



St. Elizabeth Medical Center

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July 11, 2008

Mr. Ronald A. Cuccaro
Citizens to Preserve Our Neighborhood, Inc.
2230 Douglas Crescent
Utica, NY 13501

Re: Conservation Easement

Dear Mr. Cuccaro:

I received your May 30, 2008 letter to Matthew Babcock, COO on the above issue and apologize for the delay in responding to you. I am reviewing the material that came with your letter as well as conducting some additional legal research to answer some of the questions raised by Mr. Babcock.

In the meantime, we think that it is important to outline what we have discussed with the City to date as it applies to 12, 14, 16 and 18 Ballantyne Brae:

1. Due to needs associated with the increased demand for nursing education at the College of Nursing, the square footage in Regina Hall (the College of Nursing Building) devoted exclusively to the College of Nursing must expand. This will require movement into other areas in Regina Hall that operate as administrative support offices for the Medical Center. When that movement occurs, it will be necessary to find other locations with a reasonable nexus to the Medical Center for those offices to move into.
2. The Medical Center is considering its owned properties located at 12, 14, 16 and 18 Ballantyne Brae which are currently zoned residential, as an option to provide the required locations for the administrative support space. It is the Medical Center's desire, as expressed to the City, to seek approval to change the zoning for those four properties so that the administrative support offices can move there. The hours of operation are expected to be primarily Monday through Friday in the 6:00 AM to 7:00 PM time period.
3. Contrary to allegations by some neighbors, the Medical Center does not intend to knock the buildings down and to create one or two larger office type buildings on the 12, 14, 16 and 18 footprints. The Medical Center intends to maintain those four properties as separate buildings with their exteriors as they are, continuing the residential feel to the streetscape. In fact, as you may already know, the Medical Center is planning on putting vinyl siding on 18 Ballantyne Brae and painting the front porch of 16 Ballantyne Brae, regardless of the outcome of any zoning applications. It is expected that the work on 16 and 18 will start this month and our facilities

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crew will fit the work around other projects and the weather, so that the job will be done by September.

4. In an effort to maintain the residential feel and atmosphere to the street, it was the Medical Center's intention, as part of its request to obtain the zoning change for 12, 14, 16 and 18 Ballantyne Brae, to upgrade and improve the street appearance of the properties and have all access to those properties be from the rear (the Medical Center side of the properties). Part of this improvement involved the Medical Center's proposal to remove the driveway access to the properties from Ballantyne Brae and provide driveway access to the back side of the four Ballantyne Brae properties from the Medical Center's North Driveway (the already existing driveway that is on the north side of the Garage and is in or directly adjacent to the Conservation Easement). If the Ballantyne Brae driveways are removed, they would be replaced with grass. This is certainly not a necessary requirement for purposes of the Medical Center's request. However, the Medical Center felt that restricting access to those properties so that traffic did not enter from Ballantyne Brae would be a more desirable proposal for the neighbors. Of course if that is not desirable to the neighbors, and/or the Medical Center is unable to get approval from the holder of the Conservation Easement, then the Medical Center would certainly not pursue such a traffic flow change. In fact, the removal of the existing driveways and creation of new entranceways from the back of the property really just adds costs to the Medical Center where the existing driveways can be used.
5. As a further part of the proposal, the Medical Center hoped to be able to provide parking for those four properties in the rear of the buildings by surfacing land located solely on Ballantyne Brae. The Conservation Easement does not run on any Ballantyne Brae properties, but rather runs only on the Genesee Street property. Therefore, the Conservation Easement should not impact the determination on this part of the proposal.
6. The Medical Center's thoughts as applied to the Conservation Easement were to seek approval for a driveway that would connect the proposed parking area behind 12 and 14 Ballantyne Brae to the Medical Center's North Driveway. Again, this was in an effort to flow staff through the Medical Center property instead of onto Ballantyne Brae as the Medical Center believed, perhaps erroneously, that this would be more desirable to the neighbors. No other parking lot or other construction was considered, advanced or discussed.
7. When the Medical Center discussed our thoughts with the City, they recommended that we meet with Councilman Girruzi to discuss our plans. The Councilman asked us to attend his May neighborhood meeting at Lourdes which happened to be on the same night and time as the previously scheduled Medical Center employee recognition event. The Councilman was advised that St. Elizabeth Medical Center representatives could only attend the neighborhood meeting from 6:00 PM to 6:30 PM due to that prior commitment. He assured us that it would not be a problem. In hindsight, it is clear that this was a problem as it created a perception that the Medical Center was not interested in discussing the issue in detail and addressing complaints/issues. That was certainly not our intent.
8. As of the date of this letter, the Medical Center has filed no applications or paperwork with the City relative to the zoning change. However, we do plan to submit an application requesting that the zoning for 12, 14, 16 and 18 Ballantyne Brae be changed to Planned Development Extraordinary, just like the Medical Center's Genesee Street properties.
9. The Medical Center spoke with the City about its thoughts on the conservation easement area because the Medical Center had not been notified by anyone (until we received your recent

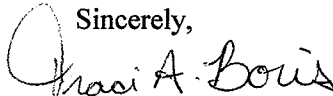
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correspondence) that the Citizens to Preserve Our Neighborhood, Inc. was formed. Therefore, it was the Medical Center's understanding that the City held the easement as provided for in the language of the easement.

As indicated above, the Medical Center is reviewing the material that you provided with your May 30th letter and I am reviewing some additional legal issues in response to questions raised by our COO. After that is completed, either Matthew Babcock or I will contact you.

Thank you again for providing the documents to Mr. Babcock.

Sincerely,



Traci A. Boris
Assistant General Counsel

cc: Sister Johanna
Matthew Babcock, COO
Mayor David Roefaro
Rocco Giruzzi - Councilman
City of Utica Zoning Board of Appeals - c/o City Clerk's Office
City of Utica Planning Board - c/o City Clerk's Office
Members of the City of Utica Common Council - c/o City Clerk's Office
Linda Fatata, Esq. Corporation Counsel