

EPISCOPAL CHURCH HOME AND AFFILIATES, INC.

INNOVATIONS IN CARING SINCE 1858

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www.echa.org www.canterburywoods.org

November 14, 2005

Mr. Ron Reinas General Manager Peace Bridge Authority Buffalo, New York

[VIA FAX]

Dear Mr Remas.

This correspondence is to inform you that the Board of Directors of Episcopal Church Home Residential Facility, Inc. has voted to cease operations at our campus on Rhode Island Street in the city of Buffalo effective immediately. This was an extremely difficult decision for all of us as we have been an integral part of the city and the West Side for almost 150 years.

While we have been under a cloud of uncertainty for some time now regarding plans to build a new bridge crossing to replace the Peace Bridge, our decision to close our skilled nursing facility and related programs on the Rhode Island Street campus is the result of significant and ongoing financial losses primarily because of New York State's Medicaid reimbursement program. We simply are not being reimbursed for the cost of the services we provide to our Medicaid residents and patients.

At this time we are working with the New York State Department of Health as well as other agencies and organizations to safely and expeditiously move our residents from the skilled nursing facility to other such facilities throughout the area. We anticipate this process to take approximately 60 days. I will be in touch with you once this process has been completed.

EMSCOPAL CHURCH HOME OF WESTERN NEW YORK

Licensed Home Care Services Agency

EPTSCOPAL COMMUNITY HOUSING DEVELOPEMENT ORGANIZATION, INC.

St. Paul's Place Canterbury Gardens EPISCOPAL RESIDENTIAL HEALTH CARE FACILITY, INC.

Skilled Nursing Subacute Care

Adult Day Health Care Long Term Home Health Care AIDS Home Care Outpatient Rehabilitation EPISCOPAL COMMUNITY HOUSING INC.

Property Management Affordable Senior Housing St. Mark's Manor Christine Apartments

Manhattan Manor Shaarey Zedek Apartments EPISCOPAL CHURCH HOME and AFFILIATES, INC.

Canterbury Woods

EPISCOPAL COMMUNITY HEALTHCARE, Inc.

Personal Emergency Response System EMSCOPAL CHURCH HOME FOUNDATION of WESTERN NEW YORK, Inc.



In the meantime, if you have any questions please do not hesitate to call me directly. Thanks for your anticipated cooperation regarding this matter.

Sincerely,

Edward C. Weeks resident and CEO