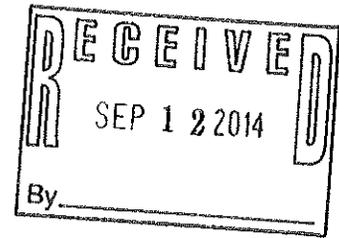


COVENANT
HEALTH
SYSTEMS

Our name is our promise

September 9, 2014



Mr. Kenneth Albert, Director
Division of Licensing and Regulatory Services
Maine Department of Health & Human Services
11 State House Station
Augusta, ME 04333

Mr. Larry Carbonneau
Senior Healthcare Financial Analyst
Health Care Oversight
Division of Licensing and Regulatory Services
Maine Department of Health & Human Services
11 State House Station
Augusta, ME 04333

Dear Mr. Albert and Mr. Carbonneau,

Enclosed is a copy of the current management agreement which Covenant Health Systems has with the Bangor Nursing & Rehabilitation Center, 103 Texas Ave., Bangor, ME 04401. As we have discussed, until very recently, Covenant was unaware of the requirement to have a proposed management agreement reviewed by the Division of Licensing and Regulatory Services prior to its implementation. Covenant has been providing management services since 2013 to BRNC and as we have explained, we have been working closely with and under the direction of the Board of Directors of the facility to oversee the day-to-day operations.

At Mr. Albert's direction, I am therefore submitting Covenant Health Systems' management contract for your formal technical assistance review, and potential approval. Covenant and the Board Leadership are most willing to amend this agreement to respond to any recommendations which you may have. As noted above, Covenant works under the direction of the Board of Directors of the facility (which includes many City of Bangor leaders) and our outlined duties include regular reporting requirements by Covenant to the Board to ensure that Board members are fully informed and able to carry out their fiduciary and licensure responsibilities and oversight of this facility. Given this structure, we do not believe that this relationship amounts to a change of control of the facility.

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Please let us know if you have any additional questions or need a clarification. We appreciate your assistance and look forward to hearing from you regarding this matter. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Susan McDonough". The signature is fluid and cursive, with the first name "Susan" written in a larger, more prominent script than the last name "McDonough".

Susan McDonough
Vice President, Strategy & System Development

cc: Phillip Bennett, NHA
CaroleAnne Dube, Chairperson
Kenneth Ferron, VP Elder Services Operations