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**Division of Licensing and
Regulatory Services**

NEW HOPE HEALTHCARE SYSTEMS, LLC

**227 North Road
Harwinton, CT 06791**

August 26, 2009

SENT VIA OVERNIGHT DELIVERY

Phyllis Powell, Manager CONU
Department of Health and Human Services
Division of Licensing and Regulatory Services
Certificate of Need Unit
41 Anthony Avenue
State House Station 11
Augusta, ME 04333-0011

**RE: NF Letter of Intent – Proposed acquisition of Caribou Rehab & Nursing
Center and Presque Isle Rehab & Nursing Center**

Dear Ms. Powell:

Consistent with our understanding of the BEAS Certificate of Need ("CON") regulations governing nursing facilities, I am providing you with this Letter of Intent in which we strive to address the elements set forth in § 71.05 of the BEAS Policy Manual. We request a technical assistance meeting as soon as is possible, which we will follow with an application that we hope to complete and file in mid-late September, after you advise regarding filing application elements. For a variety of business and practical reasons, we want to work diligently with you and your staff to complete the CON process during the current calendar year if at all possible.

The proposed CON involves the acquisition of ownership and control of (i) Caribou Rehab & Nursing Center, a 61-bed skilled nursing facility located at 10 Bernadette St., Caribou, ME 04736; and (ii) Presque Isle Rehab & Nursing Center, a 67-bed skilled nursing facility

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located at 162 Academy St., Presque Isle, ME 04769 (with each of the foregoing referred to as a "Facility" and collectively the "Facilities"). Under the proposed transaction, Trinity Health Systems, LLC ("Trinity"), a Delaware Limited Liability Company, or its affiliate or subsidiary designee or assignee, will be acquiring the real estate and related operating assets of the two facilities. The principals of Trinity are, Andrew L. Turner, CEO, and William F. Lasky, President. Following acquisition, each of the facilities will be operated by separate single purpose operating companies, each of which I will be the CEO of and each of which shall be a wholly owned subsidiary of New Hope Healthcare Systems, LLC ("New Hope"), a Delaware Limited Liability Company, of which I am the CEO and sole principal. For ease of reference, I attach CV's for Messers. Turner, Lasky and myself.

Consistent with Section 71.05(A)(2), we request a ruling regarding the applicability of CON requirements to our proposal. We believe CON requirements are applicable as we propose to acquire ownership and control of the two Facilities. The aggregate purchase price is \$8.0 million dollars. It will be allocated between the two facilities and their respective assets in a manner to be set forth in the Purchase and Sale Agreement yet to be finalized. Following consummation of the transaction, we will be entering into an Employment Agreement with Mr. Phil Cyr, the current Administrator of the Caribou Facility and a related party to the principal of both facilities, and anticipate employing Mr. Cyr to continue as area Administrator for the two facilities on behalf of New Hope's subsidiary operating companies.

We are also asking you to consider a simplified review of the proposed transaction to Cyr's ongoing involvement as the area administrator. We further expect to consider employment

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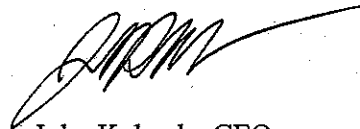
of the vast majority of the employees currently employed at the facilities. We believe the simplified process makes sense here under the authority of Sections 71.05(2) and 71.05(A)(2).

Please also be advised that our local counsel on this matter will be John Doyle at PretiFlaherty. Working with John and us on this matter will be Stephanie Rice of Berry Dunn McNeil & Parker.

John will be following up with you and your staff in the near term to confirm your receipt of this Letter of Intent, and will hope to schedule the technical systems meeting in the near term. We ask that you share with us at that time particular application elements you seek to be addressed in our forthcoming application.

We look forward to working closer with you on this matter.

Sincerely,



John Kolenda, CEO
New Hope Healthcare Systems, LLC

JK/ty

Attachments

Cc: John P. Doyle, Jr.
Stephanie Rice
Andrew L. Turner
William F. Lasky
Steve LaForte