

Montefiore Medical Center (the "Hospital") intends to lend from its own funds, directly or indirectly, to certain newly created affiliates of Montefiore Health System, Inc. ("MHS"), the Hospital's sole corporate member, the amount needed to fund the acquisition of substantially all of the assets of Sound Shore Medical Center of Westchester, The Mount Vernon Hospital, Inc. and Howe Avenue Nursing Home d/b/a Schaffer Extended Care Center (collectively "Sound Shore"). The terms of the acquisition are set forth in an Asset Purchase Agreement between MHS and Sound Shore dated May 29, 2013, the same day Sound Shore filed for bankruptcy protection under Title 11 of the U.S. Bankruptcy Code. The asset purchase is pursuant to Section 363 of the Bankruptcy Code and is subject to certain conditions, including the approval of the bankruptcy court and the Hospital's existing lenders.

There are six (6) newly created affiliates of MHS: 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 (collectively, the "MHS Affiliates"). At the closing of the acquisition, Montefiore SS Holdings, LLC, Montefiore MV Holdings, LLC, and Montefiore HA Holdings, LLC will purchase certain of the properties and lease them to their respective operating entities. The acquisition is expected to occur in early November, 2013 after receipt of all applicable regulatory, lender and bankruptcy court approvals. Certificate of Need approval was received on October 22, 2013.

The Hospital will lend amounts, either directly or through MHS to the MHS Affiliates to fund the acquisition price, working capital, and equipment and renovation needs.