

OKIN, HOLLANDER & DELUCA, L.L.P.

COUNSELLORS AT LAW

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August 4, 2011

Via E-Mail: dzimmer@hobokennj.org

Honorable Dawn Zimmer
Mayor, City of Hoboken 94
Washington Street
Hoboken, NJ 07030

Re: Representation of the City of Hoboken with respect to matters relating to
Hoboken Municipal Hospital Authority and Hudson Healthcare, Inc.

Dear Madam Mayor:

I wish to thank you for your confidence in retaining Okin, Hollander & DeLuca, L.L.P. This letter will confirm our agreement to act as counsel to the City of Hoboken (the "Client"), in connection with matters relating to Hoboken Municipal Hospital Authority ("HMWA") and Hudson Healthcare, Inc. ("HHI") (the "Matter").

We understand that our initial representation has been authorized pursuant to your authority as Mayor to engage a professional firm under emergent circumstances for amounts not to exceed \$17,500.00. We further understand that the emergent circumstance here is the pending filing, by HHI, of a petition under Chapter 11 of the United States Bankruptcy Code which could occur as early as August 1, 2011, a timeframe that does not permit our retention to be submitted to the City Council for its approval. Upon the approval of our engagement by the City Council, this letter will govern the continuation of our engagement as counsel to the City with respect to the Matter.

Our Standard Terms of Representation are attached hereto as Annex A and are incorporated fully in this letter agreement. Please review the Standard Terms of Representation and feel free to contact me if you have any questions.

While I will be the principal lawyer assigned to this engagement, we will staff the Matter in an appropriate manner with attorneys or legal assistants of suitable experience and expertise for the relevant task. We will seek to staff your Matter consistent with our objective of delivering quality legal services on a cost-effective basis. Our charges for representing you on this project will be based on our time charges and costs and expenses

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as described in our Standard Terms of Representation. Our hourly rates for this case are as follows: Partners \$540, Associates \$400, Paralegals \$90. These rates reflect an adjustment of 10% off of our standard hourly charges. As described in Annex A, these rates are subject to periodic adjustment, typically as of January 1st of each year. In the event of a future increase in our standard hourly rates, we will reflect the same percentage adjustment as we applied in arriving at our rates for 2011.

Please note that from time to time we may communicate with you and other representatives of the City through use of cellular telephones or via e-mail. While it is our intention that all such communications will be kept private and confidential, technological limitations preclude us from assuring the confidentiality of such communications. If the confidentiality of our communications is compromised, or if it is deemed that such communications no longer carry a reasonable expectation of privacy, it is possible that attorney-client privilege will be waived. If you do not wish for us to communicate with you via e-mail and/or cellular telephone, please place a check in the space provided on the following page.

We appreciate this opportunity to represent the City. Please confirm the City's agreement to retain us in accordance with this letter by countersigning a copy of this letter in the space provided below and returning a countersigned copy to us. In the interim, unless we hear from you to the contrary, we will proceed on the basis that you are in agreement with the terms of this letter and we will immediately begin to provide services in reliance thereon.

Very truly yours,

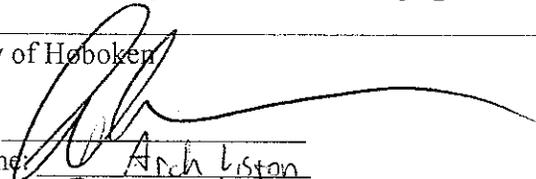
OKIN, HOLLANDER & DeLUCA, L.L.P.

By: /s/ Paul S. Hollander
Paul S. Hollander

PSH:jy

cc: Melissa Longo - via [e-mail-mlongo@hobokennj.org](mailto:mlongo@hobokennj.org)

City of Hoboken

By: 

Name: Arch Liston

Title: Business Administrator

Standard Terms for Providing Legal Services

We have prepared this document to provide you with a statement of the terms and conditions under which we render legal services. These terms will apply to all legal services we may provide on your behalf unless a different or supplemental arrangement is agreed upon and confirmed in writing. We ask that you read this document carefully and retain it for your records. If you have any questions about our standard terms and conditions or about any other aspect of our services, we encourage you to discuss them with the lawyer in charge of your representation.

SCOPE OF OUR SERVICES

Some clients hire us to represent them in connection with a single matter and others engage us to represent them in connection with a variety of matters. In many cases, the scope of our services will be confirmed in a separate letter agreement at the time you retain us. Whether you ask us to handle one matter or many, we will represent your interests to the best of our abilities. In so doing, we will rely upon the facts with which you provide us, and we will apply the law in effect at the time that our services are rendered. You should keep us informed of all changes to your circumstances of which you become aware that may have a bearing on our ability to represent you. At the conclusion of any transaction, case or project that you hire us to assist you with, our representation on that matter will be completed and we will close our files. After we close our files on a matter, you should expect that we will not monitor or advise you of subsequent changes in the law or circumstances that might bear upon or affect your completed matter, since such representation with respect to the effect of subsequent changes is beyond the scope of our engagement with you. If you would like us to advise you on an ongoing basis with respect to a particular matter even after such matter has been completed, we would be pleased to do so; however, such arrangements must be specifically confirmed in writing by us and will involve additional charges to you.

**STAFFING: THE PRINCIPAL LAWYERS IN CHARGE, OTHER LAWYERS,
LEGAL ASSISTANTS**

The principal lawyers you have selected will be in charge of your transaction, case or project. You are free at any time to request that we change the principal lawyers on your case. If such occasion arises that you find it necessary or desirable to change counsel you should feel free to discuss it with any principal of the Firm.

Your principal lawyer in charge will determine the appropriate staffing for your matter and may, from time to time, at his discretion, delegate work to other lawyers in the firm or to legal assistants. When this occurs, it may be intended to take advantage of specialized skills to accomplish your work in a more expeditious or cost efficient manner, or it may be necessary in

response to the amount or type of work involved in handling your matter or the demands of other matters.

Legal assistants are not lawyers but possess training, experience and skills that enable them to assist lawyers in discharging their responsibilities. They may include law clerks, law students, paralegals, research librarians and other technical (non-legal) specialists.

FEES

Standard hourly rates for our lawyers and legal assistants are set by the firm and are reviewed from time to time (at least annually). They may change during the course of matters we are handling for you. If they do change, these changes will be reflected in our charges for your matter. We encourage you to discuss our hourly rates at any time with the principal lawyer in charge of your case. In addition, we consider it the responsibility of each lawyer at our firm to work with you to achieve the desired results on any given matter in the most efficient manner possible. The principal lawyer in charge of your representation is always available to discuss the status of the accrued billing progress on your matters.

Time is recorded in increments of one tenth of an hour, and totaled on a daily basis. The minimum charge for any day on which time is expended on your matters will be one-tenth of an hour.

Our clients sometimes request estimates of fees for legal services. If asked, we will be pleased to give you our best estimate of the legal fees and costs likely to be incurred in providing the services you require. Because of the inherent difficulty of predicting in advance the amount of time a given project will require, these are only estimates and must not be construed as final quotations.

COSTS, EXPENSES AND EXPERT FEES

Our legal fees are compensation for professional legal services. They do not include costs and expenses it may be necessary for us to incur from third parties in connection with your project. Costs and expenses typically include such items as filing fees, long distance telephone calls, messenger and express delivery charges, postage and courier fees, computerized research charges, word processing charges, printing and reproduction costs, overtime costs for staff (other than lawyers), witness fees, facsimile transmission costs, travel expenses and the like. These charges (if any) are intended to cover our direct costs incurred to third parties and related overhead. If we provide any of these services with our own staff (such as messenger or word processing services), our charges will not exceed those that would be billed to you if we used an outside service. Costs and expenses will be billed on a monthly basis in addition to charges for legal services. If appropriate, you may be required to pay expenses directly to third party suppliers (rather than indirectly through us).

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In some instances, it may be necessary for us to engage outside experts, such as lawyers with specialized skills (e.g. intellectual property or environmental experts), accountants or appraisers, to assist us in rendering professional legal services to you. Fees for experts are not included in our legal fees. You will be responsible for paying all experts we retain on your behalf, and you will generally be asked to pay us a retainer for their fees. No outside expert will be retained without your permission.

We incur outside charges as agents for you, and you agree to pay these charges promptly.

RETAINERS

New clients may be asked to make an advance payment of fees and other charges. This advance payment is commonly referred to as a "retainer." Typically, the retainer is equal to the minimum amount that we expect you to incur in fees and other charges or the fees and other charges likely to be incurred during a two-month period, whichever is less.

BILLING ARRANGEMENTS AND PAYMENTS TERMS

Our normal billing cycle both for fees and costs and expenses is one calendar month. You agree to make payment within fifteen days of receiving our statement; otherwise we reserve the right to impose an interest charge of 1% monthly (12% interest annually) on the unpaid balance. If your account becomes delinquent and you do not arrange satisfactory payment terms, we reserve the right to withdraw from our representation and pursue collection of your account and all remedies provided under New Jersey Law; in such case you agree to pay the costs of withdrawal and collection, including court costs and reasonable attorneys' fees.

TERMINATION OF SERVICES

You have the right to terminate our representation at any time. We have the same right, subject to applicable codes of professional responsibility and rules of court. If we decide to terminate our representation, we will give you reasonable notice and assist in the orderly transition of your legal matter to such other counsel as you may select.

Termination of our representation, by you or by us, does not affect your responsibility to pay for legal services or costs and expenses incurred to the date of termination. Upon termination and payment of all outstanding statements, we will return to you any documents, money or property belonging to you that you may have given to us to hold, and we will also deliver to you, or to your new counsel, the files related to your matter (other than our internal notes, work papers and correspondence and billing files, all of which are the property of the firm).

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CONFIDENTIALITY

The professional codes under which we practice require us to preserve the confidences of our clients. That obligation continues after the completion of the project for which we have been retained. It does not prevent us from representing clients whose interests may be adverse to yours in connection with unrelated matters after our representation of you is completed or terminated, so long as we preserve all confidences you entrusted to us during our representation of you.

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