

June 13, 1996

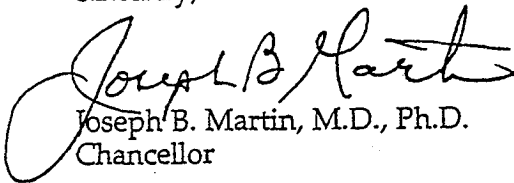
MEMBERS OF THE CAMPUS COMMUNITY

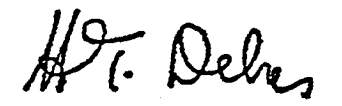
Following the initial announcement of the proposed UCSFMC-Stanford MC merger, undertaken to ensure that both medical centers flourish in today's competitive and dynamic health care market, we have received numerous questions and statements of concern about the impact of the merger on terms and conditions of employment for UCSF employees. We have stated that to give the new entity the best possible opportunity for success it must be established as independent from UCSF and/or Stanford control, with the flexibility to set the initial terms and conditions of employment for its employees. As such, UCSF and Stanford needed to explore carefully whether requirements could be placed on the new entity without jeopardizing its independence as a new employer. Issues raised by both employees and the unions helped us clarify the priority items needing exploration. These issues focused on jobs, salary, length of service, sick and vacation accruals, and benefits.


At this time we are pleased to announce that the University can and will require, as part of its agreement with the new entity, that the new entity offer employment to no fewer than 95% of all UCSF employees directly affected by its assumption of UCSF hospital operations. Additionally, we will continue exploring, over the next few weeks, concerns regarding salary, length of service, sick and vacation accruals, and benefits. We will make further announcements on these matters within the next few weeks. In response to concerns raised by Housestaff, we are pleased to announce that the current relationship between Housestaff and the UCSF School of Medicine will remain unchanged as a result of the formation of the new entity.

Your comments and ideas have been helpful, and we will continue to welcome and consider them.

Sincerely,


Joseph B. Martin, M.D., Ph.D.
Chancellor


Haile T. Debas, M.D.
Dean, School of Medicine


William B. Kerr
Director, Medical Center