



October 31, 2006

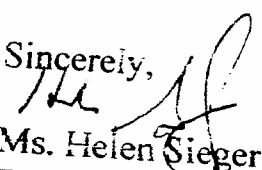
To All Employees of Kingsbridge Heights,

This letter serves to advise that we have conceded on all issues with regard to the Union contract except for the Arbitrator. It is our position that we are entitled to choose from the American Arbitrators Association (AAA) for any arbitrator.

This is the only outstanding issue with regard to signing the contract with 1199.

Kindly demand from the Union their position in writing. Also how they can attempt to force Kingsbridge to accept their choice, Mr. Scheinman.

Sincerely,


Ms. Helen Sieger
Executive Director