14(j)
Audits**

SOURCE OF AUDIT	AUDIT DATE	PROVIDER NAME	AUDITED PAYMENTS	COMMENTS
OMIG / HEALTH MANAGEMENT SYSTEM THIRD PARTY AUDIT	5/20/2012	SSMC	\$5,777.04	Third party payments received or in process
NGS-MEDICARE PRE-PAYMENT REVIEW OF PSY SERVICES	5/31/2012	MVH	\$7,290.00	Documentation is missing or incomplete
OMIG / HEALTH MANAGEMENT SYSTEM THIRD PARTY AUDIT	6/8/2012	SSMC	\$54,270.38	Third party payments received or in process
OMIG / HEALTH MANAGEMENT SYSTEM THIRD PARTY AUDIT	6/13/2012	SSMC	\$1,123.76	Third party payments received or in process
OMIG / HEALTH MANAGEMENT SYSTEM THIRD PARTY AUDIT	6/13/2012	SSMC	\$645.01	Third party payments received or in process
OMIG / HEALTH MANAGEMENT SYSTEM THIRD PARTY AUDIT	7/13/2012	MVH	\$1,414.66	Third party payments received or in process
OMIG / HEALTH MANAGEMENT SYSTEM THIRD PARTY AUDIT	7/16/2012	SSMC	\$14,153.36	Third party payments received or in process
OMIG / HEALTH MANAGEMENT SYSTEM THIRD PARTY AUDIT	7/16/2012	MVH	\$393.29	Third party payments received or in process
OMIG / HEALTH MANAGEMENT SYSTEM THIRD PARTY AUDIT	7/20/2012	MVH	\$9,476.25	Third party payments received or in process
OMIG / HEALTH MANAGEMENT SYSTEM THIRD PARTY AUDIT	7/20/2012	SSMC	\$529.94	Third party payments received or in process
OMIG / HMS DETOX GME RECOVERY	7/23/2012	SSMC	\$113,704.00	Recoupment in process from weekly Medicaid check.
OMIG -LEVEL 1 COPS	8/14/2012	SSMC	N/A	No overpayment

RECOVERIES / OMH				found
OMIG / HEALTH MANAGEMENT SYSTEM THIRD PARTY AUDIT	8/20/2012	SSMC	\$14,676.36	Third party payments received or in process
OMIG / HEALTH MANAGEMENT SYSTEM THIRD PARTY AUDIT	9/10/2012	SSMC	\$14,895.24	Third party payments received or in process
OMIG / HEALTH MANAGEMENT SYSTEM THIRD PARTY AUDIT	9/10/2012	MVH	\$9,258.39	Third party payments received or in process
OMH - CRIMINAL BACKGROUND CHECK	9/18/2012	MVH	\$0	Review completed 06/06/2012. Correction plan accepted.
OMIG - OMH LIC. OP PHYSICIAN SERVICES BILLED SEPARATELY	9/26/2012	SSMC	\$3,700.00	Physician services included in global rate
OMIG / HEALTH MANAGEMENT SYSTEM THIRD PARTY AUDIT	10/11/2012	MVH	\$2,715.89	Third party payments received or in process
OMIG - ANCILLARY SERVICES BILLED SEPARATELY FROM CLINIC VISIT	10/16/2012	SSMC	\$4,586.82	Final report issued March 7th, 2013. Recoupment pending.
OMIG - ANCILLARY SERVICES BILLED SEPARATELY FROM CLINIC VISIT	10/16/2013	SSMC	\$7,180.57	Final report issued March 7th, 2013. Recoupment pending.
OMIG / HEALTH MANAGEMENT SYSTEM THIRD PARTY AUDIT	10/30/2012	SSMC	\$219,470.95	Third party payments received or in process
OMIG / HEALTH MANAGEMENT SYSTEM THIRD PARTY AUDIT	10/30/2012	MVH	\$44,312.14	Third party payments received or in process
OMIG / HEALTH MANAGEMENT SYSTEM THIRD PARTY AUDIT	11/28/2012	MVH	\$283.56	Third party payments received or in process
OMIG / HEALTH MANAGEMENT SYSTEM THIRD PARTY	12/18/2012	SSMC	\$28,661.69	Third party payments received or in process

AUDIT				
OMIG / HEALTH MANAGEMENT SYSTEM THIRD PARTY AUDIT	12/18/2012	SSMC	\$45,698.64	Third party payments received or in process
OMIG / HEALTH MANAGEMENT SYSTEM THIRD PARTY AUDIT	12/18/2012	SSMC	\$1,463.50	Third party payments received or in process
OMIG NEWBORN AUDIT	2/7/2013	SSMC	\$30,811.27	Newborns billed as Medicaid FFS instead of MCD HMO Plan - final report pending.
NGS-MEDICARE PREPAYMENT REVIEW OF PSY SERVICES	2/8/2013	MVH	\$7,830.00	Documentation is missing or incomplete
NGS-MEDICARE PRE-PAYMENT REVIEW OF WOUND CARE SERVICES	2/13/2013	MVH	\$2,721.00	Documentation is missing or incomplete
OMIG / HEALTH MANAGEMENT SYSTEM THIRD PARTY AUDIT	2/27/2013	MVH	\$34,691.71	Third party payments received or in process
OMIG / HEALTH MANAGEMENT SYSTEM THIRD PARTY AUDIT	3/16/2013	MVH	\$6,213.35	Third party payments received or in process
OMIG / HEALTH MANAGEMENT SYSTEM THIRD PARTY AUDIT	3/19/2013	MVH	\$8,211.78	Third party payments received or in process
OMIG / HEALTH MANAGEMENT SYSTEM THIRD PARTY AUDIT	4/1/2013	MVH	\$13,315.24	Third party payments received or in process

Schedule 4.14(k)
Reduction in Medicare Reimbursements

Schedule 4.14(I)(i)
Overpayments or Refunds to Payment Programs

<u>Year</u>	<u>Sum of Original Payment</u>	<u>Outcome</u>	<u>Entity</u>
2011	\$6,538.02	Overpayment identified	MVH
2011	\$117,564.48	No issue identified	SSMC
2011	\$353,859.67	Pending	SSMC
2012	\$43,061.83	Pending	SSMC

Schedule 4.14(l)(ii)
Notice of Overpayments or Refunds

None

Schedule 4.15(a)
Employee Schedule

Schedule 4.15(b)
Reemployment Rights

Schedule 4.15(c)
Foreign National Employees

See Attached

4.15(c)
FOREIGN NATIONAL EMPLOYEES

Last Name	First Name	SSH5 Entity	Position	Visa/ Work Permit	Expiration Date	Applicable Bargaining Unit	Comments
Beerreddy	Ranadhir Reddy	MVH	Resident	J1	6/30/2013	N/A	
Mamsa	Khadija Ahmad	MVH	Resident	H1 B	6/30/2013	N/A	
Jogu	Prasad	MVH	Resident	H1 B	6/30/2013	N/A	
Guo	Songchuan	MVH	Resident	H1 B	6/30/2013	N/A	
Nimmakayala	Kameswara Rao	MVH	Resident	H1 B	6/30/2014	N/A	
Karnam	Padmanaidu	MVH	Resident	H1 B	6/30/2014	N/A	
Vudathaneni	Vijaya Krishna	MVH	Resident	H1 B	6/30/2014	N/A	
Katamreddy	Sasikumar	MVH	Resident	H1 B	6/30/2014	N/A	
Lal	Aditya	MVH	Resident	H1 B	6/30/2015	N/A	
Veluswamy	Anuradha Shunmugam	MVH	Resident	H1 B	6/30/2015	N/A	
Banini	Bubu	SSMC	Chief Medical Resident	H1 B	3/7/2015	N/A	
DeJesus	Diana	SSMC	Chief Medical Resident	Green Card		N/A	
Aggarwal	Richa	SSMC	Resident	H1 B	6/30/2013	N/A	
Chua	Ruthie May	SSMC	Resident	J1	6/30/2013	N/A	
Ferguson	Alexis C.	SSMC	Resident	H1 B	6/30/2013	N/A	
Lamsen	Marie Louies	SSMC	Resident	H1 B	6/30/2013	N/A	renewal with USCIS
Morey	Rishikesh	SSMC	Resident	H1 B	6/30/2013	N/A	
Orwochei	Mitchell	SSMC	Resident	Green Card	2/3/2013	N/A	extension paperwork to HR on 5/28
Pandey	Sanjay	SSMC	Resident	J1	6/30/2013	N/A	
Premji	Resmi	SSMC	Resident	J1	6/30/2013	N/A	
Sihota	Aanu	SSMC	Resident	H1 B	6/30/2013	N/A	
Tesado	Grettel	SSMC	Resident	H1 B	6/30/2013	N/A	
Thind	Sharanjeet	SSMC	Resident	J1	6/30/2013	N/A	
Luna	Ronald	SSMC	Resident	J1	6/30/2014	N/A	
Naarayan	Ashutosh	SSMC	Resident	H1 B	6/30/2015	N/A	
Chhetri	Mamta	SSMC	Resident	H1 B	6/30/2014	N/A	
Violango	Michael	SSMC	Resident	H1 B	6/30/2014	N/A	
Mehta	Shikha	SSMC	Fellow	H1 B	6/30/2013	N/A	
Seng	Leap	SSMC	RN	H1 B	3/1/2015	NYSNA	
Singh	Neha	MVH	PT	H1 B	6/14/2013	1199	resigned, last day 6/7/13
INCOMING							
Ponnam	Harikrishna C.	MVH	Resident	H1 B	6/30/2016	N/A	
Kakarlapudi	Hari H.	MVH	Resident	H1 B	6/30/2016	N/A	
Kancharla	Rama K.	MVH	Resident	H1 B	6/30/2016	N/A	
Wasti	Pranav	SSMC	Resident	H1 B	6/30/2015	N/A	
Abhuri	Amulya	SSMC	Resident	H1 B	6/30/2016	N/A	
Akinboro	Oladimeji	SSMC	Resident	H1 B	6/30/2015	N/A	
Bista	Prakriti	SSMC	Resident	H1 B	6/30/2015	N/A	
Ijailya	Thaofiq	SSMC	Resident	H1 B	6/30/2016	N/A	
Calderon	Wilman Olmedo	SSMC	Resident	H1 B	6/30/2016	N/A	
Seidenschwarz	Norbert Alex	SSMC	Resident	H1 B	6/30/2016	N/A	
Shafi	Sumaira	SSMC	Resident	H1 B	6/30/2016	N/A	

**Schedule 4.15(d)
Labor Disputes**

CLAIM NUMBER	CAPTION	NATURE OF THE PROCEEDING	VENUE
(A) Collective bargaining disputes-arbitrations			
2013-NONE			
2012			
1330000937-12	1199 SEIU, United Healthcare Workers East and SSMC (kiosk lady)	Improperly subcontracting bargaining work in violation of cba (kiosk lady)	AAA-LABOR, New York, NY
1330002013-12	1199 SEIU, United Healthcare Workers East and SSMC (10 and 20 year rate increases)	failing to pay longevity pay increases retroactive to the date they were contractually required to be paid	AAA-LABOR, New York, NY
1330000401-12	1199 SEIU, United Healthcare Workers East and TMVH(Special Procedure Tech rate of pay)	Improper modification of the Special Procedure Tech Title in violation of cba	AAA-LABOR, New York, NY
1330000402-12	1199 SEIU, United Healthcare Workers East and TMVH(Anissa Kirkland termination)	Improper termination of employee for violating workplace violence policy	AAA-LABOR, New York, NY

CLAIM NUMBER	CAPTION	NATURE OF THE PROCEEDING	VENUE
1330002737-12	1199 SEIU, United Healthcare Workers East and TMVH (layoff provisions)	Improperly refusing to group employees for layoff purposes and refusing to allow employees to bump less-senior employees in lieu of layoff; failing to properly recall employees; and, improperly reducing Victoria Rivers' rate of pay--hearing date and arbitrators selection pending	AAA-LABOR, New York, NY
1330000618-12	1199 SEIU, United Healthcare Workers East and TMVH (improperly paying Dana Blake)	Paying improper wage rate	AAA-LABOR, New York, NY
1330001332-12	1199 SEIU, United Healthcare Workers East and SSMC	Improperly splitting full-time positions into part time positions	AAA-LABOR, New York, NY
2011			
1330001997-11	1199 SEIU, United Healthcare Workers East and SSMC (splitting full time positions into part time)	Improperly eliminating the 13 hour shift of maternity techs and improperly posting for 3 part-time maternity tech positions	AAA-LABOR, New York, NY
1330000171-11	1199 SEIU, United Healthcare Workers East and SSMC (Termination of Christopher Okang)	Improper termination of employee for taking an unauthorized leave	AAA-LABOR, New York, NY
1330001931-11	1199 SEIU, United Healthcare Workers East and SSMC (Suspension of Dale Austin)	Improper 10 week suspension of employee for violating patient privacy rights	AAA-LABOR, New York, NY

CLAIM NUMBER	CAPTION	NATURE OF THE PROCEEDING	VENUE
1330001932-11	1199 SEIU, United Healthcare Workers East and SSMC (Suspension of John Brito)	Improper suspension of employee for abandoning his post	AAA-LABOR, New York, NY
133000258-11	1199 SEIU, United Healthcare Workers East and SSMC (Suspension of James Brown)	Improper suspension of employee	AAA-LABOR, New York, NY
133002696-11	1199 SEIU, United Healthcare Workers East and SSMC (failure to pay preceptor pay to dieticians)	failure to pay preceptor pay to dieticians	AAA-LABOR, New York, NY
133000358-11	1199 SEIU, United Healthcare Workers East and SSMC (termination of Sophia Samuels)	improper termination of employee for failing to meet nursing home patient needs	AAA-LABOR, New York, NY
133001360-11	1199 SEIU, United Healthcare Workers East and SSMC (Termination of Luis Santiago)	Improper termination of employee for abandoning his shift	AAA-LABOR, New York, NY
2010			
1330002069-10	1199 SEIU, United Healthcare Workers East and SSMC (Suspension of Melencio Cancio)	Improper suspension for sleeping while on duty	AAA-LABOR, New York, NY
1330001663-10	1199 SEIU, United Healthcare Workers East and SSMC (Termination of Kevin Middleton)	Improper termination for violating workplace violence policies	AAA-LABOR, New York, NY
133001485-10	1199 SEIU, United Healthcare Workers East and SSMC (Suspension of Tyson, Chestang, Smith)	Improper suspension for violating workplace violence rules	AAA-LABOR, New York, NY
1330002700-10	1199 SEIU, United Healthcare Workers East and SSMC (Termination of Irenes Andrades)	Improper termination of employee performing second employer's work while on SSMC time	AAA-LABOR, New York, NY
13302699-10	1199 SEIU, United Healthcare Workers East and SSMC (Termination of Teta Gaye Stitcheron)	Improper termination of employee for violating patient care rights	AAA-LABOR, New York, NY

CLAIM NUMBER	CAPTION	NATURE OF THE PROCEEDING	VENUE
13302752-10	1199 SEIU, United Healthcare Workers East and SSMC (Termination of Patrick Lawrence Smith)	Improper termination of employee for violating time validation policies	AAA-LABOR, New York, NY
13302866-10	New York State Nurses Assoc. and TMVH (Mariza Pascarelli)	Two day suspension of nurse for violating hospital policy	AAA-LABOR, New York, NY

NLRB CLAIMS			
CLAIM NUMBER	CAPTION	NATURE OF THE PROCEEDING	VENUE
02-CA-097315 (2013)	1199 SEIU United Health Care Workers v. SSMC and TMVH	SSMC and TMVH failing to bargain re health care insurance and other benefits by dealing directly with the employees	NLRB New York, NY
02-CA-088831 (2012)	1199 SEIU United Health Care Workers v. SSMC	Failure to execute a cba	NLRB New York, NY
02-CA-067483 (2011)	1199 SEIU United Health Care Workers v. SSMC	failure to arbitrate	NLRB New York, NY

Schedule 4.15(f)
Collective Bargaining Agreements

Entity	Collective Bargaining Agreements
SSMC	1199 SEIU, United Healthcare Workers, East New York State Nurses Association Teamsters Local 445
MVH	1199 SEIU, United Healthcare Workers, East New York State Nurses Association

Schedule 4.15(g)
Claims Before NLRB or Similar Agency

CLAIM NUMBER	CAPTION	NATURE OF THE PROCEEDING	VENUE
02-CA-097315	1199 SEIU United Health Care Workers v. SSMC and TMVH	SSMC and TMVH failing to bargain re health care insurance and other benefits by dealing directly with the employees	NLRB New York, NY

Schedule 4.15(h)
Violation of Applicable Laws related to Employees

CLAIM NUMBER	CAPTION	NATURE OF THE PROCEEDING	VENUE
10158973	Maccarling Blanchard v. SSMC	Claim of discrimination	NYSDHR WESTCHESTER, NY
10158460	Djoka Nikac v. SSMC ¹	Claim of discrimination	NYSDHR WESTCHESTER, NY

Schedule 4.15(i)
Occupational or Safety Violations

None

Schedule 4.15(j)
Rights in Property by Board, etc

Services Corporation has entered into a lease agreement dated 8/31/1996, as modified, with 233rd Street Realty Corp. 233rd Street Realty Corp is owned by Richard Naclerio.

Schedule 4.17
Information Systems

See attached

<u>No.</u>	<u>Server Hostname</u>	<u>Physical/ Virtual</u>	<u>Function</u>	<u>Application</u>	<u>Software Owned/Leased</u>
Sound Shore Servers					
1	SMNISS1	P	Domain Controller	Microsoft Active Directory	O
2	SMNISS2	P	Domain Controller	Microsoft Active Directory	O
3	SMNISS3	P	DHCP Server	Microsoft DHCP	O
4	SMNISS4	P	Exchange Server	Microsoft Exchange 2003	O
5	SMNISS5	P	Exchange Server	Microsoft Exchange 2003	O
6	SMNISSA	P	Exchange Cluster (SMNISS4 & 5)	Microsoft Exchange 2003	O
7	SMNISS6	P	Backup Server	Symantec Backup Exec 11d	O
8	SMNISS7	P	Anti-Virus	Kaspersky Security Center 9	Active License
9	SMNISS8	P	Tacacs (Cisco Authentication Manager)	Tacacs	O
10	SMNISS9	P	TeamViewer Database	TeamViewer Manager	O
11	SMNISS11	P	Mediware (Lab software)	Mediware	?
12	SMNISS12	P	Finance File Server	Microsoft File Server	O
	SMNISS13	P	Foundation's Raiser's Edge	Raiser's Edge	?
	SMNISS14	P	MUSE EKG Application	MUSE	O
	SMNISS16	P	Hyper-V host server	Microsoft Hyper-V	O
	SMNISS16A	V	Virtual Server - Blackbaud Web Server (on DMZ)	Blackbaud	?
	SMNISS16B	V	Virtual Server - ECP's Reliable Charts	Reliable Charts	?
	SMNISS20	P	Hyper-V host server; Backup server	Microsoft Hyper-V and Symantec Backup Exec 2010	O
	SMNISS20A	V	Virtual Server - Print server, file distribution server	Microsoft Server	O
	SMNISS20B	V	Virtual Server - Spiceworks Test Server	Spiceworks	opensource
	SMNISS21	P	SQL Database Server	Microsoft SQL 2008	O
	SMNISS22	P	Great Plains Server (currently not being used)	Great Plains	?

Asset ID	Type	Description	Software/Service	License Status
SSVHOSTPRD1		Hyper-V Cluster (SMMISS23 & 25)	Microsoft Failover Cluster Manager	
SMMISS23	P	Hyper-V host server	Microsoft Hyper-V	0
SMMISS23A	V	Virtual Server - Allscripts Downtime Server		
SMMISS23B	V	SoundApp Server		
SMMISS23C	V	Copy Machine Data Collection		
SMMISS23D	V	Software, HayBed		
SMMISS23E	V	Password Reset Tool	ManageEngine ADSelfService Plus	Active License
SMMISS23F	V	Nimsoft	CA Nimsoft	Active License
SMMISS23G	V	QS/1		
SMMISS24	P	WSUS	Microsoft WSUS	0
SMMISS25	P	Spare attached to SAN		0
SMINTS1	P	Hyper-V Server - Production (clustered with SMISS23)		0
SMMISSBEZ	P	WebSense (SSMC)		Active License
smEdimApp01	P	BES Server		Active License
smEdimDB02	P	SSMC EDIM Application Server		?
sm3msrv1	P	SSMC EDIM Database Server		?
smUDSrv1	P	3m Server		?
ALLSCRIPTSF	P	UDS Server		?
AX1	P	AllScripts Fax Server (Lab)		?
AX2	P	AllScripts Fax Server (not in use)		?
AX3	P	AllScripts Fax Server (Radiology)		?
SOUNDNET	P	Intranet Server		0

Mt. Vernon Servers			Microsoft Active Directory	
MVMISS1	P	Domain Controller	Microsoft DHCP	O
MVMISS3	P	DHCP Server		O
MVMISS6	P	Backup Server		O
MVMISS7	P	Core Server Hosting Virtual Machines: 7A, HIVSERV		O
MVMISS7A	V	Methadone Clinic Avatar (Medication Dispense Server)		?
MVMISS7B	V	2N Avatar		?
MVINTS1	P	WebSense (MVH)		A
mVEdimApp01	P	TMVH EDIM Application Server		?
mVEdimDB01	P	TMVH EDIM Database Server		?
HIVSERV	P	AI RS server; virtual machine running on MVMISS7		?

Location	Model/Serial #	Product	Serial Number
SSMC Data CTR - Rack 1	Cisco ASA 5505	Appliance	JMX153640G3
SSMC Data CTR - Rack 1	Cisco ASA 5510		JMX1109L15N
SSMC Data CTR - Rack 1	Cisco ASA 5520	Appliance	JMX1448L15U
SSMC Data CTR - Rack 1	Catalyst 2950		FOC1044Z00M
SSMC Data CTR - Rack 1	Catalyst 2950		FOC1019Z7KG
SSMC Data CTR - Rack 1	Catalyst 2801		FTX1025W20J
SSMC Data CTR - Rack 1	Catalyst 6509	Chassis	SA110019KXG
SSMC Data CTR - Rack 1	WS-C6K-9SLOT-FAN2	Fan Module TRAY	GNDOAR7GAC
SSMC Data CTR - Rack 1	WS-X6148-GE-TX	Module - RJ45	GNUJAL9AAA
SSMC Data CTR - Rack 1	WS-X6148-GE-TX	Module - RJ45	GNUJAL9AAA
SSMC Data CTR - Rack 1	WS-X6148-GE-TX	Module - RJ45	GNUJAL9AAA
SSMC Data CTR - Rack 1	WS-SUP720-3B	Module - Fabric	CNUCAF1AAA
SSMC Data CTR - Rack 1	WS-X6724-SFP	Module - Fiber	GNUJAK2AAB
SSMC Data CTR - Rack 1	WS-X6548-GE-TX	Module - RJ45	GNUJAMEAAB
SSMC Data CTR - Rack 1		PSU Chassis	GNM3AZ0BRC
SSMC Data CTR - Rack 1		PSU - 1	CNP3ARZBAA
SSMC Data CTR - Rack 1		PSU - 2	CNP3ARZBAA
SSMC Data CTR - Rack 2	Proliant DL380 G4		2UX64700W7
SSMC Data CTR - Rack 2	HP TFT 7600 KVM	Server	2C463700S8
SSMC Data CTR - Rack 2	Proliant DL380 G4	Server	2UX64801V8
SSMC Data CTR - Rack 2	Proliant DL380 G4	Server	2UX64700VR
SSMC Data CTR - Rack 2	Proliant DL 360G4P	Server	USM64601Z1
SSMC Data CTR - Rack 2	Proliant DL 360G4P	Server	USM64601X1
SSMC Data CTR - Rack 2	Proliant DL380 G4	Server	2UX613006X
SSMC Data CTR - Rack 2	Proliant DL380 G4	Server	2UX64700U0
SSMC Data CTR - Rack 2	Proliant DL380 G4	Server	2UX644004Z
SSMC Data CTR - Rack 2	Proliant DL380 G4	Server	2UX644004Y
SSMC Data CTR - Rack 2	Proliant DL 360G4P	Server	USM64601YP
SSMC Data CTR - Rack 3	KVM - Avocent		A320008310
SSMC Data CTR - Rack 3	Proliant DL320 G5P	Server	MX2903011S
SSMC Data CTR - Rack 3	Proliant DL320 G5P	Server	MX29030114
SSMC Data CTR - Rack 3	Proliant DL320 G5	Server	MX2801023H
SSMC Data CTR - Rack 3	Proliant DL380 G4	Server	2UX62902GM
SSMC Data CTR - Rack 3	Proliant DL140 G3	Server	MX270100K3
SSMC Data CTR - Rack 3	Proliant DL360 G5	Server	USM709065E
SSMC Data CTR - Rack 4	Proliant DL360 G6	Server	MXQ0030BWK
SSMC Data CTR - Rack 4	Proliant DL360 G6	Server	MXQ0160C8F
SSMC Data CTR - Rack 4	Aruba 6000 US	WLAN CTRL	A00010660
SSMC Data CTR - Rack 4	TrippLite SMART5000XFMRL	UPS	2201AACSMS053P0002
SSMC Data CTR - Rack 5	HP Storage Ultrium 3000SAS		
SSMC Data CTR - Rack 5	Proliant DL360 G7	Server	MXQ025060B
SSMC Data CTR - Rack 6	Proliant DL380 G5	Server	2UX72201CS
SSMC Data CTR - Rack 7	DELL Poweredge R710	Server	30K41Q1
SSMC Data CTR - Rack 7	DELL Poweredge R710	Server	30L0YQ1
SSMC Data CTR - Rack 7	DELL Poweredge R710	Server	30K2XQ1
SSMC Data CTR - Rack 7	Cisco IRONPORT - 1	Appliance	2XHTTPQ1
SSMC Data CTR - Rack 7	Cisco IRONPORT - 2	Appliance	7RJPPQ1
SSMC Data CTR - Rack 7	Dell Poweredgr R710	Server	30K0YQ1
SSMC Data CTR - Rack 7	Dell Poweredgr R710	Server	30K2YQ1
SSMC Data CTR - Rack 7	KVM - Dell	Chassis	2110AATCB831300028
SSMC Data CTR - Rack 7	Proliant DL360 G7	Server	MXQ025062H
SSMC Data CTR - Rack 7	Proliant DL360 G7	Server	MXQ0510D65
SSMC Data CTR - Rack 7	TrippLite SMART5000XFMRL	UPS	
SSMC Data CTR - Rack 8	Dell PowerConnect 7024	Switch	
SSMC Data CTR - Rack 8	Dell PowerConnect 7025	Switch	
SSMC Data CTR - Rack 8	Citrix Netscaler MPX - Pri	Appliance	NEKNU251M5

Schedules (4) Pg 53 of 90			
SSMC Data CTR - Rack 8	Citrix Netscaler MPX-SEC	Appliance	N3573251ED
SSMC Data CTR - Rack 8	Dell Poweredge R810	Server	1KTM4V1
SSMC Data CTR - Rack 8	DELL EQUALLOGIC PS6100	Appliance	33CN4V1
SSMC Data CTR - Rack 8	TrippLite SMART5000XFMRL	UPS	
SSMC Data CTR - MDF	Cisco Catalyst 3750	Switch	FHK0919X020
SSMC Data CTR - MDF	Cisco 2800		FTX1134YOCY
SSMC Data CTR - MDF	Juniper EX3200 24PoE	Switch	BJ0210130662
SSMC Data CTR	Cisco Catalyst 3750	Switch	CAT1050ZG8C
SSMC Data CTR	TrippLite SMART5000XFMRL	UPS	2232PLCSM628700068
MVH Data CTR - Rack 1			
MVH Data CTR - Rack 1	Cisco ASA 5505	Appliance	JMX1536Z046
MVH Data CTR - Rack 1	Cisco ASA 5525X	Appliance	FGL162740Z8
MVH Data CTR - Rack 1	Cisco Catalyst 2950		FOC1044ZAFB
MVH Data CTR - Rack 1	Cisco Catalyst 2950		FOC1044ZAFB
MVH Data CTR - Rack 1	Cisco 2800		FTX1046Z073
MVH Data CTR - Rack 1	Catalyst 6509	Chassis	SAL10019KXF
MVH Data CTR - Rack 1	WS-X6148-GE-TX	Module - RJ45	GNU1A19AAA
MVH Data CTR - Rack 1	WS-X6148-GE-TX	Module - RJ45	GNU1A19AAA
MVH Data CTR - Rack 1	WS-SUP720-3B	Module - Fabric	GNUCAF1AAA
MVH Data CTR - Rack 1	WS-X6724-SFP	Module - Fiber	GNUIAK2AAB
MVH Data CTR - Rack 1	WS-C6K-9SLOT-FAN2	Fan Module Tray	GNDOAR7GAC
MVH Data CTR - Rack 1		PSU Chassis	GNM3A70BRC
MVH Data CTR - Rack 1		PSU - 1	GNP3ARZBAA
MVH Data CTR - Rack 1		PSU - 2	GNP3ARZBAA
MVH Data CTR - Rack 2	Aruba 6000 - US		A00010561
MVH Data CTR - Rack 2	KVM		
MVH Data CTR - Rack 2	Proliant DL360 G6	Server	MXQ01105GP
MVH Data CTR - Rack 2	Proliant DL380 G4		2UX64803E3
MVH Data CTR - Rack 2	Proliant DL360 G4P	Server	USM64903LX
MVH Data CTR - Rack 2	Proliant DL380 G4	Server	2UX65002KU
MVH Data CTR - Rack 2	Proliant DL360 G4P	Server	USM64903LU
MVH Data CTR - MDF	Juniper EX3200 24PoE	Switch	BJ0210130701
MVH Data CTR	TrippLite SMART5000XFMRL	UPS	2232PLCSM628700067
Communication Closets			
SSMC - IDF1	Cisco Catalyst 3750	WS-C3750-48TS	CAT1038ZJJ1
SSMC - IDF1	Cisco Catalyst 3750	WS-C3750-48TS	CAT1040ZGFJ
SSMC - IDF1	Cisco Catalyst 3750	WS-C3750-48TS	CAT1034ZL1T
SSMC - IDF1	Juniper EX3200 24PoE	24 Port PoE	BJ0210130705
SSMC - IDF2	Cisco Catalyst 3750	WS-C3750-48TS	CAT1040ZGF8
SSMC - IDF2	Cisco Catalyst 3750	WS-C3750-48P	FDO1137Y065
SSMC - IDF2	Juniper EX3200 24PoE	24 Port PoE	BJ0210130759
SSMC - IDF3	Cisco Catalyst 3750	WS-C3750-48TS	CAT1040ZGEA
SSMC - IDF3	Juniper EX3200 24PoE	24 Port PoE	BJ0210114709
SSMC - IDF4	Cisco Catalyst 3750	WS-C3750-48TS	CAT1038ZJJY
SSMC - IDF4	Cisco Catalyst 3750	WS-C3750-48TS	CAT1038ZJL
SSMC - IDF5	Cisco Catalyst 3750	WS-C3750-48TS	CAT1038ZJGM
SSMC - IDF5	Cisco Catalyst 3750	WS-C3750-48P	FDO1214X099
SSMC - IDF5	Juniper EX3200 24PoE	24 Port PoE	BJ0210114422
SSMC - IDF5	Juniper SSG 320M	Gateway	JN11D555DADD
SSMC - IDF6	Cisco Catalyst 3750	WS-C3750-48TS	CAT1038ZJH8
SSMC - IDF6	Cisco Catalyst 3750	WS-C3750-48TS	CAT1038ZJJK
SSMC - IDF6	Cisco Catalyst 3750	WS-C3750-48TS	CAT1038ZJG8
SSMC - IDF6	Cisco Catalyst 3750	WS-C3750-48TS	CAT1024Z41N
SSMC - IDF6	Juniper EX3200 24PoE	24 Port PoE	BJ0210246186
SSMC - BDF	Cisco Catalyst 3750	WS-C3750-48TS	CAT1038ZJJ6
SSMC - BDF	Cisco Catalyst 3750	WS-C3750-48TS	CAT1038ZJL3
SSMC - BDF	Juniper EX3200 24PoE	24 Port PoE	BJ0210097748

SSMC - IDF10	Cisco Catalyst 3750	WS-C3750-48TS	FD01138Z60T
SSMC - IDF10	Cisco Catalyst 3750	WS-C3750-48TS	CAT1002Z12M
SSMC - IDF10	Juniper EX3200 24PoE	24 Port PoE	BJ0210130801
SSMC - IDF11	Cisco Catalyst 3750	WS-C3750G-48TS	FOC1516W32K
SSMC - IDF11	Juniper EX3200 24PoE	24 Port PoE	BJ0211167681
SSMC - IDF7	Cisco Catalyst 3750	WS-C3750-48P	CAT1049NGT2
SSMC - IDF7	Cisco Catalyst 3750	WS-C3750-48TS	CAT1038ZJL5
SSMC - IDF7	Cisco Catalyst 3750	WS-C3750-48TS	CAT1038ZJG3
SSMC - IDF7	Cisco Catalyst 3750	WS-C3750-48TS	CAT1038ZJHY
SSMC - IDF7	Juniper EX3200 24PoE	24 Port PoE	BL0210321637
SSMC - IDF8	Cisco Catalyst 3750	WS-C3750-48TS	CAT1038ZJJZ
SSMC - IDF8	Cisco Catalyst 3750	WS-C3750-48TS	CAT1038ZJHW
SSMC - IDF8	Cisco Catalyst 3750	WS-C3750-48TS	CAT0906X1UD
SSMC - IDF8	Juniper EX3200 24PoE	24 Port PoE	BJ0210246161
SSMC - IDF9	Cisco Catalyst 3750	WS-C3750-48TS	CAT1038ZJHE
SSMC - IDF9	Cisco Catalyst 3750	WS-C3750-48TS	CAT1038ZJGW
SSMC - IDF9	Juniper EX3200 24PoE	24 Port PoE	BJ0211167746
SSMC - HR	Juniper EX3200 24PoE	24 Port PoE	BJ0210116220
SSMC - IDF12 - Tel	Cisco Catalyst 3750	WS-C3750-48TS	CAT1117RGE9
MVH - IDF - Base	Cisco Catalyst 3750	WS-C3750-48TS	CAT1038ZJK2
MVH - IDF - Base	Juniper EX3200 24PoE	24 Port PoE	BJ0210116215
MVH - IDF1	Cisco Catalyst 3750	WS-C3750-48TS	CAT1038ZJKB
MVH - IDF1	Cisco Catalyst 3750	WS-C3750-48TS	CAT1038ZJKV
MVH - IDF1	Cisco Catalyst 3750	WS-C3750-48TS	CAT1038ZJLO
MVH - IDF1	Cisco Catalyst 3750	WS-C3750-48TS	CAT1122NHEA
MVH - IDF1	Cisco Catalyst 3750	WS-C3750-48P	FDO1136ZAC4
MVH - IDF1	Juniper EX3200 24PoE	24 Port PoE	BJ0210130780
MVH - IDF2T	Cisco Catalyst 3750	WS-C3750-48TS	CAT1038ZJK0
MVH - IDF2T	Cisco Catalyst 3750	WS-C3750-48TS	CAT1038ZJKL
MVH - IDF2T	Juniper EX3200 24PoE	24 Port PoE	BJ0210114579
MVH - IDF2S	Cisco Catalyst 3750	WS-C3750-48TS	CAT1038ZJJB
MVH - IDF2S	Juniper EX3200 24PoE	24 Port PoE	BJ0210116214
MVH - IDF3	Cisco Catalyst 3750	WS-C3750-48TS	CAT1038ZJHP
MVH - IDF3	Cisco Catalyst 3750	WS-C3750-48TS	CAT1038ZJKW
MVH - IDF3	Juniper EX3200 24PoE	24 Port PoE	BJ0210114686
MVH - IDF3T	Cisco Catalyst 3750	WS-C3750-48P	FDO1227Z016
MVH - IDF3T	Juniper EX3200 24PoE	24 Port PoE	BJ0210034940
MVH - IDF4T	Cisco Catalyst 3750	WS-C3750-48TS	CAT1038ZJJC
MVH - IDF4T	Cisco Catalyst 3750	WS-C3750-48TS	CAT1038ZJKZ
MVH - IDF4T	Juniper EX3200 24PoE	24 Port PoE	BJ0210116133
MVH - IDF6T	Cisco Catalyst 3750	WS-C3750-48TS	CAT1038ZJIN
MVH - IDF6T	Cisco Catalyst 3750	WS-C3750-48TS	CAT1038ZJL4
MVH - IDF6T	Juniper EX3200 24PoE	24 Port PoE	BJ0210116211
MVH - IDF6W	Cisco Catalyst 3750	WS-C3750-48P	FDO1137Y060
MVH - IDF6W	Juniper EX3200 24PoE	24 Port PoE	BJ0210246183
MVH - IDF4SON	Cisco Catalyst 3750	WS-C3750-48TS	CAT10355NWX
MVH - IDF4SONLIB	Cisco Catalyst 3750	WS-C3750-48TS	CAT1042ZGAK
MVH - IDF4SONLIB	Juniper EX3200 24PoE	24 Port PoE	BJ0209369795
MVH - Telecom	Cisco Catalyst 3750	WS-C3750-48TS	CAT1117ZK0Y

Page No: 1

Attachment A

Date: 6/22/2011

Lessee: Sound Shore Medical Center of Westchester
Schedule: IT-3

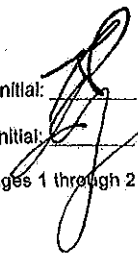
Equipment Located At: Sound Shore Medical Center of Westch
 16 Guion Place
 New Rochelle, NY 10801

<u>Qty</u>	<u>Model</u>	<u>Manufacturer</u>	<u>Description</u>	<u>Serial Number</u>
1	install	Aruba	Configuration, Installation, Optimization and training hours	
2	M3mk1-S	Aruba	Aruba Multi-Service Mobility Module Mark I, 10x1000 Base-X (SFP), 2x 10GBase-X (XFP), (OAP)	
2	LIC-384-AP	Aruba	Access Point License (384 Access Point License)	
2	LIC-PEFNG-384	Aruba	Policy Enforcement Firewall Module License (384-AP License)	
2	SN1-M3MK1-S	Aruba	Next-Day Support for M3Mk1-S (1yr)	
2	SN1-LIC-384-AP	Aruba	Support for LIC-384-AP (1yr)	
2	SN1-LIC-PEFNG-384	Aruba	Support for LIC-PEFNG 384 (1yr)	
2	6000	Aruba	Aruba 6000 Base (400) US	
2	LIC-16-AP	Aruba	Access Point License (16 Access Point License)	
2	LIC-PEFNG-16	Aruba	Policy Enforcement Firewall Module License (16-AP License)	
6	AP-124	Aruba	Aruba 124 Wireless Access Point	
2	SN1-6000-400-US	Aruba	Next-Day Support for 6000-400-US (1yr)	
399	AP-105	Aruba	Aruba 105 Wireless Access Point (Dual Radio)	
2	LIC-8-AP	Aruba	Access Point License (8 Access Point License)	
2	LIC-PEFNG-8	Aruba	Policy Enforcement Firewall Module License (8-AP License)	
6	AP-ANT-93	Aruba	5.125-5.1Ghz (14.OdBi), 3 Element MIMO High-Gain 20 Degree Directional Pansi Antenna, N-Tipe Female	
5	OTENC	Aruba	Outdoor Enclosure	
2	SN1-LIC-16-AP	Aruba	Support for LIC-16-AP (1yr)	
2	SN1-LIC-PEFNG-16	Aruba	Support for LIC-PEFNG-16 (1yr)	
6	PD7001-AC	Aruba	High Powered PoE	
2	SN1-LIC-8-AP	Aruba	Support for LIC-8-AP (1yr)	

Lessee Initial: _____

Lessor Initial: _____

Acknowledges Pages 1 through 2



Page No: 2

Attachment A

Date: 6/22/2011

Lessee: Sound Shore Medical Center of Westchester

Schedule: IT-3

2	SN1-LIC-PEFNG-8	Aruba	Support for LIC-PEFNG-8 (1yr)
5	RAP-2WG-US	Aruba	Aruba RAP-2WG remote access point (wireless, 2x10/100Base-T) US
5	OTENC-MNT	Aruba	Outdoor Enclosure Mount
14	AP-CAB-6	Aruba	6Ft LMR 400 Cable N-Tipe Connectors
5	MASTMNT	Aruba	Mast Mount
5	MAST	Aruba	6ft Mast
399	AP-105-MNT-C	Aruba	Aruba AP-105 Ceiling Rail adapter Kit
5	SN1-RAP-2WG-US	Aruba	Next-Day Support for RAP-2WG-US (1yr)
4	SFP-TX	Aruba	Aruba SFP 1000Base-T, RJ45
4	PC-AC-NA	Aruba	AC Power Cord (North America Version)
25	EX3200	Juniper	Juniper EX 3200 24P -Switch -24 Port 1000B

BJ0209369795
BJ0210034940
BJ0210034987
BJ0210036186
BJ0210097748
BJ0210114422
BJ0210114679
BJ0210114686
BJ0210114709
BJ0210116133
BJ0210116211
BJ0210116214
BJ0210116215
BJ0210116220
BJ0210130862
BJ0210130701
BJ0210130705
BJ0210130707
BJ0210130759
BJ0210130780
BJ0210130801
BJ0210130802
BJ0210246161
BJ0210246183
BJ0210246186

Page No: 6

Attachment A

Date: 9/12/2011

Lessee: Sound Shore Medical Center of
Schedule: IT-4

CNW1201231
CNW1201232
CNW1201233
CNW1201234
CNW1201235
CNW1201236
CNW1201237
CNW1201238
CNW1201239
CNW120124B
CNW120124C
CNW120124D
CNW120124F
CNW120124G
CNW120124J
CNW120124K
CNW120124L
CNW120124M
CNW120124N
CNW120124P
CNW120124Q
CNW120124R
CNW120124S
CNW120124T
CNW120124V
CNW120124W
CNW120124X
CNW120124Y
CNW120124Z
CNW1201240
CNW1201241
CNW1201243
CNW1201244
CNW1201245
CNW1201246
CNW1201247
CNW1201248
CNW1201249
CNW120125B
CNW120125C
CNW120125D
CNW120125F
CNW120125G
CNW120125H
CNW120125J
CNW120125K
CNW120125L
CNW120125M
CNW120125N
CNW120125P
CNW120125Q
CNW120125R
CNW120125S

Page No: 7

Attachment A

Date: 9/12/2011

Lessee: Sound Shore Medical Center of
Schedule: IT-4

CNW120125T
CNW120125V
CNW120125W
CNW120125X
CNW120125Y
CNW120125Z
CNW1201250
CNW1201251
CNW1201252
CNW1201253
CNW1201254
CNW1201255
CNW1201256
CNW1201257
CNW1201258
CNW1201259
CNW120126B
CNW120126C
CNW120126D
CNW120126F
CNW120126G
CNW120126H
CNW120126J
CNW120126K
CNW120126L
CNW120126M
CNW120126P
CNW120126Q
CNW120126R
CNW120126S
CNW120126T
CNW120126V
CNW120126W
CNW120126X
CNW120126Y
CNW120126Z
CNW1201260
CNW1201261
CNW1201262
CNW1201263
CNW1201264
CNW1201265
CNW1201266
CNW1201267
CNW1201268
CNW1201269
CNW120127B
CNW120127C
CNW120127D
CNW120127F
CNW120127G
CNW120127H
CNW120127J



Page No: 8

Attachment A

Date: 9/12/2011

Lessee: Sound Shore Medical Center of
Schedule: IT-4

CNW120127K
CNW120127L
CNW120127M
CNW120127N
CNW120127P
CNW120127Q
CNW120127R
CNW120127S
CNW120127T
CNW120127V
CNW120127X
CNW120127Y
CNW120127Z
CNW1201270
CNW1201271
CNW1201272
CNW1201273
CNW1201274
CNW1201275
CNW1201276
CNW1201277
CNW1201278
CNW1201279
CNW120128B
CNW120128C
CNW120128D
CNW120128F
CNW120128G
CNW120128H
CNW120128J
CNW120128L
CNW120128M
CNW120128N
CNW120128Q
CNW120128R
CNW120128S
CNW120128T
CNW120128V
CNW120128W
CNW120128X
CNW120128Y
CNW120128Z
CNW1201280
CNW1201281
CNW1201282
CNW1201283
CNW1201284
CNW1201285
CNW1201286
CNW1201287
CNW1201288
CNW1201289
CNW120129B

Attachment A

Page No: 9

Date: 9/12/2011

Lessee: Sound Shore Medical Center of
Schedule: IT-4

CNW120129C
CNW120129D
CNW120129F
CNW120129G
CNW120129H
CNW120129J
CNW120129K
CNW120129L
CNW120129M
CNW120129N
CNW120129P
CNW120129Q
CNW120129R
CNW120129S
CNW120129T
CNW120129V
CNW120129W
CNW120129X
CNW120129Y
CNW120129Z
CNW1201290
CNW1201291
CNW1201292
CNW1201293
CNW1201294
CNW1201295
CNW1201296
CNW1201297
CNW1201298
CNW1201299

20 T5740E

HP

HP T5740E N280 Intel Atom N280 1.66 GHz, 4
GB Flash ROM, 2 GB DDR3 SDRAM, Intel GL40
graphics, Atheros 802.11 a/b/g/n Wi-Fi adapter,
Genuine Windows Embedded Standard 7

CNW1190NTG
CNW1190NTM
CNW1190NTR
CNW1190NVG
CNW1190NVL
CNW1190NVS
CNW1190NV0
CNW1190NWF
CNW1190NWX
CNW1190NXY
CNW1190NX0
CNW1190NX1
CNW1190NX2
CNW1190NX3
CNW1190NX6
CNW1190NX8
CNW1190P1G
CNW1190P2X
CNW1190P3G
CNW1190P5N

Attachment A

Page No: 10

Date: 9/12/2011

Lessee: Sound Shore Medical Center of
Schedule: IT-4

35	CB518A	HP	HP Laser Jet P4014 500SHT Input Tray / Feeder	CNBXD09655 CNBXD09669 CNBXD12543 CNBXD12544 CNBXD12548 CNBXD12550 CNBXD12554 CNBXD12556 CNBXD12602 CNBXD12617 CNBXD12618 CNBXD12620 CNBXD12621 CNBXD12622 CNBXD12623 CNBXD12624 CNBXD12625 CNBXD12626 CNBXD12629 CNBXD12630 CNBXD15532 CNBXD15534 CNBXD15740 CNBXD15827 CNBXD15828 CNBXD15833 CNBXD15906 CNBXD15915 CNBXD15916 CNBXD15918 CNBXD15921 CNBXD15922 CNBXD15923 CNBXD15925 CNBXD15930
400	LA1905WG	HP	19inch Wide DVI HP HA Monitor; 1000:1 static, 3000:1 dynamic	CNC1160G1S CNC1160G1T CNC1160G1V CNC1160G1W CNC1160G1Y CNC1160G1Z CNC1160G17 CNC1160G2B CNC1160G2C CNC1160G2D CNC1160G2F CNC1160G2G CNC1160G2H CNC1160G2J CNC1160G2K CNC1160G2L CNC1160G2M

Page No: 11

Attachment A

Date: 9/12/2011

Lessee: Sound Shore Medical Center of
Schedule: IT-4

CNC1160G2N
CNC1160G2P
CNC1160G2Q
CNC1160G2R
CNC1160G2S
CNC1160G2T
CNC1160G2V
CNC1160G2W
CNC1160G2X
CNC1160G2Y
CNC1160G2Z
CNC1160G20
CNC1160G21
CNC1160G22
CNC1160G23
CNC1160G24
CNC1160G25
CNC1160G26
CNC1160G27
CNC1160G28
CNC1160G29
CNC1160G3B
CNC1160G3C
CNC1160G3D
CNC1160G3F
CNC1160G3G
CNC1160G3H
CNC1160G3J
CNC1160G3K
CNC1160G3L
CNC1160G3M
CNC1160G3N
CNC1160G3P
CNC1160G3Q
CNC1160G3R
CNC1160G3S
CNC1160G3T
CNC1160G3V
CNC1160G3W
CNC1160G30
CNC1160G31
CNC1160G32
CNC1160G33
CNC1160G34
CNC1160G35
CNC1160G36
CNC1160G37
CNC1160G38
CNC1160G39
CNC11605SN
CNC11605SP
CNC11605SQ
CNC11605SR



Page No: 12

Attachment A

Date: 9/12/2011

Lessee: Sound Shore Medical Center of
Schedule: IT-4

CNC11605SS
CNC11605ST
CNC11605SV
CNC11605SW
CNC11605SX
CNC11605SY
CNC11605SZ
CNC11605TB
CNC11605TC
CNC11605TD
CNC11605TF
CNC11605TG
CNC11605TH
CNC11605TK
CNC11605TL
CNC11605TM
CNC11605TN
CNC11605TP
CNC11605TQ
CNC11605TR
CNC11605TS
CNC11605TT
CNC11605TV
CNC11605TW
CNC11605TX
CNC11605TY
CNC11605TZ
CNC11605T0
CNC11605T1
CNC11605T2
CNC11605T3
CNC11605T4
CNC11605T5
CNC11605T6
CNC11605T7
CNC11605T8
CNC11605T9
CNC11605VB
CNC11605VC
CNC11605VD
CNC11605VF
CNC11605VG
CNC11605VH
CNC11605VJ
CNC11605VK
CNC1180RHB
CNC1180RHC
CNC1180RHD
CNC1180RHF
CNC1180RHG
CNC1180RHH
CNC1180RHJ
CNC1180RHK

Attachment A

Page No: 13

Date: 9/12/2011

Lessee: Sound Shore Medical Center of
Schedule: IT-4

CNC1180RHL
CNC1180RHM
CNC1180RHN
CNC1180RHP
CNC1180RHQ
CNC1180RHR
CNC1180RH0
CNC1180RH1
CNC1180RH2
CNC1180RH3
CNC1180RH4
CNC1180RH5
CNC1180RH6
CNC1180RH7
CNC1180RH8
CNC1180RH9
CNC1180R4P
CNC1180R42
CNC1180R46
CNC1180R7W
CNC1180R8G
CNC11605VL
CNC11605VM
CNC11605VN
CNC11605VP
CNC11605VQ
CNC11605VR
CNC11605VT
CNC11605V0
CNC11605V1
CNC11605V2
CNC11605V3
CNC11605V4
CNC11605V5
CNC11605V6
CNC11605V7
CNC11605V8
CNC11605V9
CNC11605X6
CNC11606B0
CNC11606B1
CNC11606B2
CNC11606B3
CNC11606FB
CNC11606FF
CNC11606FK
CNC11606FL
CNC11606HY
CNC11606TQ
CNC11606TS
CNC11606TT
CNC11606TV
CNC11606TW



Attachment A

Page No: 14

Date: 9/12/2011

Lessee: Sound Shore Medical Center of
Schedule: IT-4

CNC11606TX
CNC11606TY
CNC11606TZ
CNC11606VB
CNC11606VC
CNC11606VD
CNC11606VF
CNC11606VG
CNC11606VH
CNC11606VJ
CNC11606VK
CNC11606VL
CNC11606VM
CNC11606VN
CNC11606VP
CNC11606VR
CNC11606VS
CNC11606VT
CNC11606VV
CNC11606VW
CNC11606VX
CNC11606VY
CNC11606VZ
CNC11606V0
CNC11606V1
CNC11606V2
CNC11606V3
CNC11606V4
CNC11606V5
CNC11606V6
CNC11606V7
CNC11606V8
CNC11606V9
CNC11606WB
CNC11606WC
CNC11606WD
CNC11606WF
CNC11606WG
CNC11606WH
CNC11606WJ
CNC11606WK
CNC11606WL
CNC11606WM
CNC11606WN
CNC11606WP
CNC11606WQ
CNC11606WR
CNC11606WS
CNC11606WT
CNC11606W0
CNC11606W1
CNC11606W2
CNC11606W4

Attachment A

Page No: 15

Date: 9/12/2011

Lessee: Sound Shore Medical Center of
Schedule: IT-4

CNC11606W5
CNC11606W6
CNC11606W7
CNC11606W8
CNC11606W9
CNC1160632
CNC116064B
CNC116064C
CNC116064D
CNC116064F
CNC116064G
CNC116064H
CNC116064J
CNC116064K
CNC116064L
CNC116064M
CNC116064N
CNC116064P
CNC116064Q
CNC116064R
CNC116064S
CNC116064T
CNC116064V
CNC116064W
CNC116064X
CNC116064Y
CNC116064Z
CNC1160644
CNC1160646
CNC1160647
CNC1160648
CNC1160649
CNC116065B
CNC116065C
CNC116065D
CNC116065F
CNC116065G
CNC116065H
CNC116065J
CNC116065K
CNC116065L
CNC116065M
CNC116065N
CNC116065P
CNC116065R
CNC116065S
CNC116065T
CNC116065V
CNC116065W
CNC116065X
CNC116065Y
CNC116065Z
CNC1160650

Attachment A

Page No: 16

Date: 9/12/2011

Lessee: Sound Shore Medical Center of
Schedule: IT-4

CNC1160651
CNC1160652
CNC1160653
CNC1160654
CNC1160655
CNC1160656
CNC1160657
CNC1160658
CNC1160659
CNC116066B
CNC116066P
CNC1160660
CNC1160661
CNC1160662
CNC1160663
CNC1160664
CNC1160665
CNC1160666
CNC1160667
CNC1160668
CNC1160669
CNC116067X
CNC116067Z
CNC1160675
CNC116068B
CNC116068C
CNC116068D
CNC116068F
CNC116068G
CNC116068H
CNC116068K
CNC116068L
CNC116068M
CNC116068N
CNC116068P
CNC116068Q
CNC116068R
CNC116068T
CNC116068V
CNC116068X
CNC116068Y
CNC116068Z
CNC1160680
CNC1160681
CNC1160682
CNC1160683
CNC1160684
CNC1160685
CNC1160686
CNC1160687
CNC1160688
CNC1160689
CNC116069B

Attachment A

Page No: 17

Date: 9/12/2011

Lessee: Sound Shore Medical Center of
Schedule: IT-4

CNC116069D
CNC116069F
CNC116069G
CNC116069H
CNC116069J
CNC116069K
CNC116069L
CNC116069M
CNC116069N
CNC116069P
CNC116069Q
CNC116069R
CNC116069S
CNC116069T
CNC116069V
CNC116069W
CNC116069X
CNC116069Y
CNC116069Z
CNC1160690
CNC1160691
CNC1160692
CNC1160693
CNC1160694
CNC1160695
CNC1160696
CNC1160697
CNC1160699
CNC1180QVN
CNC1180RFG
CNC1180RFS
CNC1180RFV
CNC1180RFW
CNC1180RFX
CNC1180RFY
CNC1180RFZ
CNC1180RGB
CNC1180RGC
CNC1180RGD
CNC1180RGF
CNC1180RGG
CNC1180RGH
CNC1180RGJ
CNC1180RGK
CNC1180RGL
CNC1180RGM
CNC1180RGN
CNC1180RGP
CNC1180RGR
CNC1180RGS
CNC1180RGT
CNC1180RGV
CNC1180RGW

Attachment A

Page No: 18

Date: 9/12/2011

Lessee: Sound Shore Medical Center of
Schedule: IT-4

CNC1180RGX
 CNC1180RGY
 CNC1180RGZ
 CNC1180RG0
 CNC1180RG2
 CNC1180RG3
 CNC1180RG4
 CNC1180RG5
 CNC1180RG6
 CNC1180RG7
 CNC1180RG8
 CNC1180RG9

400	VN567AA	HP	HP Display Port Cable Kit	
3	EX3200	Juniper	Juniper EX3200 24PT 1000B POE 600W	BJ021167681 BJ021167702 BJ021167746
400	K64617	Kensington	Kingsington Desktop / Periph Lock Kit	
1	228-09492	Microsoft	VLA Microsoft SQL Server 2008 R2-Standard-License Contract Code: PT65196-MICROSOFT	
4	P71-06392	Microsoft	VLA WINDOWS SERVER DATACENTER PER PROCESSOR 2008 R2 CONTRACT CODE: PT65196 MICROSOFT	
3	P73-05005	Microsoft	VLA Windows Server STD 2008 R2	
25	FS108NA	Netgear	Netgear 8PT 10/100 Switch FS108	
400	STM042	Seal Shield	Seal Shield Silver Storm OP Mouse PS2	
400	STK503	Seal Shield	Seal Shield Silver Storm KB USB Black	
2	10-504001	Solgenia USA	Sound Shore Medical Facsys 5 E NT Cleint Server Lic for Vein Server 10 User Lic	
2	30-500050	Solgenia USA	Facsys 5 Enterprise Fast Annual	
2	20-500010	Solgenia USA	Sound Shore Medical Facsys 5En T-10USER Client Licc Contract Code: PT65196-MICROSOFT	
40	TSP847IIE3-24	Star Micronics	Star Micronics TSP847IIE3-24 GRY RX US, Thermal, Printer, 2 Color, Cutter/Tear Bar, LAN, Gray, Paper Lock, Includes PS PS60A-24B External Power Supply and New LAN IFBD-HE07 Included	2370911030600001 2370911030600002 2370911030600003 2370911030600005 2370911030600006 2370911030600007 2370911030600013 2370911030600014 2370911030600017 2370911030600018 2370911030600019 2370911030600021

Attachment A

Lessee: Sound Shore Medical Center of
Schedule: IT-4

2370911030600023
2370911030600024
2370911030600025
2370911030600029
2370911030600030
2370911030600034
2370911030600035
2370911030600036
2370911030600037
2370911030600038
2370911030600039
2370911030600040
2370911030600042
2370911030600043
2370911030600044
2370911030600046
2370911030600053
2370911030600059
2370911030600061
2370911030600084
2370911030600076
2370911030600078
2370911030600079
2370911030600080
2370911030600089
2370911030600096
2370911030600108
2370911030600112

3	SMART5000XFMRX	Tripp Lite	TRIPP 5000VA UPS Smart 5KVA 120/208V
3	SR42UB	Tripp Lite	Tripp 42U Rack Enclosure DRS&Sides
3	SNMPWEBCARD	Tripp Lite	Tripp SW SNMP/WEB MGMT ACCESSO
6	PDUMH20	Tripp Lite	Tripp PDU Metered 20A 5-15/20R 12Out
1		vendor freight	Freight

Attachment A

Page No: 1

Date: 11/15/2011

Lessee: Sound Shore Medical Center of Westchester
 Schedule: IT-5

Equipment Located At: Sound Shore Medical Center of Westchester
 16 Guion Place
 New Rochelle, NY 10801

<u>Qty</u>	<u>Model</u>	<u>Manufacturer</u>	<u>Description</u>	<u>Serial Number</u>
8	WS-C3750-48TS-S	Cisco	Catalyst 3750 48 Port 10/100 inline Power Switch with 4SFP Standard Image Software	FDO1136ZAC4 CAT1049NGT2 FDO1227Z016 FDO1137Y065 CAT1049NGSK FDO1214X099 CAT1050ZG8C FDO1137Y060
8	CAB-STACK-3M	Cisco	Cisco Stackwise 3M Stacking Cable Spare per attached Quote #10635210	
8	GLC-SX-MM-CX	Cisco	New Compatible GIG SX MMF SFP with LC Connectors and Lifetime Warranty	CXSXA13318 CXSXA13315 CXSXA13332 CXSXA13331 CXSXA13320 CXSXA13319 CXSXA13333 CXSXA13367
8	RAPIDCARE-E	Cisco	Rapidcare coverage includes next business day advanced Network Hardware replacement	
46	L-S10-D1-0	Enovate	Enovate LITE Medical Cart - Ultra w/Laptop Secure Bar Keyboard Sys Lvl1	
1	EX3200-48P	Juniper	Juniper EX3200 48PT 1000B POE 930W	BL0210460968
1	SSG-320M-SH	Juniper	Juniper Networks Secure Services Gateway SSG 320M - security appliance 0 / 3 - Ethernet, Fast Ethernet, Gigabit Ethernet, HDLC, Frame Relay, PPP, MLPPP, FRF.15, FRF.16 - 2U	SJN11D555DADD
1	NS-WF-SSG320-3	Juniper	Juniper SSG320M WEB Filter 3 year subscription	
1	SVC-ND-SSG320SR	Juniper	Juniper J-Care 3 year next day SSG320	
64	ThinkPad T520	Lenovo	Lenovo ThinkPad T520 - Core I5 2520M 2.5 GHz - vPro - RAM 4 GB - HDD 320 GB - DVD-Writer - HD Graphics 3000 - 3G Upgradable - Gigabit Ethernet - WLAN : 802.11 a/b/g/n, Bluetooth 3.0 - TPM - Windows 7 Pro 64-bit - 15.6" Widescreen LED backlight TFT 1366 x 768 (WXGA), 250GB 7.2K SATA Hard Drive with Computrace Complete 3 years	1S423946UR9EYVAB 1S423946UR9EYVBC 1S423946UR9EYVB3 1S423946UR9EYVNC 1S423946UR9EYVVG 1S423946UR9EYVXZ 1S423946UR9EYVX3 1S423946UR9EYVY0 1S423946UR9EYVZ1 1S423946UR9EYV3N

Acknowledges Pages 1-6: Lessee Initial:

Lessor Initial:

John W. Ford
 Chief Executive Officer
 Certified True
 Correct Copy

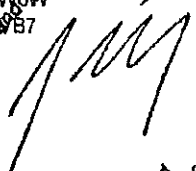
Attachment A

Page No: 2

Date: 11/15/2011

Lessee: Sound Shore Medical Center of Westchester
Schedule: IT-5

- 1S423946UR9EYW05
- 1S423946UR9EYW34
- 1S423946UR9EYW4L
- 1S423946UR9EYW5F
- 1S423946UR9EYW5M
- 1S423946UR9EYW5N
- 1S423946UR9EYW5W
- 1S423946UR9EYW51
- 1S423946UR9EYW6F
- 1S423946UR9EYW63
- 1S423946UR9EYRKT
- 1S423946UR9EYTB9
- 1S423946UR9EYTD3
- 1S423946UR9EYTFW
- 1S423946UR9EYT6V
- 1S423946UR9EYT8N
- 1S423946UR9EYVGO
- 1S423946UR9EYVH3
- 1S423946UR9EYVLP
- 1S423946UR9EYVMM
- 1S423946UR9EYVN3
- 1S423946UR9EYVWF
- 1S423946UR9EYVWM
- 1S423946UR9EYVWV
- 1S423946UR9EYVWZ
- 1S423946UR9EYVXK
- 1S423946UR9EYVXX
- 1S423946UR9EYVX5
- 1S423946UR9EYVX7
- 1S423946UR9EYVYB
- 1S423946UR9EYVYK
- 1S423946UR9EYVZ1
- 1S423946UR9EYV5Y
- 1S423946UR9EYW0X
- 1S423946UR9EYW1D
- 1S423946UR9EYW1K
- 1S423946UR9EYW1L
- 1S423946UR9EYW14
- 1S423946UR9EYW17
- 1S423946UR9EYW2A
- 1S423946UR9EYW2H
- 1S423946UR9EYW21
- 1S423946UR9EYW3B
- 1S423946UR9EYW3N
- 1S423946UR9EYW30
- 1S423946UR9EYW5H
- 1S423946UR9EYW5P
- 1S423946UR9EYW5R
- 1S423946UR9EYW58
- 1S423946UR9EYW6B
- 1S423946UR9EYW6A
- 1S423946UR9EYW6P
- 1S423946UR9EYW67

Certified True
 No Correct Copy

 John W. Ford
 Chief Executive Officer

Attachment A

Page No: 3

Date: 11/15/2011

Lessee: Sound Shore Medical Center of Westchester
Schedule: IT-5

1S423946UR9EYRX2

3 ThinkCentre A70z Lenovo

Lenovo ThinkCentre A70z - 1 x Core 2 Duo E7500 /
2.93 GHz - RAM 4 GB - HDD 1 x 500
GB - DVD-Writer - GMA X4500 - Gigabit
Ethernet - WLAN : 802.11b/g/n - Windows 7 Pro
64-bit - Monitor : 19" Widescreen TFT per attached
Quote #CHNR494

1S0401U3US1X6691
1S0401U3US1X6878
1S0401U3US1X7570

35 DS4208-SCZU0100Z Motorola

Motorola DS4208-Healthcare - USB Kit White
barcode scanner

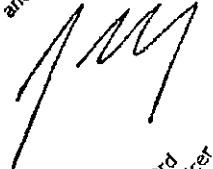
SM1N74K13M
SM1N74K13P
SM1N74K13R
SM1N74K45V
SM1N74K45W
SM1N74K45Y
SM1N74P33M
SM1N74W06A
SM1N74W06B
SM1N74W06C
SM1N74W06D
SM1N74W06E
SM1N74W06F
SM1N74W06G
SM1N74W06H
SM1N74W06K
SM1N74W06M
SM1N74W06N
SM1N74W06R
SM1N74W29G
SM1N74W31D
SM1N74E51H
SM1N74E53T
SM1N74E53W
SM1N74E54B
SM1N74E54D
SM1N74E54E
SM1N74E54F
SM1N74E54N
SM1N74E54P
SM1N74E54R
SM1N74E54T
SM1N74E54V
SM1N74E55G
SM1N74E55H

55 KV-S1025C-S Panasonic

Panasonic KV S1025C-S Hi-Speed USB, Document
Scanner, 26 PPM max scan speed B/W, 26 PPM max
scan speed color, 600 dpi max H-optical resolution,
600 dpi max V-optical resolution

2413RH1758
2413RH1768
2413RH1769
2413RH1775
2413RH1780
2413RH1783
2413RH1785
2413RH1795
2413RH1796

This is a Certified True
and Correct Copy


John W. Ford
Chief Executive Officer

Page No: 4

Attachment A

Date: 11/15/2011


Lessee: Sound Shore Medical Center of Westchester
Schedule: IT-5

- 2413RH1799
- 2417RH3614
- 2417RH3620
- 2417RH3627
- 2417RH3630
- 2417RH3633
- 2417RH3635
- 2417RH3636
- 2417RH3637
- 2417RH3642
- 2417RH3643
- 2417RH3644
- 2417RH3645
- 2417RH3646
- 2417RH3647
- 2417RH3654
- 2417RH3661
- 2417RH3695
- 2417RH3705
- 2417RH3716
- 2417RH3718
- 2417RH3719
- 2417RH3720
- 2417RH3721
- 2417RH3722
- 2417RH3724
- 2417RH3725
- 2417RH3726
- 2417RH3727
- 2417RH3728
- 2417RH3729
- 2417RH3730
- 2417RH3731
- 2417RH3732
- 2417RH3733
- 2417RH3736
- 2417RH3737
- 2417RH3738
- 2417RH3739
- 2417RH3740
- 2417RH3741
- 2417RH3744
- 2417RH3746
- 2417RH3750
- 2417RH3756

5	MobileOffice D28	PlusTek	Plustek MobileOffice D28 Corporate Hi-Speed USB Sheetfed scanner, 600 dpi max H-optical resolution, 600 dpi max V-optical resolution, 48-bit color
4	ZM400	Zebra	Zebra ZM400 - Label printer - B/W - direct thermal / thermal transfer - Roll (4.5 in) - 300 dpi - up to 479.5 inch/min - Parallel, Serial, USB

08J111500262
08J111500267
08J111500271

This is a Certified True and Correct Copy



John W. Ford
Chief Executive Officer

Page No: 5

Attachment A

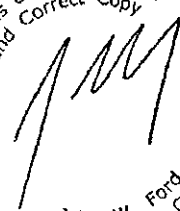
Date: 11/15/2011

Lessee: Sound Shore Medical Center of Westchester
Schedule: IT-5

08J111500278

1	GX430t	Zebra	Zebra GX430t - Label printer - B/W - direct thermal / thermal transfer - Roll (4.25 in) - 300 dpi - up to 240.9 inch/min - Serial, USB, 10/100Base-TX	32J112400381
3	GX430t	Zebra	Zebra GX430t - Label printer - B/W - direct thermal / thermal transfer - Roll (4.25 in) - 300 dpi - up to 240.9 inch/min - Serial, USB, 10/100Base-TX	32J113100314 32J113100323 32J113100332
75	GX430t	Zebra	Zebra GX430t - Label printer - B/W - direct thermal / thermal transfer - Roll (4.25 in) - 300 dpi - up to 240.9 inch/min - Serial, USB, 10/100Base-TX	32J105200265 32J111800002 32J111800003 32J111800004 32J111800006 32J111800007 32J111800008 32J111800009 32J111800010 32J111800011 32J111800012 32J111800014 32J111800015 32J111800016 32J111800017 32J111800018 32J111800019 32J111800020 32J111800021 32J111800022 32J111800024 32J111800025 32J111800026 32J111800028 32J111800029 32J111800030 32J111800031 32J111800032 32J111800034 32J111800035 32J111800036 32J111800037 32J111800038 32J111800039 32J111800046 32J111800047 32J111800050 32J111800053 32J112100198 32J112200099 32J112200122 32J112200124 32J112200125 32J112200127

This is a Certified True and Correct Copy


John W. Ford
Chief Executive Officer

Attachment A

Page No: 6

Date: 11/15/2011

Lessee: Sound Shore Medical Center of Westchester
 Schedule: IT-5

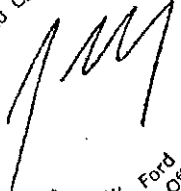
- 32J112200131
- 32J112200132
- 32J112200213
- 32J112200217
- 32J112200218
- 32J112200219
- 32J112200220
- 32J112200221
- 32J112200222
- 32J112200224
- 32J112200226
- 32J112200228
- 32J112200231
- 32J112700155
- 32J112700156
- 32J112700161
- 32J112700163
- 32J112700164
- 32J112700167
- 32J112700171
- 32J112700172
- 32J112700176
- 32J112700177
- 32J112700185
- 32J112700189
- 32J112700204
- 32J112700205
- 32J112700209
- 32J112900526
- 32J112900530
- 32J112900566

2	GX420t	Zebra	Zebra GX420t - Label printer - B/W - direct thermal / thermal transfer - Roll (4.25 in) - 203 dpi - up to 359.1 inch/min - Serial, USB, 10/100Base-TX	31J104200347 31J104200353
---	--------	-------	---	------------------------------

Equipment Located At: Mount Vernon Hospital
 12 North 7th Avenue
 Mount Vernon, NY 10550

<u>Qty</u>	<u>Model</u>	<u>Manufacturer</u>	<u>Description</u>	<u>Serial Number</u>
13	L-S10-01-0	Enovate	Enovate LITE Medical Cart - Ultra w/Laptop Secure Bar Keyboard Sys Lvl1	

This is a Certified True
and Correct Copy



John W. Ford
Chief Executive Officer

Attachment A

Page No: 1

Date: 9/12/2011

Lessee: Sound Shore Medical Center of
Schedule: IT-4

Equipment Located At: Sound Shore Medical Center of Westch
16 Gulon Place
New Rochelle, NY 10801

<u>Qty</u>	<u>Model</u>	<u>Manufacturer</u>	<u>Description</u>	<u>Serial Number</u>
2	PE R710	Dell	PE R710 Server with Chassis for UP to I, 3.5 In Hard Drives, PowerEdge R710 Shipping, 48GB Memory (6x8GB), 1333MHz, Dual Ranked LV RDIMMs for 2 Procs, Optimized, Embedded Broadcom, GV Ethernet NICS with TOE and ISCSI Offload Enabled, Embedded Broadcom, GV Ethernet NICS wiht TOE, Intel Xeon X5667, 3.06Ghz, 12M Cache, Turbo, HT, 1333MHx Max Mem, Intel Xeon X5667, 3.06Ghz, 12M Cache, Turbo, HT , 1333MHz Max mem, PowerEdge R710 Heat Sinks for 2 Processors, 450GB 15K PRM SA SCSI 6Gbps 3.5in Hotplug Hard Drive, PERC H700 Integrated RAID Controller, 1 GB NV Cache, x6, Power Saving BIOS Setting, No Operating System iDRAC6 Enterprise, DVD ROM, SATA, INternal, Bezel, Riser with 2 PCIe x8 + 2 PCIe x4 Slot, Management Console, Electronic System Dcoumetnation and OpenManage DVD Kit, 450GB 15K RPM SA SCSI 6Gbps 3.5in Hotplug Hard rive, RAID 5 for H700 or PERC 6/i Controllers, Ready Rails Sliding Rails with CableManagement Arm, High Output Power Supply Redundant, 870W, Poer Cord, C13 to C14, PDU Style, 12 Amps, 2 meter, Qty 1, Power Cord, C13 to C14, PDU Style, 12 Amps, 2 meter, Power Cord, NEMA 5-15P to C13, 15 amp, wall plug, 10 ft 3 meter, 450GB 15K PRM SA SCSI 6Gbps 3.5in Hotplug Hard Drive, Mission Critical Package, 4-Hour 7x24 On-site service wiht Emergency Dispatch 3 yrs, ProSupport: 7x24 HW/SW Tech Support and Assistance, 3yr Hardware Limited Warranty Plus	30K2YQ1 30K0YQ1
3	PE R710	Dell	PE R710 with Chassis for Up to 8, 2.5-in hard Drive, PowerEdge R710 Shipping, 8GB Memory (4x2GB), 1333MHz Single Ranked UDIMMs for 2 Procs, Advanced ECC, Embedded Broadcom, GB Ethernet NICS with TOE and ISCSI Offload Enabled, Embedded Broadcom, GB Ethernet NICS with TOE, Intel Xeon E5630 2.53Ghz, 12M Cache, Turbo, HT, 1066MHz Max Mem, Intel Xeon E5630 2.53Ghz, 12M Cache, Turbo, HT, 1066MHz Max Mem, PowerEdge R710 Heat Sinks for 2 processors, 146GB 15K RPM Werial-Attach SCSI 6Gbps 2.5in Hotplug Hard Drive, PERC H700 Integrated RAID Controller, 1GV NV Cache, x8, Power Saving BIOS Setting , NO Operating	30K4YQ1 30L0YQ1 30KZXQ1

Lessee Initial: _____

Lessor Initial: _____

Acknowledges Pages 1 through 18

Attachment A

Page No: 2

Date: 9/12/2011

Lessee: Sound Shore Medical Center of
Schedule: IT-4

Serial-Attach SCSI 6Gbps 2.5in Hotplug Hard
Drive, Mission Critical Pakcage: 4-Hour 7x24
On-Site Service with Emergency Dispatch 3yrs,
Hardware Limited Warranty Plus ON Site Service
3 yrs

3	901-013-01	Dell	TR1034+E2-2L PCI HALF 2CHANNEL V.34 EXPRESS HALF-SIZE CARDEA	DS112300235S DS112300265S DS12300273
1	ELC	Dell	Electronic License Confirmation elec dwnld only, Dell Software	
6	LX	Ergotron	Ergotron LX SM CPU Lift Wall Mount System	
35	P4015DN	HP	HP Laser Jet P4015DN Printer, up to 52PPM, 1 Hi-Speed USB 2.0; 1 Glgabit Ethernet; 1 EIO; 1 external and 2 internal Host USB 2.0-like ports; Duplex: Automatic; 100-sheet multipurpose tray, 500-sheet input tray 2, 500-sheet output bin, 100-sheet rear output bin	CNDYB37658 CNDYB37663 CNDYB37665 CNDYB37667 CNDYB37668 CNDYB37670 CNDYB37673 CNDYC01787 JPDF263254 JPDF264605 JPDF264606 JPDF264608 JPDF264751 JPDF264752 JPDF264756 JPDF264757 JPDF264761 JPDF265128 JPDF265147 JPDF265230 JPDF265232 JPDF265282 JPDF265286 JPDF265288 JPDF265564 JPDF266310 JPDF266315

Attachment A

Page No: 3

Date: 9/12/2011

Lessee: Sound Shore Medical Center of
Schedule: IT-4

JPDF266324
JPDF266326
JPDF266329
JPDF266715
JPDF266718
JPDF266721
JPDF269203
JPDF269377

340 T5740E

HP

HP T5740E N280 intel Atom N280 1.66 GHz, 4
GB Flash ROM, 2 GB DDR3 SDRAM, Intel GL40
graphics, Atheros 802.11 a/b/g/n Wi-Fi adapter,
Genuine Windows Embedded Standard 7

CNW118103B
CNW118103D
CNW1190NT5
CNW1190NYN
CNW1190PBM
CNW1190PBN
CNW1190PBP
CNW1190PBQ
CNW1190PBR
CNW1190PBD
CNW1190PB5
CNW1190PB6
CNW1190PCW
CNW1190PDD
CNW1190PD1
CNW1190PK3
CNW1190P3B
CNW1190P3K
CNW1190P3Y
CNW1190P4J
CNW1190P4M
CNW1190P4N
CNW1190P4Q
CNW1190P4V
CNW1190P4Z
CNW1190P43
CNW1190P5C
CNW1190P5D
CNW1190P5G
CNW1190P5H
CNW1190P5P
CNW1190P5Q
CNW1190P5X
CNW1190P5Z
CNW1190P50
CNW1190P54
CNW1190P55
CNW1190P56
CNW1190P59
CNW1190P6B
CNW1190P6F
CNW1190P6G
CNW1190P6H
CNW1190P6L

Attachment A

Page No: 4

Date: 9/12/2011

Lessee: Sound Shore Medical Center of
Schedule: IT-4

CNW1190P6M
CNW1190P6N
CNW1190P6T
CNW1190P6Y
CNW1190P63
CNW1190P65
CNW1190P67
CNW1190P7H
CNW1190P7W
CNW1190P71
CNW1190P8S
CNW1190P9R
CNW1190P9Y
CNW120120Q
CNW120120R
CNW120120S
CNW120120T
CNW120120V
CNW120120W
CNW120120X
CNW120120Y
CNW120120Z
CNW120121B
CNW120121C
CNW120121D
CNW120121F
CNW120121G
CNW120121H
CNW120121J
CNW120121K
CNW120121L
CNW120121M
CNW120121N
CNW120121P
CNW120121Q
CNW120121R
CNW120121S
CNW120121T
CNW120121V
CNW120121W
CNW120121X
CNW120121Y
CNW120121Z
CNW1201210
CNW1201211
CNW1201212
CNW1201213
CNW1201214
CNW1201215
CNW1201216
CNW1201217
CNW1201218
CNW1201219

Page No: 5

Attachment A

Date: 9/12/2011

Lessee: Sound Shore Medical Center of
Schedule: IT-4

CNW120122B
CNW120122C
CNW120122D
CNW120122F
CNW120122G
CNW120122H
CNW120122J
CNW120122K
CNW120122L
CNW120122M
CNW120122N
CNW120122P
CNW120122Q
CNW120122R
CNW120122S
CNW120122T
CNW120122V
CNW120122W
CNW120122X
CNW120122Y
CNW120122Z
CNW1201220
CNW1201221
CNW1201222
CNW1201223
CNW1201224
CNW1201225
CNW1201226
CNW1201227
CNW1201228
CNW1201229
CNW120123B
CNW120123C
CNW120123D
CNW120123F
CNW120123G
CNW120123H
CNW120123J
CNW120123K
CNW120123L
CNW120123M
CNW120123N
CNW120123P
CNW120123Q
CNW120123R
CNW120123S
CNW120123T
CNW120123V
CNW120123W
CNW120123X
CNW120123Y
CNW120123Z
CNW1201230

**Schedule 4.19
Insurance Coverage**

Sound Shore Medical Center of Westchester

Carrier	Term	Policy Number	Type	Broker
Physicians' Reciprocal Insurers	7/01/12 – 7/01/13	88181	Malpractice Liability	AON
State Insurance Fund	12/03/12 – 12/02/13	13095518	Worker's Compensation	The Risk Management Group
Vigilant Insurance Company	10/1/12 – 10/1/13	35767816	Property	Hagedorn
Travelers Property & Casualty Ins. Co.	07/01/12 – 07/01/13	73575651	Business Automobile	Hagedorn
Starr Indemnity and Liability Company	11/15/12 – 11/14/13	SISIFNL 20021312	Directors & Officers Liability	AON
Crum & Foster/North River Insurance Co.	11/15/12 – 11/15/13	5560086024	Excess Directors & Officers Liability	
Physicians' Reciprocal Insurers	7/01/12 – 7/01/13	88150 & 88152	General Liability	AON
Aspen Insurance Company	07/01/12 – 07/01/13	CXA8MFY12	Commercial Umbrella	Hagedorn
First Mercury Insurance Company	07/01/12 – 07/01/13	EX0000013880-1	2nd Excess Liability	Hagedorn
Zurich American Insurance Company	04/01/13 – 04/01/14	FID0904000305	Crime	Hagedorn
Navigtors Insurance Company	07/01/12 – 07/01/13	NY12EXC712715IV	3rd Excess Liability	Hagedorn
US Specialty Ins. Co.	07/01/11 – 07/01/14	U70885318	Special Crime	Hagedorn

The Mount Vernon Hospital

Carrier	Term	Policy Number	Type	Broker
State Insurance Fund	12/03/12 – 12/02/13	13095518	Worker's Compensation	The Risk Management Group
Great Northern Insurance Company	01/01/13 – 01/01/14	35770333	Property	Hagedorn
Federal Insurance Company	01/01/13 – 01/01/14	73519442	Business Automobile	Hagedorn
Liberty	07/01/12 –	202122-015	Kidnap/Ransom	Hagedorn

	07/01/13		Policy	
Chubb	10/18/12 – 10/18/13	8158-8092	Fiduciary	Hagedorn
Scottsdale Insurance Company	01/01/13 – 01/01/14	BCS0018792	General Liability	Hagedorn
Zurich American Insurance Company	04/01/13 – 04/01/14	FID0904000305	Crime	Hagedorn
Starr Indemnity and Liability Company	11/15/12 – 11/15/13	SISIFNL20037312	Directors & Officers Liability	AON
US Specialty Ins. Co.	07/01/11 – 07/01/14	U70885318	Special Crime	Hagedorn
Scottsdale Insurance Company	01/01/13 – 01/01/14	XLS0079092	Commercial Umbrella	Hagedorn

Schedule 5.1
Organization of Buyer

<u>Entity</u>	<u>Organization Type</u>	<u>Jurisdiction</u>
Montefiore SS Operations, Inc.	not-for-profit corporation	New York
Montefiore MV Operations, Inc.	not-for-profit corporation	New York
Montefiore HA Operations, Inc.	not-for-profit corporation	New York
Montefiore SS Holdings, LLC	limited liability company	New York
Montefiore MV Holdings, LLC	limited liability company	New York
Montefiore HA Holdings, LLC	limited liability company	New York

Schedule 5.4
Brokers' Fees of Buyer

None

Schedule 5.5
Litigation of Buyer

None

Schedule 5.9
HealthCare Regulatory

None

Schedule 5.11
Buyer Consents and Approvals
