

April 16, 2007

Lawrence S. Fox
Assistant to the President
National Employer Relations
Health Systems Division
SEIU
1313 L Street, NW
Washington, DC 20005

Dear Larry:

This letter is to follow up on my telephone call to you last week, proposing that we meet to discuss options for moving forward. Although I understand you did not feel it was a good time to get together, I thought it was important to share my thoughts about the current situation.

When we entered into the Election Principles Agreement one year ago, I intended that the Hospital would comply fully with the terms to which we had mutually agreed. The Agreement set forth the parameters of the positive campaigns that each of our organizations would run, and we established standards that would govern our conduct leading up to an election on Union representation.

Our internal reviews have shown that we did not meet certain standards established by the Agreement. The most significant mistake concerned voluntary meetings scheduled immediately after business meetings in order to increase attendance at meetings where union organizing could be discussed. As you also know, voluntary meetings were permissible under the Agreement, but as the election neared, managers were encouraged to hold meetings with much greater frequency and with more time devoted to union matters than Hospital business. In December, the Arbitrator ruled that such meetings were not voluntary in nature, they should not have been held on paid time and they were in violation of the Agreement. When I learned in December how the back-to-back meetings were being used, I directed that they be stopped even before the Arbitrator's ruling. Since mid-December, I have been assured no such meetings have been held.

The Hospital made other mistakes during the campaign, and the documents that are being submitted to your counsel will confirm that the Hospital did not abide by certain terms of the Agreement as we should have. Although I don't believe that the executives responsible for implementing the Hospital's campaign set out to violate the Agreement, clearly the Hospital did not run the positive campaign that we had envisioned when we

negotiated the Agreement. As the Chief Executive Officer, I take full responsibility for what happened and would like to offer a constructive framework for moving forward.

We previously have described the actions that the Hospital has taken to correct our mistakes, including assigning a new team to oversee the Hospital's labor relations and contract compliance. I contacted you last week in order to discuss other measures that the Hospital is prepared to take that I believe would fulfill the original intent of the Election Principles Agreement.

The Hospital is prepared to enter into a new code of conduct that would more narrowly define permissible campaign activity. This would include a new Election Principles Agreement for an agreed upon term, incorporating much of the original Agreement as well as the following:

- The Hospital would agree not to hold employee meetings on the topic of unionization. If employees had questions about the Union, they would be answered in a manner agreed to by both parties, be directed to a bulletin board or website or given a list of designated Hospital and Union officials from whom they could obtain information.
- The Hospital would continue to communicate with employees regarding our efforts to create a more positive working environment, but these communications would be consistent with other terms of the code of conduct.
- All written and oral communications regarding the SEIU/1199 organizing effort would be reviewed for accuracy and non-disparagement before dissemination by either party.
- The Hospital would not engage consultants to meet with employees in the proposed bargaining unit.
- The Hospital and Union would implement a speedier "rapid response" mechanism that required any disputes to be resolved within twenty-four hours. We believe that such a mechanism, along with the other measures outlined above, would provide a stronger check and balance to ensure that the campaign would be run consistent with our expectations.

As discussed, I am willing to sit down with you to discuss your thoughts. I also can assure you that in the event we are able to work out an agreement, I will be personally involved in seeing that the Hospital meets its obligations.

Again, I regret that we fell short on our execution of the original Election Principles Agreement. As you know, the only thing that the Hospital has consistently wanted for our employees was the right to vote in an election. The Hospital believes, and I hope on this we would agree, that this right must be exercised in an environment free from intimidation and misinformation. If our employees vote to be represented by SEIU/1199,

then we would negotiate in good faith with the Union as you and I have previously discussed. If the employees vote against the Union, then we wanted the right to move on, free from the Union's corporate campaign against the Hospital. In spite of all that has happened, I believe that still should be our goal.

Please let me know if you would like to discuss the concepts described above to see whether there is any common ground on which to move forward.

Very truly yours,

Marna P. Borgstrom
President and Chief Executive Officer