



FOR IMMEDIATE RELEASE

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Eden Township Healthcare District To Acquire St. Rose Hospital

Eden Township Healthcare District (ETHD) and St. Rose Hospital boards of directors agreed to proceed with ETHD acquiring St. Rose Hospital, which would then become a district hospital. Once both boards voted in favor of the concept, a team of board members and executives met over the last several months discussing details and obtaining legal advice on how the arrangement of the two organizations might succeed.

The organizations staff and legal counsel are working on the details of due diligence, the process of examining the detailed operations and financial circumstances of each organization to ensure that such a merger will not face any major obstacle or legal impediment.

St. Rose Hospital, as part of its planning, came to the conclusion that it needed public support and resources, in order to assure its long-term viability. When this idea was proposed to ETHD, the board of directors supported the concept, recognizing this as a step towards getting back into the hospital business for which ETHD was originally created in 1948. This would also establish its bona fides as a hospital operator, which can make a legitimate case for operating San Leandro Hospital, should Sutter Health agree to such an option.

On becoming a district hospital, St. Rose Hospital becomes eligible for such government subsidies as federal matching funds for inter-governmental transfers, and access to parcel tax revenues, with the approval of voters. (West Contra Costa Healthcare District had such a tax measure passed on November 8, 2011 with 74% of the voters in support.) If the merger is successful, ETHD becomes an operator of a hospital once again.

Prior to taking action on this transaction, the ETHD Board of Directors will hold a public hearing obtain community feedback on this transaction prior to voting definitively on the issue.

Michael Mahoney, President and Chief Executive Officer of St. Rose Hospital states, "We are excited that we have finally reached the point of serious negotiation of the details of such a merger."

Carole Rogers, Board Chair, Eden Township Healthcare District, expressed her pleasure in this deal: "I believe the District's proper role is in owning and operating a hospital which is serving the local community's needs and answerable to the residents of the District rather than to a corporate board in a remote location."

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