

**RESOLUTION
R2022-186**

A RESOLUTION AUTHORIZING THE CHAIRMAN OF BOARD TO EXECUTIVE A NON-BINDING LETTER OF INTENT WITH SABA HEALTHCARE FOR THE PURCHASE OF THE DEKALB COUNTY REHAB AND NURSING CENTER

Be it resolved by the County Board of the County of DeKalb, Illinois as follows:

WHEREAS, On April 20, 2022, the DeKalb County Board approved Resolution R2022-40, Authorizing the Sale, Transfer, or other Disposition of the DeKalb County Rehab & Nursing Center in Accordance with 55 ILCS 5-21001 of the Illinois Counties Code; and

WHEREAS, Per the previously approved agreement with Marcus & Millichap (Resolution R2022-04), the company has provided brokerage services consistent with the terms of that agreement; and

WHEREAS, Saba Healthcare has submitted a Letter of Intent to Purchase the DeKalb County Rehab & Nursing Center in the amount of \$8,300,000; and

WHEREAS, the parties understand that the letter of intent is non-binding as both parties' work through a due diligence period toward a Definitive Purchase Agreement; and

NOW, THEREFORE, BE IT RESOLVED the DeKalb County Board hereby authorizes the Chairman of the Board to execute the Non-Binding Letter of Intent between the DeKalb County Government and Saba Healthcare.

PASSED THIS 20TH DAY OF JULY 2022 AT SYCAMORE, ILLINOIS

ATTEST:

SIGNED:

Douglas J. Johnson
DeKalb County Clerk

John Frieders, Chairman
DeKalb County Board

Saba Healthcare
3531 Howard Street, Ste 1006
Skokie, IL 60076

June 15, 2022

To: Ray Giannini

Via Electronic email

Re: Purchase of Dekalb County Rehab & Nursing Center

We are pleased to set forth the following primary business terms and conditions under which we are interested in purchasing the business assets relating to the following long term care facility (the "Facility"):

190 skilled bed nursing facility commonly known as "Dekalb County Rehab & Nursing Center" located at 2600 N Annie Glidden Rd, Dekalb, IL 60115

**Purchased
Assets**

All assets, including the real estate (including all outlots), improvements, FF&E and other items of personal property (including without limitation fixtures, equipment, supplies, and inventory) and tangible and intangible assets, relating to the ownership and operation of the Facility, as well as all related medical equipment.

**Purchaser, New
Operator**

An entity shall be formed to purchase the real estate, improvements and other related assets of the Facility (the "Purchaser"). An additional entity shall be formed to lease the Facility from the Purchaser and be the licensed operator of the Facility (the "New Operator").

**Existing
Owner/Seller**

The entity that owns the Property, the Facility, and the Purchased Assets shall be referred to herein as the "Seller." The entity currently holding licensure from the State of Illinois to operate the Facility shall be referred to herein as the "Old Operator".

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Purchase Price

\$8,300,000 (eight million three hundred thousand dollars), exclusive of closing costs. The Purchase Price shall be payable as follows:

- Purchaser shall deliver the Earnest Money (as herein defined) pursuant to the terms and conditions described below.
- The balance of the Purchase Price, subject to prorations and closing costs, shall be paid at Closing.

Earnest Money

Upon execution of the APA, Purchaser shall make a deposit of One Hundred Thousand Dollars (\$100,000) ("Earnest Money") into escrow with the Buyers Attorney and applied to the Purchase Price at the Closing, a portion of which equal to Twenty Thousand Dollars (\$20,000) shall be immediately non-refundable to Purchaser (other than for a Seller default). The balance of the Earnest Money shall become non-refundable upon the expiration of the Due Diligence Period or as otherwise set forth in the APA. The Earnest Money shall be applied to the Purchase Price at the Closing

Due Diligence Period

Purchaser will have a period of sixty (60) days after the execution of the APA (the "Due Diligence Period") to conduct due diligence with respect to the Facility and the Purchased Assets. Purchaser may terminate the APA and this Transaction at any time and for any reason prior to expiration of the Due Diligence Period by giving written notice to Seller.

Asset Purchase Agreement

As referenced above, Purchaser and Seller shall enter into an agreement for the purchase of the Facility and the other purchased assets (the "APA"). The terms of the APA shall incorporate the provisions described herein and shall include such other provisions as mutually agreed by Purchaser and Seller. Purchaser and Seller shall use best efforts to complete negotiations and execute the APA as soon as reasonably practicable.

Operations Transfer Agreement

In addition to the APA, Seller shall cause Old Operator to enter into an Operations Transfer Agreement ("OTA") with New Operator, which shall provide the agreement of Seller and New Operator to cooperate with each other with regard to the transitioning of the operations of the Facility. Old Operator and New Operator shall use best efforts to complete negotiations and execute the OTA as soon as reasonably practicable.

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**Closing
Date**

The closing ("**Closing**") of the transactions contemplated hereunder shall take place on the first day of the month immediately following thirty (30) days after the expiration of the Due Diligence Period.

Exclusivity

After this Letter of Intent has been executed by the parties, Seller agrees to withdraw the Facility from the market and to negotiate from the date hereof in good faith exclusively with Purchaser in order to reach an agreement on the transactions contemplated hereby.

**No
Solicitation**

Seller agrees not to utilize this Letter of Intent to solicit other offers or to modify, renegotiate or otherwise improve the terms and conditions of any other offer heretofore or hereafter received by Seller.

Brokers

Seller agrees to pay full brokers fees, if any, associated with this transaction.

FINAL

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This Letter of Intent summarizes some of the business points relating to the transaction described above, it being understood that other material terms of the proposed transaction are not yet agreed upon and still must be agreed upon to the mutual satisfaction of the parties. Therefore, it is understood that other than the Exclusivity and No Solicitation provisions, (i) no liabilities or obligations are intended to be created by this Letter of Intent or the consent by the parties hereto; (ii) this Letter of Intent is ~~not intended~~ to constitute a legally binding agreement to consummate the transaction contemplated hereby or to enter into a legally binding agreement; and (iii) no ~~binding~~ obligation will be created unless and until a written agreement evidencing ~~such~~ obligation is duly executed and delivered by the parties.

This Letter of Intent supersedes and cancels all prior ~~understandings between the parties~~, if any, and may be executed in two or more counterparts, each of which ~~shall constitute~~ an original, but when taken together all such counterparts shall ~~constitute but one~~ Letter of Intent, and either party may execute this Letter of Intent by ~~executing any one~~ or more of such counterparts.

If the foregoing terms are acceptable, please countersign this Letter of Intent and return a fully executed copy to my attention.

Sincerely,



Buyer: Saba Healthcare

Date: 06-15-2022

Seller: John Frieders
County Board Chairman

Date: _____