



May 18, 2018

Ladies and Gentlemen:

Thank you for the preliminary interest you've expressed in the Berks Heim Nursing and Rehabilitation facility (the "Heim"). In our role as financial advisors to the County of Berks (the "County"), Griffin Financial Group, LLC ("Griffin") and Financial S&Lutions LLC ("FS&L") will serve as the exclusive point of contact for a qualified firm (the "Purchaser") interested in entering into a transaction with the County for the acquisition of the Heim and certain related assets and liabilities (the "Transaction").

The purpose of this letter is to transmit to you (i) the Confidential Information Memorandum ("CIM"); (ii) a summary of the proposed process and related timeline (attached hereto as an Appendix); and (iii) instructions for submitting preliminary, non-binding bids with respect to the Transaction on a timely basis.

Process Timeline

On behalf of the County, Griffin and FS&L intend to solicit preliminary, non-binding bids based on the CIM, access to the County's data room, a preliminary draft Agreement of Sale ("Agreement") for the Transaction (included in the County's data room), discussions with Griffin and FS&L and the bid instructions. Preliminary bids are due by the close of business on Friday, June 22, 2018.

Shortly after receiving the preliminary bids, the County will (i) review the preliminary bids and any supplemental information provided by interested parties; and (ii) invite a select group of prospective Purchasers to attend on-site management presentations, site visits, and conduct other confirmatory due diligence. The weeks of July 2nd, July 9th and July 16th have been tentatively reserved for these management presentations and site visits.

Following management meetings, the County, through Griffin and FS&L, intends to conduct a second round of bids (the final round of bids) with a select group of bidders to be determined by the County. Changes that a potential bidder proposes to make to the proposed draft Agreement will be due for submission with final bids and purchase price proposals on August 31, 2018 (the "Final Bid Date").

Following the submission of the second round bids (the final round of bids) and marked-up Agreements, the County plans on selecting a winning bidder, executing an agreed upon Agreement of Sale and proceeding to a closing following regulatory approval and satisfaction of environmental and other conditions, if any, with a targeted closing date in the first quarter of 2019⁽¹⁾.

All communications or inquiries relating to the Transaction, the CIM or the invitation to bid should be directed to Griffin or FS&L. Any attempt by a firm to contact the County, the Heim or its administration regarding this Transaction prior to the conclusion of the selection process may result in that firm's being eliminated from consideration.

On behalf of the County and the Heim, we thank you for your interest. If you have any questions regarding the foregoing, please feel free to contact us.

Very truly yours,

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***Timeline of Key Transaction Dates attached on the following pages as an Appendix**

- (1) The County is in the process of subdividing the land on which the Heim is located as described in this Information Memorandum. The final plan of subdivision is subject to the approval of Bern Township, which may require modifications to the initial plan submitted by the County; however, the County does not anticipate that any such changes would be material. Closing on the transaction will occur once subdivision approval has been obtained. The County anticipates that such approval will occur in the first quarter of 2019. Please see section 6.30 on page 32 of the CIM for information relating to the subdivision of the Heim.

Timeline of Key Transaction Dates

May 2018						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

June 2018						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

July 2018						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

August 2018						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

Date / Time	Event
Friday, May 18, 2018 – Thursday, June 21, 2018	Due diligence. Process Letter, Bid Instructions and CIM distributed to potential bidders. CIM will contain internal unaudited financial information provided by the County for the fiscal year ending December 31, 2017 and unaudited trailing twelve-month financial statements for the period ended February 28, 2018 provided by CHR. ⁽¹⁾ Access provided to data room (including preliminary draft Agreement of Sale), Heim’s management team, auditors, accountants, tax accountants and lawyers through preliminary bid date; Clarification of financial information, data room material and CIM issues with Bidders by Griffin and FS&L
Friday, May 25, 2018	Unaudited trailing twelve-month financial statements for the period ended March 31, 2018 prepared by CHR sent to bidders
Friday, June 22, 2018	Preliminary, Non-Binding Bids due based on unaudited, internal, unaudited financial information through fiscal year ending December 31, 2017 provided by the County and unaudited trailing twelve-month financial statements for the period ended March 31, 2018 provided by CHR ⁽¹⁾
Monday, July 2, 2018 – Friday, July 20, 2018	Management meetings, site visits, and confirmatory due diligence conducted
Thursday, July 26, 2018	County selects a group of potential counterparties; Sends final bid instructions to the bidders as well as County’s audited financial statements for the fiscal year ended December 31, 2017 and internal, unaudited financial information for the trailing twelve-month period ending May, 31, 2018 prepared by CHR ⁽¹⁾
Monday, July 30, 2018 – Friday, August 24, 2018	County tours select bidders’ current nursing home facilities

(1) “CHR” is Complete Healthcare Resources, Inc., the third party management company of the Heim

Timeline of Key Transaction Dates (continued)

August 2018						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

September 2018						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

October 2018						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

November 2018						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

December						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

Date / Time	Event
Friday, August 10, 2018	County sends bidders internal unaudited financial information and unaudited balance sheet for the trailing twelve-month period ending June 30, 2018 prepared by CHR ⁽¹⁾
Friday, August 31, 2018	Final Bids due based on internal unaudited trailing twelve-month period ending June 30, 2018 financial data and balance sheet prepared by CHR ⁽¹⁾ and marked up Agreement of Sale
Thursday, September 13, 2018	County selects winning bid; Finalizes and executes Agreement of Sale and announces agreement
Thursday, September 13, 2018	\$500,000 payment sent to County by winning bidder to be credited against final purchase price
Friday, September 21, 2018	Documents submitted to State for sale approval
Friday, November 30, 2018	Final sale approval received from State
First Quarter of 2019	Purchase price numbers trued-up based on the internal unaudited trailing twelve-month for the period ending September 28, 2018 financial data and balance sheet; Funds wired ⁽²⁾
60 Days After Closing	The County delivers the Purchaser its final net working capital determination as of the closing date of the Transaction
90 Days After Closing	Purchaser notifies the County if it agrees with the County's final net working capital determination

(1) "CHR" is Complete Healthcare Resources, Inc., the third party management company of the Heim

(2) Closing of the transaction is currently scheduled to occur in the first quarter of 2019. Please see section 6.30 on page 32 of the CIM for information relating to the subdivision of the Heim.