

Ocoee Foundation, Inc.

3555 Keith Street, NW, Suite 101
Cleveland, Tennessee 37312

John J. Sheehan, Jr.
President
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423-618-1488

July 25, 2023

VIA EMAIL (astafford@pyapc.com)

Blount Memorial Transitional Care Center
MorningView Village Senior Community
Blount Memorial Hospital, Inc.
2304 and 2320 East Lamar Alexander Parkway
Maryville, Tennessee 37804

Re: Ocoee Foundation, Inc. proposed acquisition of assets and operations of Blount Memorial Transitional Care Center and MorningView Village Senior Community currently operated in Maryville, Tennessee

Ladies and Gentlemen:

On May 16, 2023, pursuant to your Confidential Information Memorandum dated April 17, 2023 (the "CIM") with regard to Blount Memorial Transitional Care Center (a/k/a Transitional Care Center at MorningView Village) ("TCC") and MorningView Village (a/k/a MorningView Village Senior Community) ("MVV"), Ocoee Foundation, Inc. ("OF") a Tennessee nonprofit corporation, qualified as a 501(c)(3) corporation with the Internal Revenue Service, or one or more newly created subsidiaries or affiliated entities of OF) (collectively "Ocoee"), submitted its Letter of Intent to acquire all real estate, buildings and other improvements (including all furnishings, fixtures and equipment located on such real estate or within any such buildings or improvements), certain other tangible assets utilized in the operations of TCC and MVV, and all tangible and intangible rights regarding TCC and MVV (including the TCC Certificate of Need issued by the Tennessee Health Facilities Commission ("HFC") (previously known as the Tennessee Health Services and Development Agency), the TCC skilled nursing license for 76 beds and the MVV assisted living license for 93 beds) (collectively the "Properties"). Closing will be contingent upon the sale and purchase of all Properties in one transaction. For clarity, the transaction contemplated by this Letter of Intent (the "Transaction") does not include any assets regarding Blount Memorial Hospital, a 304 bed hospital ("BMH") which are not used in the operation of TCC and/or MVV.

The purchase price for MVV will be \$13,000,000 and the purchase price for TCC will be \$9,600,000. In addition, OF would require that the transaction include OF's purchase of Lot 1 (APN 058E A 002.00) for a purchase price of \$150,000. OF would also purchase Lot 2 (APN 058E A 004.02) for a purchase price of \$75,000.

Other basic points of this offer are as follows:

- All accounts receivable of TCC and MVV will remain assets of BMH, and all accounts payable and other liabilities and obligations of TCC and MVV will remain the sole responsibility of BMH.
- The parties agree and acknowledge that it is the intention of OF, through wholly owned subsidiaries, to acquire the Properties subject to no land leases, liens or indebtedness, or other obligations of BMH.

While the final documentation for the Transaction will require approval of both OF and BMH, and their respective counsel, it is anticipated to include the following:

- An Asset Purchase Agreement (the "APA") for the transfer of the real and personal property noted above, with a closing and transfer anticipated by December 1, 2023, or such other date as the parties may mutually determine; provided that the APA shall provide that either party may extend the Closing Date for a reasonable period of time if such party deems such extension necessary in order for the party to comply with any relevant regulatory requirements. OF shall post Earnest Money of \$500,000 with its counsel within two (2) business days of the execution of the APA. The APA shall contain such disclosures, diligence requirements, representations and indemnifications as well as customary limitations thereon, as are typical for a transaction such as the Transaction.
- The APA would set forth a due diligence time-line especially as to third party reports often beyond the control of the parties (title commitment, real estate surveys, environmental studies, physical plant reviews, etc.).
- The APA would have drafts of various closing documents attached as exhibits, including a form of deed, form of bill of sale and assignment and form of Operations Transfer Agreement attached as a closing exhibit (the "OTA"), with provisions as are customary in a nursing home and/or assisted living facility transaction, including a transition of the current employees (at similar wages and benefits as currently provided, and with the assumption by OF of up to \$300,000 in "paid time off" obligations to employees of TCC and/or MVV who transition their employment to the OF subsidiaries which would become the new operators of the facilities), cooperation of the parties as to post-closing matters (including adjustments) during and after transition. Additionally, OF would agree to provide agreed "scholarship care" (at predetermined rates) and up to 365 patient days of "charity care" in the community (both subject to applicable Federal and State regulations and safe harbor provisions).
- BMH will cease any attempts to market or transfer any of the Properties after this letter is signed, while the parties negotiate the APA and proceed to close pursuant to its terms.
- If it is determined that this transaction requires approval of the Tennessee Attorney General OF and its counsel will work promptly with your counsel to provide all information required by the Attorney General.

- The APA would include a provision allowing OF, at its sole cost and expense, to file (after execution of the APA but any time before the Closing Date) a Certificate of Need application with the HFC seeking to add up to 16 additional skilled nursing beds at TCC after the Closing Date of the Transaction, and BMH would provide a letter of support to the HFC regarding the Certificate of Need application.
- The APA would include a provision whereby OF will amend its current Scholarship Agreement with the Community Foundation of Cleveland and Bradley County whereby OF will commit to provide, pursuant to the Ocoee Foundation Scholarship Fund, two (2) college scholarships per year for high school students graduating from any high school in Blount County for as long as Ocoee owns TCC, such scholarship program to exist for not less than ten (10) years and make scholarships to qualifying candidates who desire to pursue a degree in a healthcare-related field, in the amount of at least \$25,000 per student (\$6,250 per year towards the cost of a four-year degree) for each of those ten (10) years).
- The parties shall each be responsible for and bear their respective costs and expenses (including any attorney fees, any advisory and accounting fees, and any broker's fees) incurred in connection with the transaction.
- Closing shall be subject to the respective corporate approvals required for each party.

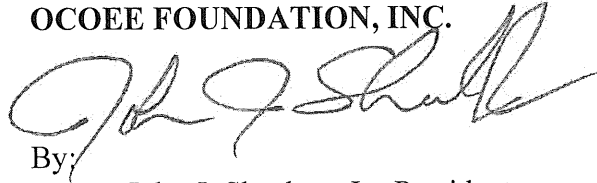
Upon the acceptance by you of this letter, Ocoee will promptly direct its counsel, Bradley Arant Boult Cummings LLP, Nashville, Tennessee ("BABC"), to begin preparation of an initial draft of the APA. Upon execution, such APA will supersede this Letter of Intent ("LOI"). Both parties acknowledge that this LOI reflects our current mutual understanding of the matters described in this LOI, but does not constitute a legally binding obligation of the Parties, with the exception of the "No-Shop" provisions set forth above. By acceptance of this LOI, you specifically acknowledge that each provision of this letter, other than the "No-Shop" provisions, is only a letter of intent, and that all provisions and proposals of this letter are non-binding and are subject to further refinement, negotiation and due diligence. The provisions of this letter, including the "No-Shop" Provisions, will automatically terminate and be of no further force and effect upon the earlier of (a) the execution of the APA by the parties hereto; (b) the mutual agreement of the parties hereto; or (c) thirty (30) days after the date that this letter is executed by the parties hereto.

The leadership team of OF would be delighted to again meet with the appropriate representatives of BMH, TCC and or MVV and its advisors to further discuss our proposal. The primary contact for future communication and correspondence concerning this proposal should be John J. Sheehan, Jr., using the contact information above.

Please have a copy of this revised LOI signed and dated by an authorized representative of BMH in the space provided below to confirm the mutual understandings and agreements set forth in this LOI, and return a signed copy to the undersigned.

Very truly yours,

OCOEE FOUNDATION, INC.




By:

John J. Sheehan, Jr., President

Agreed and Accepted:

BLOUNT MEMORIAL HOSPITAL, INCORPORATED

By: 

Title: CEO

Date: 7/25, 2023