

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re:	:	Chapter 11
	:	
SAINT VINCENTS CATHOLIC MEDICAL	:	Case No. 10-11963 (CGM)
CENTERS OF NEW YORK, <u>et al.</u> ,	:	
	:	
Debtors.	:	Jointly Administered
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**AFFIDAVIT OF MICHAEL J. DOWLING IN SUPPORT OF THE
DEBTORS' MOTION FOR AN ORDER APPROVING ENTRY
INTO THE AMENDED AND RESTATED CONTRACT OF SALE FOR THE
REAL ESTATE AND PERSONAL PROPERTY COMPRISING THE DEBTORS'
MANHATTAN CAMPUS TO RSV, LLC AND NORTH SHORE – LONG ISLAND
JEWISH HEALTH SYSTEM, AND FOR RELATED RELIEF**

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

Michael J. Dowling, being duly sworn, deposes and says:

1. I am the President and Chief Executive Officer of the North Shore - Long Island Jewish Health System ("North Shore LIJ"), and I make this Affidavit in support of the Debtors' motion (the "Motion") for approval of the contract (the "Contract of Sale") for the sale of the Debtors' Manhattan campus (including the East Campus, the O'Toole Building and the Triangle Site described and defined therein) to RSV, LLC (an affiliate of the Rudin organization, referred to herein as "Rudin") and to North Shore LIJ, and for related relief.

2. Except as otherwise noted I have personal knowledge of the matters set forth herein and, if called as a witness, I would testify as follows.

3. In response to the stated desire of the Debtors and Rudin to implement a sale transaction that would further the historic mission of St. Vincent's Hospital by providing for a continuation of high quality health care services for the community, North Shore LIJ has agreed to develop and operate a medical facility more particularly described herein to be known as the Greenwich Village Center for Comprehensive Care (the "GVCCC") in the O'Toole Building.

North Shore LIJ's Commitment

4. To that end, in connection with the Contract of Sale North Shore LIJ has entered into a memorandum of understanding with Rudin dated as of October 19, 2010, as supplemented and amended by letter agreements dated October 19, 2010, March 2, 2011 and March 9, 2011 (the memorandum of understanding and letter agreements, copies of which are annexed hereto as Exhibit A, are referred to collectively herein as the "Memorandum of Understanding"). The Memorandum of Understanding has been approved by the NSLIJ Board of Trustees.

5. Pursuant to the Memorandum of Understanding North Shore LIJ has committed to invest \$110 million (including \$10 million to be contributed by Rudin) in the development of the GVCCC. North Shore LIJ has already begun the process of planning and design and applying for the necessary health care regulatory approvals at an estimated cost of at least \$5 million, and has put up a good faith deposit of \$2 million to be applied toward the development cost upon commencement of construction.

6. Assuming no undue delays in acquiring title and possession of the O'Toole Building and obtaining the necessary regulatory approvals, North Shore LIJ has committed to a schedule that calls for the abatement of hazardous materials and conditions in the O'Toole Building to begin in October 2011 promptly after the closing, general demolition to begin in January 2012 and construction to commence in March 2012, with substantial completion scheduled to occur by November 2013.

7. North Shore LIJ's commitment is not contingent upon receipt of government grants, private financing or funding of any kind. The Board of Trustees of North Shore LIJ has authorized the expenditure of \$110 million in available capital reserves (including the \$10 million Rudin contribution) to fund the development of the GVCCC.

8. The plan calls for a comprehensive renovation and rehabilitation of the O'Toole Building to accommodate the GVCCC. While the interior of the O'Toole Building will need to be substantially rebuilt in order to comply with current building codes and health care regulatory requirements, the exterior will be maintained consistent with the building's protected status as a contributing element of the Greenwich Village Historic District.

**The Greenwich Village Comprehensive Care Center:
A Description of the Proposed Medical Facility**

9. The GVCCC will include the following key elements:
- a free-standing fully staffed Emergency Department, which will be open 24 hours per day, seven days per week;
 - a full service imaging center featuring digital x-ray, computed tomography (CT), magnetic resonance imaging (MRI) and ultrasound;

- a specialized ambulatory surgery facility focusing on interventional treatments for the sick, elderly and chronically ill; and
- physician office space for both primary and specialty care practices consistent with the needs of the community.

The inclusion of these services and facilities is informed by a comprehensive community health needs assessment (the “Community Health Needs Assessment”) conducted by North Shore LIJ in cooperation with various community organizations, government officials, regulatory agencies and health care professionals and educators. North Shore LIJ views the Community Health Needs Assessment as a vital ongoing process, and expects periodically to review and evaluate the services it provides in the GVCCC and elsewhere in the community based on the evolving health care needs of the community.

10. The Emergency Department in the GVCCC will be the first free-standing emergency department in the New York metropolitan region, providing the community with access to acute care services and diagnostic capabilities 24 hours per day, 7 days per week, 365 days per year. This will enable the Emergency Department at GVCCC to provide emergency medical care that is efficient, readily accessible and linked to a continuum of care which includes the following:

- 24-hour access to board-certified emergency physicians, as well as about 30 specially trained nurses and other staff experienced in treating a wide range of symptoms and conditions;
- 24-hour access to specialist consultations through the network of North Shore LIJ physicians to provide additional clinical resources to determine the best course of treatment;

- Access to a 24-hour observation and clinical decision unit that provides clinicians the ability to follow patients for an extended period of time, ensuring that their condition is properly evaluated and that safe, informed judgments are made before they are treated and discharged (pending Department of Health review, a portion of this unit may be designed and operated as hospital inpatient beds);
- When indicated, rapid transfer to an appropriate local physician or hospital chosen by the patient;
- The ability for patients to actively participate in their care and decide which doctors or hospitals they will go to for follow-up care;
- The presence of on-site imaging, diagnostic and laboratory testing capabilities, which will enable North Shore LIJ staff to respond more rapidly in caring for their patients and reduce waiting times;
- A picture archiving and communication system (PACS) that will transmit images to North Shore LIJ radiologists, who will quickly interpret results;
- Coordinated follow-up care to either the patient's physician, a neighboring primary care provider or a range of specialists;
- For those returning home who require in-home assistance, access to the home care provider of their choice or services provided through the North Shore LIJ Home Care Network;
- Follow-up referrals to manage a patient's chronic conditions or other medical issues discovered during the course of treatment;
- Referrals to preventative care or education and support programs that will help avoid illnesses or injuries from worsening;
- An interoperable electronic medical record (EMR) accessible to all providers in our network who provide post-visit care to the patient; and
- The Emergency Department will be licensed as a hospital emergency department as a division of Lenox Hill Hospital, and is accountable and meets all the same regulatory standards as on-site hospital emergency departments (The Joint Commission Accreditation, NYS Article 28 and US Centers for Medicare and Medicaid Services).

11. Emergency clinicians at the GVCCC will be able to treat a full range of illnesses and injuries, including without limitation the following:

- Chest pain and other cardiac symptoms
- Early-onset stroke
- Shortness of breath
- Respiratory illnesses (asthma, pneumonia, chronic bronchitis and emphysema)
- Concussions
- Fractures and joint injuries
- Motor vehicle injuries
- Severe cuts and burns
- Abdominal pain
- Allergic reactions
- Infectious diseases
- Gastrointestinal illnesses
- Influenza (flu)
- Occupational injuries
- Sports injuries
- Behavioral health issues

12. The GVCCC will offer a broad range of emergent care services and diagnostic capabilities. For example:

- North Shore LIJ will work closely with FDNY Emergency Medical Services to develop protocols based on the capabilities and limitations of the Emergency Department. These protocols will serve to guide

medical control decisions about when to bring a patient to the GVCCC or another facility.

- North Shore LIJ provides ambulance coverage in Manhattan and elsewhere in New York in conjunction with FDNY EMS, and is entering into discussions with EMS to assume responsibility for additional posts in lower Manhattan. When manning EMS posts, dispatch of our ambulances is similarly controlled by the NYC 911 system. In addition, North Shore LIJ operates the largest hospital-based inter-facility ambulance transport service in the metropolitan region. An ambulance will be stationed at the GVCCC Emergency Department to provide for the rapid transport of patients to a higher level of care when required.
- The Emergency Department is designed to accommodate patients with behavioral health conditions and will coordinate aftercare with community-based mental health providers.
- The Emergency Department will be staffed by physicians who are board-certified in either adult or pediatric emergency medicine.
- Patients at the GVCCC Emergency Department requiring diagnostic or interventional cardiac catheterization, electrophysiology studies, cardiac bypass surgery, complex neurosurgery, or major orthopedic or microsurgery will be evaluated, stabilized and then transferred to another appropriate facility.
- The Emergency Department in the GVCCC will be able to access the clinical expertise at Lenox Hill Hospital and the resources available throughout North Shore LIJ Health System.
- From a patient safety and quality standpoint, a major advantage of the Emergency Department is its inclusion in North Shore LIJ's \$400 million investment in an Electronic Health Record system that automates inpatient and outpatient records in all medical settings, including North Shore LIJ's 14 hospitals, all outpatient setting and the offices of up to 9,000 affiliated physicians. It represents the nation's largest deployment of an Electronic Health Record system. The technology allows all entities and providers to access patient records electronically, which is critically important for coordinating care and communication among providers.
- In addition to the commitment of resources and expertise from Lenox Hill Hospital, North Shore LIJ will develop transfer relationships with Bellevue Hospital for major trauma, New York Presbyterian Hospital

and Staten Island University Hospital for burn patients and Beth Israel Medical Center for other services.

13. The Emergency Department will occupy approximately 19,000 square feet, and is designed to accommodate 30,000 emergency patient visits annually.

14. The Emergency Department will accept all patients, regardless of ability to pay. North Shore LIJ maintains contracts with all major private and public insurers. Further, North Shore LIJ has pioneered one of the most progressive financial assistance programs in New York, providing subsidized care for uninsured and underinsured patients.

15. While the Emergency Department represents an important element in meeting the health care needs of the community, the GVCCC will include other key components as well.

16. Increasingly, the ability effectively to diagnose injury or disease and determine an appropriate course of treatment is dependent upon access to high quality diagnostic imaging services. A full service outpatient/ambulatory radiology department, equipped with the newest imaging technologies will be available at the GVCCC on-site. Services will include digital x-ray, computed tomography (CT), magnetic resonance imaging (MRI) and ultrasound. All images will be digitally stored, shared among providers authorized by the patient or, at the request of the patient, forwarded to other health care providers of the patient's choice.

17. The GVCCC will also include an ambulatory surgery and endoscopy suite, featuring multiple state-of-the-art operating rooms and endoscopic rooms, recovery areas, pre-surgical testing facilities and a waiting area for adults and children, designed with the latest

technology available to provide patients information on disease prevention and community health services.

**North Shore LIJ:
Background and Qualifications**

18. North Shore LIJ is uniquely qualified to develop and operate the GVCCC. It operates and manages fourteen (14) hospitals in New York City and on Long Island containing more than 5,000 beds, including:

- Five (5) tertiary hospitals (Lenox Hill Hospital, North Shore University Hospital, Long Island Jewish Medical Center, Staten Island University Hospital and Southside Hospital);
- Two (2) specialty hospitals (Cohen Children's Medical Center and Zucker Hillside Hospital in Queens); and
- Seven (7) community hospitals.

North Shore LIJ has approximately 2,000 full-time faculty physicians and over 7,000 community physicians on its medical staffs, employs more than 10,000 nurses, and has a total work force of about 42,000. It is the ninth largest employer in the City of New York.

19. Recently, North Shore LIJ partnered with Hofstra University to establish the Hofstra North Shore LIJ School of Medicine.

20. In addition to its hospitals, North Shore LIJ provides a comprehensive continuum of care that includes the largest hospital-based ambulance and emergency management response system in the eastern United States, over 200 specialized ambulatory care programs in 110 locations, and a full complement of home care, rehabilitation, long-term care and hospice care services. These vital programs and related diagnostic, therapeutic and

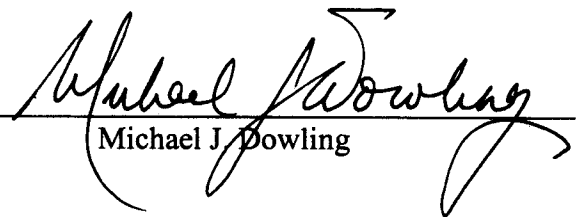
preventative services position North Shore LIJ particularly well to meet our patients' health care needs, as well as the needs of the communities we serve throughout Manhattan, Queens, Staten Island and Long Island.

21. Through Lenox Hill Hospital and its clinical leadership, North Shore LIJ will oversee and be accountable for all the care and services delivered at the GVCCC. To insure success, the new Emergency Department will draw on the collective knowledge of North Shore LIJ's 200 emergency physicians, more than 300 EMS personnel and approximately 2,000 emergency department staff, which have gained their experience operating fourteen (14) emergency departments that treat more than 600,000 patients and transport approximately 67,000 patients annually.

Conclusion

22. In light of the foregoing, North Shore LIJ submits that its GVCCC will provide the optimal means to serve the health care needs of the community while maximizing the recovery for creditors of the Debtors' estates.

23. Accordingly, we respectfully ask that the Debtors' Motion for approval of the Contract of Sale and for other related relief be granted in all respects.


Michael J. Dowling

Sworn to before me this
31st day of March, 2011.

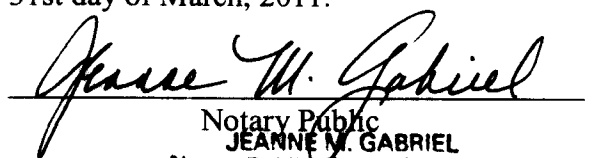

Notary Public
JEANNE M. GABRIEL
Notary Public, State of New York
No. 01GA5066738
Qualified in Queens County
Commission Expires September 30, 2014

EXHIBIT A

Memorandum of Understanding

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding is entered into as of October 19, 2010 by and between Rudin Development LLC ("Rudin") and North Shore – Long Island Jewish Health System, Inc. ("NSLIJ").

An affiliate of Rudin currently has a contract of sale ("Contract") with St. Vincent's Catholic Medical Centers of New York ("SVC MC") affecting real estate constituting SVC MC's main hospital campus between 11th and 12th Streets east on the east side of Seventh Avenue (the "Hospital East Campus") and the O'Toole Building located on the west side of Seventh Avenue at 13th Street (the "O'Toole Building"). The Hospital East Campus and the O'Toole Building are sometimes referred to collectively herein as the "SVC MC Real Estate". Pursuant to the Contract, Rudin has obtained from the Landmarks Preservation Commission, with respect to the Hospital East Campus, approval of a design for a mixed use project of approximately 590,000 square feet of zoning floor area. Due to SVC MC declaring Chapter 11 bankruptcy and being unable to move forward with the construction of a new medical facility on the site of the O'Toole Building, it is anticipated that the Contract will be modified or the SVC MC Real Estate offered for sale in accordance with procedures to be prescribed by the Bankruptcy Court.

In light of the closing of the SVC MC medical facility at the Hospital East Campus and the concomitant loss of community based emergency medical care and other medical services suffered by the greater Greenwich Village community (the "Community"), and in an effort to restore emergency medical services and meet the health care needs of the Community, NSLIJ, with the expected support of the New York State Department of Health ("DOH"), wishes to redevelop the O'Toole Building for use as a neighborhood medical facility that, as currently envisioned and subject to relevant regulatory approvals, is expected to include an emergency department, diagnostic imaging center, ambulatory surgical center, medical offices, and other services more particularly described in Schedule A annexed hereto (the "Medical Facility").

Rudin and NSLIJ wish to coordinate their efforts to facilitate the modification of the Contract and the acquisition of the SVC MC Real Estate, and the development of the Medical Facility, as hereinafter described.

Now therefore, the parties agree as follows:

1. Acquisition of the Real Estate. Rudin and NSLIJ will work collaboratively in connection with the SVC MC bankruptcy proceeding and in negotiations with SVC MC, its creditors and other constituencies, with a view toward developing and submitting a joint bid whereby an affiliate of Rudin will acquire the Hospital East Campus and an affiliate of NSLIJ will acquire the O'Toole Building. Rudin and NSLIJ will consult on the terms and conditions of the joint bid, including the purchase price and its allocation between the two properties, with a view toward modifying the Contract and negotiating a contract or contracts with SVC MC for the SVC MC Real Estate, or otherwise becoming the successful purchasers of the SVC MC Real Estate.

2. Contribution for Acquisition Cost. If the parties succeed in modifying the Contract and/or acquiring the SVCMC Real Estate, Rudin will fund the acquisition of the O'Toole Building by NSLIJ by making a contribution to NSLIJ, on the closing date, in the full amount of the final purchase price for that property.

3. Development of the Medical Facility. If the parties succeed in modifying the Contract and/or acquiring the SVCMC Real Estate, NSLIJ agrees to redevelop the O'Toole Building as the Medical Facility described herein. NSLIJ will begin as soon as feasible the process of planning and preparing an application for a certificate of need ("CON") for the development of the Medical Facility, and in the event it is successful in acquiring the O'Toole Building, and if NSLIJ is able to obtain the City, State, and Federal approvals necessary to develop and operate the Medical Facility contemplated in Schedule A, NSLIJ will commit to develop the Medical Facility at its own cost subject to the contribution described in paragraph no. 4 below. Both parties agree that they will endeavor to design and build LEED rated or equivalent standard buildings.

4. Contribution for Development of the Medical Facility. Once the parties have successfully modified the Contract and/or negotiated a contract or contracts with SVCMC for the acquisition of the SVCMC Real Estate, and NSLIJ has obtained contingency and/or conditional CON approvals for the acquisition and development of the Medical Facility (contingent on completing the acquisition of the SVCMC Real Estate) and Rudin has closed on the Hospital East Campus, Rudin will at such closing make a contribution to NSLIJ in the sum of \$10 million toward the cost of the Medical Facility.

5. Rudin as Developer. NSLIJ will offer Rudin the opportunity to submit a proposal to serve as the developer for the Medical Facility. Any such proposal will be given all due consideration based on its terms as compared with other available proposals and alternatives.

6. Coordination of Efforts. Rudin and NSLIJ will coordinate their strategies for obtaining governmental approvals for the Medical Facility at the O'Toole Building as well as the redevelopment of the Hospital East Campus. Such coordination will include meetings with elected officials and governmental agencies, including the Landmarks Preservation Commission and the City Planning Commission. Rudin and NSLIJ each agrees to keep the other apprised of developments relating to the joint bid and to work diligently, reasonably, cooperatively and in good faith toward the success of the bid, modification of the Contract and the acquisition of the SVCMC Real Estate and the development of the Medical Facility. The parties will coordinate their public relations activities in this connection.

7. Exclusivity. Rudin and NSLIJ will deal and negotiate exclusively with each other with regard to the acquisition of the SVCMC Real Estate and development of the Medical Facility, and will work collaboratively to accomplish that which needs to be done in order to achieve these objectives, including (i) Rudin being able to enter into a contract with SVCMC whereby Rudin and NSLIJ will acquire SVCMC Real Estate, and (ii) NSLIJ being able

to obtain the City, State and Federal approvals necessary to develop and operate the Medical Facility generally contemplated by Schedule A.

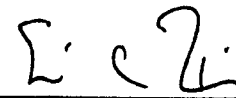
8. Further Agreements. Rudin and NSLIJ will collaborate in good faith, as additional details and information become ascertainable, to negotiate and enter into such further agreements as may be necessary or appropriate in order to effectuate the transactions and purposes described herein.

9. Miscellaneous. Rudin and NSLIJ agree that this MOU will inure to the benefit of and be binding upon Rudin and NSLIJ their respective successors and assigns and will be governed by the laws of the State of New York. This MOU may be executed in two or more counterparts, each of which shall be deemed an original and all of which, when taken together, constitute one and the same document. Execution and delivery by a party of a counterpart of this MOU by either a facsimile or electronic scan (such as pdf) shall be deemed an executed counterpart of this MOU with the same force and effect as an original signature of such party to such counterpart.

IN WITNESS WHEREOF, the parties have entered into this Memorandum of Understanding as of the date set forth above.

RUDIN DEVELOPMENT LLC

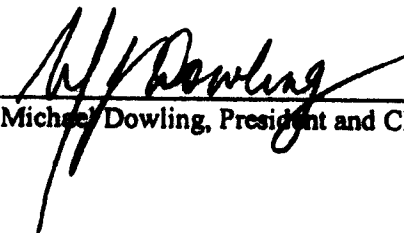
By: _____



William C. Rudin, Managing Member
etc

NORTH SHORE – LONG ISLAND JEWISH
HEALTH SYSTEM, INC.

By: _____



Michael Dowling, President and CEO

Schedule A
Description of the Medical Facility

In response to the recent closure of St. Vincent's Medical Center (SVMC) and based upon discussions with the community leadership and preliminary review of the health care needs of the surrounding communities North Shore LIJ Health System is proposing to develop an ambulatory care center responsive to the communities historically served by SVMC. The objective is to create an ambulatory health campus at the O'Toole Pavilion which will house a range of services that meet local and regional market healthcare needs. It is expected that, subject to regulatory approval, this facility will begin to innovatively transform the delivery of healthcare services in the region and provide residents with access to highly coordinated continuum of care.

Elements of the Program are still in development and will be shaped by discussions with community members, health providers and other civic leadership and be subject to complying with all regulatory requirements by the appropriate oversight agency. We project the following activities would be provided on the campus:

Freestanding Emergency Department- In all of our conversations with the community the closure of the SVMC emergency department was consistently identified as a major concern. In response North Shore-LIJ will propose the development of the first Free-standing Emergency Department in New York metropolitan region so as to provide the community with access to acute care service offerings and diagnostic capabilities 24 hours per day, 7 days per week. Clearly, this innovative solution will require the regulatory and program support of the Department of Health and the FDNY as well as qualify for appropriate rates of reimbursement. The services provided will be able to respond to a substantial portion of the reasons community members utilized the SVMC Emergency Department.

Diagnostic Imaging - Increasingly, the ability to effectively diagnosis disease and determine a course of treatment is dependent upon an accessible and high quality diagnostic imaging services. A full-service outpatient/ambulatory radiology department equipped with the newest imaging technologies will be available on site. Services offered will include, but not necessarily limited to, Digital X-ray, CT, MRI and Ultrasound. All images will be digitally stored, shared among providers authorized by the patient or, at the instruction of the patient, forwarded to other health providers of their choice.

Ambulatory Surgery & Endoscopy Suite - will feature state-of-the-art operating rooms, multiple endoscopic rooms, recovery areas and a pre-surgical testing. The facility will also have a spacious waiting area for adults and children, designed with the latest technology available to provide patients information on disease prevention and community health services.

Physician Office Space – Offices for both primary and specialty care will be developed as dictated by the needs of the community.



North Shore-Long Island Jewish Health System

145 Community Drive
Great Neck, New York 11021
Tel (516) 465-8003
Fax (516) 465-8035

Michael J. Dowling
President and
Chief Executive Officer

October 19, 2010

Rudin Development LLC
345 Park Avenue
New York, New York 10154

Re: St. Vincent's Catholic Medical Centers of New York;
Acquisition of Real Estate and Development of a
Medical Facility

Ladies and Gentlemen:

We refer to our Memorandum of Understanding of even date herewith (the "MOU") concerning our collaborative efforts to acquire the SVCMC Real Estate and to develop a Medical Facility as those terms are defined therein. Capitalized terms used herein have the same meaning as in the MOU.

The MOU recognizes, in paragraph no. 7 thereof, that the parties' obligations thereunder, including their agreement to deal and negotiate exclusively with each other with regard to the acquisition of the SVCMC Real Estate and the development of the Medical Facility, are contingent upon Rudin being able to enter into a contract with SVCMC whereby Rudin and NSLIJ will acquire SVCMC Real Estate, and NSLIJ being able to obtain the City, State and Federal approvals necessary to develop and operate the Medical Facility.

More specifically, and by way of clarifying these contingencies, the parties agree that their obligations under the MOU will continue unless and until the MOU is terminated as hereafter provided:

NSLIJ may elect to terminate the MOU in the event either (i) the Contract is duly terminated and SVCMC enters into a contract of sale with a party other than Rudin (or a Rudin affiliate) for the sale of the SVCMC Real Estate, which termination and replacement contract are approved by the Bankruptcy Court; or (ii) Rudin is unable by July 1, 2011 to enter into a contract of sale with SVCMC for the purchase of the SVCMC Real Estate, or to obtain for NSLIJ the right to purchase the O'Toole Building with the purchase price to be funded by Rudin as provided in paragraph no. 2 above; or (iii) NSLIJ is unable to obtain the City, State and Federal approvals necessary to develop and operate the Medical Facility generally contemplated by Schedule A of the MOU, including appropriate rates of reimbursement generally and in particular for the free standing Emergency Department.

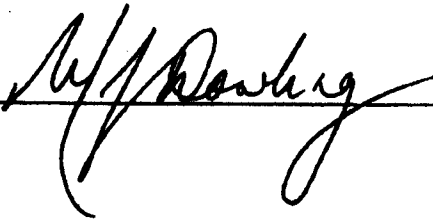
Rudin may elect to terminate the MOU in the event (i) NSLIJ is unable to obtain the City, State and Federal approvals (including Bankruptcy Court approval, if required) necessary to develop and operate the Medical Facility generally contemplated by Schedule A of the MOU (the "Hospital Approvals") within twelve (12) months after the date on which Rudin obtains for NSLIJ site control of the O'Toole Building, and (ii) SVCMC has the right, because NSLIJ has not obtained the Hospital Approvals within such twelve (12) month period (and Rudin has obtained its required approvals), to affect adversely Rudin's substantive rights under the modified Contract or replacement contract if it does not proceed with a health care provider other than NSLIJ.

In addition, either party may elect to terminate the MOU at any time in the event the other party fails, after notice and a reasonable opportunity to cure such failure, to proceed diligently and in good faith to fulfill its duties hereunder with respect to the parties' collaborative efforts to acquire the SVCMC Real Estate.

Please confirm our agreement to the above by signing below.

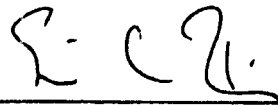
Very truly yours,

NORTH SHORE - LONG ISLAND JEWISH
HEALTH SYSTEM, INC.

By: 

AGREED:

RUDIN DEVELOPMENT LLC

By: 

Eric C. Rudin, managing member



145 Community Drive
Great Neck, New York 11021
Tel (516) 465 8021
Fax (516) 465 3275

March 2, 2011

Mark J. Solazzo
Executive Vice President and
Chief Operating Officer

Rudin Development LLC
345 Park Avenue
New York, New York 10154

Re: Memo of Understanding dated as of October 19, 2010 (the "MOU"), between Rudin Development LLC ("Rudin") and North Shore - Long Island Jewish Health System, Inc. ("NSLIJ"); Letter Agreement dated as of October 19, 2010 (the "Side Letter") between Rudin and NSLIJ

Ladies and Gentlemen:

We refer to the MOU and the Side Letter concerning our collaborative efforts to acquire the SVCMC Real Estate and to develop a Medical Facility. Capitalized terms used and not otherwise defined herein shall have the same meaning as those set forth in the MOU or the Side Letter, as applicable. The parties wish to ratify the MOU and the Side Letter and set forth their understanding with respect to certain additional terms.

Supplementing the MOU and the Side Letter, NSLIJ and Rudin agree as follows:

NSLIJ Board Approval

At a meeting that occurred on February 17, 2011, the NSLIJ board of directors (the "NSLIJ Board") ratified the execution of the MOU and the Side Letter, and authorized the expenditures set forth herein. In connection therewith, the NSLIJ Board has authorized the expenditure of One Hundred Million Dollars (\$100,000,000) on the development of the Medical Facility, which includes the cost of pursuing the necessary certificates(s) of need from The New York State Department of Health (the "Hospital CON Approvals") and preparing for the development of the Medical Facility, including architectural, engineering, planning, consulting, legal and other professional fees and expenses ("Pre-Development Costs"), currently estimated at Five Million Dollars (\$5,000,000). Rudin acknowledges and agrees that the MOU and the Side Letter do not specify any minimum dollar amount of expenditure on the part of NSLIJ, and that investment of the amount so authorized by the NSLIJ Board, plus the Ten Million Dollars (\$10,000,000) which Rudin has agreed to contribute, in pursuit of the Hospital Approvals and the development and completion of a Medical Facility will satisfy NSLIJ's financial obligations, notwithstanding that

the scope of the project as described in the MOU may need to be modified to adjust for available funding.

Projected Timeline of Hospital Approvals and Construction

NSLIJ agrees to work diligently, continuously and in good faith to obtain the Hospital Approvals and then to develop and open the Medical Facility in fulfillment of the Hospital Approvals and according to the projected timeline attached hereto as Exhibit A.

Conveyance of the Hospital Property

Rudin shall cause title to the O'Toole Building, together with the Gas Farm (as hereinafter defined) or the Gas Farm Lease (as hereinafter defined), as applicable, and Gas Line Easements (hereinafter defined) to be delivered to NSLIJ at the time Rudin closes on the acquisition of the Hospital East Campus property, free of liens, and free of encumbrances other than (i) those set forth in the title reports 11NYM11654 and 11NYM11653 of Commonwealth Land Title Insurance Company (copies of which have been delivered to NSLIJ), (ii) the state of facts (collectively, "Facts") shown on those certain surveys (copies of which have been delivered to NSLIJ) of (a) the triangle site containing the Gas Farm dated January 21, 1987, made by Earl B. Lovell - S.P. Belcher, Inc. and last updated by same by visual examination on November 19, 2007 (and to any Facts such survey, if brought to date, would show), and (b) the O'Toole Building dated November 26, 1962, made by Chas. J. Dearing and last updated by visual examination by Earl B. Lovell - S.P. Belcher, Inc. on May 30, 2007 (and to any Facts such survey, if brought to date, would show), (iii) all violations (but not fines) affecting the O'Toole Building and the area comprising the Gas Farm, (iv) such other title matters that do not impair in any material respect the ability of NSLIJ to obtain approvals for, construct or operate the Medical Facility and which do not (except to a de minimis extent) impose any financial responsibility on NSLIJ (for clarity, the parties acknowledge and agree that any encumbrance which imposes any restriction on the medical services to be offered at the Medical Facility will be considered a material impairment of NSLIJ's ability to operate the Medical Facility, but that any restrictions imposed pursuant to the Hospital Approvals shall not be deemed an encumbrance), and (v) a memorandum evidencing the agreement by NSLIJ regarding the (a) re-conveyance of the O'Toole Building; and (b) transfer of the Medical Facility after closing, in recordable form. The Memorandum referred to in (v) above shall be executed by NSLIJ at the time of closing. In the event NSLIJ has not obtained the Hospital CON Approvals within twelve (12) months after receiving title to the O'Toole Building, NSLIJ will promptly re-convey title to the O'Toole Building (and the Gas Farm Lease or Gas Farm Deed, as applicable, and Gas Line Easements) to Rudin or as Rudin may direct. NSLIJ agrees that at the closing of the O'Toole Building, NSLIJ shall provide to Rudin such documentation as Rudin shall reasonably request to secure NSLIJ's obligation to so re-convey title if the foregoing approval condition is not met. Rudin agrees that, Rudin's land use applications for the Hospital East Campus shall not adversely affect NSLIJ's ability in any material respect to develop and operate the O'Toole Building (and the Gas Farm) for the Medical Facility purposes described herein and in the MOU.

Rudin further agrees that in the event Rudin has not obtained its land use approvals (including the demapping and separation of the O'Toole Building from the large scale community facility development district which includes the Hospital East Campus) by June 30, 2012, NSLIJ may itself proceed to seek any land use approvals necessary for the development and construction of the Medical Facility.

O'Toole Building Occupants

NSLIJ and Rudin acknowledge that the O'Toole Building is currently occupied by two clinics (the "Clinics") and nineteen (19) other occupants (the "Other Occupants"). A list of the Clinics and the Other Occupants, including the nature of their tenancies, is more fully set forth on Exhibit B annexed hereto. Copies of the lease files for the Clinics and Other Occupants have been delivered to NSLIJ. SVCMC has represented to Rudin that, with the exception of the O'Toole Building, there are no occupants in the SVCMC Property. Neither Rudin nor NSLIJ shall be required to close title until such time as the Clinics have vacated the O'Toole Building. SVCMC has agreed with Rudin that (i) it will not enter into any further leases or occupancies with respect to the SVCMC Property, including the O'Toole Building, (ii) upon execution of the amended and restated Contract, SVCMC will send thirty (30) day notices to all of the Other Occupants, and (iii) SVCMC will obtain from the bankruptcy court a sale order which provides for the termination of the Other Occupants' tenancies and compels that the Other Occupants vacate the O'Toole Building no later than a date certain (and SVCMC has agreed to seek a date of June 30, 2011 for such vacancy) (such provision of the sale order so compelling such vacancy, the "Eviction Order"). SVCMC has agreed that it will, promptly upon the issuance of the sale order by the bankruptcy court, serve the Eviction Order on the Other Occupants and prosecute with diligence the removal of the Other Occupants. The bankruptcy court sale order shall contain provisions permitting a successor owner of the O'Toole Building to enforce the removal of all occupants from the O'Toole Building. Provided SVCMC has obtained and served the Eviction Order as described above, NSLIJ agrees to accept title to the O'Toole Building notwithstanding that there may be some Other Occupants who have not vacated the O'Toole Building as of the date Rudin is required to close title on the Hospital East Campus.

Triangle Parcel

At the time it delivers title to the O'Toole Building to NSLIJ, Rudin will also deliver (i) either (a) a lease, at nominal rent, for the medical gas distribution facilities (the "Gas Farm") located in the former materials handling building on the so-called triangle parcel (the "Gas Farm Lease"), or (b) if practicable to do so, a deed for the medical gas distribution facilities (the "Gas Farm Deed"), and (ii) to the extent Rudin is able to do so by reason of its ownership of the triangle parcel, easements for the installation and maintenance of gas distribution lines running from such facilities to the O'Toole Building (the "Gas Line Easements"). NSLIJ will have no obligations with regard to the development or operation of the triangle parcel or the buildings and improvements thereon, except to maintain such building and medical gas distribution facilities

and lines in accordance with the Gas Farm Lease (or as owner of the Gas Farm under the Gas Farm Deed) and the Gas Line Easements.

Security to be Deposited by NSLIJ

At the time that a firm contract with SVCMC has been obtained by Rudin, NSLIJ shall deposit Two Million Dollars (\$2,000,000.00) (the "Deposit") into escrow with Commonwealth Land Title Insurance Company ("Escrow Agent"). The Deposit shall be released to NSLIJ upon commencement of construction of the Medical Facility (or in the event NSLIJ fails to obtain the Hospital Approvals, or Rudin fails to deliver title to the O'Toole Building for any reason). If the MOU, the Side Letter and this Letter Agreement are terminated due to a willful default by NSLIJ, the Deposit shall be delivered to Rudin.

Reimbursement of NSLIJ Pre-Development Costs

In the event Rudin fails to deliver title to the O'Toole Building because of a willful default on the part of Rudin hereunder, then, in addition to returning the Deposit as set forth above, Rudin will reimburse NSLIJ for its Pre-Development Costs up to Two Million Dollars (\$2,000,000).

East Campus Office Space

Provided NSLIJ fulfills its obligation to develop and construct the Medical Facility, and for as long as NSLIJ operates a Medical Facility in the O'Toole Building (irrespective of whether such Medical Facility initially includes all of the services listed below), Rudin will not sell or lease any office, community facility or retail space in East Campus development, without including in the deed or lease for such space a restriction ("Restriction") prohibiting the following uses (the "Restricted Uses"): (i) an emergency medical care facility, or facility marketed as an urgent care or urgent treatment facility; (ii) any medical practice or facility whose primary business is the provision of medical imaging services, or any medical practice and/or facility utilizing two (2) or more Computed Tomography imaging devices (CT), or two (2) or more Magnetic Resonance Imaging devices (MRI), or a Positron Emission Tomography device (PET); (iii) any ambulatory surgery facility or any medical facility marketed as and whose primary business is pain treatment; or (iv) any medical practice owned by, that holds itself out as being affiliated with or whose signage identifies the practice as being affiliated with, a hospital, health system or medical school other than NSLIJ or its affiliates. Each deed or lease required to contain the Restriction shall provide (in the case of a deed) that the Restriction will be enforceable by NSLIJ as the owner of the O'Toole Building, or (in the case of a lease) will be enforced by Rudin as the lessor.

Parking

It is Rudin's current intent that the only parking to be included in its Hospital East Campus development will be limited to the owners of the residential units in that development. In the

event the East Campus development includes parking for non-residents, Rudin will make available to NSLIJ two (2) non-resident parking spaces at then market prices.

Miscellaneous

Except as explicitly modified herein, the MOU and the Side Letter are hereby ratified and confirmed, and Rudin and NSLIJ confirm that neither party is in default nor has any claims against the other thereunder. In each event of a conflict between the provisions of this Letter Agreement and the provisions of either the MOU or the Side Letter, the provisions of this Letter Agreement shall govern and control. This Letter Agreement will inure to the benefit of, and be binding upon, Rudin and NSLIJ. This Letter Agreement may be executed in counterparts, each of which shall constitute an original; but all such counterparts together shall constitute one and the same instrument.

Execution and delivery by a party of a counterpart of this Letter Agreement by either a facsimile or electronic scan (such as pdf) shall be deemed an executed counterpart of this Letter Agreement with the same force and effect as an original signature of such party to such counterpart.

Please confirm our agreement by signing below.

Very truly yours,

NORTH SHORE – LONG ISLAND JEWISH
HEALTH SYSTEM, INC.

By: 

AGREED:

RUDIN DEVELOPMENT LLC

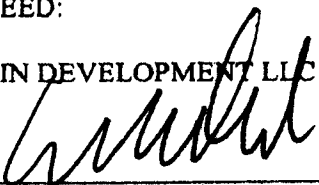
By: 
Its: Managing Member

Exhibit A

Development timeline

Timeline for Hospital Approvals and Development of the North Shore-LIJ Center for Comprehensive Care

The following is a good faith estimate of the projected timeline of events relating to the development of the Care Center:

- | | |
|------------------------------------|-----------------|
| • Submit CON Application | April, 2011 |
| • Landmarks Approval | September, 2011 |
| • Transfer of Title | September, 2011 |
| • CON Approval | October, 2011 |
| • Commencement of Hazmat Abatement | October, 2011 |
| • Commence Demolition | January 2012 |
| • Commence Construction | March 2012 |
| • Substantial Project Completion | November, 2013 |

This schedule is subject to adjustment based on events beyond North Shore-LIJ's control, including delays in (1) obtaining regulatory approvals, (2) separating the O'Toole Building from the large scale community facility development district, (3) removal of all tenants and occupants from the O'Toole building, and other factors.

EXHIBIT B**LEASES**

Unit #	Occupant	Nature of Tenancy
200	Dr. Gwen Engelhard	month-to-month tenancy
401	Frederick E. Helbig M.D.	month-to-month tenancy
409	Frederick Brookman, D.P.M.	month-to-month tenancy
410	John J. Maggio, MD	month-to-month tenancy
411	J.SONSNER & S.SAMBATARO	No written lease - month-to-month tenancy
418	Dr. Albert DeFabritus	month-to-month tenancy
420/421	Dr. David Feldman	month-to-month tenancy
416/422/424	John J. Khadem, MD	month-to-month tenancy
403/423	John Romano, ND LLP	month-to-month tenancy
425	Dr. Richard Woronoff	month-to-month tenancy
502	Dr. Steven Tuoliopoulos	month-to-month tenancy
504	Peter Sollaccio	month-to-month tenancy
506	Dr. Robert D'Amico	month-to-month tenancy
507	Iven Younger	month-to-month tenancy
510	Dr. Connie Dimari	month-to-month tenancy
511	William R. Grace M.D.	month-to-month tenancy
514	Hillel Marans	month-to-month tenancy
515	Theresa Tretter	month-to-month tenancy
522	Manhattan Colorectal Surgeons	month-to-month tenancy
Multiple	St. Luke's Hospital (Clinic)	6/30/2011 - lease expiration
Multiple	Mount Sinai Hospital (Clinic)	6/30/2011 - lease expiration



145 Community Drive
Great Neck, NY 11021
Tel (516) 465 8100

March 9, 2011

Rudin Development LLC
345 Park Avenue
New York, New York 10154

Re: St. Vincent's Real Estate

Ladies and Gentlemen:

We refer to the Amended and Restated Contract of Sale dated as of March 9, 2011 (the "Contract of Sale") between St. Vincent's Catholic Medical Centers of New York ("SVC MC"), as seller, and RSV, LLC, as purchaser, pertaining to the sale of the SVC MC real estate described and defined therein as the East Campus, the O'Toole Building and the Triangle Site.

We also refer to the memorandum of understanding dated as of October 19, 2010 (the "MOU") between Rudin Development LLC (referred to collectively with RSV, LLC as "Rudin") and North Shore-Long Island Jewish Health System Inc. ("NSLIJ"), as supplemented and amended by letter agreements dated as of October 19, 2010 and March 4, 2011 (the MOU, as so amended, is referred to herein as the "Rudin-NSLIJ Agreement"), in which the parties have agreed that the O'Toole Building, together with certain interests in a portion of the Triangle Site, will be conveyed to NSLIJ.

Rudin and NSLIJ have entered into this letter agreement for the purpose of reconciling NSLIJ's rights under the Rudin-NSLIJ Agreement with the rights and obligations of Rudin and SVC MC under the Contract of Sale. Capitalized terms used herein and not otherwise defined have the same meaning as in the Contract of Sale and/or the Rudin-NSLIJ Agreement.

Now therefore, in consideration of their mutual agreements set forth herein and in the Rudin-NSLIJ Agreement, and for other good and valuable consideration, Rudin and NSLIJ agree as follows:

1. **Encumbrances and Restrictions.** It is Rudin's view that consistent with the Rudin-NSLIJ Agreement, the Contract of Sale does not permit SVC MC hereafter to encumber

March 9, 2011

restrictions constitute Unpermitted Exceptions and will enforce its rights under the Contract of Sale accordingly.

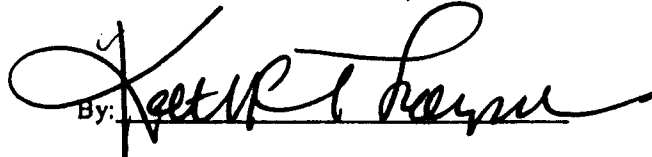
2. Pre-Petition Occupants. If the Sale Order issued by the Bankruptcy Court fails to include a provision directing each of the Pre-Petition Occupants (also referred to in the Rudin-NSLIJ Agreement as Other Occupants) to vacate their premises by a date certain, or if the Sale Order including such a provision is not served on each of the Pre-Petition Occupants prior to Closing, then Rudin will take title to the O'Toole Building at Closing, cause all Pre-Petition Occupants to be removed from possession of their premises therein, and deliver title to the O'Toole Building to NSLIJ vacant and free of tenants or occupants.

3. Triangle Site. At the Closing the Triangle Site will be conveyed by SVCMC to Rudin, not to NSLIJ, and Rudin will grant to NSLIJ, by easement, long-term lease and/or other appropriate means, such rights in and to the medical gas distribution facilities located thereon as NSLIJ may require to support the operation of the Medical Facility in the O'Toole Building.

Please confirm our agreement by signing below.

Very truly yours,

NORTH SHORE – LONG ISLAND
JEWISH HEALTH SYSTEM, INC.

By: 

AGREED:

RUDIN DEVELOPMENT LLC

By: 