



**HUDSON**  
REGIONAL HOSPITAL



55 Meadowlands Parkway  
Secaucus, NJ 07094



201-392-3100



201-392-6770



[info@hudsonregionalhospital.com](mailto:info@hudsonregionalhospital.com)



[www.HudsonRegionalHospital.com](http://www.HudsonRegionalHospital.com)

March 15, 2024

Stefanie J. Mozgai  
Assistant Commissioner  
Division of Certificate Need and Licensing  
120 S. Stockton St.  
Trenton, NJ 08625

Dear Ms Mozgai:

Enclosed are related to the certificate of need application for the full review of the transfer of ownership of Bayonne Medical Center from IJKG Opco LLC to Hudson Regional Hospitals, LLC. The materials include:

- Support letter from the applicant and the seller
- CN-3 application and attachments, including a Proof of Funds Letter
- Project Narrative with attachments
- Financial projections
- Historical financial statements for both the applicant and the seller

Note that in the support letter we are requesting an expedited review of this application due to the time-sensitive nature of the transaction, as explained in more detail in the letter.

Should you have any questions please feel free to contact my office at 201-392-3200.

Sincerely,

Nizar Kifaieh, M.D.  
President/Chief Executive Officer  
Hudson Regional Hospital



March 19, 2024

**VIA – USPS OVERNIGHT MAIL**

New Jersey Department of Health  
Office of Certificate of Need and Healthcare Facility Licensure  
P. O. Box 358  
Trenton, New Jersey 08625-0358

120 South Stockton Street, 3rd Floor  
Trenton, New Jersey 08608-1832

**RE: CAREPOINT HEALTH – BAYONNE MEDICAL CENTER – FACILITY  
NUMBER 10901 - TRANSFER OF OWNERSHIP**

Dear sir/madam:

As the New Jersey Department of Health (the “**DOH**”) is aware, on January 11, 2024, NJMHMC, LLC D/B/A Hudson Regional Hospital (“**HRH**”) and CarePoint Health Systems, Inc. (“**CarePoint**”) entered into that certain “Binding Term Sheet” (the “**Term Sheet**”) under which, among other things, CarePoint agreed to transfer all or substantially all of the assets of Bayonne Medical Center (“**BMC**”) to an affiliate of HRH (the “**Proposed Operator**”). The Proposed Operator is now hereby submitting to the DOH the enclosed applications and ancillary documentation (collectively, the “**Applications**”) for the transfer of ownership of BMC and certain of its affiliated facilities to Proposed Operator. As evidenced by Dr. Moulick’s signature below, CarePoint hereby consents to the aforementioned transaction and the filing of the Applications.

Thank you for your prompt attention to this matter. If you have any questions, please contact Proposed Operator’s legal counsel, Mohamed H. Nabulsi, Esq., at Mandelbaum Barrett, 3 Becker Farm Road, Suite 105, Roseland, New Jersey 07068; e-mail: [Mnabulsi@mblawfirm.com](mailto:Mnabulsi@mblawfirm.com); cell phone number: 973-979-1150.

[SIGNATURE PAGE FOLLOWS]

*Signature page to joint letter to DOH*

CAREPOINT

BY: Achintya Moulick  
Achtiya Moulick, M.D., CEO

PROPOSED OPERATOR

BY: Yan Moshe  
Yan Moshe, CEO

Enclosures

cc: Mohamed H. Nabulsi, Esq.  
Thomas Abbate, Esq.  
Lawrence G. McMichael, Esq.

Hudson Regional Hospitals, LLC  
Certificate of Need Application  
Transfer of Ownership  
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- Proof of Funds Letter

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  - CarePoint Organizational Chart – prior to transfer
  - Hudson Health System Organizational Chart – after transfer
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Section III.

- Financial Projections

Appendix

- IJKG Opco Financial Statements
  - 2021 Audited Financial Statements
  - 2022 Unaudited Financial Statements
  - 2023 November Interim Financial Statements
- HRH Financial Statements
  - 2022 Audited Financial Statements
  - 2023 Year-end unaudited

**New Jersey Department of Health**  
**CERTIFICATE OF NEED APPLICATIONS**  
**FOR HOSPITAL-RELATED PROJECTS**

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**SECTION I. GENERAL REQUIREMENTS**

**1. CERTIFICATE OF NEED**

**A. PRE-SUBMISSION**

Prior to the preparation of the application materials, it is strongly recommended that the applicant discuss the proposed project with the local advisory board in the service area presently served or anticipated and staff of the New Jersey Department of Health.

**B. SUBMISSION - NEW JERSEY DEPARTMENT OF HEALTH**

Submit one completed application in electronic media and 35 paper copies of the application forms and all required documentation to:

Mailing Address:

New Jersey Department of Health  
Office of Certificate of Need and Healthcare Facility Licensure  
P. O. Box 358  
Trenton, NJ 08625-0358

Overnight Services (DHL, FedEx, UPS):

New Jersey Department of Health  
Office of Certificate of Need and Healthcare Facility Licensure  
120 South Stockton Street, 3rd Floor  
Trenton, NJ 08608-1832

**C. SIGNATURE**

All applications must be signed by the current Chief Administrative Officer or Board Chairman of the Hospital.

**D. FILING FEE**

All applications must be accompanied by a certified check, cashier's check, or money order made payable to "Treasurer, State of New Jersey." Failure to submit the appropriate fee at the time of filing may result in rejection of the application.

**FEE SCHEDULE:**

<u>Total Project Cost (TPC)</u>	<u>Fee Required</u>
\$1,000,000 or Less	\$7,500
Greater Than \$1,000,000	\$7,500 + 0.25% of TPC
Transfer of Ownership	\$7,500
Change in Scope or Location	\$7,500 + 0.25% of cost in excess of approved TPC, where excess is \$1,000,000 or more
C. Change in Cost	No Certificate of Need required; 0.25% of cost in excess of approved TPC, where excess is \$1,000,000 or more, shall be remitted prior to licensure

**E. COMPLETENESS**

1. ALL QUESTIONS REQUIRE AN ANSWER AND ALL SCHEDULES MUST BE COMPLETELY FILLED OUT.
2. Certificate of Need forms must be filed in sequential order. Do not renumber pages.
3. All exhibits must be identified as noted herein and attached to the back of the Certificate of Need Application form and referenced to the corresponding item in the appropriate section.
4. Identify each response in the narrative section by question number and respond in sequential order. All additional

supporting documentation must be attached to the back of the Certificate of Need Application form after the exhibits, in a Section titled "Appendix."

5. Only complete applications will be processed (NJAC 8:33-4.5). Failure to submit all required information and documentation and/or to follow the steps outlined herein when the Certificate of Need is filed may result in a determination that the application is incomplete and, as such, may not be accepted for processing.
6. All cost estimates for new construction and/or renovations, should be submitted in those dollars which would be needed to complete the project over the anticipated period of construction, assuming that construction was to begin at the time of your Certificate of Need submission.
7. Change in cost/scope applications shall request in writing a construction cost allowance prior to submission of the change in cost/scope application.
8. All applications must be signed and dated by the applicant, accompanied by the correct application fee, accompanied by out-of-state track records reports (if applicable), and completely and accurately filled out (i.e., no partial or unresponsive answers). APPLICATIONS NOT MEETING THESE REQUIREMENTS WILL NOT BE ACCEPTED FOR PROCESSING.

#### **F. MODIFICATION**

1. Under no circumstances may an application be modified or altered to change the number or category of inpatient beds, proposed services, equipment subject to a planning regulation, or change in site after the application submission deadline date. An applicant desiring to make such a modification or alteration shall be required to withdraw the application from the current cycle and submit a new application for the next cycle.
2. Modifications not specified in (1) above such as changes in square footage and change in cost will be permitted if such changes are in response to completeness questions from the Department and made prior to submission of the application to the review process.

#### **2. LICENSING**

Licensing manuals for hospital-based services may be obtained from the New Jersey Department of Health, Office of Certificate of Need and Healthcare Facility Licensure (609-292-5960).

#### **3. FINANCIAL**

Information with regard to financial requirements may be obtained from the New Jersey Department of Health, Office of Certificate of Need and Healthcare Facility Licensure (609-292-5960).

#### **4. CONSTRUCTION**

Information regarding construction requirements may be obtained from the New Jersey Department of Community Affairs, Division of Codes and Standards, Health Care Plan Review (609 633-8153).

**SECTION II. REQUIREMENTS FOR COMPLETION OF NARRATIVE SECTION (F AND M) OF  
CERTIFICATE OF NEED APPLICATION**

**1. STATE HEALTH PLANNING REQUIREMENTS**

**A. DESCRIPTION / PROJECT NARRATIVE**

1. Provide an executive summary of the project (Section F). This shall be limited to 3 pages.
2. Describe the proposed project, in detail, and relate it to existing services such as changes in square footage, changes in equipment, deficiencies corrected, effect on length of stay, improved patient care, reduced cost, and improved patient safety.
3. Provide historical hospital volume data incorporating the last three complete calendar years preceding the date of filing the certificate of need application, as well as year-to-date data for the current year, and at a minimum include the following data components:
  - a. Inpatient admissions by licensed bed category and total hospital (exclude same day surgery);
  - b. Adjusted admissions by total hospital;
  - c. Patient days by licensed bed category and total hospital;
  - d. Outpatient visits by department or service;
  - e. Emergency room visits;
  - f. Inpatient surgical procedures;
  - g. Outpatient surgical procedures;
  - h. Same day surgery;
  - i. Same day medical admissions;
  - j. Births;
  - k. Year-to-date B-2 forms showing inpatient utilization for current year.
4. Provide an estimate of projected volume in all categories as listed in #3 above for each year inclusive from the time of application to that year which is two complete calendar years beyond estimated project completion. This estimate must be based upon historical data found in #3 above. using at a minimum, a straight-line projection and one or more of the following methodologies:
  - a. Linear regression modeling;
  - b. Constant volume;
  - c. Official county-based volume projections and market share statistics published by the Department, if available;
  - d. A methodology chosen by the applicant, but in each instance the assumptions utilized in making the projections must be clearly substantiated in the application.
5. Describe the present and anticipated need for the project in the hospital's service area using the historical and projected volume data provided in questions #3 and #4.
6. List all other institutions in your service area that provide similar services. Indicate the anticipated impact of this project on these other institutions.
7. Document the institution's past and current history in providing care to the indigent and how the proposed project will affect the applicant's ability to provide care for the indigent.
8. In the case of a reduction, elimination or relocation of a facility or service, describe the need that the population presently has for the service; as well as the extent to which that need will be met after the change, including alternative arrangements. Describe the effect of any reduction, elimination, or relocation on the ability of low income persons, racial and ethnic minorities, women, handicapped persons, and other under-served groups to obtain needed health care.

9. Identify alternative approaches to the project which were considered and demonstrate in specific terms how the option selected, relative to all other alternatives, most effectively benefits the health care system through achieving capital and operating savings, increasing access, and/or improving quality of care.
10. Efficient design is encouraged to promote significant life cycle operational cost savings. If the project involves new construction please identify operational cost savings which may result from such construction.
11. Indicate the conformance of the proposed project, if applicable, with appropriate State guidelines and regulations. In the case of regional services (e.g., cardiac diagnostic and surgical services, perinatal services, organ transplantation services, etc.) each provision of the applicable rule must be addressed.
12. Attach a map of your patient service area including the location of your institution. Identify major service areas based on patient origin studies for inpatients and/or outpatients.
13. Provide a breakdown of total project costs into costs associated with each programmatic or functional component: i.e., by service, department, medical specialty, licensed bed category, or other logical category; and by floor or unit if possible (See Schedule A).
14. The certificate of need criteria identified in N.J.A.C. 8:33-4.9 and N.J.A.C. 8:33-4.10 must be addressed.
15. Identify (by certificate of need number and project description) all previously approved certificates of need which have not been completed and indicate the current status of each project.
16. Identify (by certificate of need number) any conditions of certificate of need approval which have not been met and explain.

## 2. CONSTRUCTION REQUIREMENTS

- A. All cost estimates for new construction and/or renovations, should be submitted in those dollars which would be needed to complete the project over the anticipated period of construction, assuming that construction was to begin at the time of your Certificate of Need submission.
- B. Provide proposed total "building gross square footage" of new construction. Indicate building's proposed design, number of stories and construction type. (Also see "H" if multiple areas are involved.)
- C. Projects involving complete demolition of a structure(s) should indicate structure's total cubic feet, number of stories, gross square footage per floor and construction type. Identify demolition cost estimate as a separate line item.
- D. Provide total square footage of area proposed for renovations. Indicate the current or most recent use and physical layout of the space. Provide a summary description of the renovations proposed and/or required, acknowledging all applicable construction trades. (Also see "H" if multiple areas are involved.)
- E. Indicate any anticipated construction related circumstances and/or conditions (e.g., asbestos, wetlands, CAFRA, fire suppression system) that may explain your new construction and/or renovation cost estimate being over or under an average estimate. Identify the associated cost effect anticipated.
- F. Renovation projects involving asbestos abatement should provide the associated cost estimate as a separate line item, identifying the areas and total square/linear footage involved.
- G. Provide description and/or listing of equipment items inclusive of the "fixed equipment not in construction contracts" line item(s) cost estimates (See pages 4, 5 and 6).
- H. Projects with more than one department service area affected by new construction or renovations must complete Schedule A. Utilize a separate line item for each service area on a given floor/wing and for any change in use of an existing area. Square footage and construction/renovation hard cost totals of this form should reconcile with those amounts indicated on pages 1 and 2 of the Certificate of Need Application. Account for all displaced department service areas, relocations and vacated areas, even if there are no associated construction/renovation costs. (Change in cost/scope applicants are to provide update of space allocation forms previously submitted.) Indicate how this information was established.
- I. Any applicant who is proposing a vertical expansion (additional floor(s) to an existing building) shall submit a certification, from an appropriate design professional, that the existing structure/affected building shall comply with the current code requirements for increase in size (floor area and/or height) and earthquake loads.
- J. In addition to the fire suppression system(s) that may be required by the State Uniform Construction Code, the proposed scope of work shall include those systems, as appropriate, after a review of N.J.A.C. 5:23-2.4 and 2.5, and in consideration that the Uniform Fire Code State of New Jersey will require that all hospitals be fully suppressed. Installation of compliant suppression system(s) and related construction cost(s) shall be included in the proposed project.
- K. The following architectural prints shall be submitted to visually indicate the entire scope of work as described in the written



narrative:

- Site plan showing building footprint(s) (graphically differentiating existing structures to remain, those to be demolished and new construction) and compass orientation.
- Floor Plan(s)-Projects \$15 million and over:  
(At 1/8" scale, single line showing door openings and windows, rooms/areas to be labeled to indicate use/service and numbered, new construction/renovation work to be graphically differentiated from existing work to remain).
- Projects under \$15 million, 1/16" scale sketch.

- L.** Change in cost/scope applications, for which the project is already under construction, must submit a copy of the signed contract with the Contractor and Architect (if not previously submitted to the New Jersey Department of Community Affairs). A copy of the most recent Contractor Requisition for Payment (Form AIA-G702) must be submitted with cost/scope application in addition to a reconciliation summary statement of same to agree with the total construction/renovation cost requested in the cost/scope application, acknowledging all incurred and anticipated change orders.
- M.** For change in cost/scope applications, applicants are to itemize and explain all construction/ renovation related cost changes (increases and/or decreases), noting those that are attributed to additional expanded project scope which were not in original Certificate of Need, those attributed to overruns (broken down as unanticipated-unforeseen and/or unanticipated due to initial underestimate) and those related to deletion of any portion of the original approved project scope.

### SECTION III. REQUIRED DOCUMENTS

#### 1. CERTIFICATE OF NEED

##### A. SITE OPTION/LEASE

1. If the site is optioned by the applicant, a copy of the deed held by the current owner and option agreement for the site must be submitted.
2. If the real property will be leased by the license holder, provide a copy of the deed held by the current owner and executed lease agreement or lease option.

The deed and option must include identification of the site, terms of the agreement, date of execution and signatures of all parties to the transaction.

##### B. MANAGEMENT AGREEMENT

If a management company will be hired, a copy of the management agreement must be submitted with the application.

#### 2. FINANCIAL FEASIBILITY STUDY

- A. Financial feasibility study and facility planning studies must be submitted.
- B. If financial resources for the project are monies from a grant, provide the Department with a copy of the operating budget submitted with supporting pages from the grant application when the grant application was made. The status of the grant, as of the date of Certificate of Need application, must be reported on the forms.
- C. If financial resources for the project and/or monies for the operating budget are to be provided by a governmental agency, a statement indicating the intention of the agency to provide the funds must accompany the Certificate of Need application.
- D. If financial resources for the project and/or monies for the operating budget are to be a secondary responsibility of a parent or a separate corporation that has a controlling interest, a letter must accompany the Certificate of Need application stating the intention of the corporation to underwrite the financial resources and/or operating budget.
- E. Independent third-party verification of the availability of the cash equity contribution must be submitted with the application. Provide the specific source and any available documentation demonstrating the availability of the cash equity contribution. Acceptable forms of verification include letters from banks, CPA's or stockbrokers, past history of fund-raising activity, and documented pledges.
- F. For projects exceeding \$15,000,000 in cost, institutions must submit to the Department independently verified historical and projected financial and utilization information as identified in N.J.A.C. 8:33-4.10(b) (1-6). This information should be in the format required by the New Jersey Health Care Facilities Financing Authority so that only revisions to update the information will be required at the time of financing.

#### 3. CONSTRUCTION

A construction cost and space breakdown report must be submitted with any application involving construction. The report must be in the same format as Schedule A.

**New Jersey Department of Health**  
**APPLICATION - CERTIFICATE OF NEED**  
**FOR HOSPITAL-RELATED PROJECTS**

Name of Hospital <b>CarePoint Health - Bayonne Medical Center</b>	<b>FOR STATE USE ONLY</b>						
Street Address <b>29 East 29th Street</b>	Appl. No. _____  Review Cycle _____  Type of C/N: <input type="checkbox"/> Change in Bed Capacity <input type="checkbox"/> New Health Care Service <input type="checkbox"/> Modernization/Renovation <input type="checkbox"/> Major Movable Equipment <input type="checkbox"/> Construction/Acquisition  Date Received: _____						
<table style="width: 100%; border: none;"> <tr> <td style="width: 33%; border: none;">City</td> <td style="width: 33%; border: none;">State</td> <td style="width: 33%; border: none;">Zip Code</td> </tr> <tr> <td style="border: none;"><b>Bayonne</b></td> <td style="border: none;"><b>NJ</b></td> <td style="border: none;"><b>07002</b></td> </tr> </table>		City	State	Zip Code	<b>Bayonne</b>	<b>NJ</b>	<b>07002</b>
City		State	Zip Code				
<b>Bayonne</b>		<b>NJ</b>	<b>07002</b>				
County <b>Hudson</b>							
Type of Hospital <b>General Acute Care Hospital</b>							
Name of Chief Executive Officer <b>Nizar Kifaieh, M.D.</b>							
Name of Contact Person <b>Nizar Kifaieh, M.D.</b>							
Title <b>President/Chief Executive Officer</b>							
Telephone Number <b>201-392-3200</b>							
Official Facility Email <b>nkifaieh@HudsonRegionalHospital.com</b>							

- A. Project Cost:
- |    |                             |                   |                                 |
|----|-----------------------------|-------------------|---------------------------------|
| 1. | Total Capital Cost:         | <u>13,000,000</u> |                                 |
| 2. | Financing Cost:             | <u>0</u>          | Method of Financing: <u>n/a</u> |
| 3. | Total Project Cost (1 + 2): | <u>0</u>          |                                 |
| 4. | Equity Contribution:        | <u>13,000,000</u> |                                 |
| 5. | Construction Cost:          |                   |                                 |

Type	Square Feet	Construction/ Capital Lease Cost	Construction/ Capital Lease Cost Per Square Foot
New Construction	n/a		
Renovation			
Lease			

6. Will this project result in any permanent change in licensed or planning bed category or capacity of the existing facility?  
☐ Yes   ☒ No

7. Provide a brief (50 words) description of the project:

This application involves the Transfer of Ownership of CarePoint Bayonne Medical Center ( Bayonne MC ) in Bayonne, Hudson County to Hudson Regional Hospitals, LLC (HRH).

B. PROJECT COST

Project costs should be submitted in those dollars which would be needed to complete the project over the anticipated period of construction if construction were to begin at the time of submission of the Certificate of Need proposal to the Department.

Do not include contingency. The Department will calculate a construction cost allowance for the project in lieu of providing a contingency factor for the time period from Certificate of Need submission to the start of construction.

1. Capital Costs

Studies and/or Surveys		
Site Survey and Soil Investigation		
Architect and Engineer Fees		
Legal and Other Special Services		
Plans and Specifications		
Demolition		
Renovations		
Asbestos Abatement		
New Construction		
Fixed Equipment Not in Construction Contracts (New Construction)		
Fixed Equipment Not in Construction Contracts (Renovations)		
Major Movable Equipment		
Supervision and Inspection of Site and Building(s)		
Purchase of Land		
Purchase of Building(s)		
Capital Value of Lease (true operating leases should be included in operating budget and details identified)		
Developmental and/or Start-Up Costs		
Department of Health Approved Construction Cost Allowance		
Other (Specify) (Do NOT include contingency)		
Acquisition cost	13,000,000	
Total Capital Costs		13,000,000

2. Financing Costs

Capitalized Interest		
Debt Service Reserve Fund		
Other Financing Costs (Include fees assessed by any financing agency, bond counsel fees, trustees bank fees and/or other costs related to sale of bonds)		
Total Financing Costs		0
Total Project Cost		13,000,000

C. PROPOSED METHOD OF FINANCING THE TOTAL PROJECT COST:

For purposes of Certificate of Need review, equity shall mean a non-operating asset contribution which will reduce the size of the total debt. It may include cash, other liquid assets, and the fair appraised market value of land owned by an applicant which is the viable site for the proposed project. A minimum of fifteen percent (15%) of the total project cost, including all financing and carrying costs, must be available in the form of equity.

- |    |  |    |            |
|----|--|----|------------|
| 1. | Available Cash (include source of contribution in D-1) | \$ | 13,000,000 |
| 2. | Mortgage (provide details in D-2)                      |    |            |
| 3. | Loans (provide details in D-2)                         |    |            |
| 4. | Capital Leases (provide details in D-2)                |    |            |
| 5. | Net fund raising (include documentation)               |    |            |
| 6. | Other (Specify)  |    |            |
|    |  |    |            |
|    |  |    |            |
|    |  |    |            |
|    | Total  | \$ | 13,000,000 |

#### D. EQUITY CONTRIBUTION

1. Indicate source of equity contribution:

Contribution from Yan Moshe  
Proof of funds letter attached

2. Mortgages/Loans/Capital Lease Agreements - Attach a copy of any mortgage, loan or capital lease agreements.

Lender/Lending Institution	Amount	Rate of Interest	Annual Payment	Maturity Date
New Construction	n/a			
Renovation				
Lease				

### E. EQUIPMENT

### 1. Major Moveable Equipment

[illegible]

E. EQUIPMENT

2. Fixed Equipment

Qty.	Description	Addition/ Replacement	Purchase/ Lease/ Donation	Total Purchase Cost/ Donation	Annual Lease Cost
n/a					
TOTAL					

## E. EQUIPMENT

3. Minor Moveable Equipment (For information purposes only; do not include in project cost.)

[illegible]



## F. PROJECT SUMMARY

(A written summary of your project is required. Please do so on Pages 7 through 9 of the Certificate of Need Application form. The summary must be comprehensive and not exceed three pages.

This application involves the Transfer of Ownership of CarePoint Health-Bayonne Medical Center ( Bayonne MC ) in Bayonne, Hudson County. The hospital is currently owned by IJKG OPCO, LLC, a wholly owned subsidiary of IJKG, LLC, a for-profit limited liability company. All services currently offered at Bayonne MC will be continued subsequent to the Transfer of Ownership.

Specifically, this application is for the transfer of ownership of the rights of the license of IJKG OPCO, LLC, a wholly owned subsidiary of IJKG, LLC to Hudson Regional Hospitals, LLC (HRH). The principals of HRH also own Hudson Regional Hospital in Secaucus (HRHS), an acute care inpatient facility licensed at 200 beds (186 medical/surgical beds and 14 ICU beds) located on 55 Meadowlands Parkway in Secaucus, Hudson County.

Upon assumption of the hospital ownership, HRH will develop a team approach to management at Bayonne MC. This will be accomplished through individuals that have a proven track record of turning around challenged businesses such as the prior Meadowlands Hospital. Their management skills will lead the effort to achieve similar results at Bayonne Medical Center (BMC).

The business strategy is based on strong relationships with the community, physicians, employees, Unions, vendors, payers and regulators both local and at the federal level. Under HRH, Bayonne MC will implement several initiatives some of which are outlined below which are designed to stabilize and/or grow admissions at the hospital and allow Bayonne MC to meet the healthcare needs of the community for years to come:

1. HRH will commence negotiations with health insurers on contracts which, if successful, will lead to increased access to patients at Bayonne MC;
2. HRH will actively recruit new physicians to Bayonne MC and encourage physicians who previously utilized the hospital to once again utilize Bayonne MC to meet the healthcare needs of their patients. In this regard, HRH will, in conjunction with community leaders and Bayonne MC medical staff, identify those specialties, if any, that are needed at Bayonne MC and surrounding hospitals, and work with Bayonne MC medical staff to identify and recruit specialists;
3. HRH will bring operational efficiencies to Bayonne MC's emergency department which will, among other things, increase access to care for the community and decrease "wall time" (the time paramedics and EMTs are required to wait in the Emergency Department) which will allow for more patients to be seen at Bayonne MC;
4. HRH will implement a community outreach program designed to meet the primary care needs of the community so that members of the community may receive primary care in the community rather than the emergency department;
5. Introduce an owner-operator concept that has worked extremely well at HRHS. It creates a lean, quick approach to decision making. Given the healthcare hospital expertise that our team collectively has, we will be able to apply this to Bayonne MC;

F. PROJECT SUMMARY, Continued

6. Introduce our preferred vendor rates to Bayonne MC which will allow for managing cost per case and minimize waste and enhance savings for re-investments;

7. Introduce and revamp a completely new advanced peri-operative and 5-star rated musculoskeletal and surgical program at Bayonne MC which will result in an excellent addition given Bayonne MC's surgical residency program. HRHS currently has a combined number of over 100 surgeons that are currently active at HRHS;

8. Focus on growing and utilizing ancillary services such as lab, outpatient physical therapy, infusion services, wound care and radiology efficiently and provide these services to community physician practices as well as new healthcare partners in the county;

9. Apply the programmatic concepts used at HRHS to Bayonne MC starting with primary care, surgical services, Cardiology, Wound Care and other clinical services. Enhance and standardize Materials management to include contract standardization and purchasing;

10. Introduce HRHS's case management program which has resulted in a Medicare ALOS of 3.5 days and an overall ALOS of 2.5 which is better than its peer in the County;

11. HRH will make a substantial investment in new state of the art equipment and information technology which will make Bayonne MC more efficient and allow physicians, clinical staff, and support personnel to have access to the state of the art (and more efficient) equipment while delivering quality patient care to the community;

12. Address Revenue Cycle issues which have led to a decrease in Net Patient Service Revenues despite increases in volume; and

13. Reduce Consulting Fees, Management Fees, Contract Labor expense and Physician Incentive payments which are out of line with industry norms and current practices in place at HRHS.

We are certain that our successful approach at HRHS led by our enhanced executive team will have similar exceptional results at Bayonne MC. Additionally, the Board Chairman of HRH, Yan Moshe has demonstrated a commitment to the community that HRH serves and has committed several million dollars to major facility renovations as well as the acquisition of state-of-the-art equipment. Bayonne MC and the community it serves will benefit similarly to his approach at major facility improvements.

F. PROJECT SUMMARY, Continued

HRH's (formerly Meadowlands Hospital) reputation among its constituencies has also improved significantly since the 2018 change in ownership. This is the result of NJMHMC's efforts toward eliminating hostile, highly litigious relationships that existed between the previous owners with the NJDOH, payers, the community and vendors. These improved relationships have opened the door to the ability to negotiate more favorable terms, especially with the payers and vendors. The following are highlights of our performance under the new management, which demonstrate our ability to both assume ownership of a struggling facility and to allow it to thrive.

- The previous owners finished their last year of operation, December 31, 2017, with a significant Operating loss of \$6.8 million and negative EBITDA of \$1.9 million;
- Our first year of operation, December 31, 2018 resulted in a profit of \$6.5 million an almost 200% increase in the bottom line from the previous year;
- The Hospital finished its second year of operation, December 31, 2019, with a Profit in excess of \$9.0 million representing a 41% increase from 2018. Also, EBITDA increased to \$12.8 million or 39% greater than the previous year;
- HRHS has established itself as a key provider of Robotic Surgery and has established a regional reputation for Orthopedic robotic surgery through the establishment of "The Institute for Robotic Surgery". Hudson Regional Hospital has more surgical robots (4), than most tertiary care providers;
- HRHS has continued the process to upgrade its facilities to better serve its community. An additional capital expenditure for 2022-23 were more than \$8.0 million. The total commitment to improved facilities for the four years in operation as HRH are more than \$50.0 million;
- HRHS has continued to enhance the clinical service lines with the opening of state-of-the-art Cardiac Catheterization services as well as the one of its kind Coronary CT programs in 2023;
- HRHS continues to partner with high quality healthcare entities like Restorix for Wound Care Program and North Hudson Coalition for the indigent and charity care programs.
- The hospital continues to maintain in-network Agreements with every major commercial insurer;
- The hospital achieved greater collections in 2022 and 2023 and finished the year with average monthly collections of approximately \$14.7 million per month. This is a direct function of the increase in patient volumes and a robust Revenue Cycle process; and.
- The Hospital finished its 5th year of operation, December 31, 2023, with a Profit in excess of \$9.1M.

The applicants have made a significant effort to engage with State regulators, community leaders, City Officials, Editorial Boards, labor representatives and State and local elected officials as well as representatives of churches, parishes, shelters, charity organizations in the preceding 3 months. The goal is to understand the state of the healthcare delivery currently and its impact on the underserved population in Bayonne as well as identify areas and opportunities which will lead to improvements in access to healthcare for this subset of our population in Bayonne.

HRH has made a commitment to maintain Bayonne MC as an acute care hospital and is committed to maintaining all beds and services currently offered by Bayonne MC. Upon Transfer of Ownership, HRH will enhance or reduce, based on the needs of the community, any services based on careful evaluation and interaction with community leaders. In addition, HRH will comply with all Federal and State administrative requirements and rules related to reporting of quality measures and patient safety. HRH will report such quality measures to the Department in timeframes set by applicable requirements. HRH will provide summary reports on the quality and safety issues to the NJ Department of Health and the Bayonne community.

G. GRANTS

Attach a copy of grant budget submitted.

Source	Amount	Current Status of Grant
TOTAL		

H. VOLUME OF ACTIVITY IN COST CENTERS RELATED TO PROJECT

1. Admissions or Cases

Routine and Emergency Service	Current Year	Projected Year 1	Projected Year 2
Medical/Surgical Admissions *	4,224	4,435	4,879
Same Day Surgery Admissions	1,219	1,280	1,408
Pediatric	0	0	0
Acute Psychiatric	355	372	410
Long-Term Psychiatric	0	0	0
Obstetric	0	0	0
Burn Unit	0	0	0
Intensive Care Unit	285	300	330
Neonatal Intensive Care	0	0	0
Coronary Care Unit	0	0	0
Newborn Nursery	0	0	0
TOTAL	6,083	6,387	7,027

\*Exclude Same Day Surgery Admissions.

2. Visits

Cost Center	Current Year	Projected Year 1	Projected Year 2
Emergency Room	18,839	19,791	21,759
Clinic	3,601	3,781	4,160
Private Outpatient	0	0	0

I. OPERATING PROJECTIONS

1. Revenues (Report in 000's):

Category	2 Most Recent Actual Years Ended (Audited)		Current Year Projection	Projected Years Ending (Through Second Year After Project Completion)			
	2022	2023		2025	2026		
Inpatient Services							
Outpatient Services							
Total Patient Service Revenues							
Allowance for Charity Care							
Contractual Allowances							
Net Patient Service Revenues	141,041	113,741	170,801	187,843	215,951		
Other Operating Revenues	21,657	4,093	4,216	4,342	4,473		
Total Net Operating Revenues	162,698	117,834	175,017	192,185	220,424		

2. Expenses (Report in 000's):

Category	2 Most Recent Actual Years Ended (Audited)		Current Year Projection	Projected Years Ending (Through Second Year After Project Completion)			
		2023		2025	2026		
Salaries, Wages & Professional Fees (Including Contracted Services and Fringe Benefits)	76,665	73,203		87,357	95,701		
Interest:	////////	////////	////////	////////	////////	////////	////////
a. Current Interest	4,569	5,745	5,000	5,000	5,000		
b. Project Interest	0	0	0	0	0		
c. Total Interest	4,569	5,745	5,000	5,000	5,000		
Depreciation:	////////	////////	////////	////////	////////	////////	////////
a. Current Depreciation	8,173	7,927	8,000	8,000	8,000		
b. Project Depreciation	0	0	0	0	0		
c. Total Depreciation	8,173	7,927	8,000	8,000	8,000		
Bad Debt Provision	0	0	0	0	0		
Supplies and Other Expenses	87,650	77,796	79,346	84,669	93,024		
Total Operating Expenses	177,057	164,671	172,118	185,026	201,725		
Net Income From Operation	(14,359)	(46,837)	2,899	7,159	18,699		
Non-Operating Income	0	2,602	0	0	0		
Surplus (or Deficit)	(14,359)	(44,235)	2,899	7,159	18,699		

3. Patient Mix by Sources of Revenue (Report in 000's):

Category	2 Most Recent Actual Years Ended (Audited)		Current Year Projection	Projected Years Ending (Through Second Year After Project Completion)			
	2022	2023		2024	2025	2026	
Medicare	59.0	57.6	57.6	57.6	57.6		
Medicaid	18.5	20.5	20.5	20.5	20.5		
Blue Cross	8.9	9.1	9.1	9.1	9.1		
Commercial Insurance	9.2	9.3	9.3	9.3	9.3		
Self-Pay	4.3	3.5	3.5	3.5	3.5		
Indigent							
Other							
Total Patient Service Revenue	100%	100%	100%	100%	100%	100%	100%

J. PROJECTED STAFFING LEVELS

Provide a list of the type, number of Full-Time Equivalents (FTE's) and estimated annual salary of the personnel required to staff the new or expanded facility and identify the source from which you intend to obtain the required personnel. (Compute FTE based on 2,080 annual hours per employee.)

Personnel Category		Estimated Annual Salary	Number of FTE's	Sources of Personnel	Additional Personnel To Be Hired
Department	Job Title				

K. ACCESS TO SERVICES

1. Was your facility, or a portion thereof, constructed with Hill-Burton funds?  
☐Yes    ☐No
2. Indicate the percentage of uncompensated care provided annually for inpatient and outpatient services:
  - a. Inpatient Mortgage (provide details in D-2)      3.5 %
  - b. Outpatient      3.5 %
3. What is the number of physicians with admitting privileges at your facility?  
592
4. What is the number of physicians with admitting privileges who admit Medicaid patients to your facility?  
44
5. Does your facility require a pre-admission deposit?  
☐Yes    ☐No
  - a. If Yes, explain:  


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6. Clinic Services (Exclude Private Outpatient Visits):

Type	Hours/Days Per Week of Operation	Patient Visits/Week
General Medical		
Surgery		
Cardiac		
Prenatal		
Pediatric		
Psychiatric		
Post-Partum		
Other:		



L. BED AND SERVICE INVENTORIES

1. Bed Inventory:

Bed Complement	Licensed Beds	C/N Approved But Not Licensed Beds	Proposed New Beds	Proposed Decrease in Beds	Total Beds After Project Completion
Medical/Surgical	205				205
ICU/CCU	14				14
Obstetric	10				10
Pediatric	0				0
Psychiatric (All categories)	15				15
Comprehensive Rehabilitation	0				0
Long Term Care	0				0
Other:	0				0

2. Psychiatric Beds by Category:

Bed Category	Existing Beds	Increase	Decrease	Total Beds After Project Completion
Adult Open Acute	15			15
Adult Closed Acute				
Adult Closed Acute				
Adult Intermediate				
Adult Special				
Adult MICA				
Adult Geriatric				
Adult Eating Disorder				
Child and Adolescent Acute				
Child and Adolescent Intermediate				
Undesignated				
Total	15			15

3. Service Inventory:

Cardiac Services	Number Existing	C/N Approved But Not Implemented	Total After Project Completion
Cardiac Diagnostic Services - Catheterization Labs - Adult	2	0	2
Cardiac Diagnostic Services - Catheterization Labs - Pediatric	0	0	0
Cardiac Diagnostic Services - E.P.S. Labs	0	0	0
Cardiac Surgery Operating Rooms	0	0	0

Renal Services	Number of Existing Stations	C/N Approved But Not Implemented	Total After Project Completion
Acute Stations	1	0	1
ESRD Chronic Hemodialysis Stations	14	0	14
Peritoneal Stations	0	0	0
Isolation Stations	0	0	0
Training Stations	0	0	0

Surgical Services	Number of Existing Operating Rooms	C/N Approved But Not Implemented	Total After Project Completion
Dedicated Inpatient Operating Rooms	6	0	6
Dedicated SDS	0	0	0
Mixed Inpatient / SDS	0	0	0
Cardiac	0	0	0

Trauma Services
<input type="checkbox"/> Level I
<input type="checkbox"/> Level II
<input checked="" type="checkbox"/> None

3. Service Inventory, Continued:

Perinatal Services	Existing	Proposed
Regional Perinatal Center - Normal Newborn Bassinets	0	0
Regional Perinatal Center - Intermediate Neonatal Bassinets	0	0
Regional Perinatal Center - Intensive Neonatal Bassinets	0	0
Community Perinatal Center - Birthing Center Bassinets	0	0
Community Perinatal Center - Normal Bassinets	10	10
Community Perinatal Center - Intermediate Bassinets	0	0
Community Perinatal Center - Intensive Bassinets	0	0
Obstetric Bed Categories - LDR	0	0
Obstetric Bed Categories - LDRP	0	0
Obstetric Bed Categories - Post Partum	0	0

M. PROJECT NARRATIVE

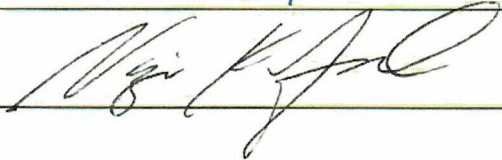
Respond to all statements specified in Section II referenced to the corresponding items in Section II.

N. REQUIRED DOCUMENTS

Submit all required documents specified in Section III referenced to the corresponding items in Section III.

O. ASSURANCES

The applicant gives assurance that the attached statements and tables are complete and correct to the best of the applicant's knowledge and belief.

Name of Responsible Officer <b>NIZAR KIFAIEH, MD</b>	Title <b>CEO</b>
Signature 	Date <b>3/15/2024</b>

# SCHEDULE A

Page \_\_\_\_ of \_\_\_\_ Pages.

Name of Facility				Certificate of Need Number		Date		
Location (Building/Wing/Floor)	Project Description *	Current Problem Code **	Department or Service Areas		Gross Square Feet ***	Construction Cost Breakdown	Total Project Cost	
			Current Use	Proposed Use				
n/a								

\* Identify as New Construction (NEW), Renovation (REN), or Demolition (DEM). Following the identification of Renovations (REN), indicate the associated scope of work as Minor (MIN), Moderate (MOD), or Major (MAJ). (For example, use REN-MIN, REN-MOD, or REN-MAJ.)

\*\* Problem Codes:  
 1 - Life Safety Code Deficiencies (per NFPA 101 Life Safety Code)  
 2 - Undersized/Non-Compliant Area [per current Licensure Standards and AIA Guidelines for Construction and Equipment of Hospital and Medical Facilities (current Edition in effect)]  
 3 - Non-Compliant Functional Design Layout  
 4 - Overall Physical Plant Age Obsolescence  
 5 - Other - Specify  
 6 - Uniform Fire Code, State of New Jersey

\*\*\* For new construction, provide breakdown in terms of proposed Building Gross Square Feet.

**SCHEDULE B**

Identify all licensed health care facilities, both in New Jersey and in any other state, which are owned, operated or managed by the applicant or any corporate entity related to the applicant (e.g., parent or subsidiaries). Identify the complete name of the facility, the city and state in which the facility is located, and the Medicare Provider number. If licensed out-of-state facilities are listed, please submit track record reports, for the preceding 12 months, from the respective state agencies responsible for licensing those facilities. Attach additional sheets as necessary.

**Name and Address of Facility**

**Medicare Provider Number**

Integrated Specialty ASC, LLC

190 Midland Avenue

Saddle Brook, NJ 07663

Not a Medicare provider

SurgiCare of Brooklyn, LLC

313 43rd Street

Brooklyn, NY 11232

Not a Medicare provider

Citimed Surgery Center, LLC

92-12 165th St

Jamaica, NY 11433

Not a Medicare provider

## Binding Term Sheet

### A Confidential and Privileged Settlement Document

CarePoint Health Systems, Inc., a New Jersey not-for-profit corporation, on behalf of itself and its subsidiaries and affiliates ("CarePoint") and Hudson Regional Hospitals, LLC, a New Jersey limited liability company, on behalf of itself and its affiliates ("HRH"), collectively the "Parties," enter into this binding term sheet to memorialize the basic terms and concepts of an alliance to create a four (4) hospital health system (the "System") to serve the needs of Hudson County, NJ and the surrounding area, and to fully and finally resolve the disputes between them (the "Transaction").

1. System. The System will be named Hudson Health System and will comprise (i) Hudson Regional Hospital in Secaucus ("HRHS"), (ii) Bayonne Medical Center in Bayonne ("BMC"), (iii) Christ Hospital in Jersey City ("Christ"), and (iv) Hoboken University Medical Center in Hoboken ("HUMC").

2. Management. A new master services organization will be formed to coordinate patient services and management functions within the four hospital system ("NewMSO") for the improvement of health care in Hudson County. NewMSO will be a New Jersey limited liability company, with both HRH and CarePoint possessing a fifty percent (50%) ownership interest. The management of NewMSO will be conducted under the direction of a board of Managers (the "Board"), with CarePoint and HRH each appointing 2 managers to the Board (each an "Appointed Manager"). The Appointed Managers shall select one (1) independent manager to complete the make-up of the Board.

Ym



Each hospital in the System will pay a fixed dollar management fee to NewMSO for the management services. CarePoint will cause its present management contract with CarePoint Health Management Associates, LLC, a New Jersey limited liability company, to be terminated.

3. Control. Consistent with the ownership of the hospitals, as described hereinafter, the Parties intend that control of NewMSO will be shared equally but that HRHS and BMC will be controlled by HRH and CarePoint will control Christ and HUMC. HRH may operate HRHS and BMC with whatever personnel it chooses and CarePoint will operate Christ and HUMC with whatever personnel it chooses. Yan Moshe will have the title "Executive Chairman" with executive powers and will not be subject to removal. Dr. Moulick will have the title "President and CEO" with executive powers and will not be subject to removal. Neither will be compensated by NewMSO. Mr. Moshe will continue to be compensated by HRH and Dr. Moulick will be compensated by CarePoint. NewMSO shall provide strategic insight and guidance to the System and take on such specific responsibilities as the Parties determine in order for the two components of the System (Secaucus/Bayonne and Hoboken/Jersey City) to operate in a coordinated manner to best serve the health care needs of Hudson County. These responsibilities may include but are not limited to payer contract negotiations, revenue cycle management, physician practice management and Medicaid services as well as system wide advertising and public relations.

4. Bayonne. As part of the settlement of the Delaware lease litigation, on the effective date, CarePoint will cause IJGG Opco LLC d/b/a CarePoint Health - Bayonne Medical Center, a

New Jersey limited liability company ("IJKG Opco"), to transfer all its assets that are pledged to its landlord, including its license to operate BMC, its payer contracts, the McCabe Ambulance contract only to the extent attributable to BMC, Medicare number and union contracts, (by consent of all Parties, or through a consent judgment in the Delaware litigation or other appropriate venue) to a newly formed entity ("Bayonne Newco"), free and clear of any obligations of IJKG Opco. Bayonne Newco will be a for-profit New Jersey entity owned as described in paragraph 5 below. Bayonne Newco shall not be a successor in interest to IJKG Opco, shall not be a transferee of its accounts receivable and shall not be responsible for its debts. With respect to Medicare obligations, HRH will conduct an audit and a holdback will be established for any potential clawback liabilities. IJKG Opco and CarePoint will indemnify HRH and Bayonne Newco for any future Medicare or CARES Act liabilities that were incurred before the effective date. On the effective date, IJKG Opco will terminate and Bayonne Newco will hire those doctors and employees of Bayonne Medical Center based on its assessment of the optimal staffing and subject to whatever arrangements that Bayonne Newco deems appropriate. The Parties intend that any physicians and other medical providers employed by any entity affiliated with the System may work at any hospitals within the System. As of the effective date, Bayonne Newco will assume all prospective employment related liabilities. Any accrued employment liabilities as of the effective date shall remain the obligations of IJKG Opco. On the effective date, Bayonne Newco shall enter into a new lease with the Bayonne Medical Center landlord (which is controlled by HRH), but IJKG Opco will remain obligated on any base rent payments and all of its remaining obligations under the Lease accruing



before the effective date and shall promptly cure any existing base rent default by January 15, 2024. Enforcement of any defaults other than the base rent default, and of a type and nature previously noticed by HRH at the time of execution of the term sheet, will be suspended until the effective date and discharged if the transaction closes. If not cured, any base rent deficiency will be deducted from the cash consideration defined below or deducted from the rent escrow secured by a line of credit, in which case IJKG Opco shall stipulate to a consent order lifting the temporary restraining order against drawing the line of credit. CarePoint and IJKG Opco will be solely responsible for any issues with or claims by Surgicore and CarePoint's secured lenders. CarePoint will purchase tail insurance for IJKG Opco. It is intended by the Parties that all aspects of this settlement will be court approved.

5. Cash Consideration. Upon execution of definitive agreements, Yan Moshe or HRH will deposit into escrow \$1,500,000 and provide a proof of funds for the additional sum of \$13,500,000. The effective date shall be that date agreed to by the Parties not later than 5 business days after court and regulatory approval (including certificate of need approval), after lapse of all applicable appeal periods, of the settlement described in paragraph 4 hereof. On the effective date, HRH shall pay CarePoint or its designee \$15,000,000 inclusive of the amount in escrow. As part of the settlement and in consideration for the payment of \$13,000,000, HRH will own and control 100% of Bayonne Newco. CarePoint will retain a right to receive 20% of distributions made by Bayonne Newco for a period of 5 years from the effective date. Of the remaining sum of \$2,000,000, HRH shall lend \$1,000,000 each to Christ and HUMC which

loans shall be secured by a lien on all of the assets of Christ and HUMC.

6. Branding. The System and NewMSO will operate under the new brand, Hudson Health System, developed jointly by the Parties. All branding strategies, logos, marketing or public relations materials shall be subject to the joint approval of the Parties.

7. Releases and Settlement. On the effective date, each Party and their respective affiliates, successors and assigns, shall irrevocably and fully release, remise, acquit and discharge forever the other Party and its respective affiliates, successors, assigns, directors and representatives from, against and with respect to any claims that may have arose prior to the effective date, including, but not limited to, the Delaware Chancery Court lease litigation, and the non-disparagement litigation against Dr. Kifaieh. Yan Moshe and Dr. Moulick will exchange general releases and cross indemnities. NewMSO will obtain new D & O insurance.

8. Customary Terms. The definitive documentation to execute the proposed Transaction will contain, among other things, customary conditions, representations, covenants, warranties and indemnifications. The Parties agree to negotiate in good faith the definitive agreements and satisfaction or waiver of customary closing conditions and other conditions to be determined through due diligence, including regulatory approvals addressed in paragraph 14 below.

9. Due Diligence. The Parties agree and acknowledge that due to the nature of the Transaction, an extended due diligence period is not practicable. Therefore, upon execution of this Term



Sheet, each Party will commence a reasonable, expedited due diligence and will reasonably cooperate with the other Party in an effort to complete due diligence quickly. In no event shall the due diligence period exceed 30 days from the execution of definitive documents. The definitive documentation shall address any issues raised in due diligence.

10. Residency. The residency and fellowship programs will remain within the four hospital system and will be managed by the current residency director and program directors who will be subject to ongoing review and evaluation by the Parties, with reporting to the management of NewMSO.

11. Real Estate. The Parties have discussed various real estate strategies and agree to work together in good faith to determine a real estate strategy that works best for both of them, including with respect to the option owned by an affiliate of CarePoint on the Jersey City property. HRH has the option and right of first refusal to procure financing in the amount of \$54M, in which case it will fund the Christ entity's exercise of the option to purchase the Jersey City real estate, at which time the parties will form a 50/50 joint venture to hold the real estate and, ultimately, redevelop the site. Similarly, HRH has the exclusive right to negotiate a potential purchase of the Hoboken property.

12. Timing. The Parties intend to make a public announcement with Hudson County public officials not later than January 12, 2024.

13. Costs. CarePoint shall not be responsible for any of HRH's costs and expenses (including legal costs) incurred in connection with this Term Sheet and the proposed Transaction,

regardless of whether the Transaction is consummated. HRH shall not be responsible for any of CarePoint's costs and expenses (including legal costs) incurred in connection with this Term Sheet and the proposed Transaction, regardless of whether the Transaction is consummated.

14. Regulatory Notice and Approval. The Parties will jointly give any required notices and will jointly seek any necessary regulatory approvals (on an expedited basis) required to consummate the proposed Transaction.

15. Sale of Christ or HUMC. On a date 24 months after the effective date, upon HRH's exercise of its exclusive option, CarePoint shall convey to HRH the operating licenses and assets related to Christ (owned by Hudson Hospital Opco, LLC) and to HUMC (owned by HUMC Opco, LLC), based upon the fair market value at the time, determined by averaging two appraisals by national valuation firms selected by NewMSO. After expiration of the 24 month period and if not previously exercised, HRH shall have the continuing right to purchase the same operating licenses and assets, and a right of first refusal, in the same manner as above unless otherwise relinquished. As noted in Paragraph 5 above, consideration in the amount of \$1,000,000 to each of Hudson Hospital, LLC and HUMC Opco, LLC, has been paid for the foregoing options, which shall be reflected through perfection of a security interest over the foregoing assets and licenses. In the event that HRH purchases Christ and HUMC, those two hospitals shall continue to be managed by



NewMSO and the employment contract of Dr. Moulick will continue on its existing terms and his title will remain the same.

16. Binding Effect. The Parties intend that this term sheet shall constitute a binding obligation with respect to the basic terms of the transaction and settlement outlined herein and shall work together in good faith to agree to definitive documents and complete any other necessary conditions (such as regulatory approval) to finalize this deal.

17. Governing Law. This Term Sheet shall be governed by and interpreted under the laws of the State of New Jersey, without giving effect to any choice of law principles.

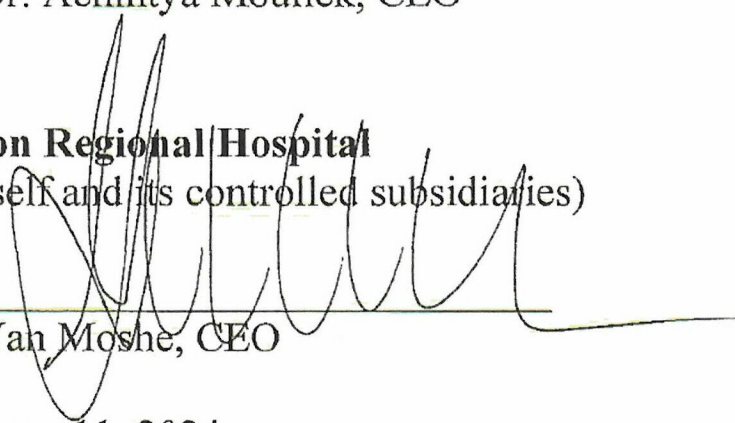
18. Counterparts. This Term Sheet may be executed in multiple counterparts all of which taken together shall constitute one executed original. This Term Sheet may be executed and delivered via facsimile, DocuSign, electronically, or .pdf transmission (which may be used in lieu of the original signature pages for all purposes).

[Remainder of page left blank intentionally]

**CarePoint Health Systems, Inc.**  
(for itself and its controlled subsidiaries)

By: *Achintya Moulick*  
Dr. Achintya Moulick, CEO

**Hudson Regional Hospital**  
(for itself and its controlled subsidiaries)

By:   
Yan Moshe, CEO

Dated: January 11, 2024



**POPULAR®**  
INVESTMENTS

03/14/2024

Yan Moshe  
51 WHEATLEY RD  
OLD WESTBURY NY 11568-1208

Re: Account Verification

Dear Mr. Moshe:

Thank you for contacting Popular Investments and for being a valued customer. This letter will serve as verification that you maintain accounts with Popular Investments and the total relationship balance of these account(s) as of 03/13/2024 is \$14,732,092.99. Should you need any other information, please do not hesitate to reach out to us. We appreciate your business and look forward to continuing to serve you.

Best Regards,

Jose Carlos Da Silva Jr.  
Financial Sales Assistant

Popular Bank  
1979 Ralph Ave  
Brooklyn, NY 11234  
212-417-6787

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