

Save

Clear

Resolution Request Form

Attachments

Resolution Info	Resolution Title	Resolution Summary	Approval Info	Notes
Meeting Date	02/22/2012	Submission Date	02/17/2012	
Department	CENTRAL & SHARED SERVICES	Vendor Name	TO BE DETERMINED	
Division	CENTRAL ADMINISTRATION	Initiator Name	TOM GILDERSLEEVE	
Municipality	N/A	Initiator E-Mail	TGILDERSLEEVE@SC.GOV	
Status	ADOPTED	Resolution Number		
		Resolution Package #	988862	
Grant Related	<input type="checkbox"/>	Contract Attached	<input type="checkbox"/>	
Certificate of Funds Attached	<input type="checkbox"/>	Contract Award Form Attached	<input type="checkbox"/>	



988862

**RESOLUTION RE: AWARDING A CONTRACT BASED ON PROPOSALS
RECEIVED THROUGH A FAIR AND OPEN CONTRACTING
PROCESS N.J.S.A. 19:44A-20.3 ET SEQ. FOR PROVIDING
REAL ESTATE BROKER CONSULTANT SERVICES FOR THE
SALE OF THE SUSSEX COUNTY NURSING HOME**

WHEREAS, the County of Sussex is in need of real estate broker service providers to assist in the marketing of the sale of the Sussex County Nursing Home (the Homestead) building, including the certificate of need and adjacent property and necessary easements; and

WHEREAS, the State of New Jersey has permitted the contracting of these services as a professional service through either a fair and open process as per N.J.S.A. 19:44A-20.3 et seq. or a non-fair and open process; and

WHEREAS, this Board of Chosen Freeholders wished to follow the fair and open process to allow the solicitation and receipt of the proposals received to be available to the public; and

WHEREAS, the proposals submitted have been reviewed and the review committee consisting of the County Administrator, County Counsel, and the Purchasing Agent have recommended that a Contract be awarded to Marcus & Millichap, 8750 West Bryn Mawr Avenue, Chicago, IL 60631, with the Contract to run from date of Contract award until termination as per the proposal's technical requirements.

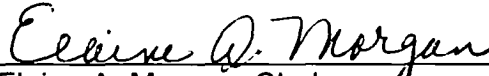
NOW, THEREFORE, BE IT RESOLVED that the Board of Chosen Freeholders of the County of Sussex does hereby authorize the award of a professional services contract to Marcus & Millichap, 8750 West Bryn Mawr Avenue, Chicago, IL 60631 for the services described in the Request for Proposals and the attached proposal; and

BE IT FURTHER RESOLVED that the Director and Clerk of the Board are hereby authorized and directed to execute said Contract; and

BE IT FURTHER RESOLVED that a notice of award of this Agreement shall forthwith be published once in the New Jersey Herald following passage of this Resolution, as required by law; and

BE IT FURTHER RESOLVED that a copy of this Resolution be forwarded to the County Administrator; County Counsel; Marcus & Millichap, 8750 West Bryn Mawr Avenue, Chicago, IL 60631; and the Purchasing Agent.

Certified as a true copy of the Resolution adopted by the Board of Chosen Freeholders on the 22nd day of February, 2012.


Elaine A. Morgan, Clerk
Board of Chosen Freeholders
County of Sussex

RECORD OF VOTE						
FREEHOLDER	AYE	NAY	ABST	ABS	MOVE	SEC
Crabb	✓					
Space	✓					✓
Vohden	✓				✓	
Zeilman		✓				
Zeoli	✓					

ABST - Abstain
MOVE - Resolution Moved

ABS - Absent
SEC - Resolution Seconded

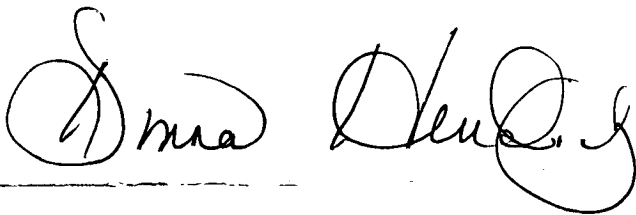
SUSSEX COUNTY BOARD OF CHOSEN
FREEHOLDERS
ONE SPRING ST
1ST FLOOR
NEWTON NJ 07860

Acct Number: 02100045
Ad Number: 00351996
Insertions: 1 Total: \$16.45
Affidavit: \$7.50
Total \$23.95

AFFIDAVIT OF PUBLICATION

NEW JERSEY, SUSSEX COUNTY, ss.

Donna Hendricks, of full age being duly sworn, did depose and say that the notice hereto attached was published in THE NEW JERSEY HERALD and/or NEW JERSEY SUNDAY HERALD a newspaper printed and circulated in said county on 02/27/2012,.



Sworn and subscribed before me this 28th day of February 2012

**NOTICE OF CONTRACT
AWARD**

The Sussex County Board of Chosen Freeholders has awarded a contract without competitive bidding as an "Professional Service" pursuant to N.J.S.A. 40A:11-5 (1)(a)(i). This Resolution and the Agreement acting as the contract authorizing it are available for public inspection in the Office of the Clerk of the Board of Chosen Freeholder of the County of Sussex.

AWARDED TO:
Marcus & Millichap
8750 West Bryn Mawr Ave.
Chicago, IL 60631

SERVICES:
REAL ESTATE BROKER
CONSULTANT SERVICES
FOR THE SALE OF THE
SUSSEX COUNTY NURSING
HOME

TIME PERIOD:
February 22, 2012 to
Completion of the Sale

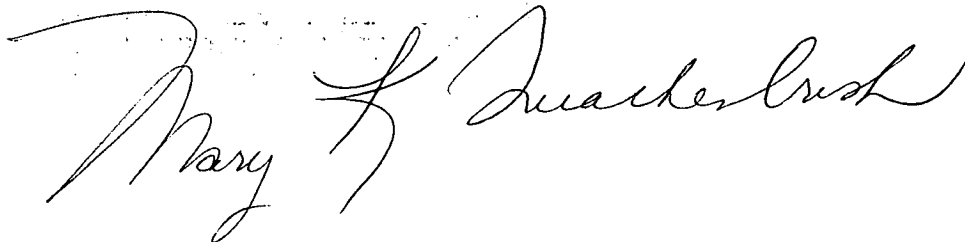
COST: 3% of the sale cost

DATE: February 22, 2012

BY ORDER OF THE
BOARD OF CHOSEN
FREEHOLDERS COUNTY
OF SUSSEX

Elaine A. Morgan, Clerk

Feb. 27, '12 pfs16.45
00351996 NJH



MARY K. QUACKENBUSH
NOTARY PUBLIC OF NEW JERSEY
Commission Expires 04/01/14

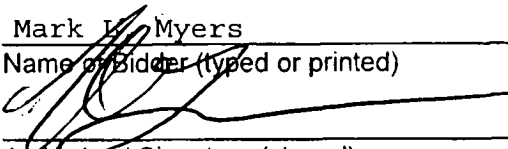
COUNTY OF SUSSEX
BOARD OF CHOSEN FREEHOLDERS
COUNTY ADMINISTRATIVE CENTER
ONE SPRING STREET
NEWTON, NEW JERSEY 07860

SPECIFICATIONS AND PROPOSAL FORM

The County of Sussex is seeking proposals for

PROVIDING REAL ESTATE BROKER CONSULTANT SERVICES
FOR THE SALE OF THE SUSSEX COUNTY NURSING HOME

Proposal forms will not be accepted unless signed by the owner or authorized corporate officer. The undersigned is an individual, a partnership, a corporation (underline appropriate title) under the laws of the State of New Jersey.

Respectfully submitted,	<u>Senior Vice President</u>
	<u>Title of Person Signing</u>
<u>Mark L. Myers</u>	<u>8750 W. Bryn Mawr Suite 650</u>
<u>Name of Bidder (typed or printed)</u>	<u>Address</u>
	<u>Chicago, IL, 60631</u>
<u>Authorized Signature (signed)</u>	<u>City and State Zip Code</u>
<u>2/18/2012</u>	<u>773-867-1470</u>
<u>Date</u>	<u>Telephone Number</u>

SOURCE OF SPECIFICATIONS/PROPOSAL PACKAGES:

Official Sussex County bid/proposal packages are available from Sussex County **ONLY**. All addenda are mailed or faxed to all potential bidder/proposers who obtained the specifications directly from Sussex County. Potential bidders/proposers are cautioned that they are bidding/proposing at their own risk if a third party supplied the bid/proposal package to them. The County of Sussex is not responsible for third party supplied packages.

THIS FORM MUST BE COMPLETED AND SUBMITTED WITH YOUR BID

**SUSSEX COUNTY
CHECKLIST**

AGENCY: Marcus & Millichap Company

Please check each item with an "X" to insure that your application package includes the following:

Affirmative Action Regulations

Original signatures needed for the original proposal

Resolution

Original signatures needed for the original proposal

Corporate Disclosure Statement

Original signatures needed for the original proposal

Non-collusion Affidavit

Original signatures needed for the original proposal

Business Registration Certificate

Copy of Certificate provided with proposal

Signature Pages

INVITATION FOR PROPOSALS

This Request for Proposal is released on Thursday, February 9, 2012.

Please submit an original and three copies (stapled only) of the proposal to the Sussex County Bid Proposal Committee, care of the Clerk of the Board of Chosen Freeholders, County Administrative Center, First Floor, One Spring Street, Newton NJ 07860 no later than 11:00 A.M. on Wednesday, February 22, 2012. The County of Sussex will not be responsible for late or misdirected mail. LATE OR INCOMPLETE PROPOSALS WILL NOT BE ACCEPTED.

The Request for Proposal can be obtained from the County Purchasing Agent by mail or E-mail.

Mr. Thomas Gildersleeve
Purchasing Agent
Sussex County Administrative Center
One Spring Street
Newton, New Jersey 07860
tgildersleeve@sussex.nj.us
(973) 579-0360

All inquiries concerning this proposal must be made in writing. Inquiries must be directed to the County of Sussex:

Mr. Thomas Gildersleeve
Purchasing Agent
Sussex County Administrative Center
One Spring Street
Newton, New Jersey 07860
tgildersleeve@sussex.nj.us

With copies being sent to the agency named in the Technical Requirements (if required)

Responses to inquiries will be in written form in the case of addenda. Clarifications may be verbal or written depending on best method available to communicate the information.

Addendum information relating to the proposal shall be only issued by the Purchasing Agent.

Vendors are prohibited from communicating with any other employee or representative of the County of Sussex or representative of the proposal review process with regard to this proposal application other than those stipulated herein.

SIGNATURE ON PROPOSAL:

To be considered, a proposal must be signed in ink by the vendor. In the submission of a proposal by a corporation, the proposal must be made in the name of the corporation and signed by an executive officer and attested by a secretary of the corporation. If the corporation is the successful vendor, the contract involved must be in the name of the corporation, signed by an executive officer and attested by a secretary of the corporation, with the seal of the corporation affixed thereto.

TAXES:

The County of Sussex is exempt, by statute, from paying manufacturer's excise, federal or sales tax and for that reason; the prices shall not include any tax on the item.

RESOLUTION:

In the submission of a proposal by a corporation, the proposal must be made in the name of the corporation and signed by an executive officer and attested by a secretary of the corporation, with the seal of the corporation affixed thereto, in which the secretary certified to the office held by the officer, signing the same, and that the seal was placed by such executive officer pursuant to the direction of the Board of Directors. (Form is provided in the specification set.)

CORPORATE DISCLOSURE STATEMENT:

In conformance with Chapter 33 of the Public Laws of 1977, every corporation and/or partnership submitting a proposal shall submit a statement setting forth the names and addresses of all stockholders in the corporation or partners in the partnership who own 10% or more of its stock. (Form is provided in the specification set.)

NON-COLLUSION AFFIDAVIT:

Vendor shall submit with the proposal a properly executed non-collusion affidavit, notarized by a Notary Public. (Form is provided in the specification set.)

ASSIGNMENTS:

The vendor shall not assign, transfer, convey, sublet or otherwise dispose of the contract, or his rights, title or interest in or to the same of any part thereof, without consent in writing by the County. If the vendor shall, without previous written consent, assign, transfer, convey, sublet or otherwise dispose of the contract, in whole or in part, or of his right, title or interest therein, the contract may, at the option of the County, be cancelled and terminated.

VENDOR'S INSURANCE:

The Vendor shall procure and maintain:

- A. WORKER'S COMPENSATION AND EMPLOYER'S LIABILITY INSURANCE which shall be maintained in force during the life of this contract by the vendor covering all employees engaged in performance of this contract in accordance with the applicable statute.
- B. GENERAL LIABILITY INSURANCE with limits of not less than \$1,000,000.00 for any one person and \$3,000,000.00 for any one accident for bodily injury and \$1,000,000.00 aggregate for property damage shall be maintained in force during the life of the contract by the vendor. The policy shall include vendor's protective liability insurance (also known as contingent liability insurance) with the same limits. In the event more than one insured is named in the policy, a CROSS LIABILITY endorsement shall be

included which provides that the employees of each of the named insured's are not excluded under the policy as respect to claims that are made against other named insured.

- C. AUTOMOBILE LIABILITY INSURANCE covering the vendor for claims arising from owned, hired and non-owned vehicles with limits of not less than \$1,000,000.00 for any one person and \$1,500,000.00 for any one accident for bodily injury and \$1,000,000.00 each accident for property damage, shall be maintained in force during the life of this contract by the vendor.

CERTIFICATES OF INSURANCE:

Certificates of the required insurance as listed above shall be submitted to the Sussex County Board of Chosen Freeholders before contract documents are signed.

INDEMNIFICATION:

The contract shall provide that the successful vendors shall indemnify and hold the County harmless from any and all claims against the County of whatsoever nature arising from the successful vendor's performance or failure to perform the contract awarded pursuant to these proposals and shall further indemnify and hold the County harmless from any and all loss, damage and expense which the County might incur as a result of said performance or failure to perform including but not limited to attorney's fees and associated costs.

PAY-TO-PLAY:

Notice to all vendors that successful receipt of this contract will require filing of contribution information with the New Jersey Election Law Enforcement Commission if the \$50,000 threshold is reached please see the following statute as it pertains to your responsibility for filing:

N.J.S.A. 19:44A-20.13 3. a. Any business entity making a contribution of money or any other thing of value, including an in-kind contribution, or pledge to make a contribution of any kind to a candidate for or the holder of any public office having ultimate responsibility for the awarding of public contracts, or to a political party committee, legislative leadership committee, political committee or continuing political committee, which has received in any calendar year \$50,000 or more in the aggregate through agreements or contracts with a public entity, shall file an annual disclosure statement with the New Jersey Election Law Enforcement Commission, established pursuant to section 5 of P.L.1973, c.83 (C.19:44A-5), setting forth all such contributions made by the business entity during the 12 months prior to the reporting deadline.

New Statutory Bid Requirements

All government contracting units in New Jersey are now required to comply with the **recently enacted P.L. 2004, c.57**. Starting September 1, 2004 all business organizations that do business with a local contracting agency are required to be registered with the State and provide proof of that registration to the contracting agency before the contracting agency may enter into a contract with the business. Specifically:

"New Jersey Business Registration Requirements"

N.J.S.A. 52:32-44 imposes the following requirements on contractors and all subcontractors that **knowingly** provide goods or perform services for a contractor fulfilling this contract: 1) the contractor shall provide written notice to its subcontractors to submit proof of business registration to the contractor; 2) prior to receipt of final payment from a contracting agency, a contractor must submit to the contracting agency an accurate list of all subcontractors or attest that none was used; 3) during the term of this contract, the contractor and its affiliates shall collect and remit, and shall notify all subcontractors and their affiliates that they must collect and remit to the Director, New Jersey Division of Taxation, the use tax due pursuant to the Sales and Use Tax Act, (N.J.S.A. 54:32B-1 et seq.) on all sales of tangible personal property delivered into this State.

A contractor, subcontractor or supplier who fails to provide proof of business registration or provides false business registration information shall be liable to a penalty of \$25 for each day of violation, not to exceed \$50,000 for each business registration not properly provided or maintained under a contract with a contracting agency. Information on the law and its requirements is available by calling (609) 292-9292

"Proof of registration" means a copy of the organization's "Business Registration Certificate" issued by the Division of Revenue. Samples are included on the next page. No other form can be substituted; it must be one of these forms.

All vendors must submit a copy of their proof of registration with their proposals as provided by Law.

Non-Profit agencies must provide proof of non-profit status to be exempt from submitting the required certificate.

STATE OF NEW JERSEY BUSINESS REGISTRATION CERTIFICATE FOR STATE AGENCY AND CASINO SERVICE CONTRACTORS		DEPARTMENT OF TREASURY DIVISION OF REVENUE PO BOX 212 TRENTON, NJ 08646-0212
TAXPAYER NAME:	TAX REGISTRATION TEST ACCOUNT	TRADE NAME: CLIENT REGISTRATION
TAXPAYER IDENTIFICATION#:	970-097-3821500	SECURITY NUMBER: 010723
ADDRESS:	847 ROEBLING AVE TRENTON NJ 08611	ISSUANCE DATE: 07/14/04
EXPIRES DATE:	01/01/05	<i>J.P. S. Tully</i> TAS Director
<small>NOTE: THIS CERTIFICATE IS NOT VALID UNLESS IT IS REGISTERED AND MUST BE CORRECTLY DISPLAYED AT ALL TIMES.</small>		



**STATE OF NEW JERSEY
BUSINESS REGISTRATION CERTIFICATE**

Taxpayer Name: TAX REG TEST ACCOUNT
 Trade Name:
 Address: 847 ROEBLING AVE
 TRENTON, NJ 08611
 Certificate Number: 1093907
 Date of Issuance: October 14, 2004

For Office Use Only:
 20041014112823533

Individual Taxpayer Identification Number (ITIN)

The Internal Revenue Service requires the County of Sussex to obtain taxpayer identification numbers from vendors receiving payments through a County voucher. Form W-9 is used by persons required to file information returns with the IRS to get the payee's (or other person's) correct name and TIN. For individuals, the TIN is generally a social security number (SSN).

Form <b style="font-size: 1.2em;">W-9 (Rev. January 2011) Department of the Treasury Internal Revenue Service	<h3 style="margin: 0;">Request for Taxpayer Identification Number and Certification</h3>	Give Form to the requester. Do not send to the IRS.																				
Print or type See Specific instructions on page 2.	Name (as shown on your income tax return)																					
	Business name/disregarded entity name, if different from above																					
	Check appropriate box for federal tax classification (required): <input type="checkbox"/> Individual/sole proprietor <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate																					
	<input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶																					
	<input type="checkbox"/> Other (see instructions) ▶																					
Address (number, street, and apt. or suite no.)		Requester's name and address (optional)																				
City, state, and ZIP code																						
List account number(s) here (optional)																						
Part I Taxpayer Identification Number (TIN)																						
Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see <i>How to get a TIN</i> on page 3.																						
		Social security number <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25px; height: 20px;"></td> <td style="width: 25px; height: 20px;"></td> <td style="width: 25px; height: 20px;"></td> <td style="width: 25px; height: 20px;"></td> <td style="width: 25px; height: 20px;"></td> <td style="width: 25px; height: 20px;"></td> <td style="width: 25px; height: 20px;"></td> <td style="width: 25px; height: 20px;"></td> <td style="width: 25px; height: 20px;"></td> <td style="width: 25px; height: 20px;"></td> <td style="width: 25px; height: 20px;"></td> <td style="width: 25px; height: 20px;"></td> <td style="width: 25px; height: 20px;"></td> <td style="width: 25px; height: 20px;"></td> <td style="width: 25px; height: 20px;"></td> <td style="width: 25px; height: 20px;"></td> <td style="width: 25px; height: 20px;"></td> <td style="width: 25px; height: 20px;"></td> <td style="width: 25px; height: 20px;"></td> <td style="width: 25px; height: 20px;"></td> </tr> </table>																				
		Employer identification number <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25px; height: 20px;"></td> <td style="width: 25px; height: 20px;"></td> <td style="width: 25px; height: 20px;"></td> <td style="width: 25px; height: 20px;"></td> <td style="width: 25px; height: 20px;"></td> <td style="width: 25px; height: 20px;"></td> <td style="width: 25px; height: 20px;"></td> <td style="width: 25px; height: 20px;"></td> <td style="width: 25px; height: 20px;"></td> <td style="width: 25px; height: 20px;"></td> <td style="width: 25px; height: 20px;"></td> <td style="width: 25px; height: 20px;"></td> <td style="width: 25px; height: 20px;"></td> <td style="width: 25px; height: 20px;"></td> <td style="width: 25px; height: 20px;"></td> <td style="width: 25px; height: 20px;"></td> <td style="width: 25px; height: 20px;"></td> <td style="width: 25px; height: 20px;"></td> <td style="width: 25px; height: 20px;"></td> <td style="width: 25px; height: 20px;"></td> </tr> </table>																				
Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.																						
Part II Certification																						
Under penalties of perjury, I certify that:																						
1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and																						
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and																						
3. I am a U.S. citizen or other U.S. person (defined below).																						
Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 4.																						
Sign Here	Signature of U.S. person ▶	Date ▶																				

AFFIRMATIVE ACTION P.L. 1975, C. 127 PROCUREMENT AND SERVICE:

MANDATORY EQUAL EMPLOYMENT OPPORTUNITY LANGUAGE

N.J.S.A. 10:5-31 et seq. (P.L. 1975, C. 127)

N.J.A.C. 17:27

GOODS, PROFESSIONAL SERVICE AND GENERAL SERVICE CONTRACTS

EXHIBIT A attached hereto (2 pages)

Technical Requirements

PROVIDING REAL ESTATE BROKER CONSULTANT SERVICES FOR THE SALE OF THE SUSSEX COUNTY NURSING HOME

1. Introduction

This contract is to provide Professional Services for the County of Sussex through a fair and open process in accordance with N.J.S.A. 19:44A-20.4 et seq.

2. Administrative Conditions and Requirements

The following items express the administrative conditions and requirements of this RFP. Together with the other RFP sections, they will apply to the RFP process, the subsequent contract, and project production. Any proposed change, modification, or exception to these conditions and requirements may be the basis for the County of Sussex, hereinafter referred to as owners, to determine the proposal as non-responsive to the RFP and will be a factor in the determination of an award of a contract. The contents of the proposal of the successful respondent, as accepted by the owner, will become part of any contract awarded as a result of this RFP.

2.1 Proposal Submission Information

Submission Date and Time:

Wednesday, February 22, 2012; 11:00 A.M.
One (1) Original and Three (3) Copies must be submitted.

2.2 Scope of Work/General Information

The County of Sussex owns a one-hundred two (102) bed long-term care facility known as the Sussex County Homestead Nursing Home.

The Nursing Home employs approximately one-hundred thirty-three (133) people.

There are three (3) occupied floors at the Nursing Home; there is a fourth floor that is unoccupied. The structure contains areas of encapsulated asbestos (asbestos composition tile and spray-on fire proofing).

The Nursing Home operates on a twenty four (24) hours per day seven (7) days per week basis.

The Nursing Home is a New Jersey Medicaid, Medicare, private pay and commercial insurance funded long-term care facility.

The Nursing Home is located at 129 Morris Turnpike, Frankford Township, New Jersey.

The Nursing Home is situate on a 47acre tract designated as Lot 4 in Block 21 on the Frankford Township Tax Maps.

The sale contemplates the County effectuating a subdivision of the Nursing Home from the main parcel into a lot of approximately five (5) acres.

The proposed transaction may include an option to lease the facility until such time as the subdivision is completed, and then finalize the purchase.

The Nursing home is served by both an individual private well and a shared auxiliary well and a County operated sewage treatment plant. The proposed sale will provide appropriate easements and/or license to prospective Buyer for utilization of same.

The County of Sussex contracted with ParenteBeard to conduct an efficiency/evaluation study of the operations of the Sussex County Nursing Home. The study concluded that there is sufficient expected demand for a one-hundred two (102) bed long-term care facility in Sussex County, but that, due to various causes, the Nursing Home, in the past, was not being managed in a fiscally efficient manner and as a result continues to operate at a deficit.

The Sussex County Board of Chosen Freeholders has therefore determined that in the best interest of the County of Sussex and its taxpayers that an investigation into the market value of the Nursing Home should be made based on the following stipulations:

1. The buyer must be responsible, capable and qualified to assume the ownership of the Nursing Home.
2. The buyer must operate it in a manner to insure that it functions efficiently.
3. The Nursing Home remains accessible to those Sussex County families and residents who require quality long-term care.

The County hereby requests proposals from qualified vendors who possess a comprehensive knowledge of the marketing and sales of government-owned long-term care facilities and the associated bed licenses and who are capable of providing the Real Estate Broker/Consultant Services described and proposed herein.

Respondent shall have a minimum of three (3) continuous years of experience providing the services described herein.

Respondents shall state, in detail, their services and proposed commission rate. Respondents will acknowledge in their proposal submission that their services and commission rate will not exceed the statutory 5% commission rate and that all services provided will be in compliance with N.J.S.A. 40A:12-13 et seq. The proposal will outline the services described and proposed based on the commission rate and statutes. Respondents are hereby notified that the County shall only compensate the successful respondent (consultant) based their proposed commission rate and not exceeding the statute based commission rate. The consultant shall not request and the County shall not approve any other compensation to the consultant including but not limited to airfare fees, lodging fees, meal fees, mileage fees, tolls, postage fees, document reproduction fees, overtime fees, etc.

This RFP does not commit the County to the awarding of a contract to a Successful Respondent.

All costs incurred in connection with responding to this RFP will be borne by the Respondent.

Respondent must demonstrate and document in their proposal submission a comprehensive knowledge of the marketing and sales of government-owned long-term care facilities and bed licenses.

It is expressly agreed by the parties that the consultant is at all times hereunder acting and performing as an independent consultant to coordinate the provision of services within the scope of the authority conferred by this contract and the County.

Respondent shall identify any sub-consultants who may be providing services pursuant to this contract.

Respondent must be knowledgeable of the requirements set forth in N.J.S.A. 40A:12-1 et seq.

The consultant shall comply with all appropriate provisions of applicable law and this contract.

This contract and all of its provisions shall be construed under the laws of the State of New Jersey.

This shall be a one (1) year contract commencing immediately upon full execution of the contract documents.

The County and the consultant agree to enter into a contract and any disclosure documents required by law and as may be modified by the County.

The County and the consultant shall have the right to terminate this contract upon thirty (30) days written notice, return receipt requested, to the other party.

The County may terminate this agreement without prior notice where the County has cause for doing so. "Cause" shall include but not be limited to act(s) or failure(s) to act by the consultant which is clearly immoral, unethical or negligent or not in compliance with the terms and conditions of this agreement.

The County shall award a single contract for the provision of these services.

3. Description of Work/Services/Responsibilities

The County of Sussex hereby requests proposals from qualified Real Estate agencies that are licensed in the State of New Jersey. The successful respondent (consultant) shall provide the following work, services and responsibilities:

Analyze and evaluate all relevant data, financial and otherwise, with respect to the marketability and salability of the Nursing Home and the bed licenses and make timely, written recommendations to the County regarding said marketability/salability.

Review all statutory requirements governing the sale of the Nursing Home and bed licenses and insure that the transaction is completed in full compliance with said statutes.

Undertake and complete all research necessary to establish an opinion of value for the Nursing Home and bed licenses and provide said opinion of value in writing to the County.

Coordinate, cooperate and communicate with legal counsel representing the County.

Meet and/or tele-conference as required with County officials and representatives to develop and establish a marketing/sale strategy, including methods, objectives and timelines for successful completion of the transaction.

Prepare, in coordination with County officials and representatives, the documentation necessary to market the sale of the Nursing Home and bed licenses, including but not limited to the offering memorandum/marketing brochure.

Identify, address and discuss with County officials and representatives, potential labor union-related impacts and considerations, potential employee-related impacts and considerations, potential community-related impacts and considerations, potential regional economic-related impacts and considerations and potential legal impacts and considerations that the sale may have. The Consultant will advise investors of the County's desire to have investors retain existing staff; maintain the level of care and quality; and the requirement that existing residents shall be permitted to continue to reside in the facility for the balance of their lives.

Assist County officials and its legal counsel in the preparation of any documentation required by legal counsel for the completion of the transaction.

Assist County officials and its legal counsel in the development of the criteria that will be used to determine the qualifications of the potential buyers.

Conduct and/or assist the County in conducting the sale/auction.

Provide a written recommendation to the County with respect to the most qualified buyer.

Upon approval by the County, facilitate the transfer of ownership to the intended buyer. This shall include but not be limited to the completion of any and all documentation necessary to document the transaction, the completion of all documentation necessary for the transfer of the property, appurtenances and bed licenses, the filing of any and all documentation with required by the State of New Jersey Department of Health and Senior Services and any and all other agencies having jurisdiction.

Assist County officials and its legal counsel in the full and final close-out of the entire transaction.

Based on the analysis of the Respondent as to the value of the facility and the ability of any successful bidder to meet the objectives of the County as set forth herein, the County may determine not to offer the facility for sale.

4. Qualifications Information and Documentation

Respondent shall provide the following information/documentation with their proposal submission.

Failure by the respondent to provide the following information/documentation with their proposal submission shall cause their proposal to be rejected as non-responsive.

Respondents shall include with their proposal submission a detailed description of the commission rate proposed and that all rates and commissions are in compliance with State of New Jersey statutes (N.J.S.A. 40A:12-13 et seq.).

Respondent shall provide a detailed executive summary of their firm.

Respondent shall provide with their proposal submission a list of all claims filed against them within the past seven (7) years whether they resulted in litigation or not. Respondent shall describe in detail the nature of the allegations made against them. Respondent shall describe in detail the current status of each matter, indicate whether each matter has been resolved or not, and if resolved, provide a detailed description of how the matter was resolved. Respondent shall be required to provide documentation regarding any claim if requested by the County.

Respondent shall address their history, knowledge, experience and qualifications with respect to the marketing and sales of government-owned long-term care facilities and bed licenses.

Respondent shall address their history, knowledge, experience and qualifications with respect to the marketing and sales of government-owned long-term care facilities in the State of New Jersey.

Respondent shall identify and provide the resumes, certifications, licenses, qualifications, experience, etc., for the principals of the firm. Respondent shall indicate if any of the licenses and/or certifications of said principals have ever been revoked in New Jersey or any other state or jurisdiction.

Respondent shall describe with specificity the services the principals would provide in order to meet the performance requirements specified herein.

Respondent shall identify the individual(s) who would be primarily responsible for oversight and management of this project.

Respondent shall submit Real Estate licenses, certifications, resumes, etc., for themselves and for any of their staff who may be providing services to the County as part of this contract. Respondent shall indicate if any of those licenses and/or certifications have ever been suspended or revoked in New Jersey or any other State.

Respondent shall identify any sub-consultants who may be providing services pursuant to this contract. Should the respondent propose to use sub-consultants the respondent shall describe the specific services they would provide and shall further provide the licenses, certifications, resumes, experience and qualifications of said sub-consultants.

Respondent shall address their knowledge, experience and qualifications with respect to analyzing and evaluating relevant data, financial and otherwise, regarding the marketability and salability of long-term care facilities and bed licenses.

Respondent shall address their knowledge, experience and qualifications with respect to identifying and addressing potential labor union-related impacts and considerations, potential employee-related impacts and considerations, potential community-related impacts and considerations, potential regional economic-related impacts and considerations and potential legal impacts and considerations that the sale may have.

Respondent shall address their knowledge, experience and qualifications with respect to statutory requirements governing the sale of long-term facilities and bed licenses including but not limited to N.J.S.A. 40:12-1 et seq.

Respondent shall address their knowledge, experience and qualifications with respect to undertaking and completing research necessary to establish an opinion of value for long-term care facilities and bed licenses.

Respondent shall address their knowledge, experience and qualifications with respect to cooperating and communicating and coordinating activities with legal representatives of the seller.

Respondent shall address their knowledge, experience and qualifications with respect to developing and establishing marketing/sales strategies, methods, objectives, timelines and milestones for successful marketing and sales of long-term care facilities.

Respondent shall include with their proposal submission a copy of an offering memorandum/marketing brochure for a long-term care facility that they used that resulted in a successfully closed transaction.

Respondent shall describe with specificity the marketing/sales strategies, methods and objectives they propose to develop and utilize for the sale of the Sussex County Nursing Home.

Respondent shall describe with specificity the timelines and milestones they propose to establish for the sale of the Sussex County Nursing Home based on a sale date on or about August 1, 2012.

Respondent shall address their knowledge, experience and qualifications with respect to preparing the documentation necessary to market the sale of long-term care facilities and bed licenses.

Respondent shall address their knowledge, experience and qualifications with respect to assisting in the preparation of documentation required for the completion of sales of long-term care facilities and bed licenses.

Respondent shall address their knowledge, experience and qualifications with respect to the development of the criteria used to determine the qualifications of potential buyers for long-term care facilities.

Respondent shall address their knowledge, experience and qualifications with respect to conducting and/or assisting in conducting the sale/auction of long-term care facilities and bed licenses.

Respondent shall address their knowledge, experience and qualifications with respect to facilitating the transfer of ownership of government-owned long-term care facilities and bed licenses to private and non-profit firms including the completion of any and all documentation necessary to document the transaction and the completion of all documentation necessary for the transfer of real/personal property, appurtenances and bed licenses.

Respondent shall address their knowledge, experience and qualifications with respect to the filing of documentation required by the State of New Jersey Department of Health and Senior Services for the sale of long-term care facilities and/or bed licenses/certificate of need.

Respondent shall address their knowledge, experience and qualifications with respect to dealing with the State of New Jersey Department of Health and Senior Services for the sale of long-term care facilities and bed licenses.

Respondent shall provide the name of the government agency, address, contact name and contact telephone number of three (3) government agencies similar in size to Sussex County where they provide or have provided the services described and proposed herein. The County of Sussex would prefer that at least one (1) of the references be a government agency located in the State of New Jersey.

Respondent shall describe their knowledge and experience, and that of their staff, in providing the services described and proposed herein to government entities in the State of New Jersey.

Respondent shall address the requirement that their firm has a minimum of three (3) continuous years of experience providing the services described herein.

Respondent shall provide the location of their office(s) that would be serving the County for this contract.

Respondent shall describe the resources of their office, including details of support staff that would be supporting this contract.

Respondent shall describe with specificity any and all services/responsibilities they will not provide and/or assume with respect to carrying out the terms and conditions set forth herein if awarded a contract.

Respondent shall describe with specificity and an all services/responsibilities not listed herein that they propose to provide and/or assume with respect to carrying out the terms and conditions set forth herein if awarded a contract.

Respondent may describe any value added services that may not have been addressed in this Request for Proposals that they feel should be considered by the officials evaluating their proposal submission.

5. Evaluation, Review and Selection Process

5.1 Proposals to Remain Subject to Acceptance

RFP responses shall remain open for a period of sixty (60) calendar days from the stated submittal date. The owner will either award the Contract within the applicable time period or reject all proposals. The owner may extend the decision to award or reject all proposals beyond the sixty (60) calendar days when the proposals of any respondents who consent thereto may, at the request of the owner, be held for consideration for such longer period as may be agreed.

5.2 Rejection of Proposals

The owner reserves the right to reject any or all proposals, or to reject any proposals if the evidence submitted by, or investigation of such respondent fails to satisfy the owner that such respondent is properly qualified to carry out the obligations of the RFP and to complete the work contemplated therein. The owner reserves the right to waive any minor informality in the RFP. This RFP does not commit the County to the awarding of a contract to a Successful Respondent.

5.3 Evaluation Process

An evaluation team will review all proposals to determine if they satisfy the Proposal Requirements, determine if a proposal should be rejected and evaluate the proposals based upon the Evaluation Criteria. The highest-ranking respondent will then be recommended to the governing body for award of contract, based on price and other factors.

5.4 Evaluation Criteria

The County will evaluate all proposals received and award points for each of the below listed categories.

The successful respondent will be notified of the award of contract upon a favorable decision by the governing body at which time the respondent shall be required to execute a Sussex County contract.

5.4.1 Qualifications/Experience – 35 points maximum

Qualifications and experience shall be evaluated and scored with respect to 1) the ability to provide the services, work and responsibilities delineated in Section 3, Description of Services/Work/Responsibilities; 2) services and responsibilities not delineated in Section 3, Description of Services/Work/Responsibilities, that, if awarded a contract, would be provided; 3) the executive summary of their firm; 4) legal claims filed against them within the past seven (7) years; 5) the history, knowledge, experience and qualifications of the firm with respect to the marketing and sales of government-owned long-term care facilities and bed licenses; 6) the history, knowledge, experience and qualifications of the firm with respect to the marketing and sales of government-owned long term care facilities in the State of New Jersey; 7) the resumes, certifications, licenses, qualifications and experience of the principals of the firm; 8) the services the principals would provide; 9) the

qualifications and experience of the individual(s) who would be primarily responsible for oversight and management of the project; 10) the licenses, certifications and resumes for the staff who would be providing services as part of this contract; 11) whether sub-consultants would be used and if they would be used the quality of their experience and knowledge; 12) the knowledge, experience and qualifications of the firm with respect to analyzing and evaluating relevant data, financial and otherwise, regarding the marketability and salability of long term care facilities and bed licenses; 13) the knowledge, experience and qualifications of the firm with respect to identifying and addressing potential labor union-related impacts and considerations, potential employee-related impacts and considerations, potential community-related impacts and considerations, potential regional economic-related impacts and considerations and potential legal impacts and considerations that the sale may have; 14) the knowledge, experience and qualifications of the firm with respect to statutory requirements governing the sale of long-term facilities and bed licenses; 15) the knowledge, experience and qualifications of the firm with respect to establishing an opinion of value for long-term care facilities and bed licenses; 16) the knowledge, experience and qualifications of the firm with respect to coordinating, cooperating and communicating with legal representatives of the seller; 17) the knowledge, experience and qualifications of the firm with respect to developing and establishing marketing/sales strategies, methods, objectives, timelines and milestones for successful marketing and sales of long-term care facilities; 18) the overall quality and depth of the firm; 19) the number of years (minimum of three (3) years) the firm has been providing similar services; 20) the quality and relevance of the references provided and 21) the knowledge and experience of the firm in providing the services described and proposed herein to government entities in the State of New Jersey.

5.4.2 Understanding Scope of Services/Innovation – 35 points maximum

Understanding the scope of services and innovation shall be evaluated and scored with respect to 1) the marketing/sales strategies, methods and objectives the respondent proposes to develop and utilize for the sale of the Nursing Home; 2) the timelines and milestones the respondent proposes to establish for the sale of the Nursing Home; 3) the knowledge, experience and qualifications of the firm with respect to preparing the documentation necessary to market the sale of long term care facilities and bed licenses; 4) the knowledge, experience and qualifications of the firm with respect to assisting in the preparation of documentation required for the completion of sales of long term care facilities and bed licenses; 5) the knowledge, experience and qualifications of the firm with respect to the development of the criteria used to determine the qualifications of potential buyers; 6) the knowledge, experience and qualifications of the firm with respect to conducting and/or assisting in conducting the sale/auction of long term care facilities and bed licenses; 7) the knowledge, experience and qualifications of the firm with respect to facilitating the transfer of ownership of government-owned long term care facilities and bed licenses to private firms; 8) the knowledge, experience and qualifications of the firm with respect to the filing of documentation required by the State of New Jersey Department of Health and Senior Services; 9) the knowledge, experience and qualifications with respect to dealing with the State of New Jersey Department of Health and Senior Services; 10) the location of their office(s) that would be serving the County for this contract; 11) the resources of the firms office(s), including details of support staff that would be supporting this contract; 12) the quality and detail of the sample memorandum/marketing brochure and 13) value added services that may not have been addressed in this Request for Proposals that the respondent feels should be considered by the officials evaluating their proposal submission.

5.4.3 Fees and Financial Considerations – 30 points maximum

This shall be based on the commission rate structure submitted herein by the respondent in compliance with the statutory commission rate as set forth in N.J.S.A. 40A:12-1 et seq.

5.4.4 Term of Contract

This shall be a one (1) year contract commencing immediately upon full execution of the contract documents.

The County and the consultant agree to enter into a contract and Disclosure Documents as required by law and as may be modified by the County.

5.5 Notice of Award

The successful respondent will be notified of the award of contract upon a favorable decision by the governing body at which time the respondent shall be required to execute a Sussex County contract.

PROPOSAL DOCUMENT

TO THE SUSSEX COUNTY BOARD OF CHOSEN FREEHOLDERS:

The undersigned declares that he/she has read the Notice, Instructions, Affidavits and Scope of Services attached, that he/she has determined the conditions affecting the proposal and agrees, if this proposal is accepted, to provide the materials and services described herein, and for the fee(s) submitted herein for the following:

Name of Service: **PROVIDING REAL ESTATE BROKER/CONSULTANT SERVICES FOR THE SALE OF THE SUSSEX COUNTY NURSING HOME.**

Have you included with your proposal submission all of the information and documentation listed in the Qualifications Information and Documentation, Section 4? Yes X No _____. If no, your proposal may be rejected as non-responsive.

END OF TECHNICAL PROPOSAL REQUIREMENTS

REQUEST FOR REFERENCE FORM

List three (3) government agencies presently or previously contracted to whom you provide or have provided the services specified herein. The County prefers that at least one (1) reference be from a government agency located in the State of New Jersey.

1. Name of Entity Pima County, AZ
Address 130 West Congress Street, 10th Floor, Tucson, AZ, 85701
Contact Name Neil Konigsberg (Legal Representation)
Daytime Telephone 520-740-5750 Email NEILKONIGSBERG@PCAO.PIMA.GOV

2. Name of Entity Salem County
Address 94 Market Street, Salem County, NJ 08079
Contact Name Michael Burke (Chairman of Commissioners)
Daytime Telephone 856-279-2182 Email MBURKE@WESTJERSEYTITLE.COM

3. Name of Entity Carbon County
Address 2 Hazard Sq., Jim Thorpe, PA 18229
Contact Name William J. Gurek (Chairman of Commissioners)
Daytime Telephone 570-325-3611 Email cccommis@PTD.NET

Failure by the respondent to complete and return this form with their proposal submission shall be cause for their proposal to be rejected as non-responsive

Supplemental Terms and Conditions

1. ~~The term of the contract shall be from the first of the month following date of contract signing for a period of twelve months. The County reserves the right to extend the contract for one additional and consecutive one year period.~~
2. The contract awarded to the Vendor may be terminated by either the County or Vendor upon thirty (30) days written notice.
3. ~~Either the County or the vendor may terminate the contract at of the end of the first year by notice in writing, by registered or certified mail or hand delivery to the Office of Purchasing or the provider. Notice via U.S. Mail must be postmarked on or before thirty (30) days prior to the expiration of the first term.~~
4. Vendor will continue under the same terms and conditions as herein provided until the conclusion of the contract.

5. Reservations

The County of Sussex reserves the right to reject any and all proposals and any part thereof and to waive any formalities, informalities, irregularities and errors in the proposals.

6. Interviews

County of Sussex reserves the right to require a vendor to explain and/or clarify a proposal to the Selection Committee.

7. Requirements

By submitting a proposal, the vendor represents that he has familiarized himself with the requirements of the work to be performed and understands the intent of the contract documents. All items which are necessary in order to provide a complete services as required shall be furnished by the successful vendor at the rate specified herein. Vendors are cautioned to fill in all information as requested on the proposal forms to serve as a basis for making the award.

8. Default of Contractor

The Board shall have the right in event of unsatisfactory work or services, including but not limited to, unsatisfactory or late deliveries, improper records, faulty packaging, improper billing, etc., to terminate the contract at the expiration of thirty (30) days written notice to the contractor. At the expiration of said notice, the County may at its option proceed to enter into a contract for the performance thereof from another contractor.

Where the County proceeds to enter into contract for the performance by a substitute contractor, the County shall deduct the cost thereof from the payments due to or grown due and the contractor shall be liable for such deficiency. If the County shall declare the said contract in default, in the whole or in any particular, such declaration of default shall in no way relieve or affect the liability of the contractor and his surety for breach of any of the covenants and conditions of said contract.

The Vendor may not assign, transfer, convey or otherwise dispose to the responsibilities hereunder without the express written consent of the County, unless to an affiliated Vendor company.

9. Transitional Period

In the event the services are terminated either by the contract expiration or by voluntary termination, it shall be incumbent upon the contractor to continue the service under the terms and conditions of this contract until new services are fully operational.

Any additional comments, pertaining to this proposal, that may assist the committee in their decision, may be attached. Any value added components to the proposal will be evaluated during the review process.

AFFIRMATIVE ACTION REGULATIONS

ALL FIRMS MUST SUBMIT AFFIRMATIVE ACTION EVIDENCE. Stipulate below if such evidence shall be in the form of a Federal Certificate of Approval, N.J. Affirmative Action Certificate of Approval or an Affirmative Action Employee Information Report (Form AA302). If Form AA302 is to be used, then it must be completed and returned to the Board of Chosen Freeholders within seven (7) days after receipt of notification of intent to award contract or receipt of contract. An affirmative action plan approved by the Federal Government or the N.J. Affirmative Action Office is an acceptable alternate. In the space provided below indicate whether your firm has met any of the requirements listed above. Indicate the number of the N.J. Affirmative Action Certificate of approval in the space provided.

INDICATE IN THE APPLICABLE BOXES BELOW WHETHER YOU HAVE MET ANY CRITERIA FOR COMPLIANCE WITH THE NEW JERSEY AFFIRMATIVE ACTION REGULATIONS.

_____ A Federal Certificate of Approval has been received (Proof of this will be required at time of award).

_____ A N.J. Affirmative Action Certificate of Approval has been received (Proof of this will be required at time of award).

 X Intend to complete the Affirmative Action Information Report form AA302.

I certify that the above information is correct to the best of my knowledge.

Firm Name Mark Myers Marcus & Millichap Inc of Chicago, IL

Signature 

Title Senior Vice President Investments, Senior Director

Date 2/17/2012

THIS FORM MUST BE COMPLETED AND SUBMITTED WITH YOUR PROPOSAL

State of New Jersey
Division of Public Contracts Equal Employment Opportunity Compliance
EMPLOYEE INFORMATION REPORT

IMPORTANT- READ INSTRUCTIONS ON BACK OF FORM CAREFULLY BEFORE COMPLETING FORM. TYPE OR PRINT IN SHARP BALLPOINT PEN. FAILURE TO PROPERLY COMPLETE THE ENTIRE FORM AND SUBMIT THE REQUIRED \$150.00 FEE MAY DELAY ISSUANCE OF YOUR CERTIFICATE. DO NOT SUBMIT EEO-1 REPORT FOR SECTION B, ITEM 11.

SECTION A - COMPANY IDENTIFICATION

1. FID. NO. OR SOCIAL SECURITY 94 2372547		2. TYPE OF BUSINESS <input type="checkbox"/> 1. MFG <input checked="" type="checkbox"/> 2. SERVICE <input type="checkbox"/> 3. WHOLESALE <input type="checkbox"/> 4. RETAIL <input type="checkbox"/> 5. OTHER			3. TOTAL NO. OF EMPLOYEES IN THE ENTIRE COMPANY. 322	
4. COMPANY NAME Marcus & Millichap Real Estate Investment Services of New Jersey						
5. STREET River Drive Center 3, 611 River Drive, 4th Floor		CITY Elmwood Park		COUNTY Bergen	STATE NJ	ZIP CODE 07407
6. NAME OF PARENT OR AFFILIATED COMPANY (IF NONE, SO INDICATE) Marcus & Millichap Real Estate Investment Services Inc				CITY Palo Alto	STATE CA	ZIP CODE 94304
7. CHECK ONE: IS THE COMPANY: <input type="checkbox"/> SINGLE-ESTABLISHMENT EMPLOYER <input checked="" type="checkbox"/> MULTI-ESTABLISHMENT EMPLOYER						
8. IF MULTI-ESTABLISHMENT EMPLOYER, STATE THE NUMBER OF ESTABLISHMENTS IN NJ 1						
9. TOTAL NUMBER OF EMPLOYEES AT ESTABLISHMENT WHICH HAS BEEN AWARDED THE CONTRACT 9						
10. PUBLIC AGENCY AWARDDING CONTRACT County of Sussex Board of Chosen Freeholders		CITY Newton		COUNTY Sussex	STATE NJ	ZIP CODE 07860
Official Use Only		DATE RECEIVED	INAUG DATE	ASSIGNED CERTIFICATION NUMBER		


SECTION B - EMPLOYMENT DATA

11. Report all permanent, temporary and part-time employees ON YOUR OWN PAYROLL. Enter the appropriate figures on all lines and in all columns. Where there are no employees in a particular category, enter a zero. Include ALL employees, not just those in minority/non-minority categories, in columns 1, 2, & 3. DO NOT SUBMIT AN EEO-1 REPORT.

JOB Categories	All Employees		PERMANENT MINORITY/NON-MINORITY EMPLOYEE BREAKDOWN												
	Total (Cols. 2 & 3)	COL. 2 MALE	COL. 3 FEMALE	***** MALE *****					***** FEMALE *****						
				Black	Hispanic	Amer. Indian	Asian	Non Min	Black	Hispanic	Amer. Indian	Asian	Non Min		
Officials/Managers	2	1	1							1	1				
Professionals															
Technicians															
Sales Workers	4	4													4
Office & Clerical Craftworkers (Skilled)	3		3												3
Operatives (Semi-Skilled)															
Laborers (Unskilled)															
Service Workers															
Total															
Total employment from previous Report (if any)															
Temporary & Part-time Employees	The data below shall NOT be included in the figures for the appropriate categories above.														

12. HOW WAS INFORMATION AS TO RACE OR ETHNIC GROUP IN SECTION B OBTAINED? Payroll Data	14. IS THIS THE FIRST Employee Information Report Submitted? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	15. IF NO, DATE LAST REPORT SUBMITTED
13. DATES OF PAYROLL PERIOD USED FROM: 2/1/2012 TO: 2/15/2012		

SECTION C - SIGNATURE AND IDENTIFICATION

16. NAME OF PERSON COMPLETING FORM (Print or Type) MICHAEL J PASANO		SIGNATURE 		TITLE MANAGER	DATE 2/16/2012
17. ADDRESS NO. & STREET 611 River Drive, 4th Floor		CITY Elmwood Park	COUNTY Bergen	STATE NJ	ZIP CODE 07407
PHONE, AREA CODE, NO. (201) 582-1000					

I certify that the information on this form is true and correct



RESOLUTION

Be it resolved, that the following named officers:

Mack L. Myers

be and are hereby authorized and empowered to sign and submit to the County of Sussex the attached proposal and further that said officers are authorized to execute the contract or any other agreement or bond or statement necessary for the fulfillment of obligations incurred by the acceptance of the proposal by the County of Sussex.

CERTIFICATION

I hereby certify that the above constitutes a true copy of a resolution passed and approved by the Board of Directors at a meeting held on 2/18/12.



Secretary

(Corporate Seal)

THIS FORM MUST BE COMPLETED AND SUBMITTED WITH PROPOSAL

CORPORATE DISCLOSURE STATEMENT

N.J.S.A. 52:25-24.2 specifically provides that:

"no corporation or partnership shall be awarded any contract by the State, county, municipality or school district, or any subsidiary or agency thereof, unless prior to the receipt of the bid of the corporation or partnership, there is submitted to the public contracting unit a statement setting forth the names and address of all individuals who own 10% or more of the stock or interest in the corporation or partnership." (In 2002 Local Finance Notice AU2002-3 the Attorney General advises that N.J.S.A. 52:25-24.2 "in referring to corporations and partnerships, are intended to apply to all forms of corporations and partnerships, including limited partnerships, limited liability corporations, limited liability partnerships, and Subchapter S corporations.

If a corporation owns all or part of the stock of the corporation or partnership submitting the bid, then the statement shall include a list of the stockholders who own 10% or more of the stock of any class of that corporation.

BIDDER MUST COMPLETE ONE OF THE FOLLOWING STATEMENTS:

I. Stockholders or partners owning 10% or more of the company submitting bid:

NAME ADDRESS

Marcus & Millichap Company (95%) 777 California Ave, Palo Alto, CA 94304

Signature

II. No stockholder or partner owns 10% or more of the company submitting bid:

Signature

III. Bid is being submitted by an individual who operates as a sole proprietorship:

Signature

CERTIFICATION:

I hereby certify that the forgoing information is correct and that I will notify the County of Sussex within ten days of any changes.

Signature

THIS FORM MUST BE COMPLETED AND SUBMITTED WITH YOUR BID PROPOSAL

NON-COLLUSION AFFIDAVIT

STATE OF NEW JERSEY

COUNTY OF

I, Mark L. Myers of the City of Chicago

In the County of Cook and the State of Illinois
of full age, being duly sworn according to law on my oath depose and say that:

Vice President

I am Investments of the firm Marcus & Millichap REIS

the vendor making the proposal for the above named project, and that I executed the said proposal with full authority so to do: that said vendor has not, directly or indirectly, entered into any agreement, participated in any collusion, or otherwise taken any action in restraint of free competitive pricing in connection with the above named project; and that all statements contained in said proposal and in this affidavit are true and correct, and made with full knowledge that the County of Sussex relies upon the truth of the statements contained in said proposal and in the statements contained in this affidavit in awarding the contract for the said project or item.

I further warrant that no person or selling agency has been employed or retained to solicit or secure such contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, except bona fide employees or bona fide established commercial or selling agencies maintained by

N/A

(N.J.S.A. 52:34-15)

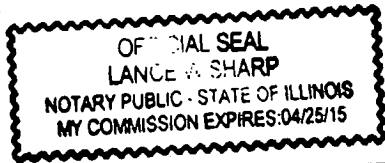
Name of Contractor

[Signature]
Mark L. Myers
Type or print name of affiant
under Signature

Subscribed and Sworn to
before me this 14 day

of February, 2012.

[Signature]
(Notary Public Seal)



THIS FORM MUST BE NOTARIZED

THIS FORM MUST BE COMPLETED AND SUBMITTED WITH YOUR PROPOSAL

CONTRACT

THIS AGREEMENT, awarded by the Board of Chosen Freeholders on this ____th day of _____, 2012, between:

THE BOARD OF CHOSEN FREEHOLDERS OF THE COUNTY OF SUSSEX, a municipal body of the State of New Jersey, party of the first part, hereinafter referred to as the COUNTY;

AND

Marcus & Millichap Company, 777 California Ave, Palo Alto, CA, 94304 (please fill in your company name and address), party of the second part, hereinafter referred to as the CONTRACTOR;

WITNESSETH, that, in consideration of the promises and agreements set forth herein, the parties hereto promise, agree and contract to and with each other as follows:

TERMS

1. The Contractor will furnish and deliver to the County the work, materials and services as described in the proposal documents entitled: PROVIDING REAL ESTATE BROKER CONSULTANT SERVICES FOR THE SALE OF THE SUSSEX COUNTY NURSING HOME for the total consideration proposed and awarded through the attached Resolution of Award. The Contractor shall perform all services as required and set forth in the specifications as per the proposal submitted and in compliance with the proposal specifications at such times and in such amounts and to such places as are contained in those documents issued by the County, and in the Proposal of the Contractor as dated below and accepted by the County on the date of contract award for the total price or at the unit prices, if applicable, stated in said Proposal. All of which instruments, including the terms, conditions and specifications set forth or referred to in the Notice of Advertisement, are hereby incorporated in this agreement and made a part hereof by reference thereto.

EFFECTIVE DATE/START DATE

2. This contract shall be deemed effective on the date of contract award with the passage of the Resolution awarding this contract by the Board of Chosen Freeholders of the County of Sussex.

QUALITY

3. The Contractor agrees there will be no deviations from the qualities or standards of the materials required to be furnished or in the conditions or specifications concerning the same or the delivery thereof.

ADDITIONAL PAYMENTS

4. There shall be no additional payments to be made to the Contractor other than stated in the instruments herein referred to unless the same are agreed to and set forth in writing and signed by the County, or its duly authorized officers, agents, or representatives.

BREACH

5. In the event that the Contractor shall not furnish the services required under this agreement, or shall fail to deliver same in the manner or at the times required, the County shall be entitled to terminate this contract without cost or any liability to Contractor its agents, subcontractors or affiliates.

INDEMNIFICATION

6. The Contractor shall indemnify and save harmless the County from any and all claims against the County of whatsoever nature arising from the successful vendor's performance or failure to perform the contract awarded pursuant to these proposals and shall further indemnify and hold the County harmless from any and all loss, damage and expense which the County might incur as a result of said performance or failure to perform including but not limited to attorney's fees and associated costs. The Contractor further agrees to furnish appropriate certificates of such insurance or indemnity covering the provisions herein if and when requested by the County.

PAYMENT PROCESS

7. The County agrees to pay to the Contractor for the at the times stated in the instruments herein above referred to after submission of itemized vouchers by the Contractor on County voucher forms duly sworn to.

CONTRACT CLOSEOUT

8. Acceptance by the Contractor of the final payment constituting payment in full of the agreed price by the County under the terms of this agreement shall be considered as a release in full for all claims against the County growing out of the materials furnished or delivered hereunder, whether a form of release or receipt be executed and delivered or not.

APPROVAL OF WORKMANSHIP

9. Any work or services involved in this agreement shall be subject to the approval of the County, or its authorized representatives and such services which, in the opinion of the County, do not conform to the requirements and specifications referred to in the Notice of Advertisement by the County, shall not be accepted and approved as complying with the performance of this contract, and this opinion shall be final and conclusive.

BONDS

~~10. The Contractor shall, when required by the County in its Notice of Advertisement, furnish the required bonds satisfactory to the County upon or prior to the execution of this agreement conditioned upon the proper performance and fulfillment of this agreement by the Contractor, including payment by the Contractor, of all indebtedness which may accrue to any other party on account of the materials to be furnished and delivered by the Contractor, said bonds shall be deposited with and held by the County.~~

LABOR LAW AND PREVAILING WAGE

~~11. The Contractor agrees that no mechanic, laborer, or workman employed by him shall, while engaged in the performance of this contract, work more than eight (8) hours in any one (1) day except under the conditions allowed under the provisions of any State or Federal Law or Municipal Ordinance, or other lawful regulation applying thereto, and also that any such laborer or employee performing work or services on behalf of the Contractor under this agreement shall not be paid less than the prevailing rate of wages for work of a similar nature in the area of Sussex County as required under the Laws of the State of New Jersey, or the United States of America, or any other municipal body or district having jurisdiction thereof.~~

CONSIDERATION

12. This contract, in the amount awarded is to be binding upon the party of the first part, its successors and assigns, and upon the party of the second part, its successors and assigns.

EFFECTIVE DATE / INCOMPLETE DOCUMENTS

14. The contract will be in effect, as per Section 2, from the award of contract by the Board of Chosen Freeholders of the County of Sussex until the date stipulated in the specifications. The lack of a fully executed contract will not relieve the Contractor of the stipulated start date.

AFFIRMATIVE ACTION REQUIREMENTS

15. The following mandatory language is hereby incorporated into the contract:

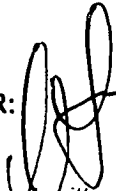
MANDATORY EQUAL EMPLOYMENT OPPORTUNITY LANGUAGE
N.J.S.A. 10:5-31 et seq. (P.L. 1975, C. 127)
N.J.A.C. 17:27

GOODS, PROFESSIONAL SERVICE AND GENERAL SERVICE CONTRACTS

EXHIBIT A attached hereto (2 pages)

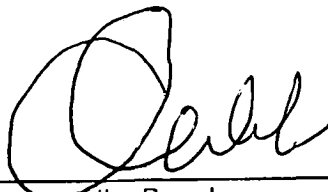
IN WITNESS WHEREOF, the County has caused this instrument to be signed by its Director, attested by its Clerk, and its Corporate seal to be hereunto affixed, pursuant to the Resolution of the County of Sussex passed for that purpose, and the Contractor has set his hand and seal, or caused these presents to be signed by its authorized officer and its Corporate seal to be hereunto affixed and attested by its officer the day and year this contract is determined to begin.

CONTRACTOR:



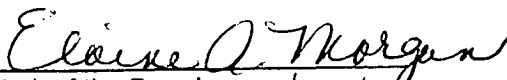
**BOARD OF CHOSEN FREEHOLDERS
OF THE COUNTY OF SUSSEX**

The Contractor submitting this bid proposal by submitting a valid bid with all supporting documentation hereby acknowledges his legal responsibility to accept this contract when and if awarded by the County of Sussex



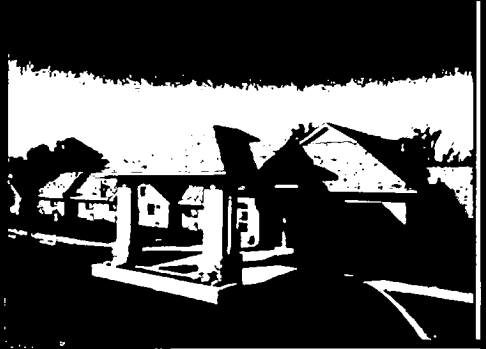
Director of the Board
of Freeholders

ATTEST:


Clerk of the Board
of Freeholders 2/22/2012

Sussex County Homestead

Request for Proposal



PREPARED FOR:

Sussex County Bid Proposal Committee
Sussex County, NJ

Marcus & Millichap
Real Estate Investment Services



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#3 EXECUTIVE SUMMARY OF FIRM

Since 1971, Marcus & Millichap Real Estate Investment Services has been the premier provider of investment real estate services. The foundation of our investment services is the depth of our local market knowledge. Our 40-year history of maintaining investor relationships in local markets enables us to be the best information source and transaction service provider nationally.

In 2011, Marcus & Millichap closed 5,085 transactions for private and institutional investors for a total of over \$17 billion in sales and financing. By closing more transactions annually than any other firm, our investment professionals are able to provide clients with an unparalleled perspective on the investment real estate market locally, regionally and nationally. Included in these transactions were seniors housing facilities, shopping centers, office and industrial buildings, apartment properties, single-tenant, net-lease properties, hotels/motels, manufactured home communities, self-storage and land.

Marcus & Millichap has established itself as a leading, and expanding, investment real estate company, with more than 1,300 agents in offices throughout the United States. The firm expanded operations in five markets between 1995 and 1997 including Atlanta, Ft. Lauderdale, Northern New Jersey, Detroit and Washington, D.C. In 1998, the company continued its expansion into the Eastern and Southeastern United States by opening offices in Tampa, Orlando and Philadelphia. In 1999, the firm opened offices in Manhattan, New Haven, and Columbus and Cincinnati, Ohio. The firm established a second Chicago office (Chicago Downtown) and a West Los Angeles office in 2004, as well as new offices in Cleveland and San Antonio. In 2005, the company expanded its western operations with new offices in Santa Fe, Reno and Oakland. In the nation's core, Marcus & Millichap opened offices in Williamsburg, VA, and Madison, WI. Our southeastern growth led to office openings in Miami and Lafayette, La.

We are a highly specialized group, focusing solely on the cultivation of senior housing transactions. Our group's specific expertise and extensive industry knowledge, coupled with long term client relationships give us a competitive edge in the valuation of Senior Care Facilities. As market leaders, we actively participate in many conventions, belong to several organizations, have cutting edge research and technology, and provide comfortable confidential environments from start to finish. Research We employ a team of professional research analysts that produces a variety of research report that provide our client with up-to-date market information, allowing for better, more informed decisions to be made. The reports integrate historical and current macro-economic, demographic and fundamental real estate indicators to provide a comprehensive market overview and forecast of the Seniors Housing industry.



#4) LEGAL CLAIMS AGAINST THE FIRM

Claims Filed Against Marcus & Millichap (M&M) in Last 7 Years. There have been no lawsuits brought against the parties involved in marketing the Subject facility. However, being a national brokerage firm and having closed thousands of transactions, it is not surprising that there are a few disgruntled clients who have filed suit against the firm for alleged misconduct of one or more of the firm's Agents. Due to the lack of personal involvement in these matters by the Agents and other personnel that will be involved with the Sussex County transaction, we have no way of knowing the current status or the possible outcome of these suits.

Details relating to these suits has been reported publicly and is accessible via the Internet (see <http://www.examiner.com/fraud-in-los-angeles/marcus-millichap-defendants-alleged-to-have-created-almost-perfect-real-estate-fraud>; <http://articles.latimes.com/keyword/marcus-millichap-real-estate-investment-brokerage-co>).



#5) EXPERIENCE, KNOWLEDGE, QUALIFICATIONS WITH RESPECT TO MARKETING SALE OF GOVERNMENT OWNED LTC & BED LICENSES: COUNTY HOME SALES CASE STUDY



Pima County Arizona (149 Beds)

- 87% Occupancy at time of sale
- Break even operational cash flow.
- Conducted 2 rounds of competitive bidding to increase price and terms, vet the buyer pool, negotiate Purchase Agreement and produce the most qualified buyer.
- Expedited and customized the sales process, to meet close with-in the County’s Budget Cycle.

• Initial procured appraisal was disputed due to the fact that it was valued considerably less than the fair market value we expected to achieve. We then worked in conjunction with appraiser to have the facility re-appraised at a higher value. At time of sale, achieved a price \$2.8M above the determined value from the most recent County-procured appraisal.

Scenario: Pima County procured an appraisal for less than \$5 Million. Our firm vehemently disputed the low valuation and highly recommended that the County seek another appraisal. The County hired a trusted appraiser, who derived a value for Posada equal to \$6.3 Million. The appraisers pointed to the complicated Arizona Medicaid reimbursement system that was fraught with “pen-stroke risk,” along with the facility’s highly complex and diverse patient population; from the mentally ill, to a large vent unit with 26 residents, to a number of Huntington’s disease patients requiring constant supervision, as primary reasons for the low valuation.

Outcome: We brought the opportunity to our national pool of owners and investors of senior housing. We received 37 formal inquiries, which resulted in 7 offers, two from parties interested in lease/purchases and 5 from parties interested in paying cash to buy the facility. The bids ranged from \$6.3 Million to \$9.1 Million for acquisitions, and the County’s two appraisals for the facility were \$4.5 Million in early 2011, and \$6.3 Million in the Spring of 2011. We closed on the sale on December 31, 2011. The process that we ran resulted in a timely closing and saved the County hundreds of thousands of dollars, in addition to the fact that the County originally expected to obtain less than \$5 Million prior to our involvement.



SUSSEX COUNTY HOMESTEAD

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#5) EXPERIENCE, KNOWLEDGE, QUALIFICATIONS WITH RESPECT TO MARKETING SALE OF GOVERNMENT OWNED LTC & BED LICENSES: COUNTY HOME SALES CASE STUDY



Cambria County Pennsylvania (370 Beds)

- 60% Occupancy at time of sale
- \$2,600,000 annual losses
- Expedited and customized the sales process, to meet close by year end, but after vesting date for an IGT grant
- Conducted 3 Rounds of competitive bidding to increase price and terms, vet the buyer pool and produce the most qualified buyer

Scenario: Cambria County was losing \$2.6 Million a year, and was 60% occupied due to a 68 day ban on admissions leading up to our involvement with the county. Additionally the county had a grant that would be another 25% vested in mid-December. Our firm was engaged by the county mid-summer 2009 to assist in the privatization of the facility. We customized our sales timeline to allow the county to vest an additional 25% of its state grant and close on the sale by December 31st so the facility would not be on the 2010 county budget.

Outcome: We brought the opportunity to our national pool of owners and investors of senior housing. We received in excess of fifty formal inquiries, which resulted in eleven offers. Through three rounds of bidding, we drove the price of the facility from \$11 Million to \$14.25 Million. Additionally, we closed on the sale in the small window of time between the vesting date and the end of the year.



Carbon County Pennsylvania (200 Beds)

- 75% Occupancy at time of sale
- \$3,000,000 annual losses
- Buyer extended offers to 98%+ of employees
- Eleven offers from companies around the U.S.
- Annual Tax Revenue for the County in excess of \$200,000

Scenario: Carbon County was losing \$3 Million a year, and was 75% occupied due to a 106 day ban on admissions leading up to our involvement with the county. The county contacted us shortly after an analysis was completed that exposed the fact that the facility was losing \$8,200 a day. We were contacted on a Wednesday, and were in Weatherly, Pennsylvania the following Monday. The facility was on the market three weeks later. The county wanted to sell as quickly as possible due to the daily losses. Like Cambria County, the commissioners emphasized the need to sell to a quality operator.

Outcome: We marketed the property nationally and received forty-seven formal inquiries, which resulted in eleven offers. Through three rounds of bidding, we drove the price of the facility from \$8M-\$11M. We had a few targeted buyers the county liked at the beginning of the process, but still needed to get them from a price they wanted to pay to the price they were willing to pay which was facilitated through offers ranging from \$11M-\$14.25M. We closed on the sale in the small window of time between the vesting date and the end of the year.



#5) COUNTY NURSING HOME PRESS



County approves deal to sell nursing home

Becky Pallack Arizona Daily Star | Posted: Wednesday, October 19, 2011 12:00 am

Pima County is finalizing the sale of its nursing home to a private company.

Evanston, Ill.-based Foothills Real Estate wants to pay \$7.8 million for Posada del Sol Health Care Center, 2250 N. Craycroft Road.

Pima County has owned and operated Posada del Sol since 1971. The company would rename it the Foothills Rehabilitation Center.

Company manager Avi Rothner said he is "looking forward to coming into a new marketplace." He said he'd like to improve on the services already being provided and maybe offer some new services, too.

The Board of Supervisors approved the contract Tuesday even though the company hasn't signed it yet.

There are a few last-minute issues to be resolved, Rothner said, but the company is on track to sign the contract by the deadline, which is next Tuesday.

If all goes according to plan - and if the company gets a state license, which it hasn't yet applied for - Foothills could start operating the center Jan. 1.

The contract requires the company to keep the current patients and to offer jobs with similar pay and benefits to any current employee who applies and passes a background check.

The money the county earns on the sale would go into the general fund.

BOARD APPROVES BOND-PROGRAM CHANGES

In other action, supervisors approved several changes to bond programs.

About \$1.5 million that was planned for the purchase of the Kelly Ranch property as an extension of Catalina State Park will instead be used to buy state trust land to add to the county-owned Tortolita Mountain Park.

And about \$1.4 million in funds left over after the renovation and expansion of the Murphy-Wilmot Library will go toward the expansion of the Eckstrom-Columbus Library.

Contact reporter Becky Pallack at bpallack@azstarnet.com or 573-4346.



#5) COUNTY NURSING HOME PRESS



Posada del Sol is sold to private operator

Pima County has finalized the sale and transition of its 149-bed skilled nursing facility, Posada del Sol Health Care Center, to a private company. The county had operated the facility since 1971.

Last April the County Administrator and the Board of Supervisors began the process of selling Posada, delineating a list of requirements that must be met by any entity desiring to purchase the facility. Critical to the decision was the Board of Supervisors' determination that the buyer maintain the County's priorities: the wellbeing of the residents, and of the people who provide the residents with such high-quality care.

A successful bidder was selected. A multi-disciplinary team began to work on the transition once the sale of the facility was approved by the Board of Supervisors in August 2011. The county's goals were to ensure a smooth transition of employment for the 340-plus dedicated and loyal nursing home employees and to preserve services for the vulnerable residents. The new owner began operating the nursing home, located at 2250 N. Craycroft Road, as Foothills Rehabilitation Center, LLC, on Jan. 1, 2012.

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#5) COUNTY NURSING HOME PRESS

**With 47 firms asking, process for Weatherwood sale set
FROM STAFF REPORTS)**

Published: January 30, 2010

As many as 47 companies have expressed an interest in learning more about the sale of Weatherwood, Carbon County's nursing home in Weatherly, according to the county commissioners. At their meeting Thursday, the commissioners discussed the process to sell the home. **Marcus & Millichap**, a Philadelphia-based brokerage firm that has experience in selling nursing homes, is under contract with the county to market and sell Weatherwood. Commissioners Chairman William O'Gurek said Thursday morning that contrary to published reports the county has not received seven offers for the home.

O'Gurek said that information may have been misconstrued in that seven firms were interested in visiting the facility as of last week. He said **Marcus & Millichap** has sent a memorandum of offering to about 4,000 companies nationwide. If they are interested, the companies are asked to sign a confidentiality agreement that will allow them access to additional information about the home, including finances, operations and the physical plant. As of Thursday, O'Gurek said there were or will be 10 tours of the facility by companies nationwide who have expressed an interest in "seeing" the facility. That process will continue through Feb. 26, when initial bids are due. O'Gurek said the commissioners, their solicitor and **Marcus & Millichap** will meet next week to discuss "criteria for evaluation" of those bids.

The minimum asking price, he said, is \$8 million, although the facility may not be sold to "just the highest bidder." O'Gurek said the commissioners will consider many other criteria, including the bidders' experience and reputation in the field, knowledge of services, strength of financing and consideration of the county's objective. O'Gurek said the county's objective is to "keep Weatherwood the community asset it is, both in terms of being a facility to be there and in operation for a long time to meet the medical needs of the county's aging population, as well as being a job site for in excess of 200 employees." He said a guarantee of Medicaid reimbursement is also on the commissioners' list of commitments it wants from potential buyers.

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SUSSEX COUNTY HOMESTEAD

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#5) COUNTY NURSING HOME PRESS

11 bids for Weatherwood

Reported on Wednesday, March 3, 2010

TIMES NEWS
A Pencil Company

TIMES NEWS FILE PHOTO Interest is high for Weatherwood, the Carbon County Nursing Home and Rehabilitation Center in Weatherly. Carbon County received 11 bids for the 200-bed facility during the first round of bidding.

County officials pleased with high level of interest *By AMY ZUBEK azubek@tnonline.com*

The first round of bidding for Carbon County's nursing home has ended and interest is high. Commissioner William O'Gurek, chairman, said that the county has received a total of 11 bids for Weatherwood, the Carbon County Nursing Home and Rehabilitation Center in Weatherly, during the first round of bidding, which closed at 5 p.m., Friday. "Obviously, the commissioners are pleased with the response," O'Gurek said. "We believe the high level of interest is a tribute to the people who work at Weatherwood, because, obviously, those who toured the facility liked what they saw in terms of the facility and the people."

The bids are now being reviewed by **Marcus & Millichap**, Real Estate Investment Services of Philadelphia, the company hired by the county to serve as the agent for the sale; and a recommendation will soon be made about which companies best meet the criteria Carbon County has set. "We talked to our broker and attorneys and discussed what we will be looking for in the second round of bidding," O'Gurek said. "Of extreme importance to us is how the potential successful buyer will work with the county to protect the interest of the residents and employees of Weatherwood." Areas that **Millichap** will look at during the bid reviews include the bidder's experience and reputation in the nursing home field; knowledge of the services provided by the home; the strength of the company's financing; and meeting the objectives of the county.

"The decision to sell the nursing home was a tough one and this process is difficult in terms of having to make decisions about the home," O'Gurek said. "But one thing the commissioners want to stress is that we believe Weatherwood is a community asset. Weatherwood is not closing. It is very valuable to this community in terms of meeting the residential needs of an aging population and in providing jobs for many individuals and their families. The commissioners' decision on selling the home will be based with strong consideration to which of the bidders best represents to us their willingness to look out for the residents and employees."

A second round of bidding for the 200-bed facility will then take place. This round will include the submission of final bids by the approved companies for the property. Bidding will conclude at 5 p.m., March 12. After the second round of bidding closes, **Marcus & Millichap** and the county will take about a month to review all final offers and determine which entity will be the best choice to take over Weatherwood.



SUSSEX COUNTY HOMESTEAD

REQUEST FOR PROPOSAL

#5) COUNTY NURSING HOME PRESS

Laurel Crest assessed—Published: November 02, 2009

By **SANDRA K. REABUCK**

The Tribune-Democrat

The Tribune-Democrat

EBENSBURG — Grane Healthcare will be paying more than \$300,000 in local taxes next year after buying Laurel Crest, Cambria County's nursing home. That's the total under the new \$3.547 million assessed value placed on the nursing home Monday by the county board of assessment appeals. The assessed value, under a common level ratio formula set by the state, converts to a market value for the county's nursing home of \$10.75 million, Chief Assessor Tamra Forgan said.

Grane is buying the nursing home from the county for \$14.25 million, with the ownership to change hands at 12:01 a.m. Jan. 1. The property, which has been tax exempt, will go into taxation at that time. Cambria officials had suggested to the assessment appeals board that an \$11.7 million market value would be fair because the sale price included both the state license and the equipment/furnishings in it. While there is no dollar value associated with the state license, the county said it's a major factor in the sales price since no new ones are being issued by the state. Grane, which had suggested an \$8.8 million market value, will not appeal the decision, spokesman Mark Fox said. Instead, he said, "We're streaming toward the transition.

"There's been a lot to go through," Fox said. "All the people at Laurel Crest and the courthouse have been so cooperative." Grane is not yet ready to make any announcement about who will be the administrator of the facility. Deborah Nesbella has been the administrator since being hired by the county in December 2007. President Commissioner P.J. Stevens said that the new value "is very fair to both sides. It will add \$317,000 in new revenues to the local taxing districts, which will certainly be a value." Meanwhile, administrators at Laurel Crest are working with both the residents' council and residents' families, preparing for a smooth transition to the new ownership.

Grane has provided Laurel Crest employees with applications to apply for new jobs, but the company is likely to keep all the workers, Stevens said. He explained that staffing levels at Laurel Crest had been reduced in the past two years to match lower census levels, so the number of employees is not out of line. County officials also are working with Harrisburg attorney Paula Sanders on preparing notices to the state Department of Health and the state Attorney General's Office for regulatory approvals. In addition, Sanders is preparing the petition that will go to the county orphan's court for approval of the decision to sell the facility.

The commissioners have said that through the sale, the nursing home – which has been losing millions of dollars in recent years – will remain a resource for county residents, and jobs there will be preserved.



#5) COUNTY NURSING HOME PRESS: OTHER RELATED

Deep in a dilemma over county home

November 3, 2011

By CHRIS MORRIS - Staff Writer (cmorris@adirondackdailyenterprise.com), Adirondack Daily Enterprise

ELIZABETHTOWN - County governments across the U.S. are looking for ways to get out of the nursing home business, and the market for such facilities is strong.

That's according to Joshua Jandris, an associate with the Chicago-based real estate investment services firm Marcus & Millichap, who spoke during Monday morning's Essex County Ways and Means Committee meeting.

Jandris said the Horace Nye Nursing Home, which the county runs at a multi-million dollar annual loss, could attract 40 to 50 potential buyers if Essex County put it out to bid.

"When we market a facility, we market to the entire country," he said. "Essex County would have a lot of potential bidders. There will be a high level of interest, whether it's a lease or a purchase."

The conversation occurred just before supervisors voted in a favor of a resolution authorizing the county to enter into a real estate brokerage agreement with Marcus & Millichap for the sale or lease of the Horace Nye Nursing Home. That deal would be subject to terms deemed acceptable by supervisors and County Attorney Dan Manning.

North Elba town Supervisor Roby Politi offered the resolution, and it was seconded by St. Armand town Supervisor Joyce Morency. Only four supervisors voted against it.

Jandris told supervisors that their nursing home situation is not unique. He said counties nationwide face similar issues, especially as governments tighten budgets and cut services.

Horace Nye, which has 100 beds, runs at an annual loss of approximately \$3 million, although County Manager Dan Palmer said that figure is closer to \$4.1 million in 2012 because of deferred federal payments.

Jandris said his firm recently helped lawmakers from Salem County, New Jersey, privatize their 115-bed nursing home, which also ran at a \$3 million annual loss. Additionally, Marcus & Millichap was just hired by Cumberland County in New Jersey and Pima County in Arizona to explore the sale or lease of their nursing homes.

The debate over the nursing home's future has been fierce in recent years, and that passion was on display at Monday's meeting. Chesterfield town Supervisor Gerald Morrow said that in his 18 years in

Article Photos



Joshua Jandris, an associate with the Chicago-bas...



SUSSEX COUNTY HOMESTEAD

REQUEST FOR PROPOSAL

#5) COUNTY NURSING HOME PRESS: OTHER RELATED

public office, he's never had a constituent complain about paying taxes for the service. He told Jandris he didn't have any questions for him, because no matter what, he won't support the lease or sale of the nursing home.

Jandris said he didn't come before the board to convince supervisors one way or another.

"Just to be 100 percent clear, everybody is entitled to their opinion," he said. "We're not here to create any motivation (to sell), or to trick anybody into anything. The one thing I tell every county we work with is, it's a last resort. We just want to show the benefits, from a monetary standpoint, of selling."

Moriah town Supervisor Tom Scozzafava, citing a study by American University professor Anna Amirkhanyan, said the level of care suffers when a nursing home is privatized. He said he's also worried that Medicaid patients could get forced out if the home is sold or leased.

Jandris said facilities privatized by his firm weren't included in the American University report.

"I recommend that you speak with the counties my firm has worked with," he said.

Scozzafava said the county needs to provide certain services to its residents.

"I would bet that every resident in that nursing home has paid taxes in Essex County for most of their lives," he said. "It takes two to three million to subsidize the nursing home. Take a look at what it costs to run the county jail."

With an estimated budget gap of \$12 to \$13 million, Essex County will need to make significant cuts to services in order to meet the state's 2 percent tax cap. Those cuts could include the nursing home, the county fish hatchery, Cornell Cooperative Extension and more. Chairman Randy Douglas said Monday that layoffs might be necessary as well.

"I know I keep saying this, but everything is on the table," he said.

Contact Chris Morris at 518-891-2600 ext. 26
or cmorris@adirondackdailyenterprise.com.



#5) COUNTY NURSING HOME PRESS: OTHER RELATED



Counties weigh options for their nursing homes

By Charlie Ban
STAFF WRITER

Many families deal with the emotional and sometimes uncomfortable issue of where aging parents will live. Counties are facing a similar dilemma as to what to do with the nursing homes they operate.

The rising costs of employee benefits, decreasing revenues from property taxes, state and federal reimbursements, and operating costs are prompting counties to look at privatizing or selling their homes. Those options, however, are often sore issues with residents.

Belknap County, N.H.'s commissioners considered selling its 94-bed nursing home, but backed down when public feedback was overwhelmingly negative. However, Lake County, Ill. commissioners met with a better fate, recently voting to privatize the county's nursing home as of Dec. 1 with little opposition.

Debra Shackett, Belknap County administrator, was surprised by the outcry. "It costs us \$4 million a year to run [the nursing home], and takes up 10 percent of our budget. With people after us to cut costs, this was a logical step."

She said none of the 10 counties in New Hampshire has privatized or sold their nursing homes, and she was enthusiastically rejected when she suggested introducing a broker to other commissioners and administrators at the New Hampshire Association of Counties' annual meeting.

Lake County Administrator Barry Burton said a county advisory board was essential in finding the right solution and involving the public in their process.

"Back in 2000 we saw our population was aging but seniors had more choices where to live," he said. "With the trend pointing toward fewer seniors choosing a nursing home, we knew we probably wouldn't keep a high occupancy level."

The county had established an additional property tax to help pay for the facility, but the rising cost of salaries and benefits for the 175 employees, along with the costs of building a new facility, were making operating the home burdensome.

The advisory board invited a member of the Lake County United faith-based group to join the effort, which secured the trust and cooperation of the most organized citizens' group in the county.

"They did their own analysis and they concluded, too, that our situation was unsustainable," Burton said. "We've always wanted to make sure the county had an option for elder care, regardless of their ability to



SUSSEX COUNTY HOMESTEAD

REQUEST FOR PROPOSAL

#5) COUNTY NURSING HOME PRESS: OTHER RELATED

pay, and keeping those workers as public employees would sink it. It made a world of difference to have the public involved."

He said by outsourcing operations to a private management company, the county retains the home's license and property, but the employees will now likely be paid closer to the rate for private nursing home workers.

Joshua Jandris is a real estate broker with Marcus and Millichap, which specializes in nursing homes. He explained some of the issues counties might face when attempting to sell or close nursing homes. "There's a major misconception that if a private company comes in and runs the facility, the quality will drop," he said. "At the end of the day, both for-profit and nonprofit facilities are monitored by the government by the same standards."

The distribution of county-owned nursing homes varies nationwide. Michigan has pretty strong publicly owned nursing homes, Jandris said, while Kentucky and Arizona counties are almost all out of the business.

Because nursing homes are funded partially through Medicaid and allowances for recipients vary by state, some counties get a little more help.

Things improved recently for nursing homes in New York. Increases in the state's Medicaid allowances gave each home a decent bump per resident, according to Stan Wojciechowski executive director of County Nursing Facilities of New York, though the state is also planning to change its reimbursement methodology at the beginning of 2012. It's not apparent what will replace the current system.

Jandris said although counties could reconfigure operations at their homes, outsource operations or establish public benefit corporations to take ownership and responsibility of the homes, selling them often proves to be a multifaceted boon to the county.

In addition to moving dozens of jobs to the private management company — reducing county salary and benefit expenses — selling the property provides a one-time cash infusion, but also makes the facility taxable, adding annual revenue.

He said county-owned nursing homes are sometimes overstaffed, and that puts potential for-profit managers in a tough position.

"They often have the disdain of the community because people fear the change, but they end up with great incentives to make sure the staff and residents are happy," he said. "Often these facilities are among the largest employers in the area, and word of mouth spreads quickly, especially with negative news, so it behooves them to do a good job."

He said counties wield a lot of leverage when selling facilities, particularly in placing conditions on sales, including mandating time periods with no staff reductions and no changes to employee-benefit structures.

"We vet the buyers with the counties," he said. "They get to go see a buyer's operations elsewhere, to see if they're a quality provider. We don't just put a 'for sale' sign out and sell to the highest bidder, which some people might expect."

Wojciechowski said though some counties in New York are actively looking to sell their homes, the majority are just trying to stem their losses and are considering all their options.



SUSSEX COUNTY HOMESTEAD

REQUEST FOR PROPOSAL

#5) RECOGNITION LETTERS



REAL PROPERTY SERVICES

201 N. Stone Avenue, Sixth Floor, Tucson, Arizona 85701-1215
(520) 740-6313 FAX (520) 740-6763

January 1, 2012

Mark L. Myers & Joshua Jandris
Marcus & Millichap
8750 W. Bryn Mawr, Suite 650
Chicago, IL 60631
January 1, 2012

Re: Sale of Posada del Sol in Tucson, AZ (Pima County Nursing Home)

Dear Mark and Josh:

Thank you on behalf of Pima County, for your efforts in representing us in the sale of Posada del Sol. You were consummate professionals and handled yourselves with the utmost integrity, while creating a very competitive bidding environment for our county nursing home. You provided excellent feedback regarding the initial appraisal, which was not reflective of the full value of the property. You worked with us to successfully improve the appraised value and then took the property to market at a strong price for us.

You created outstanding marketing materials, and maintained a complete due diligence package in conjunction with the county's data site. You sought out the very best buyers from across the U.S. You qualified the buyers and counseled us as to the qualifications of each, something that became key to our transaction. Thanks in large part to your strong support, the winning bidder performed its obligations as outlined in the Letter of Intent (i.e. there was no price erosion).

We would be willing to act as a reference for you, in the event it will assist you in obtaining other county nursing home business, as we can vouch for your effectiveness as transaction intermediaries. Thank you.

Sincerely,

Christina Biggs, Manager
Pima County Real Property Services



SUSSEX COUNTY HOMESTEAD

REQUEST FOR PROPOSAL

#5) RECOGNITION LETTERS

**OFFICE OF THE
CARBON COUNTY COMMISSIONERS**

Commissioners
William J. O'Gurek, Chairman
Charles Getz, Vice-Chairman
Wayne E. Nothstein



Court House Annex
P.O. Box 129
Jlm Thorpe, PA
18228-1238

Telephone: (570) 325-3611
FAX: (570) 325-3822
E-mail: cccommis@ptd.net

To whom it may concern:

I am writing to express some thoughts about Carbon County's experiences throughout the current ongoing process we are involved in with regard to selling Weatherwood, the Carbon County Nursing Home and Rehabilitation Center, Weatherly, Pa.

After weeks of contemplating the idea of selling the home, the county commissioners reached out to Marcus and Millichap in late December, 2009, to discuss the possibility of entering into contract with the county to be the sole and exclusive agent for the county to sell the facility.

Although based in Chicago, Mr. Isaac Dole was very accommodating to the county, having arranged to visit here in early January, 2010, to talk to the commissioners about the process. The commissioners learned about Marcus and Millichap's role in selling the Cambria County home, and, subsequently, were impressed by the firm's response to our call, as well as the process explained to us and Mr. Dole's explanation of what the firm could do for the county.

We hired Marcus & Millichap on Jan. 14 and that date began the process of putting the county home on the market. Since that time, Mr. Dole has been very accessible to the commissioners' inquiries/concerns, to the degree that we communicate with each other on a daily basis.

We established a timetable of selling the home by June 30. Initial bids are due no later than 5 p.m. Feb. 28, after which time the county and Marcus and Millichap will evaluate them and move the process along. In two weeks, through the company's process, 47-50 entities have expressed an interest in Weatherwood. Ten of them have sent officials here, or will in the near future, to tour the facility.

The process has been very educational. Marcus and Millichap has kept us well-informed on a daily basis. We have high optimism the sale will meet the county's objective of Weatherwood continuing to be the valuable community asset that it is, with both the care of the community in mind, as well as it being an immensely valuable job site for over 200 persons.

We are looking forward to meeting that objective. We believe Marcus and Millichap has been responsive and reliable and has a good understanding of the commissioners' beliefs. All of its work, to date, has been a pleasant experience for the county. We believe, too, going forward, that things will remain that way through the process as we have the utmost confidence in and respect for the work the firm has been doing for us.

Thank you for allowing me to share our experience with you.

Sincerely,

William J. O'Gurek
Chairman



SUSSEX COUNTY HOMESTEAD

REQUEST FOR PROPOSAL

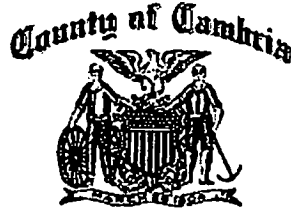
#5) RECOGNITION LETTERS

COMMISSIONERS

P.J. STEVENS
PRESIDENT

MILAN GJURICH

WILLIAM G. HARRIS



ROBERT A. SHAHADE
SOLICITOR

MICHAEL GELLES, IV
CHIEF CLERK/FINANCE DIRECTOR

Office of County Commissioners

200 South Center Street
Ebensburg, PA 15931
(814) 472-5440

January 19, 2010

To Whom It May Concern:

We would like to make it known that Marcus & Millichap did an outstanding job of marketing and assisting Cambria County with the sale of its long-term care facility. They were very experienced and professional and also cooperative and understanding, when it came to the County's specific governmental needs and concerns.

We are very pleased with the outcome of our working relationship with Marcus & Millichap, and we would highly recommend their services.

Very truly yours,

P.J. Stevens

Milan Gjurich



SUSSEX COUNTY HOMESTEAD

REQUEST FOR PROPOSAL

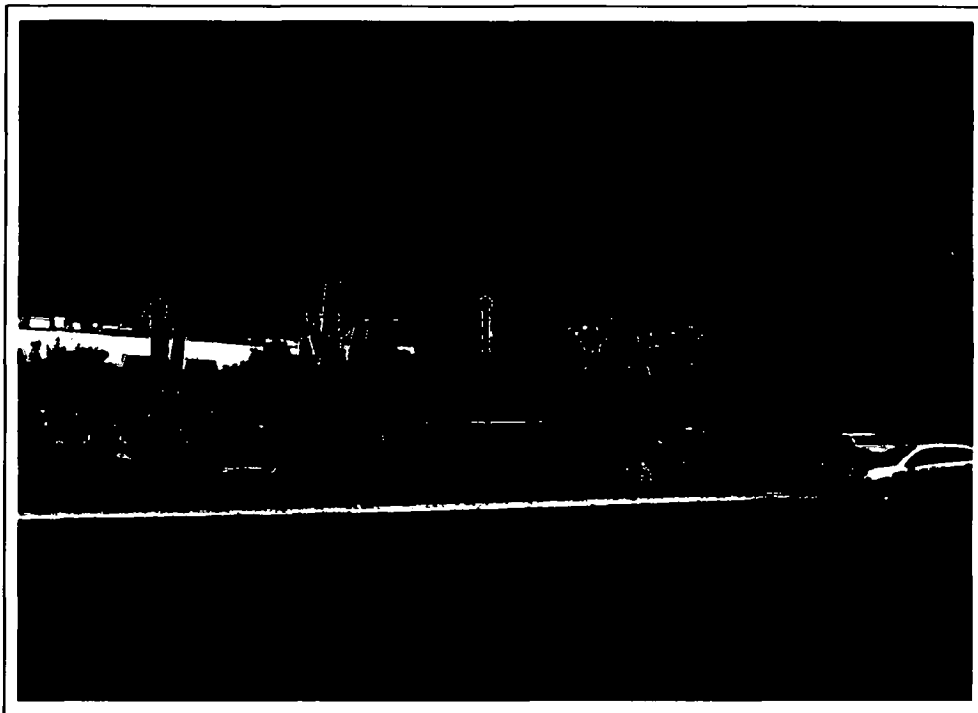
#5) PIMA COUNTY (POSADA DEL SOL) MARKETING BROCHURE

(See Addendum B)

POSADA DEL SOL HEALTH CARE CENTER

Marcus & Millichap
Real Estate Investment Services

TUCSON, AZ



OFFERING MEMORANDUM

Presented by:

Mark L. Myers
Senior Vice President Investments
National Senior Housing Group

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Chicago, IL 60631
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Joshua T. Jandris
Associate
National Senior Housing Group

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Joshua.Jandris@marcusmillichap.com

David Guido
Broker of Record
Phoenix, Arizona

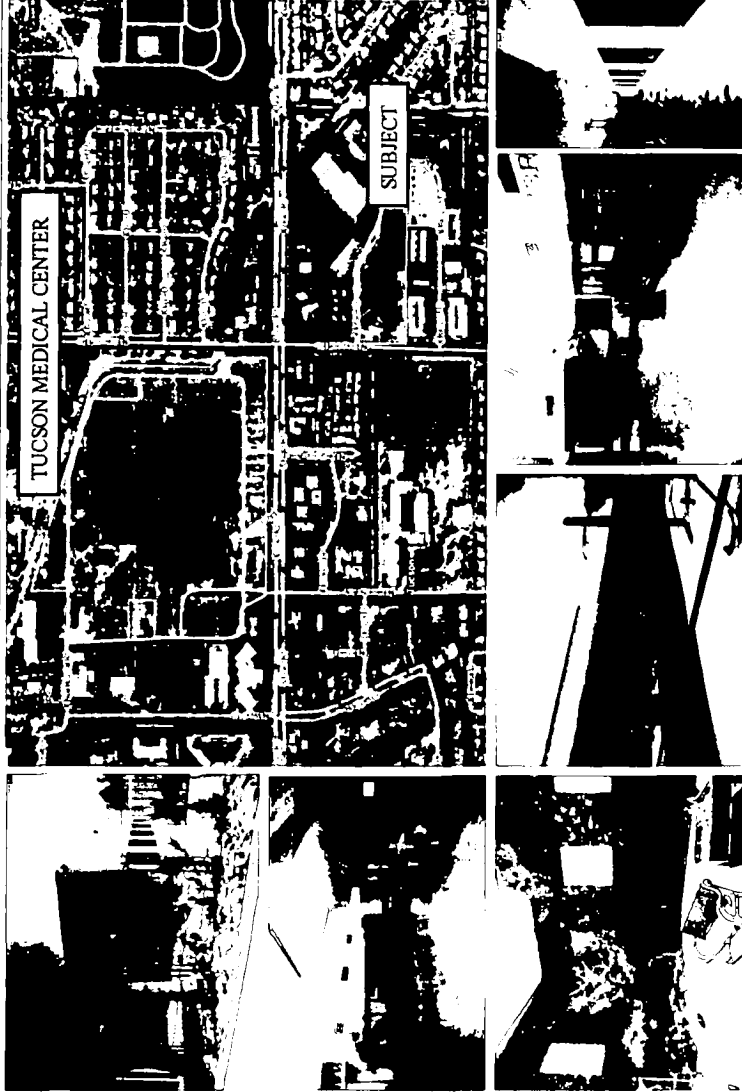
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PH: (602) 952-9689
FX: (602) 952-1150
David.Guido@marcusmillichap.com



#5) PIMA COUNTY (POSADA DEL SOL) MARKETING FLYER

Posada Del Sol Nursing Home
Tucson Arizona

Seniors Housing Offering Summary



INVESTMENT HIGHLIGHTS

- Initial Bid Deadline July 15, 2011
- Minimum Offer Amount \$6.3 Million
- Sits on 6 Acres directly across from the largest Health system in the region
- Approximately \$1.7 Million of trailing EBITDAM
- Extraordinarily High Reimbursement Rates
- Strong Occupancy
- Approximately 136,000 s.f. provides opportunity for many complimentary services
- Tremendous Upside Opportunity
- County ordered auction sale



Exclusively listed by:

JOSHUA JANDRIS
Associate
National Senior Housing Group
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Fax: (773) 867-1510
License: IL
jjandris@marcusmillichap.com

MARK L MYERS
Senior VP Investments | Senior Director
National Senior Housing Group
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Fax: (773) 867-1510
License: IL 475.102753
mmyers@marcusmillichap.com

DAVID GUIDO
Broker of Record
Marcus & Millichap Phoenix, Arizona
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Fax: (602) 952-1150
License: AZ BR515993000
dguido@marcusmillichap.com

Listing Office: 8750 W. Bryn Mawr Ave., Suite 680 Chicago, IL 60614
Tel: (773) 867-1500 • Fax: (773) 867-1510

Offices: Nationwide
www.marcusmillichap.com

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SUSSEX COUNTY HOMESTEAD

REQUEST FOR PROPOSAL

#5) PIMA COUNTY (POSADA DEL SOL NURSING HOME) BIDDERS INFORMATION

(See Addendum C)



BIDDERS' INFORMATION

**POSADA DEL SOL
HEALTH CARE CENTER**

2250 N CRAYCROFT RD

**RITA LEON
SENIOR ACQUISITION AGENT
(520) 740-6462**

**REAL PROPERTY SERVICES
201 N STONE AVE, 6TH FLR
TUCSON, AZ 85701-1207**

Page 1 of 14

2011 06 14 Bidders Package pjp.doc



SUSSEX COUNTY HOMESTEAD

REQUEST FOR PROPOSAL

#6) EXPERIENCE, KNOWLEDGE, QUALIFICATIONS WITH RESPECT TO MARKETING SALE OF GOVERNMENT OWNED LTC & BED LICENSES IN THE STATE OF NJ: NEW JERSEY TRANSACTIONS

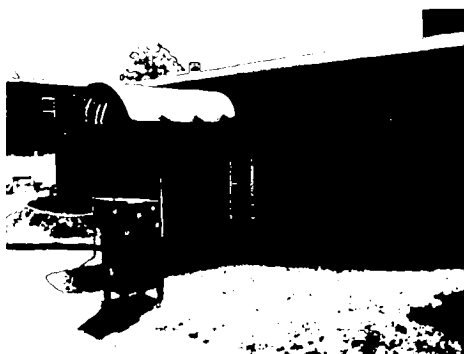
Salem County, New Jersey (116 Beds)



- 74% Occupancy at time of sale
- \$3,000,000 annual losses
- Expedited and customized the sales process, to meet close within 90 days of process commencement.
- Conducted 3 Rounds of competitive bidding to increase price and terms, vet the buyer pool, negotiate Purchase Agreement and produce the most qualified buyer.

Scenario: Salem County's Improvement Authority was losing \$2.9 Million a year from its nursing home, which was 74% occupied leading to our involvement with the Improvement Authority. The Authority engaged our firm at the end of February 2011 to assist in the privatization of the facility. We customized our sales to expedite the sale, since the Authority was losing about \$8,000/day.

Outcome: We brought the opportunity to our national pool of owners and investors of senior housing. We received 39 formal inquiries, which resulted in 6 offers from qualified buyers. Through three rounds of bidding, we drove the price of the facility from \$6 Million to \$7.5 Million. Additionally, we closed on the sale on June 1, 2011, just 90 days from commencement of our process. The process that resulted in the timely closing saved the Authority hundreds of thousands of dollars, in addition to the fact that the Authority expected to obtain a price closer to \$5 Million, prior to our involvement.



Cumberland County, New Jersey (196 Beds) (UNDER CONTRACT)

- About 94% Occupancy at time of sale
- \$800,000 of operational cash flow
- Expedited and customized the sales process, to meet County's requirement for an Auction process
- Established two bidding alternatives, one that included the Buyer accepting the union contract and the other rejecting it.

Scenario: Located bidders who were willing to consider taking the union contract.

Outcome: We brought the opportunity to our national pool of owners and investors of senior housing. We received 55+ formal inquiries, which resulted in 3 interested bidders, with two finalists who competed under both purchase scenarios. The Winning Bidder paid \$14.1 Million under Option A, accepting the union contract.

Our sales process satisfied the County's requirements to hold an Auction to effectuate the sale of County real property, and it resulted in a politically favorable outcome, since the Buyer agreed to accept the union contract. The price was quite aggressively high, given the acceptance of the union contract, which contains onerous employees benefits and health insurance costs.



#6) NEW JERSEY COUNTY NURSING HOME PRESS

Cumberland County Freeholders vote to approve \$14 million sale of Cumberland Manor, keep workers' contracts



Published: Tuesday, January 25, 2012, 11:13 AM Updated: Wednesday, January 25, 2012, 11:13 PM | By Jason Laday/The News of Cumberland County

BRIDGETON — The Cumberland County freeholders on Tuesday approved the sale of Cumberland Manor to LTC Management for \$14 million, ending a process that began years ago as officials began looking toward selling the public nursing home as a way to save money.

The vote to approve sale — 6-0, with Freeholder Tony Surace abstaining — came hours after a public auction in which the Old Bridge company beat two other bidders with an offer of \$14 million to purchase the nursing home and retain the existing collective bargaining agreement with its approximately 200 full-time employees.

LTC Management also offered \$14.1 million to buy the Manor without retaining the workers' contracts.

However, that bid was rejected by the freeholders — again 6-0, with Surace abstaining — in favor of keeping the employees in place.

“The bid process made it easy on us,” said Deputy Freeholder Director Tom Sheppard, prior to the vote.

“We had been in discussion with the union president (representing the Manor workers), and I and the freeholders board expected there to be a wide difference between the bids.

“But it turns out there's only a \$100,000 difference, which puts me fully in favor of (keeping the worker contracts).”

Responding to a question from Freeholder Carol Musso regarding the layoff notices issued to the entire full-time workforce at the Manor, which are effective come March 1, the Cumberland County Administrator stated it could be anywhere from 45 to 60 days before the property and the deal is settled.

Contrary to nearly every other major public meeting concerning the ownership and finances of Cumberland Manor, located in Hopewell Township, no members of the public spoke regarding the sale.

However, Freeholder Bill Whelan stated that previous comments made by family members of residents at the nursing home as well as employees there had moved him during the road to privatization.

“This has been a multi-year process for sure, and at the time it began I was consumed with our budget issue — that's how it first arose, first within the finance committee, where not everyone was in favor of it,” said Whelan. “Talking to patients, their families and employees at the Manor, it became a much more difficult decision. It was important the care, and the faces they see every day, be consistent.

“So, now that we have the opportunity to make that happen, so they can keep seeing the same people, the same employees, I'm glad we can do this in a way that helps a lot of employees and a lot of families.”

LTC officials following the auction put down a \$200,000 deposit. Now that the freeholders have approved their bid, they have three days to sign the contract and provide a further deposit of \$1.2 million, which is nonrefundable.



#6) NEW JERSEY COUNTY NURSING HOME PRESS

Plan to sell Salem County Nursing Home and Rehabilitation Center draws interest



Everything Jersey

Wednesday, March 02, 2011

By Phil Dunn

SALEM - The Salem County Improvement Authority (SCIA) has received positive feedback so far in its mission to sell the county nursing home. According to the Chairman of SCIA, Michael Burke, the authority expects to have approximately seven letters of intent to purchase the Mannington Township nursing home by the March 4 deadline. "Overall, things have been going fairly smooth," he said. Burke said he is somewhat surprised though by the response they have received from the sale. He even said one of the inquires is from a local firm.

The process of selling the nursing home started on Dec. 30, 2010, when the authority hired two consultant firms: One was to conduct an efficiency study and another was hired to set up the sale of the home. The authority hired **Marcus & Millichap** as the real estate firm to sell the nursing home and the Lancaster Group was used to see if changes could be made to keep the nursing home open under the umbrella of the authority.

Interim Executive Director of SCIA, Phil Rowan, said since the authority was unable to have unionized employees agree to minor cost reductions, they made the decision on Feb. 1 to move forward with just the sale of the nursing home. "We decided not to move forward with an agreement with the Lancaster Group to undertake the efficiency study," Rowan wrote in his report. "There was no point on pursuing this study, since salaries and benefits make up the predominant costs at the nursing home." Since that time, **Marcus & Millichap** has sent out close to 2,000 fliers to advertise the sale of the nursing home.



#6) NEW JERSEY COUNTY NURSING HOME PRESS

Plan to sell Salem County Nursing Home and Rehabilitation Center draws interest



Wednesday, March 02, 2011

By Phil Dunn

CONTINUED - "These guys are top three in the nation in real estate," said Burke. "They have worked to create a great information database resource for potential buyers locally and nationally." Rowan confirmed that 24 firms have signed and returned confidentially agreements, allowing them to access important financial databases. They also have the ability to tour the facility, if they so choose, after they sign the agreement. Burke said he wanted to give the same opportunities to everyone and that is why the bid process has proved to be a positive. The target sale date is June 1, said Rowan.

Also at SCIA's Monday night meeting, the authority passed a motion to hire the special legal counsel of Archer and Greiner to deal with the legal aspects of selling the nursing home. Burke said the firm, based out of Haddonfield, has a lot of experience in nursing home licensing law. The Improvement Authority took over management of the nursing home in August 2008 from the county and since that time has worked to reduce the operating deficit and better services at the facility. Most notably was a reduction in the workforce, which dropped employment numbers down to 100, from the original 120-member staff. They also changed up the health care plan, providing the county nursing home with \$200,000 in savings. But the nursing home was still over budget by \$3.75 million in 2009, and then in 2010, the number decreased to \$2.9 million.



#6) NEW JERSEY COUNTY NURSING HOME PRESS

Salem County Nursing home to be sold for \$7.5 million to BSD Entities, LLC

Published: Monday, March 28, 2011, 10:00 PM Updated: Monday, March 28, 2011, 10:04 PM | By **Phil Dunn / Today's Sunbeam**



SALEM — The Salem County Improvement Authority announced Monday that BSD Entities, LLC has been selected to purchase the Salem County Nursing Home for \$7.5 million. Interim Executive Director for the SCIA Phil Rowan said the authority looked at two major requirements when choosing the buyer: Their ability to obtain a nursing home operating license and also solid financial credentials to move forward with the sale. Rowan said they hope to close on the property by June 1. The SCIA operates the nursing home in Mannington Township. BSD Entities, based in East Brunswick, has local ties to Salem County as they currently own and operate the Carneys Point Care Center in Carneys Point.

The owners of BSD Entities, Avi Stern and Neil Kerman, were the high bidders for the nursing home at \$7.5 million. “We maintain our principal concern for the care of our residents, and this has been a major factor in our decision-making,” said Freeholder Bruce Bobbitt, who serves as a liaison to SCIA. “The successful bidder has met our requirements for care and cost. We anticipate that this move will continue to bring quality care to the residents of the nursing home.” Freeholder Dale Cross took some issue with the SCIA’s decision Monday. He questioned whether they made the decision with their wallets and not keeping in mind the nursing home employees and residents. “Personally I think you are looking at it from the angle that you invested this much or lost this much over the years and now you are trying to recoup it,” said Cross. “I don’t think that is the best thing for the folks that are employed there right now and the folks that are in need of the service.” Cross said the authority is equating the highest price to the best care. Rowan said an extensive process was undertaken to make sure BSD Entities was qualified to run the Salem County facility. That included review of state reports. The Improvement Authority took over management of the nursing home in August 2008 from the county and since that time has worked to reduce the operating deficit and better services at the facility. But the nursing home was still over budget by \$3.75 million in 2009, and then in 2010, the number decreased to \$2.9 million. “We’ve done a lot of things to try and turn this place around, but it just won’t work in the public sector, said Rowan. “That’s why most counties are getting rid of their nursing home facilities.” The nursing home currently has 116 beds for residents and about 85 are filled.



#6) NEW JERSEY COUNTY NURSING HOME PRESS

Salem County Nursing home to be sold for \$7.5 million to BSD Entities, LLC



Published: Monday, March 28, 2011, 10:00 PM Updated: Monday, March 28, 2011, 10:04 PM | By **Phil Dunn / Today's Sunbeam**

CONTINUED—Other reductions to trim the operating deficit included down-sizing the workforce, which dropped employment numbers down to 92, from the original 120-member staff. Employees are not guaranteed positions with the new owners. Rowan said it is up to BSD Entities if they want to keep all the employees or none of them. “It’s their decision to interview people that they want to hire,” said Rowan. “We are going to provide support to the employees by getting their resumes tuned up to help them get jobs with the new employer.” Rowan said he thinks in a year’s time there will be more people working at the nursing home than there are right now. He said BSD Entities increased the number employees at the Carneys Point Care Center. The process of selling the nursing home started on Dec. 30, 2010, when the authority hired two consulting firms: One was to conduct an efficiency study and another was hired to set up the sale of the home. The authority hired **Marcus & Millichap** as the real estate firm to sell the nursing home and the Lancaster Group was used to see if changes could be made to keep the nursing home open under the umbrella of the authority. When authorities officials were unable to have unionized employees agree to minor cost reductions, they made the decision on Feb. 1 to move forward with the sale of the nursing home.

In an effort to find a buyer, the **Marcus & Millichap** Firm sent out over 2,000 fliers to advertise the sale of the nursing home. Some controversy broke out at the SCIA meeting Monday over the fact that four local doctors felt they did not have enough notice to make a bid proposal on the home. Authority officials say everyone was afforded the same opportunities and that all measures were taken to reach to potential buyers both locally and nationally. Rowan said the Improvement Authority will now send the meeting minutes to the Freeholder Director Lee Ware for approval. After that they will sign and move forward with a valid contract with BSD Entities. “They have 30 days to conduct their due diligence and after that time we will be ready to go to closing,” said Rowan. During that 30-day period, BSD Entities can also back out of the deal, thus reverting the sale to the back-up bidder, Avista Health Care based out of Cherry Hill for \$6.8 million



#6) SALEM COUNTY NEW JERSEY RECOGNITION LETTERS



SALEM COUNTY IMPROVEMENT AUTHORITY

199 East Broadway, Salem, New Jersey 08079

April 11, 2011

To Whom It May Concern:

I am writing to express my support for the real estate advisory firm Marcus & Millichap (M&M) which the Salem County Improvement Authority (the Authority) retained to assist the Authority on the sale of the Salem County Nursing and Rehabilitation Center, a 116-bed skilled nursing home located in Mannington Township, New Jersey.

Our experience with M&M began when the firm responded to an RFQ in a very timely fashion, and provided extensive evidence of their qualifications for marketing of our 39 year old facility. At the interview, M&M provided a clear and comprehensive plan for marketing the facility and the creation of a competitive sale process. We were able to negotiate an incentive-based commission that was a win-win for both the Authority and M&M.

M&M created a competitive bidding environment while maintaining a professional atmosphere in which bidders were given a fair opportunity to purchase our facility. M&M sent out an e-blast to two thousand potential buyers nationwide, made personal contacts with potential buyers and reached out to outside brokers for qualified buyers as well. M&M created outstanding marketing materials, including a flyer on the facility, an Offering Memorandum and a unique digital data room containing offering materials and due diligence data. Overall, M&M did an outstanding job of "shaking the trees."

M&M prequalified all the potential buyers, permitting the Authority to concentrate on choosing the best offering and not be concerned with choosing a buyer who would not have the ability to close the transaction. M&M reviewed the Letters of Intent and the Purchase Agreement and provided helpful feedback to the Authority regarding several important aspects of the agreements. They have worked well with our consultant, staff and our attorneys. The result of M&M's efforts was the signing of a purchase agreement at a price that is almost 50% greater than our original valuation of the nursing home.

If you should have any questions regarding our experience with Marcus & Millichap, please feel free to contact me.

Sincerely,

Michael Burke
Chairman



SUSSEX COUNTY HOMESTEAD

REQUEST FOR PROPOSAL

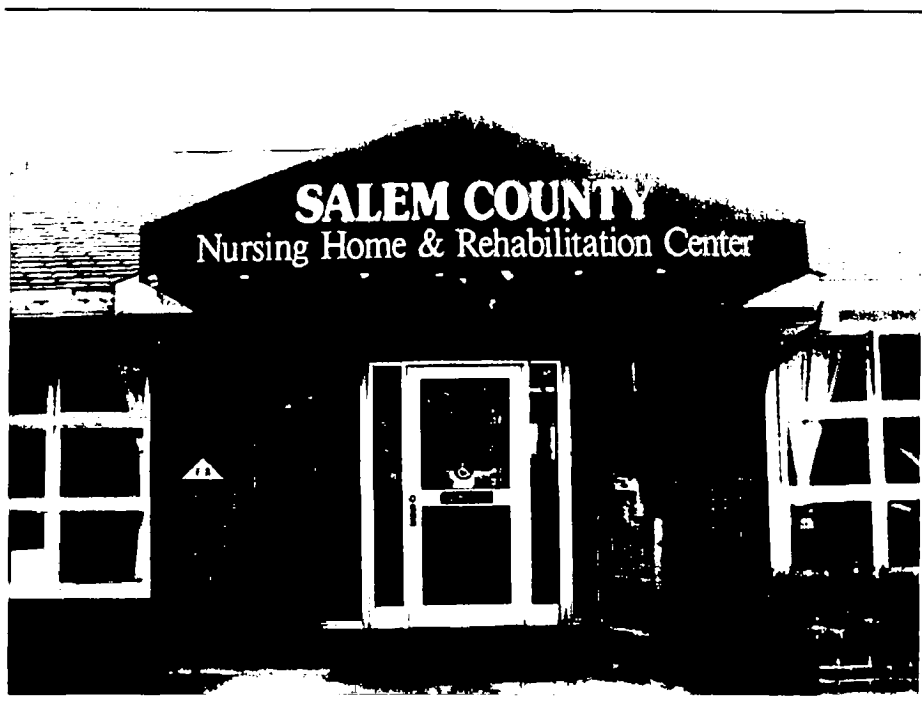
#6) SALEM COUNTY MARKETING BROCHURE

(See Addendum D)

SALEM COUNTY NURSING HOME

Marcus & Millichap
Real Estate Investment Services

SALEM, NJ



**OFFERING
MEMORANDUM**

Presented by:

Ben Sgambati

*Marcus & Millichap New Jersey
Vice President Investments*

611 River Drive
Fourth Floor
Elmwood Park, NJ 07407
Tel 201-582-1000
Fax 201-582-1010
Ben.Sgambati@marcusmillichap.com





SUSSEX COUNTY HOMESTEAD

REQUEST FOR PROPOSAL

#7) TEAM PRIMARILY RESPONSIBLE



Robert Perez

Marketing Coordinator



Mark Myers

*Senior Vice President
Investments | Senior Director*



Joshua Jandris

Investments Associate



Charles Hilding

Investments Associate



INVESTMENT SALES | VALUATION & FINANCIAL ANALYSIS | RESEARCH | ADVISORY SERVICES
ASSISTED LIVING/PERSONAL CARE | INDEPENDENT LIVING/CONGREGATE CARE | SKILLED NURSING



#7) MARK MYERS RÉSUMÉ



Mark L. Myers

Senior Vice President Investments & Senior Director
The Marcus & Millichap National Senior Housing Group
8750 West Bryn Mawr, Suite 650
Chicago, IL 60631
Main Office: 773.867.1500
Direct: 773.867.1470
Email: mmyers@marcusmillichap.com

Mark Myers is a Seniors Housing Specialist with Marcus & Millichap of Chicago, one of 75 offices nationwide. Since 1993, Mr. Myers has become a leading broker in the industry, specializing in representing sellers of commercial real estate across the United States, with a total transaction volume of \$1.8 billion.

Licenses and Professional Affiliations

- * Seniors Housing Specialist Group of Marcus & Millichap
- * National Investment Center (NIC) for Seniors Housing & Care Industries
- * Commercial Real Estate Broker

Achievements & Rankings

- * 2011-Number 4 Agent in the entire firm and Chairman’s Club recipient with Sales exceeding \$260 Million for the first 9 months of 2011. Recipient of Circle of Excellence Achievement award with \$3,000,000 in gross earnings.
- * 2010 - Honored with Top Seniors Housing Agent and number 17 Agent in the firm based on earnings nationally.
- * 2008 - Honored with a Top 30 Investment Associate Award by Marcus & Millichap.
- * 2007 - Honored with Top 25 Investment Associate Award by Marcus & Millichap.
- * 2006 - Honored with Title of Senior Vice President Investments and awarded Top 10 Investment Associate and number 5 Agent in the firm based on earnings nationally.
- * 2003 - Honored with Title of Senior Director of the Senior Housing Group.
- * 2001 - Honored with the Top 10 of Investment Associate Award by Marcus & Millichap, as the number 10 Agent in the firm based on earnings nationally.
- * 1996-2008, 2010-2011 - Honored with the National Achievement Award by Marcus & Millichap 15 of 16 years,

Recently Closed Transactions

- * **Summit Pointe of Macedonia**
A retirement community with a total of 150 units in Macedonia, OH for \$27.5 million.
- * **CareAge Management Portfolio**
Portfolio of 10 SNF & AL facilities with a total of 631 beds in Iowa & Nebraska for \$27.6 million.
- * **American Seniors Communities Portfolio**
Portfolio of assisted living facilities with a total of 836 beds in Indiana for \$123 million.
- * **Cypress Portfolio**
A portfolio of 24 assisted living and 1 nursing home in 11 states for \$190 million

Professional Experience

Marcus & Millichap Real Estate Investment Services
Chicago, IL – *Vice President of Investments/Senior Director*
1993-Present: Specializing in representing sellers of senior housing properties. Transaction volume of \$1.6 billion.

Education

Northwestern Univ. Kellogg School of Management
MBA in Finance & Marketing – 1991
Wheaton College - Wheaton, IL
BA in Economics – 1983

Real Estate License – Illinois
Real Estate Brokerage License – Illinois



#7) JOSHUA JANDRIS RÉSUMÉ



Joshua Jandris

Investment Associate
The Marcus & Millichap National Senior Housing Group
8750 West Bryn Mawr Ave, Suite 650
Chicago, IL 60631
Main Office: 773.867.1500
Direct: 773.867.1482
Fax: 773.867.1510
Email: jjandris@marcusmillichap.com

Joshua Jandris is a Seniors Housing Specialist with Marcus & Millichap of Chicago, one of 68 offices nationwide. He specializes in the brokerage and consulting of County-owned nursing homes across the country. Joshua Jandris closed 15 transactions representing 27 assets in 2011.

Licenses & Professional Affiliations

- * Seniors Housing Specialist Division of Marcus & Millichap
- * American Senior Housing Association (ASHA)
- * National Investment Center (NIC) for Seniors Housing & Care Industries
- * Assisted Living Federation of America

Recently Closed Transactions

- * **Posada Del Sol (Pima County)**
A county owned skilled nursing facility with 149 beds in Tucson, AZ for \$7.8 Million.
- * **American Senior Communities**
A portfolio of skilled nursing facilities with 197 beds throughout Indiana for \$40.3 million.
- * **CareAge Management Portfolio**
Portfolio of 10 SNF & AL facilities with a total of 631 beds in Iowa & Nebraska for \$27.6 million.
- * **Salem County Nursing Home**
A county owned skilled nursing facility with 116 beds in Salem, NJ for \$7.5 million.
- * **Chula Vista Care Center**
A skilled nursing facility with a total of 106 units in Mesa, AZ for \$5.8 million.
- * **Cypress Court of Mesa**
An assisted living facility with a total of 126 units in Mesa, AZ for \$12.8 million.

Professional Experience

Marcus & Millichap Real Estate Investment Services

Chicago, IL – Senior Investment Associate

- * 2006 – Present: Specializing in representing sellers of senior housing properties in the Southwest and Midwestern U.S. Focused exclusively on acquisitions and dispositions of senior housing facilities.

Education

University of Iowa – Iowa City, IA

BA of Liberal Arts

Real Estate License – Illinois



#7) CHARLES HILDING RÉSUMÉ



Charles Hilding

Investments Associate
The Marcus & Millichap National Senior Housing Group
8750 West Bryn Mawr Ave, Suite 650
Chicago, IL 60631
Main Office: 773.867.1500
Direct: 773.867.1471
Fax: 773.867.1510
Email: childing@marcusmillichap.com

Charles Hilding is a Seniors Housing Associate with Marcus & Millichap of Chicago, one of 68 offices nationwide. He provides procurement consulting and analysis for all Seniors Housing Property types including independent and assisted living, skilled nursing facilities and continuing care retirement communities.

Licenses & Professional Affiliations

- * Seniors Housing Specialist Division of Marcus & Millichap
- * National Investment Center (NIC) for Seniors Housing & Care Industries

Professional Experience

Marcus & Millichap Real Estate Investment Services

Chicago, IL – Investments Associate, National Senior Housing Group

- * 2011 – Specializing in business development of Marcus & Millichap’s National Senior Housing Group, he specializes in analytics of properties nationwide, focused exclusively on acquisitions and dispositions of senior housing facilities.

Baxter Healthcare - Financial Development Program

Financial Analyst

- * 2010-2011 - Accounting & Reporting Integrity, Business Performance Mgmt. Managed both cost and revenue perspectives , performed purchase price variance analysis and reporting for month end close and sales reporting at Baxter BioPharma Solutions.
- * 2009-2010- Planning and Reporting, Decision Support. Performed operating plan, forecasts and monthly close process for corporate overhead expenses in addition to managing capital expenditures for Baxter’s, Deerfield operations.

Education

University of Notre Dame – Notre Dame, IN

BA of Business Administration in Finance - May 2009

International Business Certificate - May 2009

Real Estate License—-Illinois



#7) ROBERT PEREZ RÉSUMÉ



Robert Perez

Marketing Coordinator
The Marcus & Millichap National Senior Housing Group
8750 West Bryn Mawr Ave, Suite 650
Chicago, IL 60631
Main Office: 773.867.1500
Direct: 773.867.1472
Fax: 773.867.1510
Email: rperez@marcusmillichap.com

Robert Perez is a Seniors Housing Analyst with Marcus & Millichap of Chicago, one of 68 offices nationwide. He provides procurement consulting and analysis for all Seniors Housing Property types including independent and assisted living, skilled nursing facilities and continuing care retirement communities.

Licenses & Professional Affiliations

- * Seniors Housing Specialist Division of Marcus & Millichap
- * National Investment Center (NIC) for Seniors Housing & Care Industries

Professional Experience

DePaul University Student Copy Services, Chicago, IL

Maintenance & Service Technician

- * Facilitating and educating multiple education departments with the proper supply and maintenance techniques for their department copiers.
- * Implemented preventative maintenance program throughout the university, helping to create a more efficient way of reporting and responding to maintenance issues.

Marcus & Millichap Real Estate Investment Services

Chicago, IL – Financial Analyst, National Senior Housing Group

- * 2003 – Specializing in business development of Marcus & Millichap’s National Senior Housing Group, he specializes in analytics of properties nationwide, focused exclusively on acquisitions and dispositions of senior housing facilities.

Education

DePaul University – Chicago, IL

- BS in Communications - June 2005
- BS (minor) in Marketing - June 2005



#7) NJ BROKER OF RECORD BIO: MICHAEL FASANO



Michael J. Fasano

Regional Manager

Marcus & Millichap Real Estate Investment Services

New Jersey Office

Michael J. Fasano is the vice president and regional manager of Marcus & Millichap's New Jersey office. He joined the firm in 2002 as an associate in the New Jersey office specializing in the multifamily market. Mr. Fasano became sales manager of the New Jersey office in 2004 and was named regional manager in 2005. In early 2009, Fasano was promoted to vice president of the firm. In addition to his responsibilities in New Jersey, Mr. Fasano is the Northeast Regional Director of Training and sits on the Marcus & Millichap Regional Manager Review Board.

Prior to joining Marcus & Millichap he was an executive for a public security company in metro New York.

Mr. Fasano is a graduate of Seton Hall University with a degree in Business Administration.



SUSSEX COUNTY HOMESTEAD

REQUEST FOR PROPOSAL

#7) ACTIVE REAL ESTATE LICENSES

State of Illinois
Department of Financial and Professional Regulation
Division of Professional Regulation

Licensed Real Estate Broker
MARK L MYERS

License No. **075.0102753**

Expires: 04/30/2011

Supervisor: MARCUS AND MILLICAP REAL ESTATE INVESTMENT SERVICES OF CHICAGO INC (478 002376)

Sign and date below to terminate

Michael J. Murtha ACTING SECRETARY
Robert L. Kinnebrew EXECUTIVE DIRECTOR

The official status of this license can be verified at www.idpr.com 4022180

State of Illinois
Department of Financial and Professional Regulation
Division of Professional Regulation

LICENSE NO **478.388237** EXPIRES **04/30/2011**

LICENSED
REAL ESTATE SALESPERSON

JOSHUA T JANDRIS
3053 W EASTWOOD AVE UNIT 3W
CHICAGO, IL 60625

Supervisor: MARCUS AND MILLICAP REAL ESTATE INVESTMENT SERVICES OF CHICAGO INC (478 002376)

Sign and date below to terminate

Michael J. Murtha ACTING SECRETARY
Robert L. Kinnebrew EXECUTIVE DIRECTOR

The official status of this license can be verified at www.idpr.com 4022488

State of Illinois
Department of Financial and Professional Regulation
Division of Professional Regulation

LICENSE NO **478.414473** EXPIRES **04/30/2011**

LICENSED
REAL ESTATE SALESPERSON

ROBERT PEREZ
8780 W BRYN MAWR AVE 650
CHICAGO, IL 60631

Supervisor: MARCUS AND MILLICAP REAL ESTATE INVESTMENT SERVICES OF CHICAGO INC (478 002376)

Sign and date below to terminate

Michael J. Murtha ACTING SECRETARY
Robert L. Kinnebrew EXECUTIVE DIRECTOR

The official status of this license can be verified at www.idpr.com 4022180

State of Illinois
Department of Financial and Professional Regulation
Division of Professional Regulation

LICENSE NO **475.125333** EXPIRES **04/30/2012**

LICENSED
REAL ESTATE BROKER

CHARLES MILDING
8 CHATHAM LANE
OAK BROOK, IL 60521

Supervisor: MARCUS AND MILLICAP REAL ESTATE INVESTMENT SERVICES OF CHICAGO INC (478 002376)

Sign and date below to terminate

Michael J. Murtha ACTING SECRETARY
Jay Stewart TROOP CHIEF

The official status of this license can be verified at www.idpr.com 6080063

STATE OF NEW JERSEY
DEPARTMENT OF BANKING AND INSURANCE
THE REAL ESTATE COMMISSION
20 WEST STATE STREET
PO BOX 328
TRENTON, NEW JERSEY 08645-0328

CONTROL NO **800000-87737**
PROCESS DATE **06/08/2009**

THIS CERTIFIES THAT: **MICHAEL J FASANO** REFERENCE NUMBER **0227664**

IS DULY LICENSED AS A: **BROKER OF RECORD** EMPLOYER REFERENCE NUMBER **9701082**

WITH: **MARCUS & MILLICAP REAL ESTATE INVESTMENT SERVICES OF NJ INC**

BUSINESS LOCATION: **RYER DRIVE CENTER 3 811 RYER DR ELMSWOOD PARK NJ 07407** DOING BUSINESS AS:

ISSUE DATE **06/08/2009** EXPIRATION DATE **06/30/2011**

THIS LICENSE IS THE PROPERTY OF THE NEW JERSEY REAL ESTATE COMMISSION AND MUST BE DISPLAYED IN ACCORDANCE WITH THE REAL ESTATE ACT AND APPLICABLE REGULATIONS

Steven M. Goldman COMMISSIONER
Robert L. Kinnebrew EXECUTIVE DIRECTOR



#8) SERVICES PRINCIPAL WILL PROVIDE

1. Collect and analyze financial data relating to the facility and recommend pricing of the asset.
2. Create all marketing materials and confidentiality agreements.
3. Distribute marketing materials.
4. Create data room.
5. Provide County with sample Letters of Intent forms, Purchase Agreements, Escrow Agreements, Bid Procedures and related documents.
6. Make recommendations for highly acclaimed and experienced professional advisors, including transaction attorneys, licensure attorneys, labor attorneys, accountants, appraisers and so forth.
7. Contact buyers via e-mail, personal phone calls and meetings, including conferences such as NIC.
8. Arrange tours for prospective bidders (PB).
9. Field calls from PB and obtain answers to their questions and provide them with any due diligence and other data to make the most aggressively high offer possible.
10. Collect the offers and provide a synopsis of the offers to the Seller via a Bid Matrix.
11. Conduct multiple bid rounds, update the Bid Matrix, and make recommendations as to the ultimate Winning Bidder (WB).
12. Assist Seller in negotiating P&S and Operations Transfer Agreement (OTA) and other transaction documents with WB.
13. Assist Seller in the collection of the Earnest Money from the WB.
14. Assist WB with its Due Diligence and Financing (if any), including arranging tours for WB, its staff, advisors, third party engineers, appraiser, and so forth.
15. Assist Seller and WB in filing WB's applications for any and all government approvals necessary to operate the nursing home.
16. Assist Seller with closing conditions and closing documents.
17. Assist Seller and Title Company/Closing Agent in closing the transaction, collection and distribution of funds.
18. Assist Seller and WB with Post-Closing matters, including any Escrow hold backs, collection of Accounts Receivable, transitioning of employees, and payment of payables ("Wind-Down" matters).
19. Assist in any other matters critical to the transaction for which M&M is qualified. (Note: M&M is not qualified to give legal or accounting advice and Seller and Buyer must hire their own legal and accounting advisors for such matters).



SUSSEX COUNTY HOMESTEAD

REQUEST FOR PROPOSAL

#9) THE QUALIFICATIONS AND EXPERIENCE OF THE INDIVIDUAL WHO WOULD BE PRIMARILY RESPONSIBLE FOR OVERSIGHT AND MANAGEMENT OF THE PROJECT



Mark L. Myers. has closed nearly \$2 Billion of commercial real estate transactions, including about \$1.6 Billion of seniors housing transactions and nearly \$1 Billion of nursing home transactions. Myers has closed deals in 44 States, including several recent closed transactions in Cherry Hill and in Salem, NJ, as well as a having Cumberland Manor currently under contract . Myers has been a commercial real estate professional since graduating from college in 1983. He has been engaged in the industry in the areas of finance, asset management, and for the past 18 years has been engaged as a commercial real estate broker. For the past 16 of those 18 years, Myers has been responsible for marketing seniors housing properties on behalf of Sellers across the U.S. Myers has been highly acclaimed in his field, having achieved his firm's National Achievement Award for 15 of the 16 years the Award has been offered. On three occasions, Myers has been a top 10 Agent out of about 1,300 Agents. Last year, Myers was the number 1 Seniors Housing Agent in the entire firm and the number 4 Agent among the 1,300 Agents from all product specialties. He is consistently a Top 30 Agent in the firm and he is consistently the number 1 or 2 Seniors Housing Agent in the firm.

Myers is constantly sought after by industry professionals and clients for sage advice regarding valuations, market conditions, and ideas that improve the operations and value of his clients' business. Myers is well respected and known for conducting himself with the utmost integrity as well as his tireless pursuit of the achievement of his client's goals relating to the sale of their facilities. Myers is available night and day, and will work doggedly to present the facility in the best light, to locate the best buyer, to close the transaction, and to be sure that the wind down of the business goes smoothly.



#10) QUALIFICATIONS & EXPERIENCE OF STAFF RESPONSIBLE

Myers will work closely with the firm’s Broker of Record for New York, J.D. Parker, as well as the Myers’ Team in Chicago. The Team consists of Joshua Jandris, Charles Hilding and Robert Perez.



Joshua Jandris: Joshua Jandris is the Senior Director of the National Seniors Housing Group’s county owned nursing home operation. In the last two years, he has been involved in 10 different county ordered RFPs and transactions. Jandris joined the National Seniors Housing Group of Marcus & Millichap in December of 2006. Since joining the firm, he has closed nearly \$250 Million in transactions in 10 states. Jandris has developed a dual approach to his business by still remaining active in the brokerage and analysis of proprietary seniors housing assets as well as working closely with county governments on a consultative and brokerage level. Jandris is a graduate of The University of Iowa, an 8 year veteran of the commercial real estate industry and has specializing solely in the consulting and brokerage of seniors housing assets since joining Marcus and Millichap. In addition to his role as Senior Director of the group’s county operation, Jandris also leads financial analysis and business development efforts. Because of his county expertise, Jandris has recently been featured in a number of local and national news publications including The Adirondack Daily, Press-Republican and County News.



#10) QUALIFICATIONS & EXPERIENCE OF STAFF RESPONSIBLE



Charles Hilding: Charles graduated from the University of Notre Dame in May 2009 with a Bachelor of Administration in Finance and an International Business Certificate. Upon graduation, he was hired into Baxter Healthcare’s Financial Development Program as a financial analyst. In his first rotation with Baxter he was responsible for operating plans and monthly forecasts for over \$90M in overhead expenses and an additional \$19M in capital expenditures.

In his second rotation he was responsible for helping to manage a full P&L for Baxter’s contract manufacturing operations, a branch of the company generating an excess of \$300M in annual revenues.

Charles was hired into Marcus & Millichap in the spring of 2011 and now specializes in business development of Marcus & Millichap’s National Senior Housing Group. He focuses exclusively on acquisitions and dispositions, and is responsible for analytics of properties as well as conducting market research. In his time with Marcus & Millichap, Charles has underwritten over \$100M worth of Seniors Housing Assets and is instrumental in the creation of opinions of value and marketing packages.



Robert Perez: Robert Perez is primarily responsible for all aspects of preparing and distributing marketing materials as well as tracking results and providing administrative services for the team. Robert joined the team in 2003 and has effectively worked on over 600 proposals from leasing to selling of seniors housing assets and has helped with the marketing efforts of over \$1.6 billion worth in closings. Typical duties that Robert is responsible throughout the marketing process consist of creating, distributing and collecting of marketing flyers, marketing prospectuses and confidentiality agree-

ments, establishing an online data room for clients to review all pertinent due diligence data, coordinating of site visits, creating of “progress reports” for sellers, client relations development.



#10) QUALIFICATIONS & EXPERIENCE OF STAFF RESPONSIBLE

Other Staff Resources: In addition, our team is supported by three full-time staff of M&M, Lance Sharp as Office Manager, Jamie Jackimiec and Amy Bax as Administrative Agent Support Staff. Additionally, Greg LaBerge serves as Regional Manager of our office, providing managerial support, direction, guidance, oversight, supervision, training and encouragement. Paul Mudrich (General Counsel and his legal department provide the team with legal advice and direction, and Rick Peltz (Chief Information Officer) and his team provide I.T. support. The firm has an Intranet system, by which the team communicates with the entire company regarding transactions. We have internet portals for data rooms, and we use REACH to create mass e-mailings. All in, there are about 2,000 persons nationwide, supporting one another in some fashion within the firm.

#11) SUB-COUNSULTANTS USED

Sub-Consultants: As our team and corresponding staff is fully capable of handling a transaction of this nature, there is no need for the use of sub-consultants.



#12) QUALIFICATIONS & EXPERIENCE OF ANALYZING & EVALUATING LTC FACILITIES

The combined experience of Myers and Jandris having underwritten approximately 1,000 seniors housing facilities, along with Myers having earned his Master in Finance, Real Estate and Marketing from a top ranked business school, and having walked through the experience of having to defend our underwriting to buyers in over 300 seniors housing transactions, results in our ability to determine the value, marketability and the salability of the Subject facility. Appraisers provide Sellers with valuations of properties, but appraisers contact us to obtain the market data, sold comparables and market knowledge concerning capitalization rates, per bed prices and so forth that they implement to determine their appraisal values. We represent the empirical side of the business, while the appraisers represent the theoretical side.

#13) KNOWLEDGE & EXPERIENCE WITH RESPECT TO IDENTIFYING AND ADDRESSING THE POTENTIAL & CONSIDERATIONS OF THE SALE ON LABOR SALES ON LABOR AND COMMUNITY

Having marketed for sale and closed 4 recent nursing home transactions on behalf of government entities, we are well aware of the potential impacts of the sale on the aforementioned parties. Since we are not qualified to provide legal or economic impact advice (E.g. Bond ratings, etc.), we will not be able to provide such information. However, government entities have found us a tremendous resource in these matters. We know the best attorneys and financial advisors in all aspects of these types of transactions, and we have worked with many of these advisors. We can provide the Seller with multiple legal documents drafted by attorneys in the more than 300 transactions we've closed and the various government-owned facility transactions, including the Salem County transaction. We can direct the Seller to the proper persons within government agencies that can provide answers to questions of impact on various aspects of community and economy. We can provide articles and data to show the Seller and its advisors the various outcomes relating to these matters, resulting from comparable transactions. And, we can share our personal insights and experiences and make certain recommendations to the Seller and its advisors, so long as we are not asked to provide legal or accounting advice.



#14) KNOWLEDGE, QUALIFICATIONS & EXPERIENCE WITH RESPECT TO STATUTORY REQUIREMENTS GOVERNING THE SALE OF LTC AND BED LICENSES INCLUDING N.J.S.A

40:12-1 et seq.:

“N.J.S.A 40A:12-1 et seq” represents the “Local Land & Buildings Law”. Section 40A:12-13 covers the sales of real property. It states that, “Any county or municipality may sell any real property, capital improvement or personal property, or interests therein, not needed for public use (abridged).” The determination of the facilities use will be addressed in two public hearings at least two weeks apart and preceding the sale of the facility by 60-90 days. It also states that the sale must be an “open public sale at auction to the highest bidder after advertisement thereof in a newspaper circulating in the municipality or municipalities in which the lands (or property) are situated.” The notice must run for two consecutive weeks and at least 7 days prior to the sale. At the end of section 12-13 it outlines the minimum deposit guidelines as well as the maximum commission to be paid to an intermediary/broker.

Again, M&M is not qualified to offer legal advice, but we have reviewed the statutes, including N.J.S.A 40:12-1. Perhaps more importantly, we have sought the counsel of an NJ Long-Term Care Transaction Attorney who is well versed in such matters, **David Weinstein of Archer & Greiner PCA in Haddonfield, NJ**, and Mr. Weinstein would continue to advise us in such matters. We highly recommend that he and his associates at **Archer & Greiner PCA**, or a law firm of similar caliber that has extensive experience with the sale of nursing facilities in New Jersey, be considered by the Seller, among other choices for legal matters, as sales of such facilities are very involved and complex transactions be considered by the Seller, among other choices for legal matters, as they are highly experienced and they advised the Seller in the Salem County and Cumberland County Nursing Home sales. We understand the imperative nature of following the guidelines established for the sale of a County Nursing Home in New Jersey, and we commit to following such guidelines in all matters. We will rely on the advice of the County’s advisors, including the Solicitor General, to help formulate Bid Procedures and Sale Guidelines, Transaction Contracts and so forth. We will direct our efforts to maximizing the Seller’s Net Proceeds (Performance), while satisfying the appropriate laws regulating the transaction (Process).



#15) KNOWLEDGE, EXPERIENCE & QUALIFICATIONS OF THE FIRM WITH RESPECT TO ESTABLISHING OPINION OF VALUE TO LTC AND BED LICENSES

We are in constant communication with appraisers for long-term care facilities throughout the U.S. We maintain one of the most extensive databases of sold comparables for long-term care facilities found anywhere in the U.S. We subscribe to publications from the National Investment Center, American Seniors Housing Association, American Association of Homes and Services for the Aging, Irving R. Levin and Larson Allen, among others. These publications and regular news reports provide a wealth of information concerning underwriting long-term care facilities, including data on sold comparables, income and expense levels and ratios, valuation factors such as capitalization rates, prices per bed and so forth.

Underwriting is part science and part art, and we have mastered the technique of utilizing data without allowing the data to handicap our underwriting and valuation process. For example, many government-owned long-term care facilities operate at a significant loss. Therefore, we examine the probable reasons for the losses, determine the factors causing the losses, the potential solutions a buyer may be able to implement to resolve these challenges, create projected income and expenses using this market knowledge, and create an estimate of the stabilized (Pro Forma) value upon which a Buyer will acquire the facility.

For the 4 government-owned nursing homes we sold in the past 18 months, each was incurring operating losses in excess of \$2 Million a year (Cumberland was losing approximately \$2M while the losses of the other 3 were closer to \$3M). They were saddled with onerous union contracts and overstaffing, the primary culprits creating the massive financial hemorrhaging. In speaking to potential buyer pools on the front end of our underwriting, we came to understand some of the things a Buyer can ultimately effectuate that will bring labor costs and other Operating Expenses in line with the market. Having done so, a Buyer can make tremendous profits from a facility, particularly one generating significant revenue such as Sussex. We created a Pro Forma for each transaction, and sold the story based on the Pro Forma underwriting. Without exception, buyers agreed with our underwriting and bid up the prices beyond the Seller's expectations. Competition blinds buyers to much of the nay saying that tends to result from a single buyer negotiating with a Seller in a vacuum, with not competition.

**#16) KNOWLEDGE, EXPERIENCE & QUALIFICATIONS WITH RESPECT TO COORDINATING, COOPERATING AND COMMUNICATING WITH LEGAL REPRESENTATIVES OF THE SELLER**

In every case, we have provided sample Purchase and Sale Agreements as well as Operations Transfer Agreements to Sellers and their respective attorneys. The attorneys have found this most useful in creating draft documents they can provide to bidders, as well as in negotiating a final deal. We also help formulate Bid Procedures and Sale Guidelines, and any other transaction documents such as Closing Statements. Once again, we don't provide legal advice, but we will provide all the tools necessary for the Seller's attorneys to do their job to the fullest.

We maintain tremendous relationships with law firms who are involved with our clients. In our most recently closed New Jersey transaction (Cumberland is currently under contract), we worked closely with the attorneys from Archer & Greiner PCA on the sale of Salem County's Nursing Home, including Christopher Gibson and David Weinstein on the transaction side and Robert Fogg on the licensing side (the same parties are involved in the Cumberland Manor sale). While we are not qualified to provide legal or accounting advice, the attorneys and accountants for the Seller benefit from our vast experience selling facilities similar to the Subject, and we will make observations concerning the Bid Procedures, the Letters of Intent, Purchase and Sale Agreements, Licensing documents, Offering and Due Diligence materials. We create a password protected data room that legal counsel and the accountants for the Seller find very helpful, because it mitigates excuses from prospective bidders that they didn't receive certain information as it will be readily available to any party who executes a confidentiality agreement and utilizes the data room.

#17) KNOWLEDGE, EXPERIENCE & QUALIFICATIONS WITH RESPECT TO DEVELOPING AND ESTABLISHING MARKETING STRATEGIES, METHODS, OBJECTIVES, TIMELINESS AND MILESTONES

We create what is analogous to a "funnel" process, by which we help the Seller and its attorneys narrow the Buyer's contingencies to close, with tight deadlines and financial commitment on the part of the Buyer. For example, we require deadlines for bidding, deadlines for contract submission, negotiation and signing. We require substantial Earnest Money Deposits, timely Due Diligence, no financing contingencies, deadlines for filing applications for all government approvals, deadlines for title review, and deadline for Closing. We lead Buyers through the acquisitions process via a "short leash," otherwise Buyers lead Sellers on a wild goose chase that results in wasted time and money. This is particularly critical for facilities that are operating at a substantial loss, which is true of most government-owned facilities.

Having said all of the above, if the Seller needs to meet certain deadlines, or to extend Closing to satisfy certain time frames that result in maximizing the proceeds or benefit to the Seller, then we will work within those parameters. For example, in the sale of the 370-bed Cambria County Nursing Home in Pennsylvania, the County asked that we extend the Closing Date until year end 2009. The county had a grant that vested another 25% vested in mid-December. Our firm was engaged by the county mid-summer 2009 to assist in the privatization of the facility.



SUSSEX COUNTY HOMESTEAD

REQUEST FOR PROPOSAL

We customized our sales timeline to allow the county to vest the additional 25% of its state grant and closed on the sale December 31st, Closing on this specific date not only allowed the County to earn the 25% additional vesting, but it allowed it to avoid having to include the negative cash flows generated by the facility in the 2010 County Budget. We had the Buyer post approximately \$1.5 Million in non-refundable Earnest Money long before December 31st, to ensure that they Buyer would close on that date.

#18) OVERALL DEPTH & QUALITY OF THE FIRM

Since 1971, Marcus & Millichap Real Estate Investment Services has been the premier provider of investment real estate services. The foundation of our investment services is the depth of our local market knowledge. Our 40-year history of maintaining investor relationships in local markets enables us to be the best information source and transaction service provider nationally.

In 2011, Marcus & Millichap closed 5,085 transactions for private and institutional investors for a total of over \$17 billion in sales and financing. By closing more transactions annually than any other firm, our investment professionals are able to provide clients with an unparalleled perspective on the investment real estate market locally, regionally and nationally. Included in these transactions were seniors housing facilities, shopping centers, office and industrial buildings, apartment properties, single-tenant, net-lease properties, hotels/motels, manufactured home communities, self-storage and land.

Marcus & Millichap has established itself as a leading, and expanding, investment real estate company, with more than 1,300 agents in offices throughout the United States. The firm expanded operations in five markets between 1995 and 1997 including Atlanta, Ft. Lauderdale, Northern New Jersey, Detroit and Washington, D.C. In 1998, the company continued its expansion into the Eastern and Southeastern United States by opening offices in Tampa, Orlando and Philadelphia. In 1999, the firm opened offices in Manhattan, New Haven, and Columbus and Cincinnati, Ohio. The firm established a second Chicago office (Chicago Downtown) and a West Los Angeles office in 2004, as well as new offices in Cleveland and San Antonio. In 2005, the company expanded its western operations with new offices in Santa Fe, Reno and Oakland. In the nation's core, Marcus & Millichap opened offices in Williamsburg, VA. and Madison, WI. Our southeastern growth led to office openings in Miami and Lafayette, La.



SUSSEX COUNTY HOMESTEAD

REQUEST FOR PROPOSAL

We are a highly specialized group, focusing solely on the cultivation of senior housing transactions. Our group's specific expertise and extensive industry knowledge, coupled with long term client relationships give us a competitive edge in the valuation of Senior Care Facilities. As market leaders, we actively participate in many conventions, belong to several organizations, have cutting edge research and technology, and provide comfortable confidential environments from start to finish. Research We employ a team of professional research analysts that produces a variety of research report that provide our client with up-to-date market information, allowing for better, more informed decisions to be made. The reports integrate historical and current macro-economic, demographic and fundamental real estate indicators to provide a comprehensive market overview and forecast of the Seniors Housing industry.

#19) NUMBER OF YEARS THE FIRM HAS PROVIDED SIMILAR SERVICES

M&M has been in the commercial real estate brokerage business since 1971. The M&M Seniors Housing Group has been brokering nursing facilities since 1993 and has sold about \$7 Billion of such properties. Mark Myers has been brokering nursing homes since 1996 and has sold about \$1 Billion of such properties and related bed licenses.



#20) QUALITY AND RELEVANCE OF THE REFERENCES PROVIDED

COUNTY HOME

REFERENCED PROVIDED

POSADA DEL SOL (PIMA COUNTY)

- ARIZONA 149 BED SKILLED NURSING FACILITY
- SOLD IN DECEMBER 2011
- SALE PRICE—\$7,800,000

NEIL KONIGSBERG
 LEGAL REPRESENTATION
 PIMA COUNTY, AZ
 PH: 520.740.5750 | NEILKONIGSBERG@PCAO.PIMA.GOV

SALEM COUNTY NURSING HOME

- NEW JERSEY 116 BED SKILLED NURSING FACILITY
- SOLD IN JUNE 2011
- SALE PRICE—\$7,500,000

MICHAEL BURKE
 CHAIRMAN OF COMMISSIONERS
 SALEM COUNTY, NJ
 PH: 856.279.2182 | MBURKE@WESTIERSEYTITLE.COM

CARBON COUNTY NURSING & REHAB

- PENNSYLVANIA 200 BED SKILLED NURSING FACILITY
- SOLD IN JULY 2010
- SALE PRICE—\$11,050,000

WILLIAM J. GUREK
 CHAIRMAN OF COMMISSIONERS
 CARBON COUNTY, PA
 PH: 570.325.3611 | CCCOMMIS@PTD.NET

LAUREL CREST REHABILITATION CENTER

- PENNSYLVANIA 370 BED SKILLED NURSING FACILITY
- SOLD IN JANUARY 2010
- SOLD PRICE—\$14,050,000

P.J. STEVENS
 CHAIRMAN OF COMMISSIONERS
 CAMBRIA COUNTY, PA
 PH: 814.472.5440 | HGEORGE@CO.CAMBRIA.PA.US

CUMBERLAND MANOR

- NEW JERSEY 196 BED SKILLED NURSING FACILITY
- AUCTIONED IN JANUARY 2012
- UNDER CONTRACT PRICE—\$14,100,000

KENNETH MECOUCH
 CHAIRMAN OF COMMISSIONERS
 CUMBERLAND COUNTY, NJ
 PH: 856.453.2130 | KENME@CO.CUMBERLAND.NJ.US



**#21) KNOWLEDGE & EXPERIENCE OF THE FIRM IN PROVIDING SERVICES TO
NEW JERSEY GOVERNMENT ENTITIES**

Salem County Transaction: Marcus & Millichap was engaged by the Salem County Improvement Authority, on or about February 10, 2011. By March 3, 2011, we had contacted almost 3,000 potential buyers via e-mails and other communication sources, and we procured 6 Letters of Intent, ranging in price from \$3.5 Million to \$6.5 Million. After two additional bidding rounds, on March 18, 2011 we were able to narrow down the bidder filed to three bidders, one at \$6.8 Million, one at \$7.1 Million and one at \$7.5 Million.

We required the three bidders to submit marked up versions of the Seller's Purchase and Sale Agreement (P&S). The winning Bidder submitted his offer on the Seller's P&S form, without making any material changes thereto. The Buyer had no financing contingency, with financial backing from two banks and approximately \$2.5 Million in personal cash for the down payment. The Buyer offered \$200,000 of Earnest Money upon full execution of the P&S Agreement.

The Improvement Authority chose the aforementioned Bidder, and collected the \$250,000 Deposit from him. The Buyer conducted all of its Due Diligence within 30 days of the Effective Date of the P&S, and closed the transaction on June 1, 2011. A Dry Closing took place just prior to the actual Closing and Funding on June 1st, to work out any potential kinks in the closing process.

The Seller was thrilled with the results. The Improvement Authority had expressed concern that there may not be any buyers willing to purchase its facility, as it was losing approximately \$8,000 a day without having to service a loan. And, upon our engagement to sell the facility, we were told that the Authority would be thrilled to obtain a price of \$5 Million. The ultimate sales price was \$7.5 Million. This does not include the substantial "Working Capital", defined as the Seller's Accounts Receivable, Cash and other assets of the Seller, less the Seller's Accounts Receivable.

You are encouraged to contact Salem County Improvement Authority Chairman, Michael Burke via telephone at 856.769.9500 or via e-mail at MBurke@westjerseytitle.com to discuss details regarding the sale.

(See Addendum D)

**#1) MARKETING/SALES STRATEGIES, METHODS AND OBJECTIVES THE RESPOND-
ENT PROPOSE TO DEVELOP & UTILIZE FOR THE SALE OF THE HOMESTEAD**

If engaged to market the Sussex County Homestead on February 27, 2012, we will have all our marketing materials fully prepared on or before February 29th, 2012 including a professional Offering Memorandum, E-Flyer, Confidentiality Agreement, Data Site, and so forth. From February 29th through March 30th, we will communicate to all potential bidders, the Bid Procedures, grant them access to the data room to conduct most of their Due Diligence, arrange tours of the facility, tell the story, explain our underwriting to prospective bidders and their advisors (appraisers, lenders, investors), and push for bidders to bid. During this time period, we will also qualify bidders and obtain a good idea of which ones are capable of closing the transaction. If possible, we recommend requiring all bidders to deposit at least \$250,000 into a title company to qualify for being able to place a bid for the facility.

We recommend holding the live outcry auction with teleconference capability, if allowable by law. This will allow bidders who otherwise will not fly to NJ to bid at the County in person, to place bids. The anonymity afforded by a teleconference bidding process will further enhance bidding up the Sales Price. Some bidders may back away from bidding too aggressively, if they are on the County Courthouse steps bidding against someone from their religious, social or business community. Plus, bidders who are bidding in a virtual format can gather up their advisors and have their computers in available for quick calculations/modeling and so forth, which further enhances the chances of achieving a high sales price.



#2) TIMELINES & MILESTONES THE RESPONDENTS PROPOSE TO ESTABLISH FOR SALE OF THE MANOR

Action Item	Timing
Assumes Marcus & Millichap is Engaged 2/27/12	
Create Marketing Materials Individual Offering Memorandums E-Brochures Confidentiality Agreements Online Data Room (Liaison)	February 29th, 2012
Distribute Marketing Materials (Email Database of 4,000 Owners/Operators and Investors) Contact Potential Buyers and Review Materials Obtain Draft Purchase & Sale Agreement (PSA) from Seller & Updated third Party Reports (Environmental, ALTA Survey, Title Work) from Seller and place these and all Other Due Diligence Materials into Password-Protected Data Room Conduct tours of the subject facility with potential buyers.	February 29th, 2012- March 30, 2012
Auction at County Building (Choose Winning Bidder and Receive Buyer's Earnest Money) Seller and Buyer Execute the Purchase and Sale Agreement, Seller Tours Sample of Buyer's Facilities	April 20th, 2012 By May 15 th , 2012
Licensure Submission by Buyer	By May 15th, 2012
Purchaser Due Diligence Expires *Earnest Money Becomes Non-Refundable	June 30th, 2012
Buyer completes paperwork for Closing with Seller, Lender, Licensing and Government Agencies Closing	By July 25th 2012



#3) KNOWLEDGE , EXPERIENCE & QUALIFICATIONS WITH RESPECT TO PREPARING DOCUMENTATION NECESSARY FOR MARKETING & SELLING LTC & BED LI-

As part of selling approximately \$7 Billion of seniors housing, our firm has regularly conducted the sale/auction of properties, including nursing homes, via bid processes that include sealed bids, virtual and on-site, open-outcry auction formats.

#4) KNOWLEDGE , EXPERIENCE & QUALIFICATIONS WITH RESPECT TO PREPARING DOCUMENTATION NECESSARY FOR COMPLETION OF SALE OF LTC & BED LICENSES

(See Addendum D)



#5) EXPERIENCE, KNOWLEDGE & QUALIFICATIONS WITH RESPECTS TO THE DEVELOPMENT OF THE CRITERIA USED TO DETERMINE QUALIFICATION OF POTENTIAL BUYERS

Being involved in so many transactions nationwide, and having so many contacts with industry advisers, and having access to the data regarding which buyers have actually closed transactions recently, all represent resources at our fingertips that we will utilize to qualify buyers. Additionally, we require potential buyers to submit to our clients, their Personal Financial Statements, actual bank or stock brokerage statements, verifications from banks regarding financial capacity, and so forth, in order to satisfy our qualification hurdles. Out of the 50+ transactions the Myers Team has close since January 2010, about 50% have been with all-cash Buyers who required no financing. Locating these types of buyers, and convincing them to bid has been a critical component to our successful achievements.

#6) EXPERIENCE, KNOWLEDGE & QUALIFICATIONS WITH RESPECT TO CONDUCTING AND/OR ASSISTING IN CONDUCTING THE SALE/ACTION OF LTC & BED LICENSES

As part of selling approximately \$7 Billion of seniors housing, our firm regularly conducts bid processes for seniors housing facilities, including sealed bids and auction formats. Our firm has won numerous national recognition awards for its creation and implementation of Technology, and we have an entire I.T. team that will assist in creating the virtual data room necessary to conduct the marketing, due diligence and ultimate auction of the Homestead.

#7) EXPERIENCE, KNOWLEDGE & QUALIFICATIONS WITH RESPECT TO TRANSFERRING OWNERSHIP FROM GOVERNMENT OWNED TO PRIVATE FIRM

In the past 24 months, M&M has been involved with the privatization of numerous government-owned nursing facilities. We are currently marketing Essex County's (NY) 100-bed facility, Chautauqua County's (NY) 215-bed facility and Burlington County's (NJ) 200 bed facility. In January of 2012, we auctioned off Cumberland County's (NJ) 196-bed nursing home. Closed on the Pima County Nursing Home (Posada del Sol) in Tucson, AZ on December 31, 2011. We have completed transactions that include a 200-bed facility in Carbon County, PA, a 370-bed nursing home in Cambria County, PA, a 116-bed nursing facility in Salem County, NJ and a 120 unit County facility in Southern, WI. We meet regularly with counties all over the U.S. to discuss the possible privatization of their nursing homes, and we are in various stages of discussions with many counties in this regard. We anticipate being involved in the privatization of at least 1 government-owned nursing home each of the next 4 quarters.



Having gone through the process on so many occasions and in various States, provides us the experience and knowledge to assist in the completion of any and all documentation necessary to document the transaction and complete the transfer of all real/personal property, appurtenances and bed licenses. Having worked closely with David Weinstein and his team at **Archer & Greiner PCA** on all aspects of transferring real/personal property, appurtenances and bed licenses for the Salem County facility helped us garner the necessary experience to walk through a similar process for the Sussex County Homestead.

#8) EXPERIENCE, KNOWLEDGE & QUALIFICATIONS WITH RESPECT TO FILING DOCUMENTATION REQUIRED BY THE STATE OF NEW JERSEY HEALTH DEPARTMENT & SENIOR SERVICES

Having completed the sale of the Salem County Nursing Home, and having worked closely with Robert Fogg and his team at **Archer & Greiner PCA** on the licensing aspects of transferring the Salem County facility helped us garner the necessary experience to walk through a similar process for the Sussex County Homestead.

#9) EXPERIENCE, KNOWLEDGE & QUALIFICATIONS WITH RESPECT TO DEALING WITH THE STATE OF NEW JERSEY HEALTH DEPARTMENT & SENIOR SERVICES

Having worked closely with Robert Fogg, David Weinstein and their team at **Archer & Greiner PCA** on aspects of the Salem County transaction as it related to matters involving the State of NJ helped us garner the necessary experience to walk through a similar process for the Cumberland County facility. In addition, in working through the Salem, Cumberland and currently the Burlington transaction, we have gained contacts who specialize in the reimbursement aspects and the impacts to a new owner in the privatization of a LTC facility.

(See Addendum D)



#10) OFFICE LOCATIONS

New Jersey Office

611 River Drive

Fourth Floor

Elmwood Park, NJ 07407

Office: (201) 582-1000

Fax: (201) 867-1510



Chicago O'Hare Office

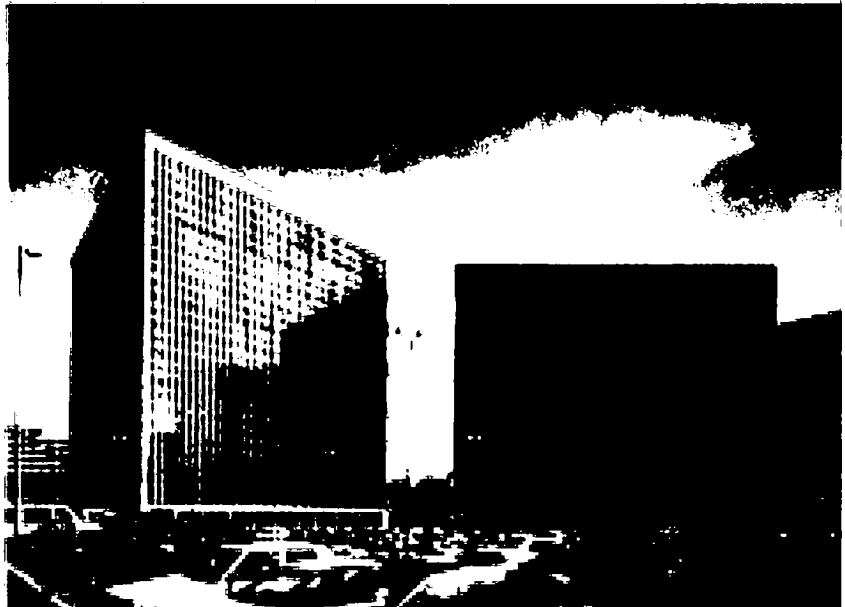
8750 West Bryn Mawr Ave

Suite 650

Chicago, Illinois 60631

Office: (773) 867-1500

Fax: (773) 867-1510





#11) FIRMS RESOURCES, INCLUDING DETAILS OF SUPPORT STAFF

The Myers' Team has four primary professionals serving on the team, including Mark Myers (Senior V.P. and Senior Director), who is responsible for all aspects of managing and team and its transactions. Joshua Jandris has primary responsibility for client development and underwriting as well as training new team members. Robert Perez has primary responsibility for all aspects of preparing and distributing marketing materials for the team and its clients, as well as tracking results and providing administrative services to the team. Charlie Hilding provides underwriting and development support to Jandris. In addition, our team is supported by three full-time staff of M&M, Lance Sharp as Office Manager, Jamie Jackimiec and Amy Bax as Administrative Agent Support Staff. Additionally, Greg LaBerge serves as Regional Manager of our office, providing managerial support, direction, guidance, oversight, supervision, training and encouragement. Paul Mudrich and his legal department provide the team with legal advice and direction, and Rick Peltz and his team provide I.T. support. The firm has an Intranet system, by which the team communicates with the entire company regarding transactions. We have internet portals for data rooms, and we use REACH to create mass e-mailings. All in, there are about 2,000 persons nationwide, supporting one another in some fashion within the firm.

#12) QUALITY & DETAIL OF THE SAMPLE MEMORANDUM/MARKETING BROCHURE

(See Addendum C)



#13) ADDITIONAL VALUE ADDED SERVICES THE FIRM MAY PROVIDE

We will be glad to connect the County with excellent and experienced attorneys, accountants, appraisers and other advisors. We will help evaluate the work product of such advisors and the work of the advisors for the prospective bidders. We will review the Purchase and Sale Agreement drafts and make comments to same for the benefit of the Seller and its attorneys and advisors.

We will be glad to do whatever it takes within the confines of the law, to obtain the highest price for the Seller, within the shortest possible time frame, with the least amount of aggravation for the Seller, to the most qualified Buyer. We will also be glad to assist the Seller and its representatives in any matters allowable by law, so long as our activities cannot be construed as providing legal or accounting advice. By way of example only, if the County is in need of having us travel to Sussex County to testify in Court or at a Hearing or Administrative meeting relating to the sale of the Sussex County Homestead, we will be glad to do so.



#1) FEES AND FINANCIAL CONSIDERATION—COMMISSION RATE STRUCTURE

In full compliance with the statutory commission rate as set forth in N.J.S.A. 40A:12-1 et seq., Marcus & Millichap proposes the following commission structure:

Three Percent (3%) of the Total Gross Purchase Price. Gross Purchase Price as used in this Agreement shall include, but shall not be limited to:

1. Cash, stock, equity interests, membership interests, and/or partnership interests;
2. Payments made in installments;
3. Notes, securities and all other property;
4. The assumption and/or restructuring of any liabilities, including all debt and guarantees assumed, refinanced or reorganized, whether on-balance sheet and off-balance sheet;
5. Contingent payments (whether or not related to future earnings or operations);
6. Any interest or other payments made on or in respect of debt;
7. Any other payment made on or in respect to the equity interests in the Property and/or its affiliates;
8. Any consideration payable under consulting agreements and/or non-compete agreements;
9. Any assignment of leases, whether real or personal property;
10. Any constructive payments; and
11. Any release or assumption of bonds or debt instruments of any kind.



#1) TERM OF CONTRACT - FIRMS ACKNOWLEDGMENT OF CONTRACT DURATION

Marcus & Millichap acknowledges and fully understands the following:

The contract shall be a one (1) year contract commencing immediately upon full execution of the contract documents.

The County and M&M agree to enter into a contract and Disclosure Documents as required by law and as may be modified by Sussex County.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
2/13/2012

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER MOC Insurance Services License No. 0589960 44 Montgomery St., 17th Fl. San Francisco CA 94104	CONTACT NAME: Paul Perlite PHONE (A/C No. Ext.): (415) 957-0600 E-MAIL ADDRESS: pperlite@maroevich.com	FAX (A/C No.): (415) 957-0577													
	<table border="1"> <thead> <tr> <th>INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> </thead> <tbody> <tr> <td>INSURER A: Fireman's Fund Insurance Co.</td> <td>21873</td> </tr> <tr> <td>INSURER B: Federal Insurance Company</td> <td>20281</td> </tr> <tr> <td>INSURER C: Hartford Ins. Co. Midwest</td> <td>37478</td> </tr> <tr> <td>INSURER D: Navigators Specialty Ins. Co</td> <td></td> </tr> <tr> <td>INSURER E:</td> <td></td> </tr> <tr> <td>INSURER F:</td> <td></td> </tr> </tbody> </table>		INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A: Fireman's Fund Insurance Co.	21873	INSURER B: Federal Insurance Company	20281	INSURER C: Hartford Ins. Co. Midwest	37478	INSURER D: Navigators Specialty Ins. Co		INSURER E:		INSURER F:
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INSURER F:															

COVERAGES	CERTIFICATE NUMBER: LISTINGS 2011	REVISION NUMBER:
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THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC			MXX80935997 Terrorism included	11/16/2011	11/16/2012	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
	A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS			MXX80935997	11/16/2011	11/16/2012
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$			Terrorism Included 79879775	11/16/2011	11/16/2012	EACH OCCURRENCE \$ 25,000,000 AGGREGATE \$ 25,000,000
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	57WNMS5810 (CA & all other states) 57WBRM5811 (PL, NJ, NM OR & WI)	03/23/2011	03/23/2012	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
A	Professional Liability			SF11MPL743288IC	5/12/2011	5/12/2012	Limit of Liability \$1,000,000
B	Crime			82119211	06/28/2011	06/28/2012	Limit of Liability \$1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
RE: Listing of Property; Certificate Holder is Additional Insured as respects their interest may appear in regards to the General Liability and Auto Liability Insurance;

CERTIFICATE HOLDER Sussex County Board of Free Holders One Spring Street Newton, NJ 07860	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE Halidee Callejas/HCA <i>Halidee Callejas</i>
---	--

**Request for Taxpayer
 Identification Number and Certification**

Give Form to the
 requester. Do not
 send to the IRS.

Name (as shown on your income tax return)
Marcus & Millichap Real Estate Services, Inc.

Business name/disregarded entity name, if different from above

Check appropriate box for federal tax classification (required):
 Individual/sole proprietor C Corporation S Corporation Partnership Trust/estate
 Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ Exempt payee
 Other (see instructions) ▶

Address (number, street, and apt. or suite no.)
777 S. California Ave
 City, state, and ZIP code
Palo Alto, CA 94304

Requester's name and address (optional)

List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I Instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Social security number

		-					
--	--	---	--	--	--	--	--

Employer identification number

9	4	-	2	3	7	2	5	4	7
---	---	---	---	---	---	---	---	---	---

Notes:
 If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
- I am a U.S. citizen or other U.S. person (defined below).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 4.

Sign Here Signature of U.S. person ▶ *Catherine Shaker* Date ▶ *6/14/11*

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Notes. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

**STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
SHORT FORM STANDING**

**MARCUS & MILLICHAP REAL ESTATE INVESTMENT SERVICES OF NEW JERSEY,
INC.
0100710166**

With the Previous or Alternate Name

**MARCUS & MILLICHAP INCORPORATED OF NEW JERSEY (Previous Name)
MARCUS & MILLICHAP REAL ESTATE INVESTMENT BROKERAGE COMPANY OF
NEW JERSEY (Previous Name)**

*I, the Treasurer of the State of New Jersey, do hereby certify that the
above-named California Foreign Profit Corporation was registered by
this office on June 18, 1997.*

*As of the date of this certificate, said business continues as an active
business in good standing in the State of New Jersey, and its Annual
Reports are current.*

I further certify that the registered agent and registered office are:

*National Registered Agents, Inc. Of Nj
100 Canal Pointe Blvd.
Suite 212
Princeton, NJ 08540*



Certification# 120133510

*IN TESTIMONY WHEREOF, I have
hereunto set my hand and affixed my
Official Seal at Trenton, this
13th day of April, 2011*

*Andrew P Sidamon-Eristoff
State Treasurer*

Verify this certificate at
https://www1.state.nj.us/TYTR_StandingCert/JSP/Verify_Cert.jsp



STATE OF NEW JERSEY BUSINESS REGISTRATION CERTIFICATE

Taxpayer Name: MARCUS & MILLICHAP REAL ESTATE INVESTMENT SERVICES OF NEW JERSEY, INC.

Trade Name:

Address: 2626 HANOVER ST
PALO ALTO, CA 94304

Certificate Number: 1248999

Effective Date: August 11, 2011

Date of Issuance: November 03, 2011

For Office Use Only:
20111103155029141



ADDENDUM

A

SUSSEX COUNTY HOMESTEAD

Marcus & Millichap
Real Estate Investment Services

NEWTON, NJ



MARKET POSITIONING & PRICING ANALYSIS

Prepared For:

Sussex County Bid Proposal Committee
Sussex County, NJ

SUSSEX COUNTY HOMESTEAD
NEWTON, NJ



SECTION ONE
.....PRICING & FINANCIAL ANALYSIS

SECTION TWO
.....PROPERTY DESCRIPTION

SECTION THREE
.....RECENT SALES

SECTION FOUR
.....RENT COMPARABLES

SECTION FIVE
.....DEMOGRAPHIC ANALYSIS

SECTION SIX
.....MARKETING PLAN

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SUSSEX COUNTY HOMESTEAD

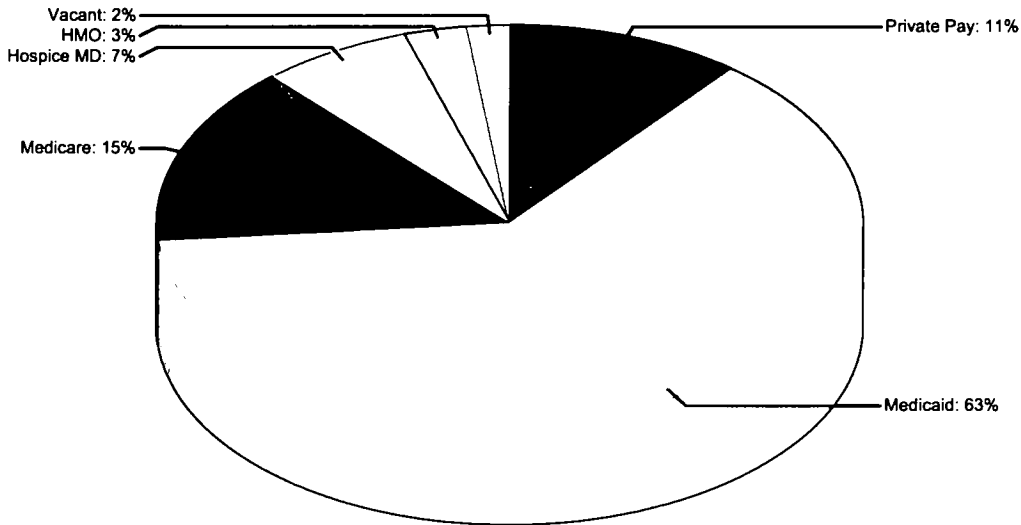
NEWTON, NJ

SUSSEX COUNTY HOMESTEAD
 NEWTON, NJ

Unit Mix

Type of Care	No. of Units	No. of Beds	Pro Forma Beds	Unit Type	Avg. Rent	Current Daily Income	Avg. Rent	Pro Forma Daily Income
SNF		11	11	Private Pay	\$246	\$2,641.00	\$246	\$2,641.00
SNF		64	64	Medicaid	\$212	\$13,515.00	\$221	14,136
SNF		15	15	Medicare	\$552	\$7,975.00	\$552	\$7,975.00
SNF		0	0	Hospice PP	\$246	\$14.00	\$246	\$14.00
SNF		7	7	Hospice MD	\$212	\$1,385.00	\$212	\$1,385.00
SNF		3	3	HMO				
SNF				Respite				
SNF		2	2	Vacant				
		102	102	TOTAL		\$25,530		\$26,151

UNIT MIX



COMMENTS

Current and Pro Forma census, unit mix and daily income values are based on averages of the 4/30/2011 YTD P&L. Due to a lack of detail for the revenue payor types, Daily Income, Avg Rent and distribution of revenue may not be accurate. HMO and Respite were not represented in the Revenue breakdown.

SUSSEX COUNTY HOMESTEAD
 NEWTON, NJ

PRICING & FINANCIAL ANALYSIS

Income & Expenses

	CURRENT	PER BED	PRO FORMA	PER BED
RESIDENT SERVICE FEES				
Care & Service Rent	\$9,318,450	\$91,357	\$9,545,115	\$93,580
Third Party	926,872	9,087	926,872	9,087
Peer Grouping	(164,422)	(1,612)		
GROSS POTENTIAL RENT	\$10,080,900	\$98,832	\$10,471,987	\$102,667
Other Revenue				
Other	2,723	27	2,723	27
TOTAL OTHER REVENUE	\$2,723	\$27	\$2,723	\$27
GROSS POTENTIAL INCOME	\$10,083,623	\$98,859	\$10,474,710	\$102,693
Total Expenses	\$8,977,597	\$88,016	\$8,337,497	\$81,740
PRD	\$250.21		\$232.37	
NET OPERATING INCOME	\$1,106,026	\$10,843	\$2,137,214	\$20,953

COMMENTS

The Peer Grouping line item is an adjustment unique to a county home operation, that being the case, the adjustment was not brought through to the Pro Forma analysis. The Third Party revenue line item refers to a revenue payor source, but was non-descript in its presentation.

Marcus & Millichap

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—i



**#1) DESCRIPTION OF SERVICES/WORK/RESPONSIBILITIES:
CUMBERLAND COUNTY MARKETING BROCHURE**

(See Addendum A)

SUSSEX COUNTY HOMESTEAD

Marcus & Millichap
Real Estate Investment Services

NEWTON, NJ



**MARKET POSITIONING &
PRICING ANALYSIS**

Prepared For:

Sussex County Bid Proposal Committee
Sussex County, NJ



SUSSEX COUNTY HOMESTEAD

REQUEST FOR PROPOSAL

**#2) DESCRIPTION OF SERVICES/WORK/RESPONSIBILITIES:
INDUSTRY RELATED PUBLICATIONS & CONFERENCES**

Conventions/Industry Associations



Assisted Living Federation Association of America



The National Investment Center for the Seniors Housing and Care Industry



The Annual National Medicaid Medicare Conference



Empire State Association for Assisted Living



Ohio Health Care Association

Advertising Relationships



SUSSEX COUNTY HOMESTEAD
 NEWTON, NJ

Expenses

	CURRENT	PRD	PER BED	PRO FORMA	PRD	PER BED
Salaries & Wages	\$4,795,147	\$133.64	\$47,011	\$3,867,810	\$107.80	\$37,920
Fringe Benefits	2,841,124	79.18	27,854	611,514	17.04	5,995
Other Expenses	833,565	23.23	8,172	2,613,062	72.83	25,618
Management (% of GPI)				523,736	14.60	5,135
Other Administrative	79,917	2.23	784	15,377	0.43	151
Maintenance	256,568	7.15	2,515	248,677	6.93	2,438
Utilities	171,276	4.77	1,679	193,039	5.38	1,893
Quality Assurance Fee				264,282	7.37	2,591
TOTAL EXPENSES	\$8,977,597	\$250.21	\$88,016	\$8,337,497	\$232.37	\$81,740
% of GPI	89%			80%		
NET OPERATING INCOME	\$1,106,026	\$30.83		\$2,137,214	\$59.57	
% of GPI	11%			20%		

COMMENTS

Current expenses reflect the 4/30/11 YTD P&L, annualized. Pro Forma expenses reflect comparable operating margins of NJ facility operators' P&Ls (comp set). Property Taxes, Bed Taxes and Marketing Expense represent costs added to the Pro Forma analysis, not seen in current expenses. An industry standard 5% Management Fee was added to the Pro Forma Analysis as well.

SUSSEX COUNTY HOMESTEAD
 NEWTON, NJ

Pricing (A) - Current

PRICING & FINANCIAL ANALYSIS

	LIST PRICE	SALES RANGE	
Price	\$9,500,000	\$8,000,000	\$11,500,000
Down Payment	0% \$0		
First Trust Deed/Mortgage	\$9,500,000		
NET OPERATING INCOME	\$1,106,026	\$1,106,026	\$1,106,026
CASH FLOW ANALYSIS			
Net Cash Flow After Debt Service	\$1,106,026	\$1,106,026	\$1,106,026
Total Return	\$1,106,026	\$1,106,026	\$1,106,026
VALUE INDICATORS			
CAP Rate	11.64%	13.83%	9.62%
EGIM	0.94	0.79	1.14
Price/Bed	\$93,137	\$78,431	\$112,745

COMMENTS

All Pricing and Valuation information is based on a cursory financial analysis.
 A complete financial analysis will yield the final valuation.

SUSSEX COUNTY HOMESTEAD
 NEWTON, NJ

Pricing (B) - Pro Forma

	LIST PRICE	SALES RANGE	
Price	\$9,500,000	\$8,000,000	\$11,500,000
NET OPERATING INCOME	\$2,137,214	\$2,183,191	\$2,183,191
CASH FLOW ANALYSIS			
Total Return	\$2,137,214	\$2,183,191	\$2,183,191
VALUE INDICATORS			
CAP Rate	22.50%	27.29%	18.98%
EGIM	0.91	0.76	1.10
Price/Bed	\$93,137	\$78,431	\$112,745

PRICING & FINANCIAL ANALYSIS

COMMENTS

All Pricing and Valuation information is based on a cursory financial analysis. A complete financial analysis will yield the final valuation.

SUSSEX COUNTY HOMESTEAD
NEWTON, NJ

PRICING & FINANCIAL ANALYSIS

Financial Overview

Price	\$9,500,000	LOCATION		
Total Beds	102	129 Morris Turnpike		
Price/Bed	\$93,137	Newton, NJ 07860		
Price/Bed - Pro Forma	\$93,137	ANNUALIZED OPERATING DATA		
Occupancy - Current	98%	INCOME	CURRENT	PRO FORMA
CAP Rate- Current	11.64%	Gross Potential Rent	\$10,080,900	\$10,471,987
CAP Rate- Pro Forma	22.50%	Total Other Revenue	2,723	2,723
EGIM- Current	0.94	Gross Potential Income	\$10,083,623	\$10,474,710
EGIM- Pro Forma	0.91	Less: Expenses	8,977,597	8,337,497
		Net Operating Income	\$1,106,026	\$2,137,214

EXPENSES	CURRENT	PRO FORMA
Salaries & Wages	\$4,795,147	\$3,867,810
Fringe Benefits	2,841,124	611,514
Other Expenses	833,565	2,613,062
Management (% of GPI)		523,736
Other Administrative	79,917	15,377
Maintenance	256,568	248,677
Utilities	171,276	193,039
Quality Assurance Fee		264,282
TOTAL EXPENSES	\$8,977,597	\$8,337,497
PRD	\$250.21	\$232.37
Expenses per Bed	\$88,016	\$81,740

SCHEDULED INCOME

Type of Care	No. of Beds	Pro Forma Beds	Unit Type	Avg. Rent	Current Daily Income	Avg. Rent	Pro Forma Daily Income
SNF	11	11	Private Pay	\$246	\$2,641.00	\$246	\$2,641.00
SNF	64	64	Medicaid	\$212	\$13,515.00	\$221	14,136
SNF	15	15	Medicare	\$552	\$7,975.00	\$552	\$7,975.00
SNF	0	0	Hospice PP	\$246	\$14.00	\$246	\$14.00
SNF	7	7	Hospice MD	\$212	\$1,385.00	\$212	\$1,385.00
SNF	3	3	HMO				
	102	102	TOTAL		\$25,530		\$26,151



SUSSEX COUNTY HOMESTEAD

NEWTON, NJ

SUSSEX COUNTY HOMESTEAD
 NEWTON, NJ

Investment Overview

Sussex County Homestead is a dually certified, 102-Bed skilled nursing facility located in the idyllic rolling hills of Southeastern Sussex County, New Jersey. The Homestead has been County owned and operated since opening its doors in 1955. Evidenced by its Payor mix, strong Revenue and exceptional historical Census (Occupancy) and Mix, its management has done an excellent job of identifying the needs of Sussex County’s residents and adapting to the ever-changing long-term care business.

The acquisition of Sussex County Homestead would present a rare opportunity for a regional or national Owner/Operator to take over a well-respected, stabilized property with robust Revenue, an attractive Quality Mix and above market Census already in place. By renegotiating the current union contracts, streamlining the Billing and Care Plan Management process, and capitalizing on multi-facility contracts and efficiencies, the new owner could push the bottom line by as much as \$500,000 in the first 12 months after the acquisition and by as much as \$1M in the first 24 months after the sale.

Drawing from our recent experience with the privatization of county-owned nursing homes in New Jersey, Pennsylvania, Wisconsin, and Arizona we would recommend that the Homestead be brought to market un-priced with a minimum bid requirement of \$8 Million. Based on the strong demand for skilled nursing facilities in New Jersey, which is driven by strong Medicaid rates and a strict Certificate of Need process (the state of New Jersey has not issued a call for new nursing facility beds since 1991), it is our opinion, the Homestead will transact between \$9.5 Million and \$11.5 Million

The privatization of the Homestead would provide the following benefits for Sussex County:

- *Transferring hundreds of employees from the public sector to the private sector would reduce county payroll liability and future pension obligations.*
- *A one-time large influx of capital from the sale.*
- *Converting an annually tax-supported operation into a profit center for the Township and County through the receipt of sales taxes, income taxes and property taxes.*
- *Insulation from the unknown financial risks related to the current overhaul of long-term care and overall health care systems*
- *The transition of an established operating loss from the taxpayer to the new buyer.*
- *The mitigation of bond rating downgrading due to the county being associated with the ownership of a financially distressed entity.*

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SUSSEX COUNTY HOMESTEAD

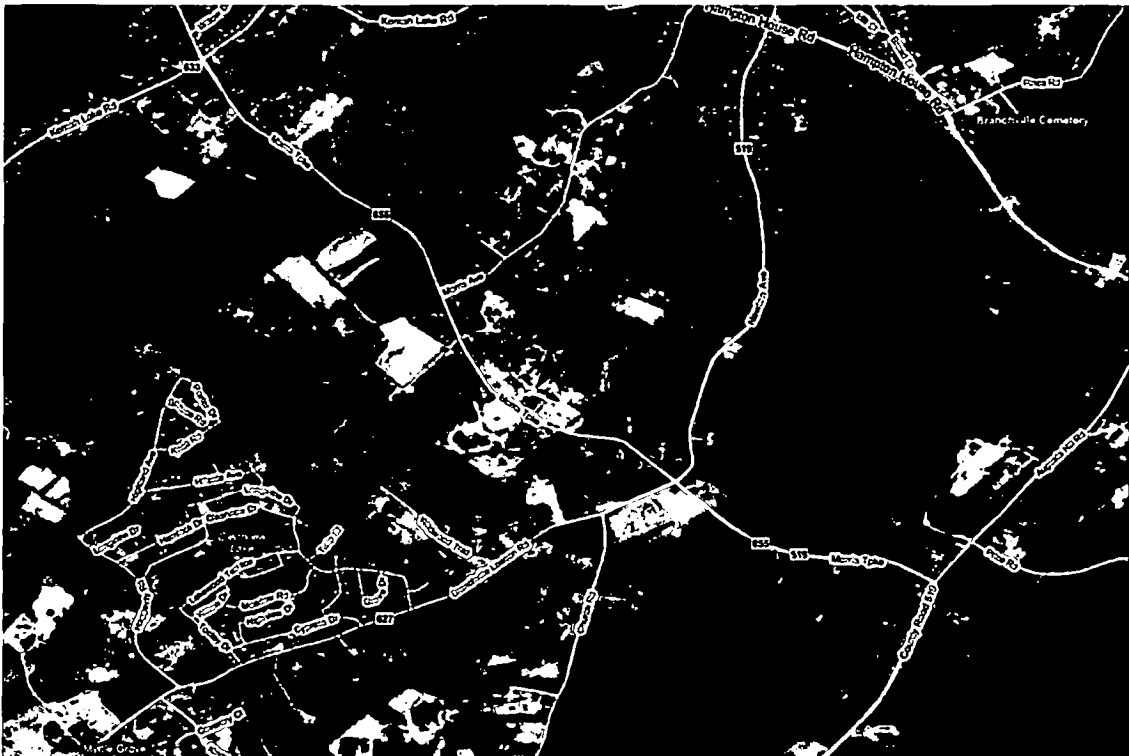
NEWTON, NJ

PROPERTY DESCRIPTION

Area Maps



LOCAL MAP



REGIONAL MAP

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SUSSEX COUNTY HOMESTEAD
NEWTON, NJ

Aerial Photo



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**SUSSEX COUNTY
HOMESTEAD**

NEWTON, NJ

SUSSEX COUNTY HOMESTEAD

NEWTON, NJ

Recent Sales



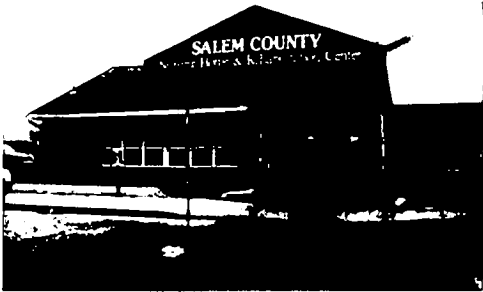
SUBJECT PROPERTY

SUSSEX COUNTY HOMESTEAD

129 Morris Turnpike
Newton, NJ 07860

Offering Price:	\$9,500,000	Total Units:	
Year Built:		Unit Breakdown:	
Type of Care:	SNF	Total Beds:	102
	CURRENT	Total SF:	
Occupancy:	98%	PRO FORMA	
CAP Rate:	11.64%		22.50%
EGIM:	0.94		0.91
Price/Unit:			
Price/Bed:	\$93,137		\$93,137
Price/SF:			

1



SALEM COUNTY NURSING HOME

438 Salem-Woodstown Road
Salem, NJ 08079

Close of Escrow:	May 2011	Total Units:	
Sale Price:	\$7,500,000	Unit Breakdown:	Priv/Semi-
Year Built:	1970	Total Beds:	108
Type of Care:	SNF - Skilled	Total SF:	
	CURRENT	PRO FORMA	
Occupancy:	74%		90%
CAP Rate:	-43.00%		
EGIM:			
Price/Bed:	\$69,444		
Price/SF:			

COMMENTS

Due to annual losses meeting or exceeding \$3M, this property traded at a lower price per bed than comparable sales in New Jersey.

2



HUNTERDON CARE CENTER

1 Leisure Ct
Flemington, NJ 08822

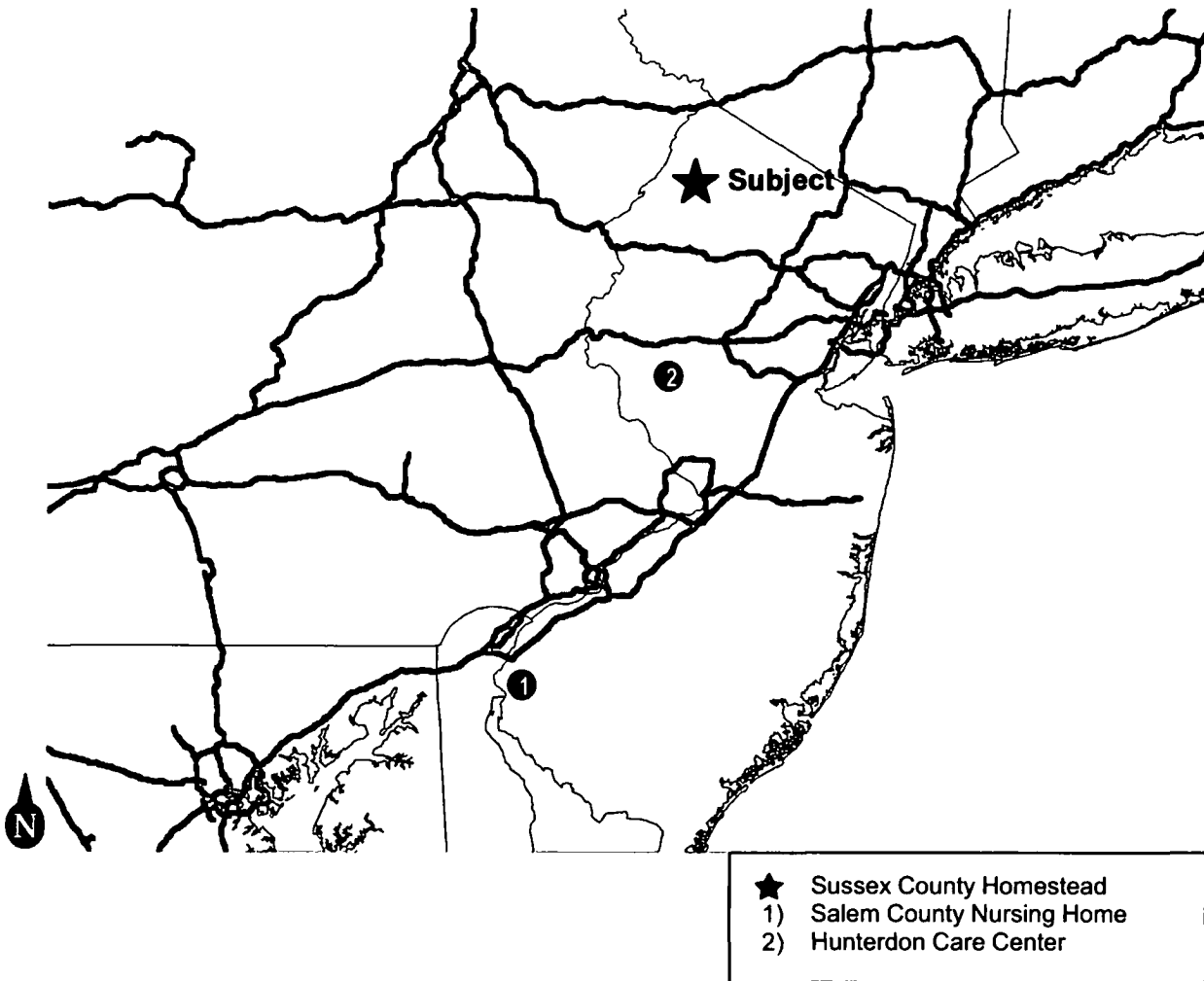
Close of Escrow:	May 2009	Total Units:	
Sale Price:	\$19,314,000	Unit Breakdown:	
Year Built:	1986	Total Beds:	183
Type of Care:	SNF - Skilled	Total SF:	68,295
	CURRENT		
Occupancy:			
CAP Rate:			
EGIM:			
Price/Unit:			
Price/Bed:	\$105,541		
Price/SF:	\$282.80		

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SUSSEX COUNTY HOMESTEAD
NEWTON, NJ

RECENT SALES

Recent Sales Map



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**SUSSEX COUNTY
HOMESTEAD**

NEWTON, NJ

SUSSEX COUNTY HOMESTEAD
 NEWTON, NJ

Rent Comparables



SUBJECT PROPERTY

SUSSEX COUNTY HOMESTEAD

129 Morris Turnpike
 Newton, NJ 07860

Total Units:		Date Surveyed:	May 2011
Unit Breakdown:		Occupancy:	98%
Total Beds:	102	Type of Care:	SNF
Square Feet:		No. of Floors:	
Year Built:		Management:	

Type of Care	No. of Beds	Unit Type	Avg. Rent
SNF	11	Private Pay	\$246
SNF	64	Medicaid	\$212
SNF	15	Medicare	\$552
SNF		Hospice PP	\$246
SNF	7	Hospice MD	\$212
SNF	3	HMO	
	102	TOTAL	\$294



ANDOVER SUBACUTE & REHABILITATION

1 Obrien Lane
 Andover, NJ 07821

Total Units:		Date Surveyed:	May 2011
Unit Breakdown:	Priv/Semi-Priv	Occupancy:	95%
Total Beds:	159	Type of Care:	SNF
Square Feet:		No. of Floors:	Two
Year Built:		Management:	

Type of Care	Unit Type	Private Pay Daily Rents	Avg. Rent
SNF	Private	\$270	\$270
SNF	Semi-Private	\$245	\$245
	TOTAL		\$257

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SUSSEX COUNTY HOMESTEAD
 NEWTON, NJ

RENT COMPARABLES

Rent Comparables

2



BARN HILL CARE CENTER
 249 High Street
 Newton, NJ 07860

Total Units:		Date Surveyed:	May 2011
Unit Breakdown:	Priv/Semi-Priv	Occupancy:	90%
Total Beds:	154	Type of Care:	SNF
Square Feet:		No. of Floors:	One
Year Built:	1972	Management:	Genesis HC

Type of Care	Unit Type	Private Pay Daily Rents	Avg. Rent
SNF	Private	\$350	\$350
SNF	Semi-Private	\$323	\$323
SNF	3-4 Bed Ward	\$296	\$296
TOTAL			\$323

3



BRISTOL GLEN SKILLED NURSING
 200 Bristol Glen Drive
 Newton, NJ 07860

Total Units:		Date Surveyed:	May 2011
Unit Breakdown:	Priv/Semi-Priv	Occupancy:	N/A
Total Beds:	60	Type of Care:	SNF
Square Feet:		No. of Floors:	Two
Year Built:	2000	Management:	United Methodist

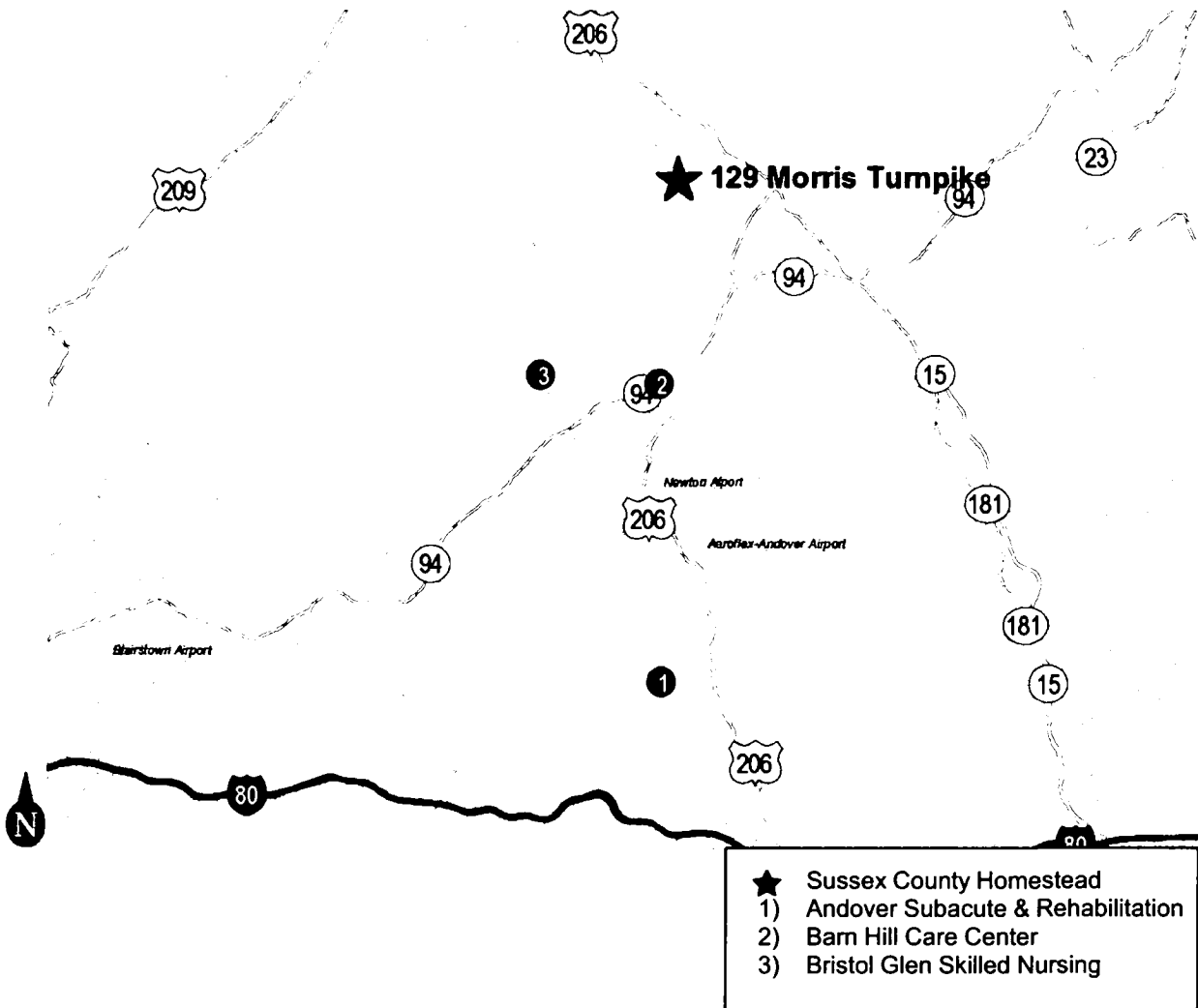
Type of Care	Unit Type	Private Pay Daily Rents	Avg. Rent
SNF	Private	\$426	\$426
SNF	Semi-Private	\$387	\$387
TOTAL			\$406

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SUSSEX COUNTY HOMESTEAD
NEWTON, NJ

Rent Comparables Map

RENT COMPARABLES



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**SUSSEX COUNTY
HOMESTEAD**

NEWTON, NJ

SUSSEX COUNTY HOMESTEAD
NEWTON, NJ

Demographic Report

DEMOGRAPHIC ANALYSIS

	1 Miles:	3 Miles:	5 Miles:
1990 Population	471	5,250	17,930
2000 Population	519	5,611	19,458
2010 Population	527	5,690	19,492
2015 Population	514	5,519	19,214
1990 Households	133	1,736	6,534
2000 Households	149	1,912	7,321
2010 Households	159	2,031	7,654
2015 Households	158	2,026	7,774
2010 Average Household Size	3.01	2.72	2.46
2010 Daytime Population	534	6,173	16,685
1990 Median Housing Value	\$161,491	\$161,529	\$157,563
2000 Median Housing Value	\$160,078	\$160,390	\$156,724
2000 Owner Occupied Housing Units	79.8%	74.6%	63.9%
2000 Renter Occupied Housing Units	9.9%	13.7%	25.3%
2000 Vacant	10.26%	11.71%	10.85%
2010 Owner Occupied Housing Units	81.5%	76.9%	67.8%
2010 Renter Occupied Housing Units	9.3%	12.6%	22.5%
2010 Vacant	9.24%	10.58%	9.67%
2015 Owner Occupied Housing Units	81.4%	76.9%	67.8%
2015 Renter Occupied Housing Units	9.2%	12.6%	22.6%
2015 Vacant	9.38%	10.60%	9.62%
\$ 0 - \$ 14,999	2.9%	7.1%	10.1%
\$ 15,000 - \$24,999	6.8%	7.0%	7.6%
\$ 25,000 - \$34,999	3.5%	5.4%	7.2%
\$ 35,000 - \$49,999	7.7%	9.6%	10.2%
\$ 50,000 - \$74,999	16.3%	19.7%	19.7%
\$ 75,000 - \$99,999	14.5%	15.2%	14.6%
\$100,000 - \$124,999	20.0%	15.7%	13.1%
\$125,000 - \$149,999	18.1%	12.2%	9.2%
\$150,000 - \$200,000	7.2%	5.4%	5.2%
\$200,000 to \$249,999	1.6%	1.3%	1.4%
\$250,000 +	1.3%	1.4%	1.9%
Median Household Income	\$96,143	\$76,572	\$69,707
Per Capita Income	\$36,408	\$31,880	\$31,194
Average Household Income	\$89,226	\$79,061	\$75,943

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SUSSEX COUNTY HOMESTEAD

NEWTON, NJ

Summary Report

Geography: 5 Miles

Population

In 2010, the population in your selected geography is 19,492. The population has changed by 0.18% since 2000. It is estimated that the population in your area will be 19,214 five years from now, which represents a change of -1.43% from the current year. The current population is 48.95% male and 51.05% female. The median age of the population in your area is 43.9, compare this to the US average which is 37.1. The population density in your area is 248.18 people per square mile.

Households

There are currently 7,654 households in your selected geography. The number of households has changed by 4.55% since 2000. It is estimated that the number of households in your area will be 7,774 five years from now, which represents a change of 1.57% from the current year. The average household size in your area is 2.46 persons.

Income

In 2010, the median household income for your selected geography is \$69,707, compare this to the US average which is currently \$51,517. The median household income for your area has changed by 25.65% since 2000. It is estimated that the median household income in your area will be \$74,123 five years from now, which represents a change of 6.34% from the current year.

The current year per capita income in your area is \$31,194, compare this to the US average, which is \$27,867. The current year average household income in your area is \$75,943, compare this to the US average which is \$72,148.

Race & Ethnicity

The current year racial makeup of your selected area is as follows: 93.31% White, 2.79% Black, 0.00% Native American and 1.65% Asian/Pacific Islander. Compare these to US% averages which are: 73.52% White, 12.42% Black, 0.76% Native American and 4.60% Asian/Pacific Islander.

People of Hispanic origin are counted independently of race. People of Hispanic origin make up 4.38% of the current year population in your selected area. Compare this to the US% average of 15.45%.

Housing

The median housing value in your area was \$156,724 in 2000, compare this to the \$US average of \$115,194 for the same year. In 2000, there were 5,244 owner occupied housing units in your area and there were 2,077 renter occupied housing units in your area. The median rent at the time was \$640.

Employment

In 2010, there are 16,685 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 61.1% of employees are employed in white-collar occupations in this geography, and 38.9% are employed in blue-collar occupations. In 2010, unemployment in this area is 8.10%. In 2000, the median time traveled to work was 26.0 minutes.

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SUSSEX COUNTY HOMESTEAD
 NEWTON, NJ

Mature Market Overview

DEMOGRAPHIC ANALYSIS

Mature Market Summary Report

Population By Age							% Change 2010 to 2015
	2000	%	Spring 2010	%	2015	%	
Total	175,245		186,556		182,346		
Age 55 - 59	9,797	5.6%	14,098	7.6%	15,085	8.3%	7.0%
Age 60 - 64	6,450	3.7%	11,287	6.1%	12,770	7.0%	13.1%
Age 65 - 69	4,804	2.7%	8,081	4.3%	9,932	5.5%	22.9%
Age 70 - 74	4,370	2.5%	5,297	2.8%	6,998	3.8%	32.1%
Age 75 - 79	3,357	1.9%	3,652	2.0%	4,305	2.4%	17.9%
Age 80 - 84	2,246	1.3%	2,581	1.4%	2,715	1.5%	5.2%
Age 85+	1,943	1.1%	2,496	1.3%	2,275	1.3%	-8.9%
Age 55 +	32,968	18.8%	47,493	25.5%	54,079	29.7%	13.9%
Age 65 +	16,720	9.5%	22,107	11.9%	26,224	14.4%	18.6%
Median Age	37.3		40.5		41.2		1.8%
Median Age 55+	65.2		64.2		64.6		0.7%
Male	86,646		92,822		91,012		1.8%
Age 55 - 59	4,980	5.7%	7,102	7.7%	7,506	8.2%	5.7%
Age 60 - 64	3,356	3.9%	5,648	6.1%	6,374	7.0%	12.9%
Age 65 - 69	2,311	2.7%	4,043	4.4%	4,961	5.5%	22.7%
Age 70 - 74	2,030	2.3%	2,584	2.8%	3,420	3.8%	32.4%
Age 75 - 79	1,353	1.6%	1,638	1.8%	2,033	2.2%	24.1%
Age 80 - 84	818	0.9%	1,055	1.1%	1,170	1.3%	10.9%
Age 85+	552	0.6%	848	0.9%	768	0.8%	-9.5%
Age 55 +	15,400	17.8%	22,918	24.7%	26,231	28.8%	14.5%
Age 65 +	7,064	8.2%	10,168	11.0%	12,351	13.6%	21.5%
Median Age	36.9		39.9		40.4		1.4%
Median Age	64.1		63.7		64.3		1.0%
Female	88,599		93,734		91,334		
Age 55 - 59	4,817	5.4%	6,996	7.5%	7,578	8.3%	8.3%
Age 60 - 64	3,094	3.5%	5,640	6.0%	6,397	7.0%	13.4%
Age 65 - 69	2,493	2.8%	4,038	4.3%	4,971	5.4%	23.1%
Age 70 - 74	2,340	2.6%	2,713	2.9%	3,578	3.9%	31.9%
Age 75 - 79	2,004	2.3%	2,014	2.1%	2,272	2.5%	12.8%
Age 80 - 84	1,428	1.6%	1,526	1.6%	1,545	1.7%	1.2%
Age 85+	1,391	1.6%	1,648	1.8%	1,507	1.7%	-8.5%
Age 55 +	17,567	19.8%	24,575	26.2%	27,848	30.5%	13.3%
Age 65 +	9,656	10.9%	11,939	12.7%	13,874	15.2%	16.2%
Median Age	37.7		41.0		40.8		-0.6%
Median Age	66.5		64.6		65.0		0.5%

SUSSEX COUNTY HOMESTEAD
 NEWTON, NJ

DEMOGRAPHIC ANALYSIS

Mature Market Overview

Mature Market Summary Report

Income by Age of Head of Household

Householder Age 55 - 64 Years

	2000 Census		Spring 2010		2015		Percent 2000 to
\$ 0 - \$19,999	854	8.9%	937	6.3%	867	5.2%	9.7%
\$ 20,000 -	1,302	13.6%	1,495	10.0%	1,365	8.2%	14.8%
\$ 40,000 -	1,752	18.3%	2,078	14.0%	2,021	12.2%	18.6%
\$ 60,000 -	1,350	14.1%	1,582	10.6%	1,596	9.6%	17.2%
\$ 75,000 -	1,528	16.0%	2,421	16.3%	2,655	16.0%	58.5%
\$100,000 -	1,186	12.4%	2,084	14.0%	2,467	14.9%	75.6%
\$125,000 -	635	6.6%	1,563	10.5%	1,999	12.0%	146.3%
\$150,000 +	956	10.0%	2,730	18.3%	3,621	21.8%	185.7%

Median Income	\$69,522	\$88,580	\$97,988
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Age Householder 65 - 74 Years

	2000 Census		Spring 2010		2015		Percent 2000 to
\$ 0 - \$19,999	1,204	21.8%	1,297	16.2%	1,499	14.6%	7.7%
\$ 20,000 -	1,598	28.9%	1,592	19.9%	1,800	17.5%	-0.4%
\$ 40,000 -	1,083	19.6%	1,364	17.0%	1,630	15.8%	26.0%
\$ 60,000 -	478	8.6%	848	10.6%	1,042	10.1%	77.4%
\$ 75,000 -	529	9.6%	1,012	12.6%	1,372	13.3%	91.3%
\$100,000 -	326	5.9%	795	9.9%	1,161	11.3%	144.0%
\$125,000 -	138	2.5%	445	5.6%	707	6.9%	222.6%
\$150,000 +	173	3.1%	663	8.3%	1,078	10.5%	282.2%

Median Income	\$39,481	\$56,487	\$62,784
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Householder Age 75 Plus Years

	2000 Census		Spring 2010		2015		Percent 2000 to
\$ 0 - \$19,999	1,759	40.3%	1,461	29.3%	1,420	26.1%	-16.9%
\$ 20,000 -	1,177	27.0%	1,074	21.5%	1,060	19.5%	-8.7%
\$ 40,000 -	638	14.6%	680	13.6%	707	13.0%	6.6%
\$ 60,000 -	248	5.7%	411	8.2%	443	8.2%	65.7%
\$ 75,000 -	297	6.8%	579	11.6%	689	12.7%	95.0%
\$100,000 -	102	2.3%	289	5.8%	385	7.1%	183.9%
\$125,000 -	78	1.8%	201	4.0%	301	5.5%	157.7%
\$150,000 +	64	1.5%	297	6.0%	432	7.9%	366.0%

Median Income	\$25,423	\$38,953	\$47,558
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**SUSSEX COUNTY
HOMESTEAD**

NEWTON, NJ

SUSSEX COUNTY HOMESTEAD
NEWTON, NJ

EXPOSURE

EXPERTISE

RESULTS



Leaving No Stone Unturned in Marketing Your Property.

- Expert Underwriting
- Access To More Investors Than Any Other Source
- A Tightly Managed Marketing Campaign

At Marcus & Millichap, our mission is to help each client achieve their investment goals. Through our investment expertise and extensive research capabilities, our agents develop optimal positioning, pricing and marketing strategies for each property.

While experience and knowledge of a market create value in the representation of a client, the quality of exposure to the marketplace determines the final outcome. Marcus & Millichap’s time-tested marketing system ensures that each listing will be presented to an expanded marketplace, creating the broadest buyer interest and maximizing value for our clients.

Maximizing Value By Accessing More Out-of-Market Buyers Than Any Other Source

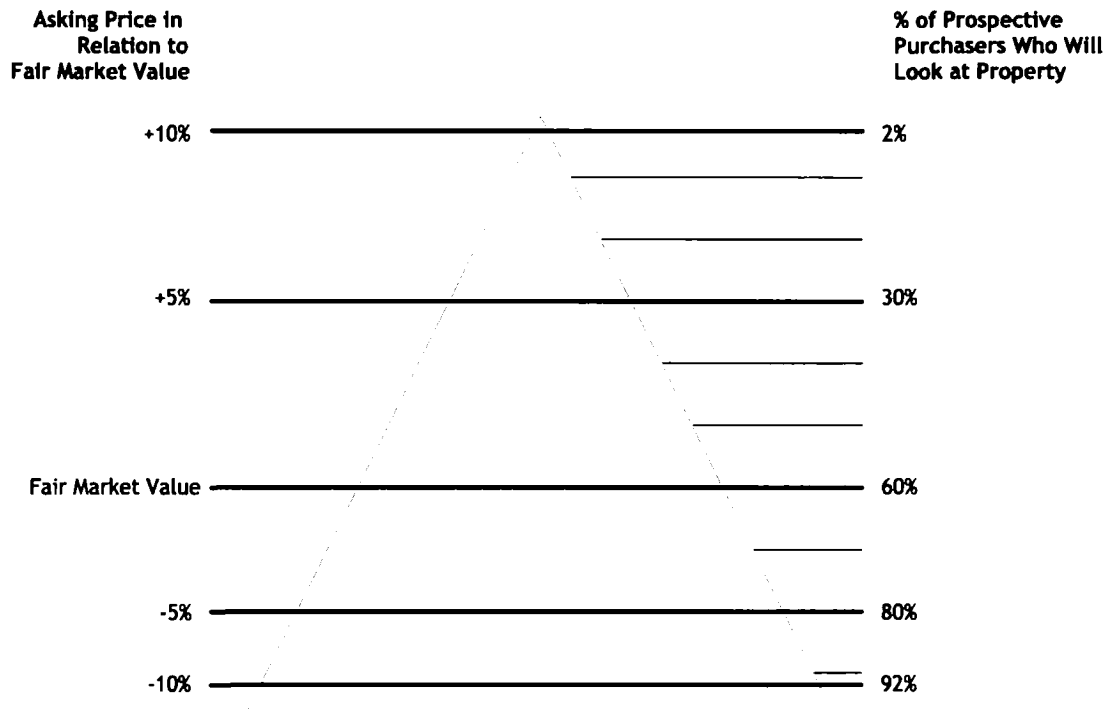
In 2010, Marcus & Millichap's National Marketing System and Investor Relationships Secured Out-of-Market Buyers 65 Percent of the Time for Mid-Market Sellers.



**SUSSEX COUNTY HOMESTEAD
NEWTON, NJ**

Pricing Evaluation

The diagram below shows the segment of prospective purchasers who are likely to see YOUR PROPERTY based upon the relationship of its asking price to its fair market value.



If you want to have a cushion for negotiation, you must still have people to negotiate with. If you over-price your property, it is not likely to be shown.
If your property is being shown, but not sold, maybe it is being used to make other listings more attractive.

These percentages are based upon a multi-state study conducted by a national marketing organization.

INVESTOR PROFILES

There are three primary investor tiers in the marketplace, and Marcus & Millichap has the track record and relationships to effectively access each of these buyer pools.



3rd-Tier Investors

This group, mostly private, individual investors, typically acquires one or two properties per year. Many of these investors operate below other brokers' radar screens. Marcus & Millichap has relationships with the industry's largest pool of 3rd-Tier investors, who account for the lion's share of transactions in the market and are instrumental in driving value in the market.

2nd-Tier Investors

Professional investors who focus the majority of their time actively operating and selling investment properties, such as syndicators, developers, merchant builders and general partnerships, are included in this group. These investors typically focus within a region, investing in smaller properties and smaller markets than 1st-Tier investors.

1st-Tier Investors

This group consists of pension funds, advisors, banks, REITs and life insurance companies that tend to own large portfolios with properties in multiple markets nationwide. They typically focus on larger properties in major markets. Through our national specialty groups, Marcus & Millichap maintains long-term relationships with these investors. We frequently facilitate transactions that bring institutions and private investors together.

ACHIEVING OPTIMAL RESULTS ONE TRANSACTION AT A TIME

LARGEST BUYER POOL

Our clients tap into thousands of investors who are in constant dialogue with our sales force. The sheer size and market reach of our sales force, the largest nationally, generates marketing momentum for each property we represent.

REAL-TIME MARKETING

Each property we represent is matched against our active buyer database through a sophisticated, proprietary system, MNet. The system automatically starts a perpetual, real-time search for qualified investors.

DIRECT MARKETING

We have more than 30 years of relationships with the industry's largest pool of qualified investors. Our clients trust in our ability and success at creating value for them with each transaction.

MAXIMIZING VALUE

ADVERTISING

We are the largest national advertiser of properties through prominent media outlets such as The Wall Street Journal and industry publications. We also leverage prominent local publications to access investors.

INTERNAL NETWORK

We leverage our entire sales force through regional meetings, tele-conferences and multi-media presentations to maximize exposure. We are a dominant participant in industry trade shows and conferences and spare no effort in reaching potential buyers.

BROKERAGE COMMUNITY

Through cutting-edge marketing tools, we utilize the entire brokerage community to access potential buyers. Listing websites, professional brochures, e-presentations and e-mail campaigns are used to access buyers and brokers.

**SUSSEX COUNTY HOMESTEAD
NEWTON, NJ**

The Marketing Package

A complete Marketing Package is prepared immediately after execution of the “Exclusive Right to Sell” agreement. Within 72 hours of signing the listing agreement, we distribute a detailed information package to sales professionals in our offices throughout the United States.

Marketing Package Contents:

- Property Description-Overview, Highlights, Summary, Photos, Maps, Site Plan, Floor Plans, Aerial Photos, etc.
- Market Profile-MSA and Local Market Overviews
- Rent Comparables-Summary, Graphs and Map
- Recent Sales-Summary, Graphs and Map
- Financial Analysis-Tenant Summary, Income & Expense Summary
- Demographic Information-Summary of Local Market Population’s Statistical Characteristics, Reports, Maps





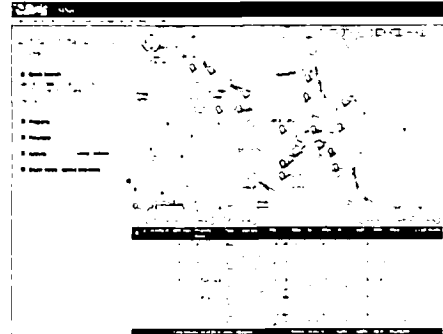
Maximum Exposure, Optimal Results

1. Internal Information Sharing
2. Direct Marketing
3. Advertising
4. Investor Symposiums
5. Broker Cooperation
6. Internet Marketing
7. Industry Events and Trade Shows

1. Internal Information Sharing

- MNet

Each listing is entered into Marcus & Millichap's proprietary property database (MNet) and the information is instantaneously transmitted to the firm's more than 1,200 agents nationwide. Employing the "Buyer Needs" function of MNet, an agent specifies a client's property investment criteria; when a matching property is listed, the agent is immediately notified.



- Sales Meetings

At our weekly local office sales meetings, a PowerPoint presentation will promote the property to the entire sales force. Agents will be instructed on how to reinforce the property's strong points and overcome any shortcomings. Properties are further promoted internally through our monthly property specialty group conference calls, where, for example, members of our National Multi Housing Group or National Retail Group confer on market trends and investment opportunities.



SUSSEX COUNTY HOMESTEAD

NEWTON, NJ

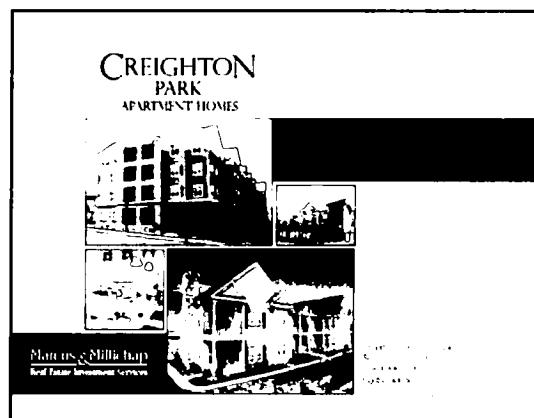
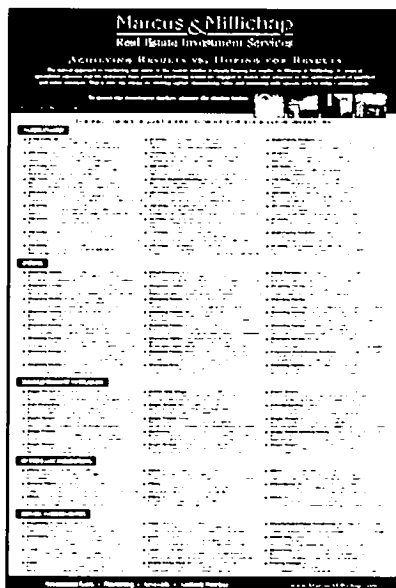
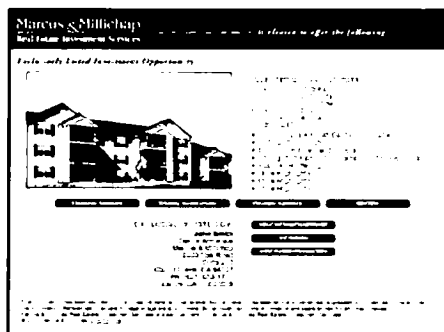
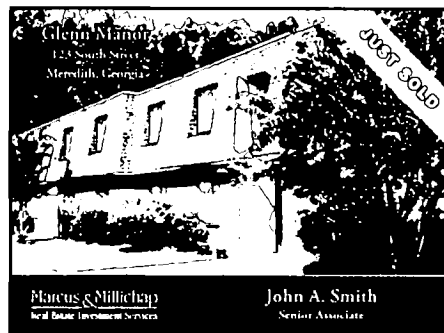
2. Direct Marketing

Offering memorandums and promotional materials are utilized to present the opportunity to a broad base of investors. Using "My Marketplace," an automated Web application, Marcus & Millichap agents can easily produce high-quality marketing materials and get properties to market quicker. Through MNet's "Buyer Needs" function and their personal databases of investor relationships, our investment professionals identify qualified potential buyers. After specific investors are identified, a direct marketing campaign is initiated, which includes mailings followed by personal contact with each potential buyer.

3. Advertising

Marcus & Millichap actively advertises its exclusive property listings in national, regional and local publications to expand the exposure to potential investors. We regularly feature our listings in full-page advertisements in The Property Report section of The Wall Street Journal, the nation's premier business publication.

MARKETING PLAN



THE WALL STREET JOURNAL.

Marcus & Millichap
Real Estate Investment Services

This information has been secured from sources we believe to be reliable, but we make no representations or warranties, expressed or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies. Marcus & Millichap Real Estate Investment Services is a service mark of Marcus & Millichap Real Estate Investment Services of New Jersey, Inc. © 2012 Marcus & Millichap

SUSSEX COUNTY HOMESTEAD

NEWTON, NJ

4. Investor Symposiums

Marcus & Millichap’s local offices host regular investor symposiums throughout the United States. These invitation-only events feature property presentations where the merits of each investment opportunity are discussed with the large group of qualified investors in attendance.

5. Broker Cooperation

We contact all brokers who possess the expertise and qualifications to contribute to a property’s marketing. These contacts include brokers who have been involved in the sale of similar types of properties within the past 24 months and brokers who represent clients qualified to acquire such properties. As part of our initial marketing campaign, a mailer serves to notify qualified brokers of the offering. In addition, these brokers receive the property’s Executive Summary via e-mail.

6. Internet

Marcus & Millichap utilizes the vast reach of the Internet to ensure maximum exposure of a listing. With the seller’s permission, exclusive listings are promoted through the Marcus & Millichap website.

www.MarcusMillichap.com

7. Industry Events and Trade Shows

Marcus & Millichap is a leading participant and sponsor of key real estate industry events, the majority of which are organized by property type. Our commitment to industry events and our presence at key gatherings of investors result in additional exposure of investment properties to potential investors. Our agents and management interact with the nation’s most prominent investors, as well as numerous local investors, at events such as ICSC, NAIOP, NMHC, ULI, Inside Self-Storage, ALFAA, AAHOA and Western Manufactured Housing.



SUSSEX COUNTY HOMESTEAD
 NEWTON, NJ

Marketing Budget - Planning for Success

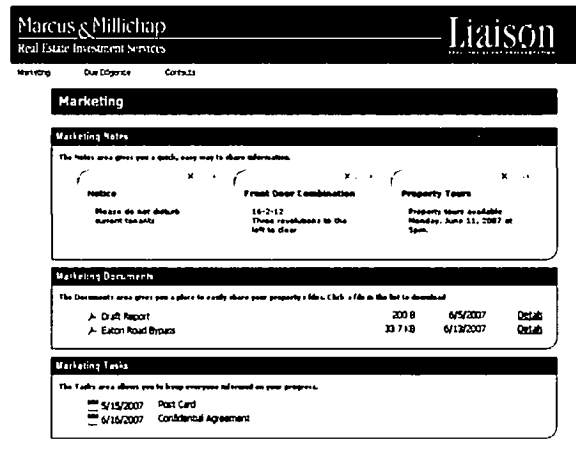
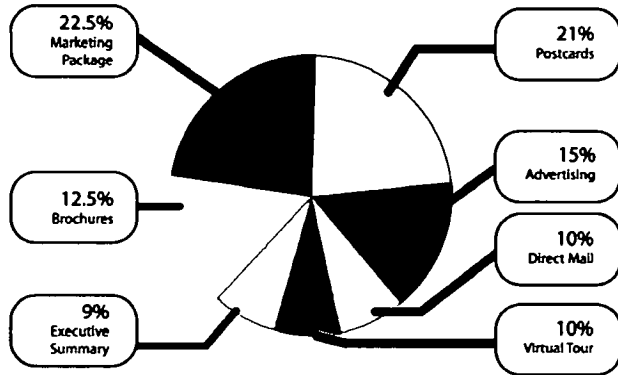
Marcus & Millichap designs its marketing budget to effectively target the right pool of investors. Employing cutting-edge marketing tools and state-of-the-art communications, we ensure the broadest possible exposure for each listing.

Emphasis on Client Communication - Liaison

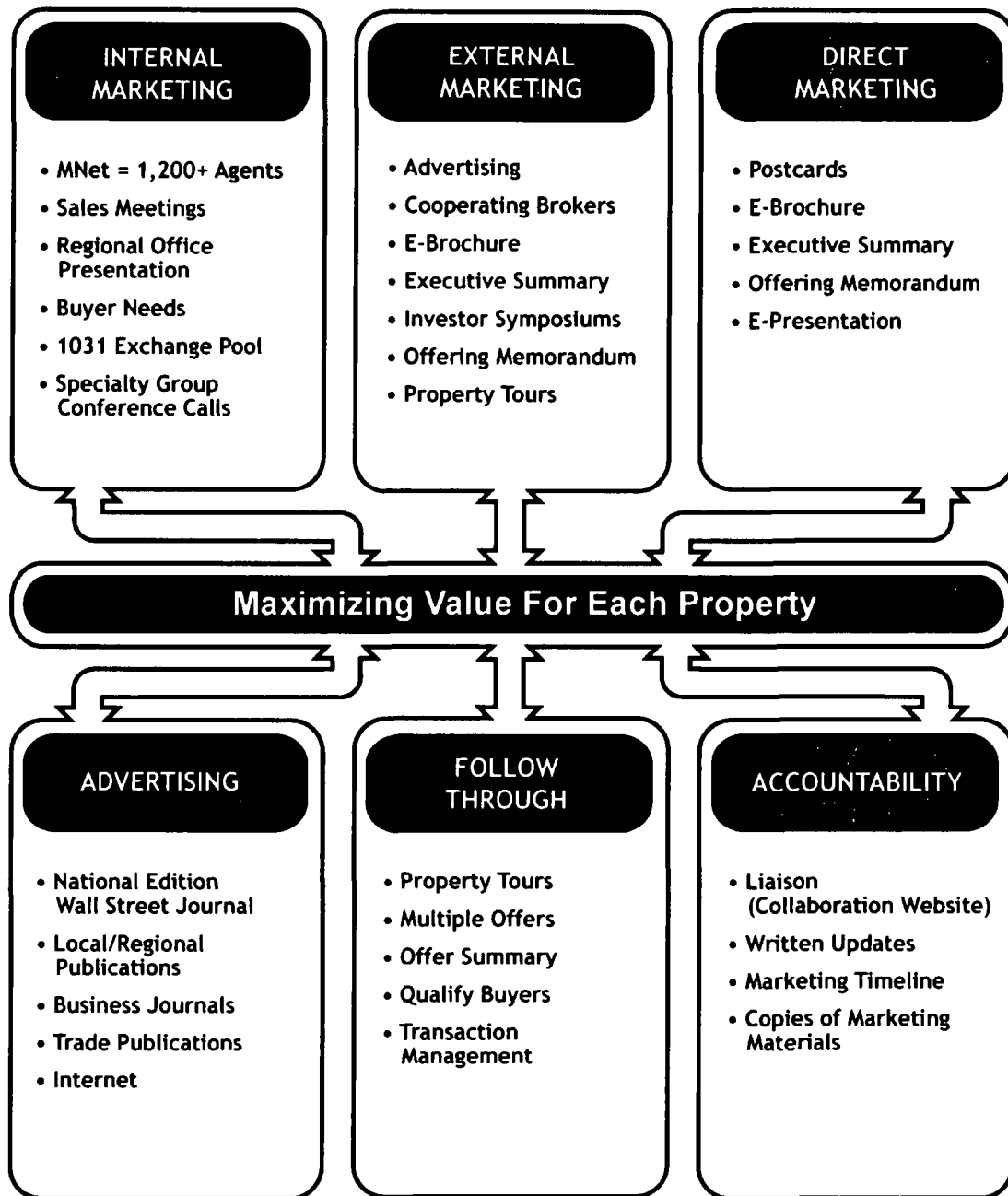
Marcus & Millichap emphasizes proactive transaction management and client communication. We will give you regular updates on the pending sale of your asset. These reports will include progress status of interested parties, objections from uninterested parties, marketing activity updates and copies of all advertisements and dates when placed.

Clients also have the option of utilizing Marcus & Millichap's Marketing Liaison. This Web-based collaboration platform provides clients the convenience of online access to transaction progress reports and documents on a 24/7 basis. Agents and clients can also use the secured Internet meeting place as another means of communication.

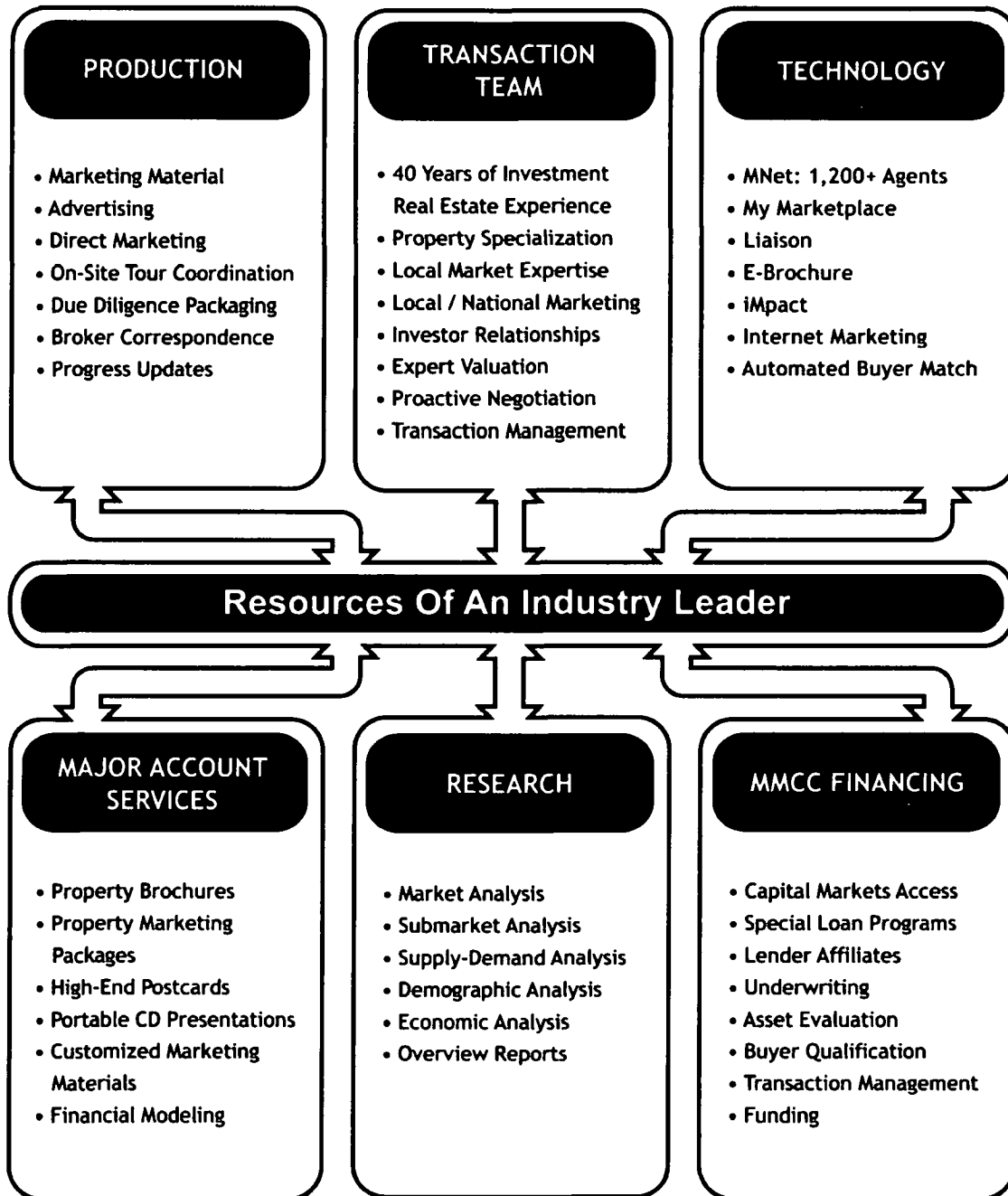
BUDGET BREAKDOWN



THE INDUSTRY'S MOST POWERFUL MARKETING PLATFORM



THE INDUSTRY'S MOST COMPREHENSIVE SUPPORT SYSTEMS



SUSSEX COUNTY HOMESTEAD
 NEWTON, NJ

MARKETING PLAN

Timeline	Month 1				Month 2				Month 3				Month 4				Month 5				Month 6			
Week	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Internal Marketing																								
Property in MNet = 1,200+ Agents	▲																							
Sales Meetings		▲				▲				▲				▲				▲				▲		
Regional Office Presentations		▲	▲	▲	▲	▲	▲																	
Buyer Needs (Automated Matching)	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	
1031-Exchange List	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	
National Specialty Group Marketing			▲			▲				▲				▲				▲				▲		
Direct Marketing to Potential Investors																								
E-Brochure	▲																							
Executive Summary	▲	▲	▲																					
Offering Memorandum			▲	▲																				
Investor Symposiums				▲				▲				▲			▲			▲				▲		
Postcards			▲			▲			▲			▲			▲			▲			▲			
E-Presentation		▲						▲						▲										
Property Tours				▲			▲			▲			▲			▲			▲			▲		
Marketing to Cooperating Brokers																								
E-mail	▲													▲										
E-Brochure	▲													▲										
Executive Summary	▲	▲	▲											▲	▲	▲								
Offering Memorandum			▲	▲										▲	▲									
Advertising																								
www.MarcusMillichap.com (optional)	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	
National Edition The Wall Street			▲				▲				▲			▲			▲				▲			
Local/Regional Newspapers		▲				▲			▲			▲			▲			▲			▲			
Business Journals							▲														▲			
Trade Publications					▲																▲			
Accountability																								
Status Meetings with Seller								▲							▲							▲		
Marketing Updates (written)			▲				▲				▲			▲			▲			▲			▲	
Copies of Marketing Materials			▲				▲				▲			▲			▲			▲			▲	
Follow Through																								
Buyer Qualification																								
Multiple Offers																								
Offering																								
Transaction Management																								

ONGOING ➡

SUSSEX COUNTY HOMESTEAD

NEWTON, NJ

MARKET POSITIONING & PRICING ANALYSIS

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SUSSEX COUNTY HOMESTEAD

REQUEST FOR PROPOSAL

SECTION 7

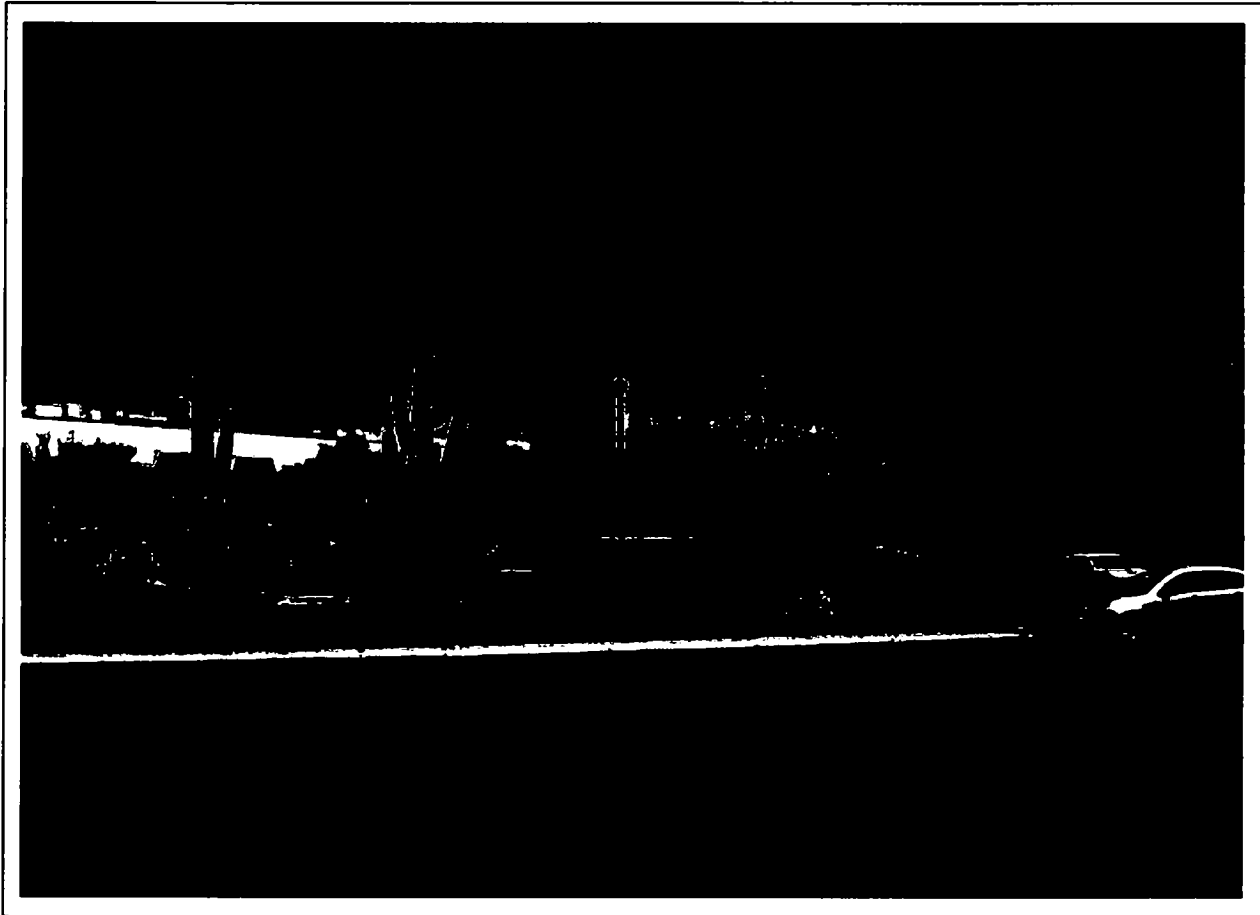
ADDENDUM

B

POSADA DEL SOL HEALTH CARE CENTER

Marcus & Millichap
Real Estate Investment Services

TUCSON, AZ



OFFERING MEMORANDUM

Presented by:

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POSADA DEL SOL HEALTH CARE CENTER
TUCSON, AZ

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ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONSULT YOUR MARCUS & MILLICHAP
AGENT FOR MORE DETAILS.

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Marcus & Millichap
Real Estate Investment Services

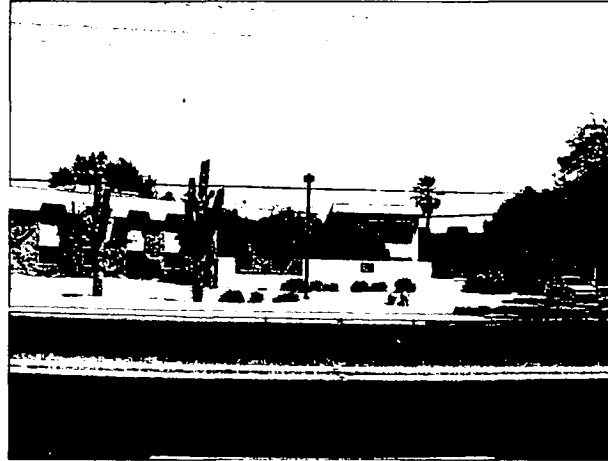
POSADA DEL SOL HEALTH CARE CENTER

TUCSON, AZ

Investment Overview

Property Gross Square Footage Breakdown

Ground Floor:	95,702
Second Floor:	28,985
<u>Basement:</u>	<u>11,250</u>
Total	135,937



Posada del Sol is owned by Pima County and operated by Pima Health System and provides specialty care services to elderly and behavioral residents. In 1971, the Board of Supervisors purchased an existing 196 bed facility (the former Four Seasons Nursing Home) on Tucson's east side across from the Tucson Medical Center and renamed it Posada del Sol.

Posada del Sol's original building, built in 1969, is a two-story structure fronting Craycroft and contains approximately 58,000 square feet. Major one-story additions were constructed in 1978, adding approximately 78,000 square feet. The total square footage of the facility is approximately 136,000 square feet, and the facility is situated on about 5.71 acres. The property is easily accessible from Craycroft Road on the west, Edison Street to the north and Hampton Street to the south.

In 1988, Posada's established its overall mission to provide care to residents who were difficult to place in other facilities. Today, the facility caters to residents with care classifications that include Huntington's Disease (HD), Vents, Wound Care, and Behavioral. Also in 1988, the county reduced the overall licensed beds to 156. Currently, the facility operates with 149 state licensed dually certified Medicaid and Medicare beds. The census mix is almost entirely Medicaid and Managed Care, with only a handful of Medicare residents. Given the size of the facility, it is possible to increase the bed capacity of the facility, and/or to implement a larger presence in specialty fields such as Alzheimer's care, Outpatient Adult Day Care, Rehabilitation (hip and knee replacements, strokes), and Medical Offices. The entire second floor of the original building is no longer used for patient care. While it may require substantial renovations in order to satisfy current codes, it certainly provides additional opportunities for a new Operator.

POSADA DEL SOL HEALTH CARE CENTER

POSADA DEL SOL HEALTH CARE CENTER
TUCSON, AZ

Investment Overview

Employee and facility restrictions to be included in all bids:

1. Agree to continue operating the first floor of the facility as a licensed Skilled Nursing Facility (SNF) for as long as there continues to be a need for those services or appropriate and acceptable alternate placement is available.
2. Agree to continue existing respiratory/ventilator and behavioral health services for as long as there continues to be a need for those services or appropriate and acceptable alternate placement is available.
3. Purchaser must submit a proposal regarding the current Posada del Sol employees that, at a minimum, provides: 1) guaranteed offers of employment to those employees who file an application and pass a basic background check; 2) a benefit package substantially similar to the current benefit package provided by the County; and 3) credit for years of continuous County service determined by the current date of hire with Pima County, as though employed by purchaser.

Union Matters:

1. Arizona is a right to work state.
2. There is no collective bargaining agreement.
3. There is no right to strike.
4. There is a Meet and Confer Agreement between the County and the Union. The agreement is on the Posada disclosure website. The Meet and Confer Agreement will not be transferred to or assumed by the purchaser of Posada.

POSADA DEL SOL HEALTH CARE CENTER
TUCSON, AZ

Property Summary

THE OFFERING

Property	Posada Del Sol Health Care Center
Property Address	2250 N. Craycroft Road Tucson, AZ 85712
Assessor's Parcel Number	
Zoning	
Type of Care	Skilled Nursing Facility

SITE DESCRIPTION

Year Built/Renovated	Originally built in 1969. Major one story addition to the east, assumed completed in 1978 per earlier reports (architects design drawings sealed November 1976)
Unit Breakdown	10 (Priv), 68 (SP), 1 (3 Bed Ward)
Number of Beds	149
Total Square Feet	135,937
Number of Buildings	One
Number of Stories	One & Two
Lot Size	5.71 Acres
Type of Ownership	Fee Simple
Parking	147 Total Spaces
Handicapped Parking	Yes
Property Improvement	Buildings, Asphalt Paved Parking Lot, Landscaping, Signage, Lighting, Paved Walkways

CONSTRUCTION/MECHANICAL

Foundation	Footing & floor slabs poured in place concrete with steel reinforcement
Framing	Steel
Exterior	Brick, concrete masonry and stone accenting
Exterior Condition	Good
Parking Surface	Surface Lots, Asphalt Paved
Roof	Built-up bituminous roof & low slope roof that was replaced in 2002
Plumbing	One 500 gallon hot water tank, one 100 gallon water heater, two 65 gallon hot water tanks
Elevator	Two
HVAC	Heat is provided by natural gas & electric, A/C is five 35 ton units, two 50 ton units & 25 ton
Utilities	Two story section had 20 condensing units serving 10 air handlers (sizes varied). Patient Services (dining etc.) center one story has 2 MZ (multi-zone units) 35 tons each. Plus 1 AC unit Kitchen 1 - 35 ton unit. Patient Wing 600 - 1 MZ 50 ton (replaced original 35 ton). Patient Wing 700 - 1 MZ 50 ton (replaced original 35 ton). Basement - 1 MZ 35 ton

Ceilings	Suspended with fluorescent lighting
Floors	Floor Tile, Linoleum and Carpeting

SYSTEMS

Fire Protection	Entire complex is protected by fire sprinkler system, smoke detectors & 2 fire alarm panels
Electrical	480 v 3 Phase
Emergency Generator	Two Generators - Tested Monthly
Call Devices	N/A

POSADA DEL SOL HEALTH CARE CENTER
TUCSON, AZ

Offering Summary



Type of Care	Skilled Nursing Facility
Unit Breakdown	10 (Priv), 68 (SP), 1 (3 Bed)
Total Beds	149
Total Square Feet	135,937
Occupancy - Current	86.00%
Number of Buildings	One
Number of Floors	One & Two
Year Built/Renovated	1969 / 1978
Lot Size	5.71 Acres

VITAL DATA

Net Operating Income - Current	\$1,728,556
Net Operating Income - Pro Forma	\$1,330,450

POSADA DEL SOL HEALTH CARE CENTER

COMMENTS

Reported Expenses reduced to reflect corporate overhead allocations found on page 25 of the 6/30/10 MC Cost Rept. (\$932,700 deducted from G&A and \$232,915 from R&M). Pro Forma has est'd R.E. Taxes, reduced Employee Benefits and Nursing Salaries to reflect anticipated savings by New Owner; reducing Dietary to market; and holding other Expenses constant (inflationary increases will likely be offset by cost savings implemented by New Owner).

POSADA DEL SOL HEALTH CARE CENTER
TUCSON, AZ

Disclaimer Notice to Pima County Financial Statement

The care provided to most of the residents at Posada del Sol Health Care Center ("Posada") is paid for by the Arizona Healthcare Cost Containment System ("AHCCCS"), Arizona's Medicaid Agency, because they are enrolled members of AHCCCS. The Arizona Long Term Care System ("ALTCs") is the AHCCCS program which provides medical assistance for individuals with chronic health conditions requiring extended treatment. The ALTCs program is intended for individuals who are age 65 or older, blind or have a disability (at any age) and need ongoing services.

Pima County, through Pima Health System ("PHS") which is a department and enterprise fund of Pima County, has, prior to October 1, 2011, contracted with AHCCCS as the sole ALTCs provider for Pima and Santa Cruz Counties. This means that PHS has been the sole AHCCCS contractor that provides funding for members of AHCCCS in Pima and Santa Cruz County who require long term care services provided by ALTCs. After October 1, 2011, PHS will no longer have a contract with AHCCCS.

As the AHCCCS contractor, PHS has been paid a monthly per capita fee by AHCCCS to provide health services to AHCCCS members. PHS contracts with providers and facilities in Pima and Santa Cruz Counties to provide medical assistance to AHCCCS members. One of the facilities that provide medical assistance in Pima County is Posada, which is owned by Pima County. PHS uses the monthly fee it receives from AHCCCS to pay for medical assistance to AHCCCS members, including long term care services provided by Posada and other providers. The fee is not adjusted based upon the services needed or utilized; rather, PHS pays for any medical services utilized by its members, and its overhead, entirely from the fixed per capita fee it receives from AHCCCS.

PHS has contracted with nursing homes and other providers of medical care. The rates with third party providers are subject to negotiation. There were no negotiated rates with Posada, however, because Pima County owns Posada and PHS. Negotiated rates are set on a case-by-case basis for the limited number of Posada residents not enrolled with PHS.

Pima County is required to file audited financials with AHCCCS that requires a separate accounting for Posada, and, additionally, separate financials for Posada with the State of Arizona (Uniform Accounting Report) and Medicare (Medicare Cost Report). To establish an income level for Posada, a "rate" was set by PHS for the residents of Posada. As stated above, this was not a negotiated rate. Instead, Pima County estimated the cost of care for residents. At the end of each month, a month-end adjustment was done. Pima County determined the actual operating costs for Posada, and for accounting purposes, PHS "contributed" sufficient additional funds so that the income for Posada equaled the expenses for Posada.

No Pima County general fund money was used to operate Posada. All of the expenses of Posada were covered by PHS from the money received from AHCCCS.

In determining the expenses for Posada at month end, a portion of Pima County administrative expenses were allocated to Posada. These costs include salaries of management personnel located in Pima County administration, legal fees allocated to Posada, and other administrative expenses. These are costs that a buyer might not incur.

The financial materials provided are for reference only and are not intended to represent performance expectations for the skilled nursing facility once it is purchased by a buyer. Potential buyers should carefully evaluate the operating cost elements to identify corporate fees and general overhead costs as well as costs such as insurance which are part of the Posada cost structure unique to Pima County. In addition, potential buyers should examine the rates of reimbursement from all possible payers including the AHCCCS ALTCs plan which is the current dominant funding stream as PHS has utilized Posada almost exclusively for its ALTCs health plan members.

New rates will need to be negotiated with the new AHCCCS contractor to be effective October 1, 2011.

POSADA DEL SOL HEALTH CARE CENTER

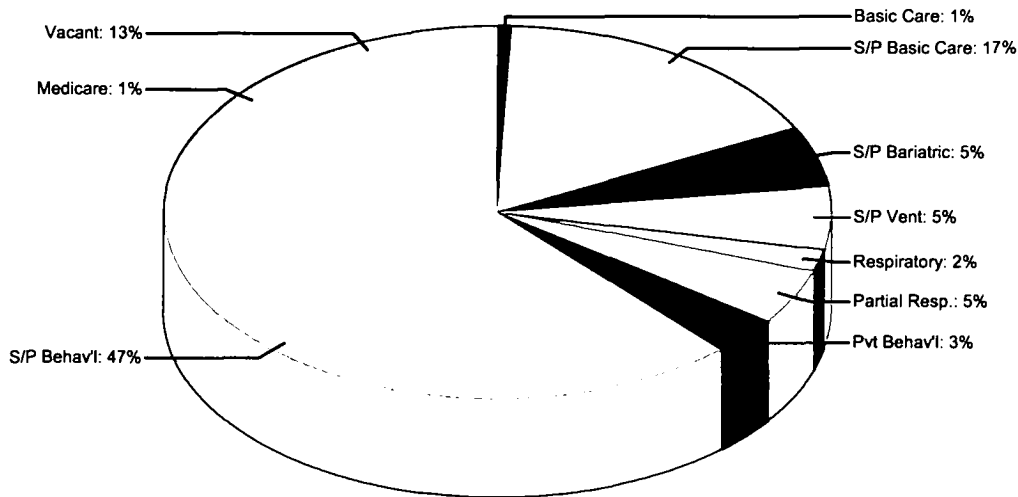
POSADA DEL SOL HEALTH CARE CENTER
TUCSON, AZ

POSADA DEL SOL HEALTH CARE CENTER

Unit Mix

Type of Care	No. of Units	No. of Beds	Unit Type	Approx. Square Feet	April 2011 Rate	Current Daily Income	Pro Forma Rents	Pro Forma Daily Income
SNF		1	Basic Care		\$198		\$188	
SNF		25	S/P Basic Care		\$198		\$188	
SNF		8	S/P Bariatric		\$474		\$450	
SNF		8	S/P Vent		\$579		\$550	
SNF		3	Respiratory		\$357		\$339	
SNF		7	Partial Resp.		\$496		\$471	
SNF		5	Pvt Behav'l		\$436		\$414	
SNF		70	S/P Behav'l		\$436		\$414	
SNF		2	Medicare		\$590		\$590	
SNF		20	Vacant		\$0			
ALTCS						\$68,117.93		\$64,712.04
		149	TOTAL	135,937	\$68,118		\$64,712	

UNIT MIX



COMMENTS

All MD rates are the rates PHS as ALTCS plan operator is currently paying. Evercare Select will control MD rates effective 10/1/11. MC Rate is estimated based on RUGS with 1 patient at \$329 PPD and the other at \$859 PPD. Current & Pro Forma Census from 4/2011. Pro Forma AHCCCS (Medicaid) rates reflect 5% reduction for transfer to non-County New Owner.

POSADA DEL SOL HEALTH CARE CENTER
TUCSON, AZ

Income & Expenses

	CURRENT	PER BED	PRO FORMA
RESIDENT SERVICE FEES			
ALTCS Revenue	\$24,863,044	\$166,866	\$23,619,895
Skilled Medicare Revenue	54,352	365	55,000
Private Revenue	136,385	915	135,000
Other Revenue	318,183	2,135	319,000
Contractual Allowances-All	(8,732,310)	(58,606)	(8,500,000)
GROSS POTENTIAL RENT	\$16,639,654	\$111,676	\$15,628,895
Other Revenue			
Ancillary Services Revenue	441,797	2,965	450,000
Other Revenues	387,600	2,601	390,000
TOTAL OTHER REVENUE	\$829,397	\$5,566	\$840,000
GROSS POTENTIAL INCOME	\$17,469,051	\$117,242	\$16,468,895
Total Expenses	\$15,740,495	\$105,641	\$15,138,445
PRD	\$344.04		\$329.10
NET OPERATING INCOME	\$1,728,556	\$11,601	\$1,330,450

POSADA DEL SOL HEALTH CARE CENTER

COMMENTS

Revenues are based on the final UAR for the Fiscal Year Ending 6-30-10

Reported Expenses reduced to reflect corporate overhead allocations found on page 25 of the 6/30/10 MC Cost Rept. (\$932,700 deducted from G&A and \$232,915 from R&M). Pro Forma has est'd R.E. Taxes, reduced Employee Benefits and Nursing Salaries to reflect anticipated savings by New Owner; reducing Dietary to market; and holding other Expenses constant (inflationary increases will likely be offset by cost savings implemented by New Owner).

POSADA DEL SOL HEALTH CARE CENTER
TUCSON, AZ

POSADA DEL SOL HEALTH CARE CENTER

Expenses

	CURRENT	PRD	PER BED	PRO FORMA	PRD
R.E. Taxes (Est'd For-Profit)				\$150,000	\$3.26
Admin & General	1,718,985	37.57	11,537	1,500,000	32.61
Medical Director	24,000	0.52	161	25,000	0.54
Management (% of GPI)				823,445	17.90
Plant Operation & Maint	498,865	10.90	3,348	500,000	10.87
Laundry & Linen	235,542	5.15	1,581	250,000	5.43
Housekeeping	818,634	17.89	5,494	820,000	17.83
Dietary	1,303,682	28.49	8,750	750,000	16.30
Central Supply	308,533	6.74	2,071	310,000	6.74
Medical Records	437,180	9.56	2,934	440,000	9.57
Social Services & Rec	323,798	7.08	2,173	325,000	7.07
RN Salaries	1,994,419	43.59	13,385	1,750,000	38.04
LPN Salaries	2,022,930	44.22	13,577	1,800,000	39.13
Nurses Aide Salaries	5,118,480	111.87	34,352	4,750,000	103.26
Oxygen	547,468	11.97	3,674	550,000	11.96
PT, OT, ST	247,906	5.42	1,664	250,000	5.43
Medical Supplies Customized	109,145	2.39	733	110,000	2.39
Pharmacy	30,928	0.68	208	35,000	0.76
TOTAL EXPENSES	\$15,740,495	\$344.04	\$105,641	\$15,138,445	\$329.10
% of GPI	90%			92%	
NET OPERATING INCOME	\$1,728,556	\$37.78		\$1,330,450	\$28.92
% of GPI	10%			8%	

COMMENTS

Reported Expenses reduced to reflect corporate overhead allocations found on page 25 of the 6/30/10 MC Cost Rept. (\$932,700 deducted from G&A and \$232,915 from R&M). Pro Forma has est'd R.E. Taxes, reduced Employee Benefits and Nursing Salaries to reflect anticipated savings by New Owner; reducing Dietary to market; and holding other Expenses constant (inflationary increases will likely be offset by cost savings implemented by New Owner).

POSADA DEL SOL HEALTH CARE CENTER
TUCSON, AZ

POSADA DEL SOL HEALTH CARE CENTER

Financial Overview

Total Beds	149
Total SF	135,937
Occupancy - Current	86%
Year Built/Renovated	1969 / 1978
Lot Size	5.71 Acres
Type of Ownership	Fee Simple

LOCATION
2250 N. Craycroft Road
Tucson, AZ 85712

ANNUALIZED OPERATING DATA

INCOME	CURRENT	PRO FORMA
Gross Potential Rent	\$16,639,654	\$15,628,895
Total Other Revenue	829,397	840,000
Gross Potential Income	\$17,469,051	\$16,468,895
Less: Expenses	15,740,495	15,138,445
Net Operating Income	\$1,728,556	\$1,330,450

COMMENTS

Reported Expenses reduced to reflect corporate overhead allocations found on page 25 of the 6/30/10 MC Cost Rept. \$932,700 deducted from G&A and \$232,915 from R&M). Pro Forma has est'd R.E. Taxes, reduced Employee Benefits and Nursing Salaries to reflect anticipated savings by New Owner; reducing Dietary to market; and holding other Expenses constant inflationary increases will likely be offset by cost savings implemented by New Owner).

EXPENSES	CURRENT	PRO FORMA
R.E. Taxes (Est'd For-Profit)		\$150,000
Admin & General	1,718,985	1,500,000
Medical Director	24,000	25,000
Management (% of GPI)		823,445
Plant Operation & Maint	498,865	500,000
Laundry & Linen	235,542	250,000
Housekeeping	818,634	820,000
Dietary	1,303,682	750,000
Central Supply	308,533	310,000
Medical Records	437,180	440,000
Social Services & Rec	323,798	325,000
RN Salaries	1,994,419	1,750,000
LPN Salaries	2,022,930	1,800,000
Total Other Expenses	935,447	945,000
TOTAL EXPENSES	\$15,740,495	\$15,138,445
PRD	\$344.04	\$329.10
Expenses per Bed	\$105,641	

SCHEDULED INCOME

Type of Care	No. of Beds	Unit Type	Approx. Square Feet	April 2011 Rate	Current Daily Income	Pro Forma Rents	Pro Forma Daily Income
SNF	1	Basic Care		\$198		\$188	
SNF	25	S/P Basic Care		\$198		\$188	
SNF	8	S/P Bariatric		\$474		\$450	
SNF	8	S/P Vent		\$579		\$550	
SNF	3	Respiratory		\$357		\$339	
SNF	7	Partial Resp.		\$496		\$471	
	149	TOTAL	135,937		\$68,118		\$64,712

POSADA DEL SOL HEALTH CARE CENTER
TUCSON, AZ

Property Photos

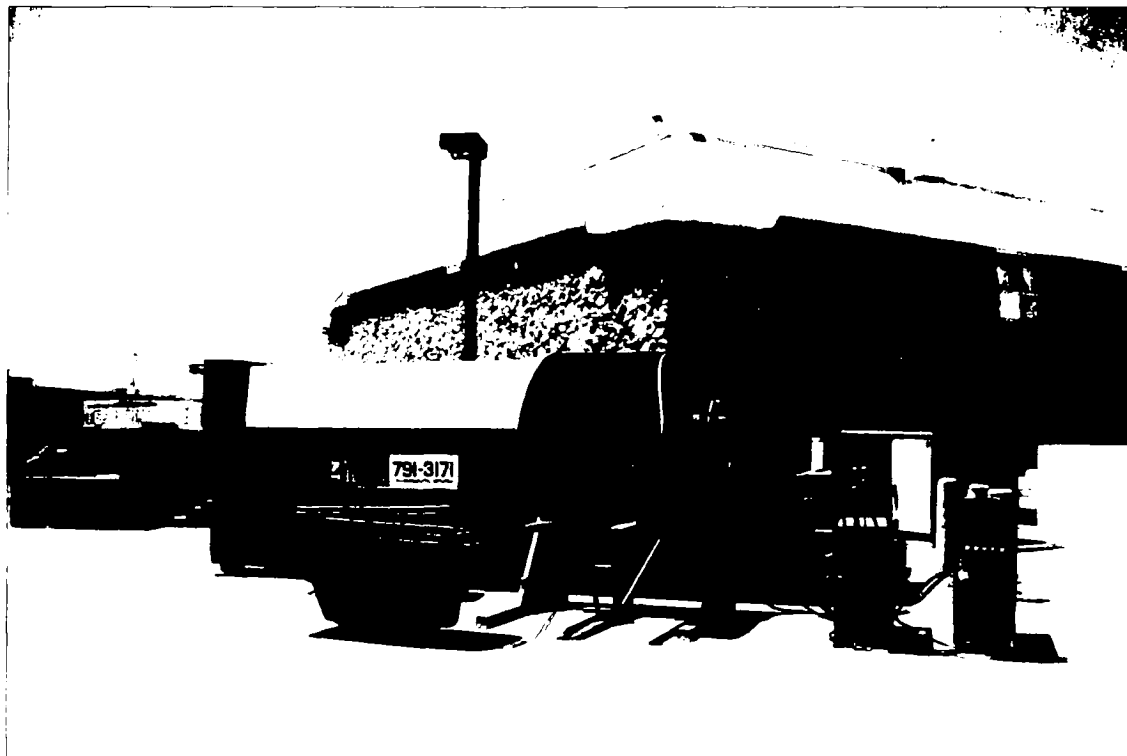


POSADA DEL SOL HEALTH CARE CENTER

POSADA DEL SOL HEALTH CARE CENTER

TUCSON, AZ

Property Photos



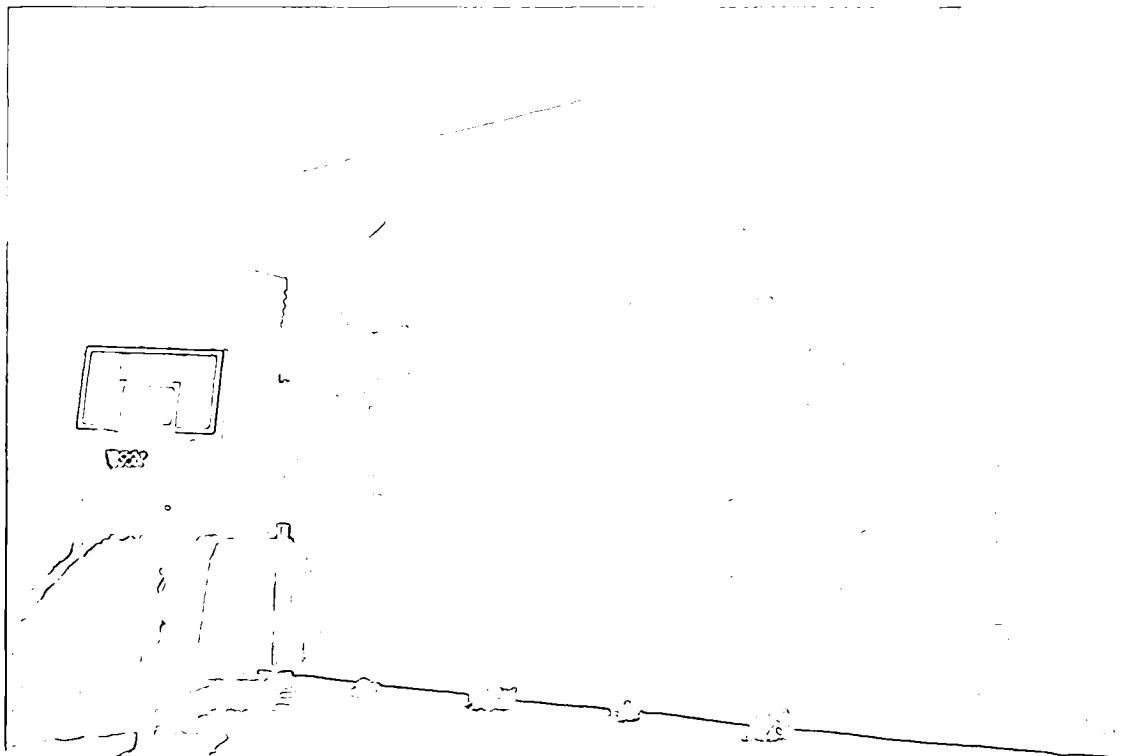
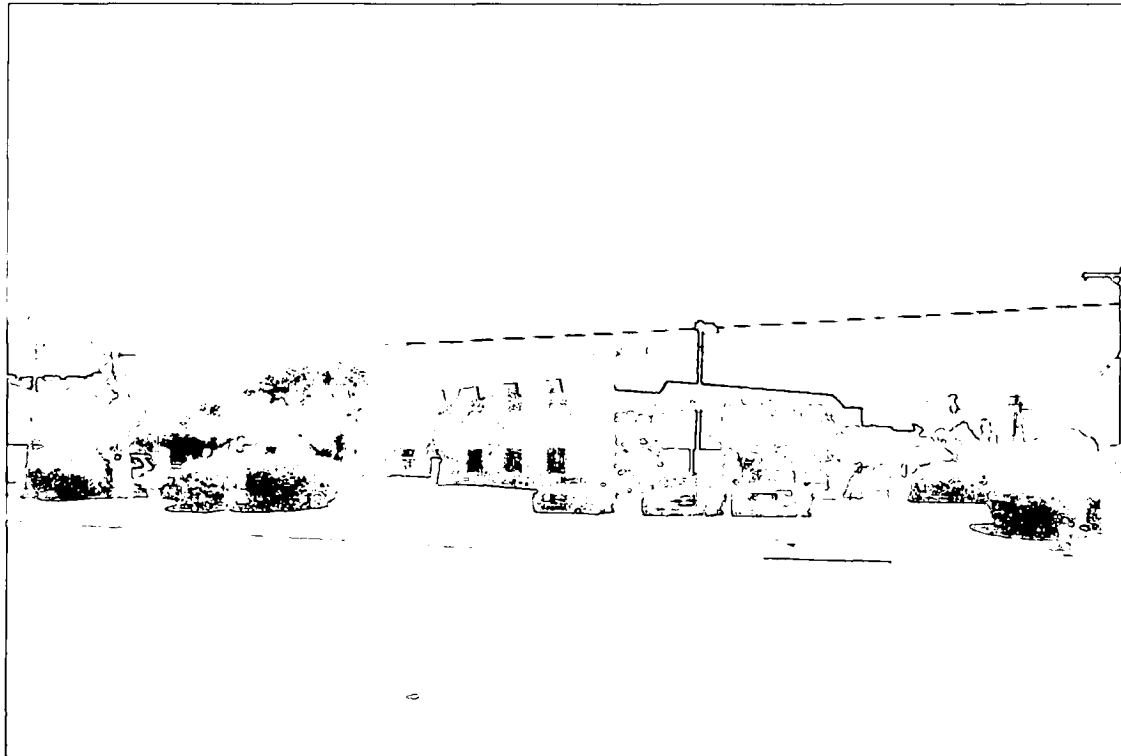
POSADA DEL SOL HEALTH CARE CENTER

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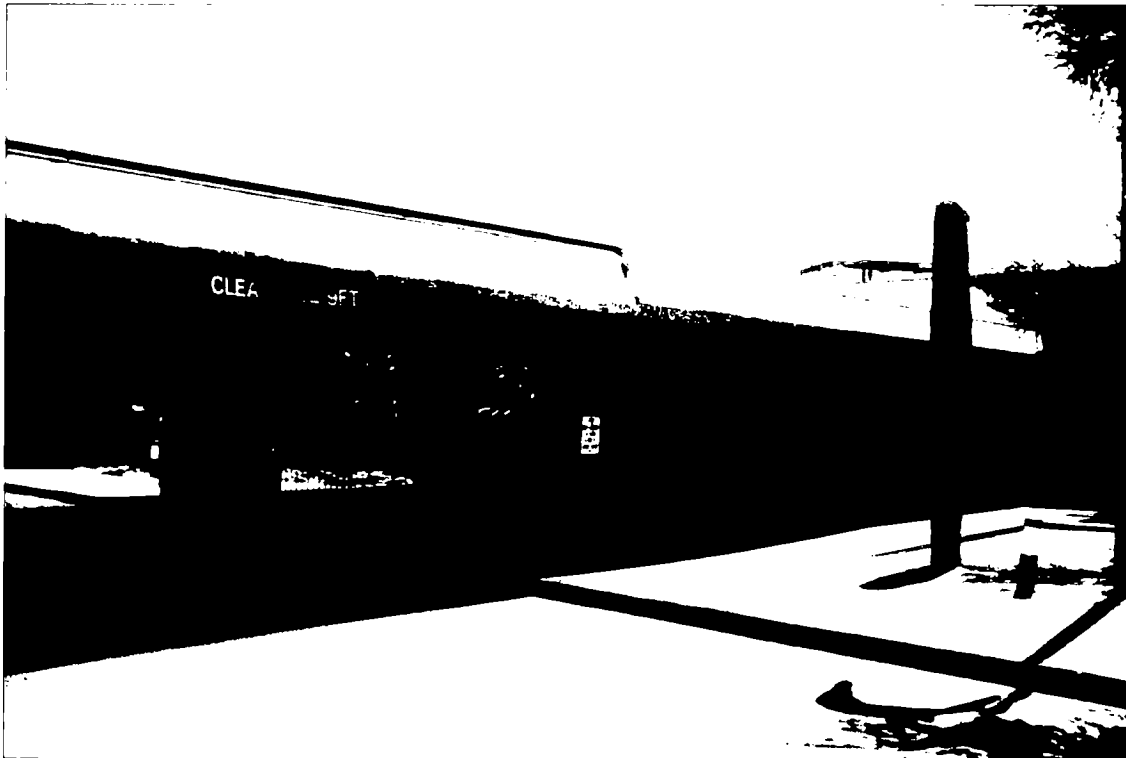


POSADA DEL SOL HEALTH CARE CENTER

POSADA DEL SOL HEALTH CARE CENTER

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Property Photos



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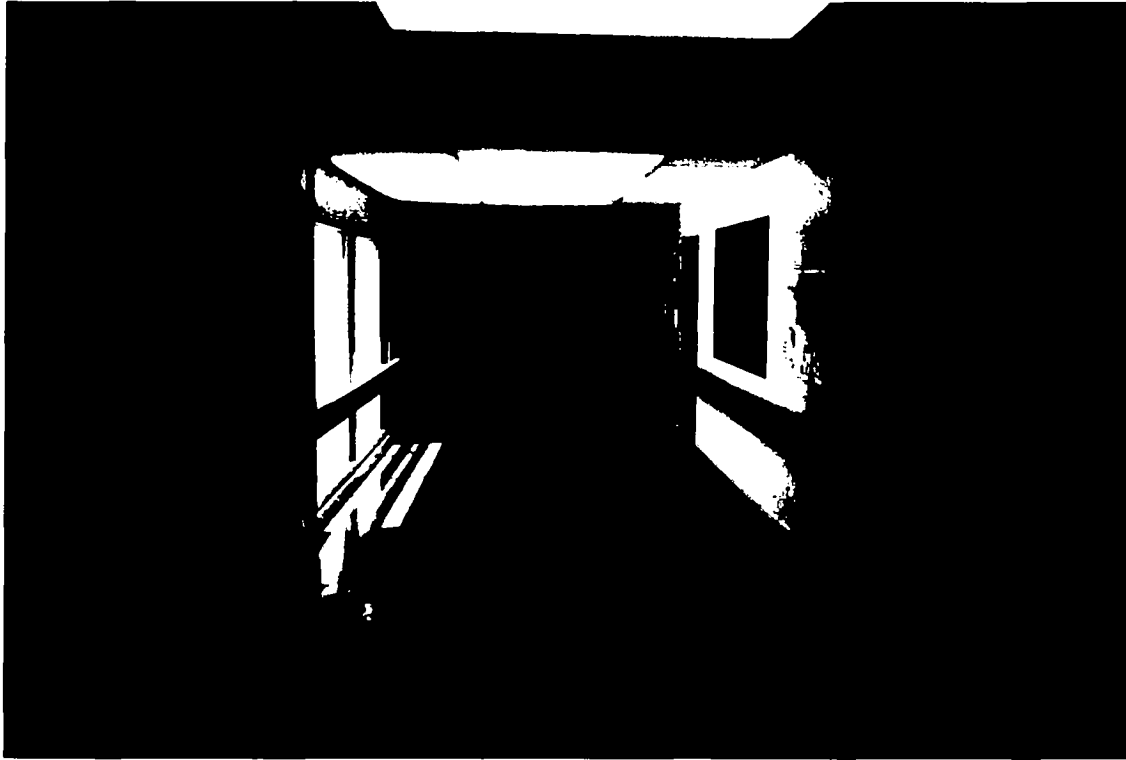
Property Photos



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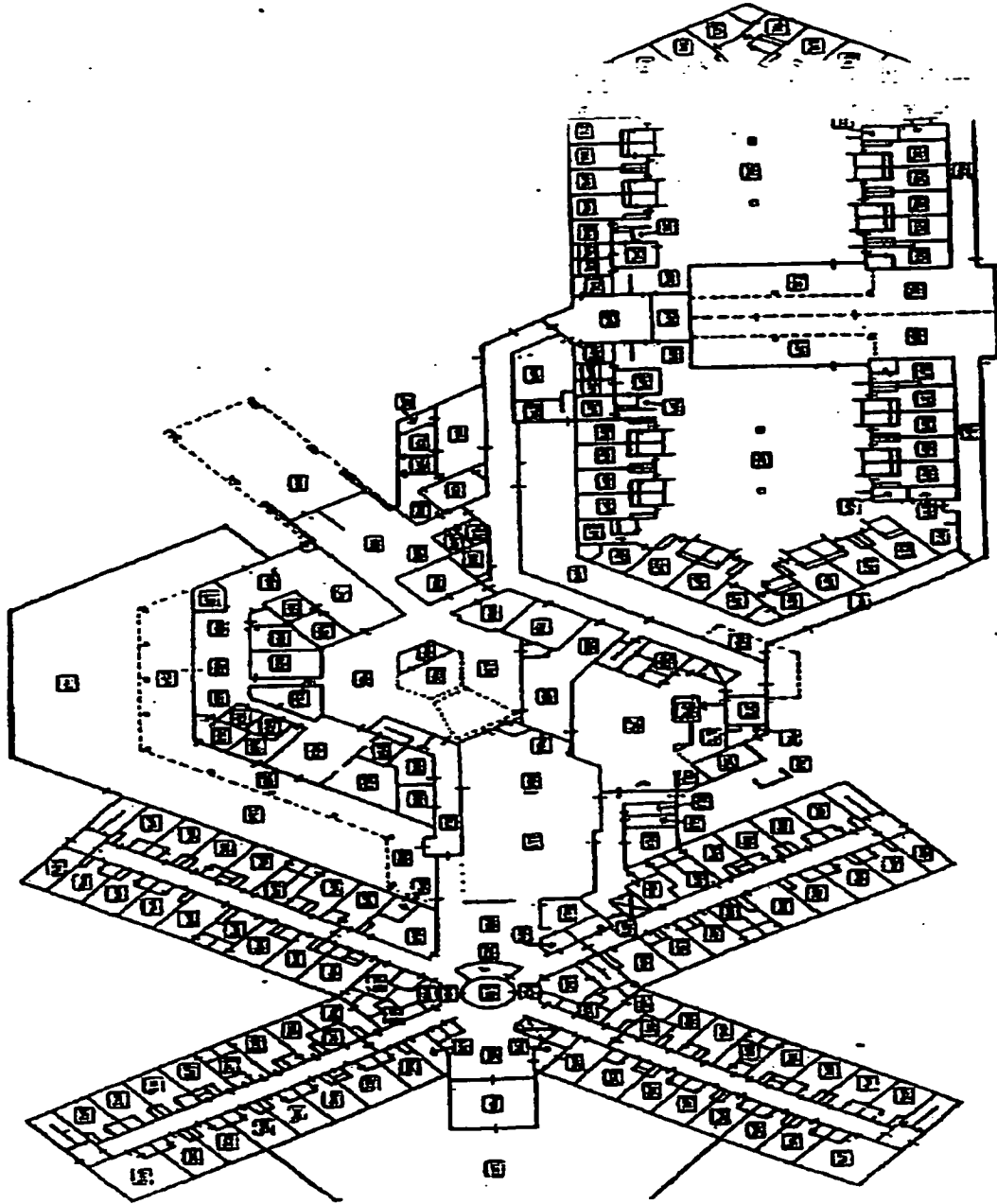
Property Photos



POSADA DEL SOL HEALTH CARE CENTER

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TUCSON, AZ

Floor Plans - 1st Floor



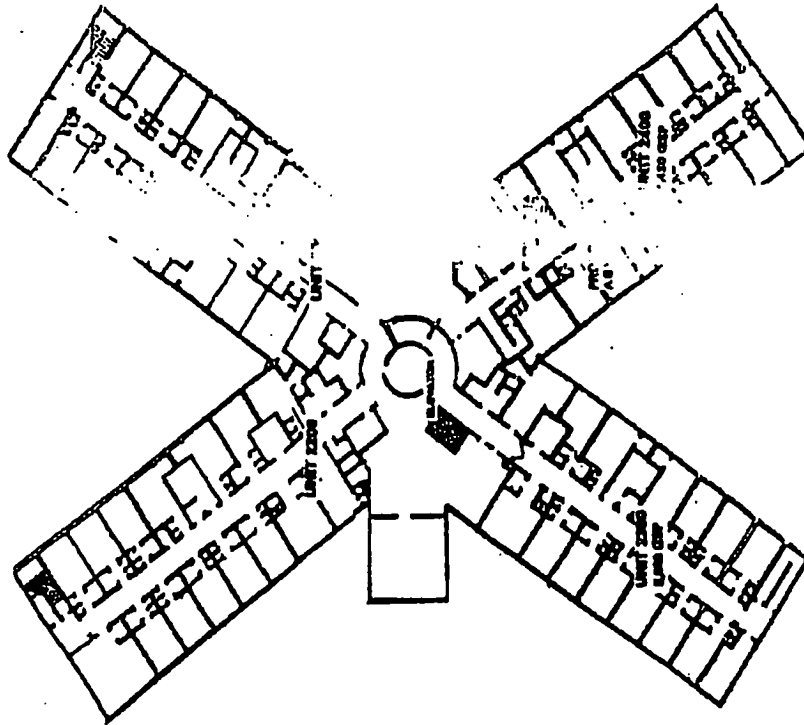
POSADA DEL SOL HEALTH CARE CENTER

**POSADA del SOL
MAIN FLOOR nts**

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TUCSON, AZ

Floor Plans - 2nd Floor

POSADA DEL SOL HEALTH CARE CENTER



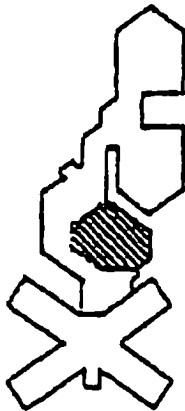
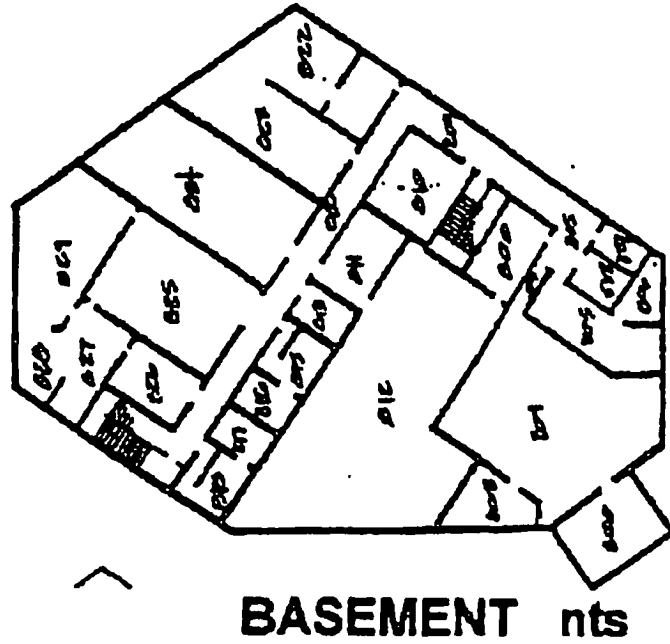
**POSADA del SOL
SECOND FLOOR nts**



POSADA DEL SOL HEALTH CARE CENTER
TUCSON, AZ

Floor Plans - Basement

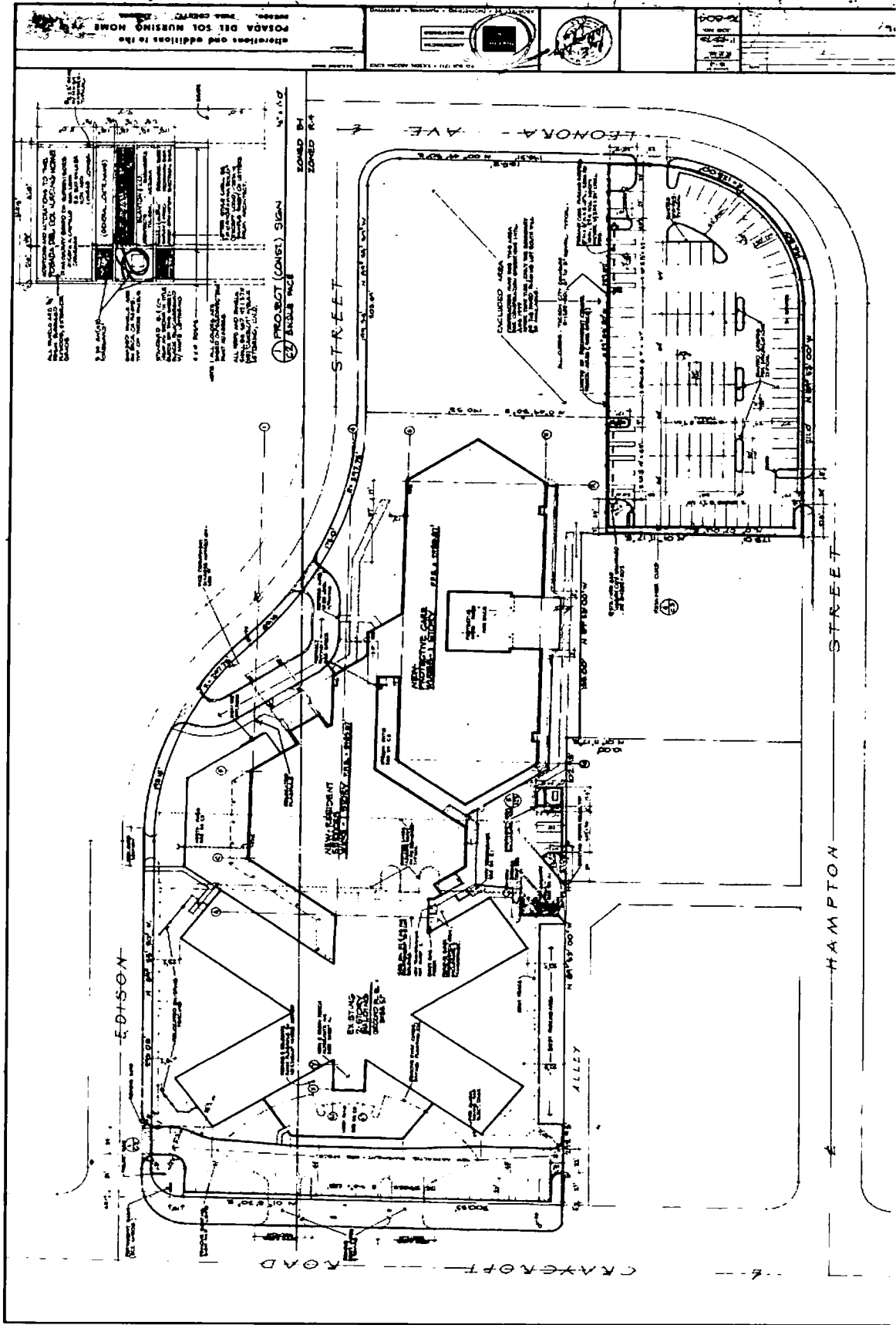
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TUCSON, AZ

Site Plan



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TUCSON, AZ

Area Maps

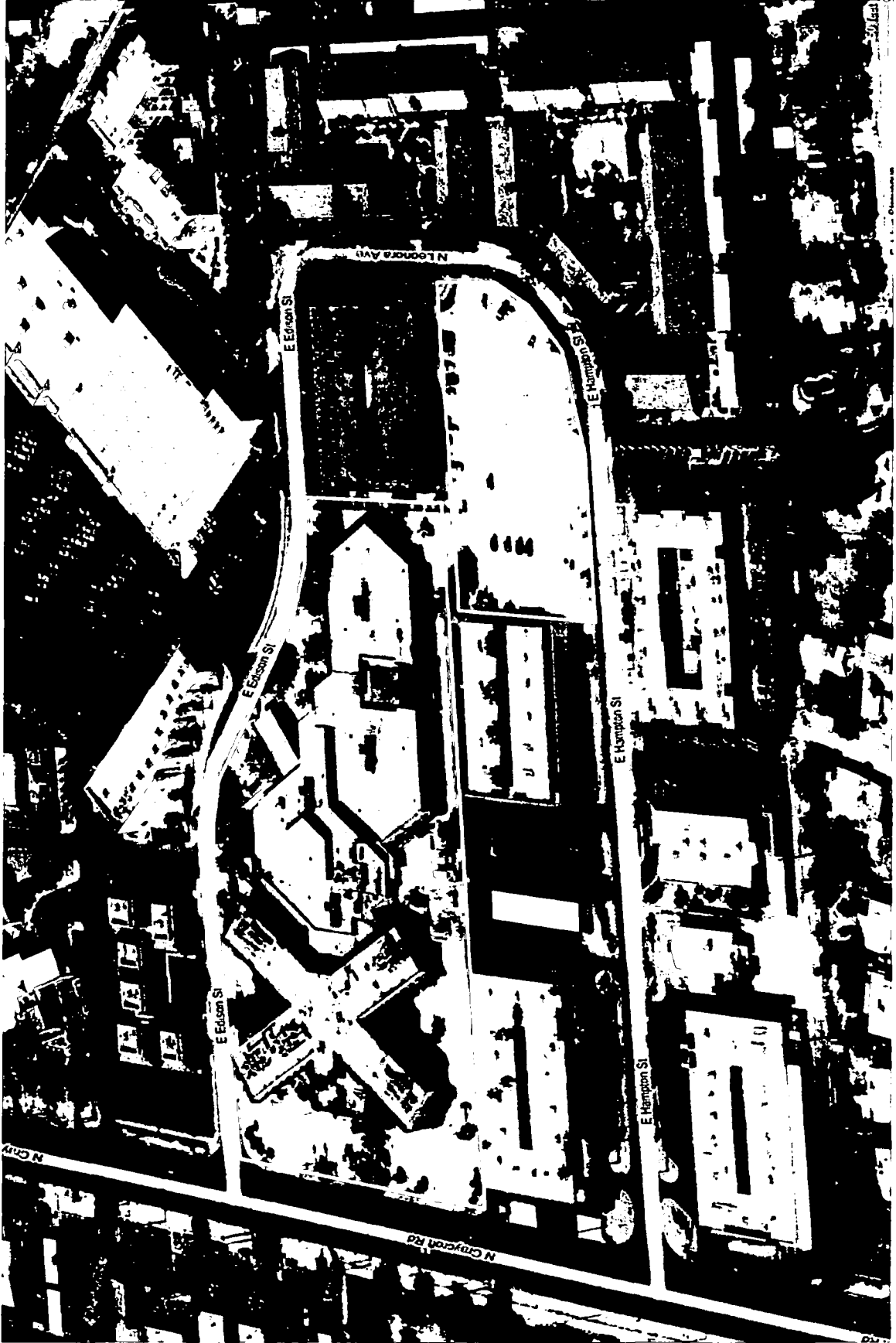


POSADA DEL SOL HEALTH CARE CENTER

POSADA DEL SOL HEALTH CARE CENTER

POSADA DEL SOL HEALTH CARE CENTER
TUCSON, AZ

Aerial Photo



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POSADA DEL SOL HEALTH CARE CENTER

TUCSON, AZ

Rent Comparables



SUBJECT PROPERTY

POSADA DEL SOL HEALTH CARE CENTER

2250 N. Craycroft Road
Tucson, AZ 85712

Total Units:		Date Surveyed:	April 2011
Unit Breakdown:	10 (Priv), 68 (SP), 1 (3 Bed Ward)	Occupancy:	86%
Total Beds:	149	Type of Care:	SNF
Square Feet:	135,937	No. of Floors:	One & Two
Year Built/Renovated:	1969 / 1978	Management:	Pima Health System

Type of Care	No. of Beds	Unit Type	April 2011 Rate
SNF	1	Basic Care	\$198
SNF	25	S/P Basic Care	\$198
SNF	8	S/P Bariatric	\$474
SNF	8	S/P Vent	\$579
SNF	3	Respiratory	\$357
SNF	7	Partial Resp.	\$496
SNF	5	Pvt Behav'l	\$436
SNF	70	S/P Behav'l	\$436
SNF	2	Medicare	\$590
	149	TOTAL	



PUEBLO SPRINGS REHABILITATION

5545 East Lee Street
Tucson, AZ 85712

Total Units:		Date Surveyed:	April 2011
Unit Breakdown:	Priv/Semi-Priv	Occupancy:	98%
Total Beds:	143	Type of Care:	SNF
Square Feet:	28,751	No. of Floors:	One
Year Built:	1965	Management:	

Type of Care	Unit Type	Private Pay Daily Rates	Avg. Rent
SNF	Private	\$249	\$249
SNF	Semi-Private	\$196	\$196
	TOTAL		\$222

POSADA DEL SOL HEALTH CARE CENTER

POSADA DEL SOL HEALTH CARE CENTER
TUCSON, AZ

POSADA DEL SOL HEALTH CARE CENTER

Rent Comparables



MANORCARE HEALTH SERVICES

3705 North Swan Road
Tucson, AZ 85718

Total Units:		Date Surveyed:	April 2011
Unit Breakdown:	Priv/Semi-Priv	Occupancy:	85%
Total Beds:	118	Type of Care:	SNF
Square Feet:	113,987	No. of Floors:	Three
Year Built:	1988	Management:	HCR Manorcare

Type of Care	Unit Type	Private Pay Daily Rents	Avg. Rent
SNF	Private	\$238	\$238
SNF	Semi-Private	\$201	\$201
TOTAL			\$219



SANTA ROSA CARE CENTER

1650 North Santa Rosa Avenue
Tucson, AZ 85712

Total Units:		Date Surveyed:	April 2011
Unit Breakdown:	Priv/Semi-Priv	Occupancy:	94%
Total Beds:	144	Type of Care:	SNF
Square Feet:	39,685	No. of Floors:	One
Year Built:	1966	Management:	

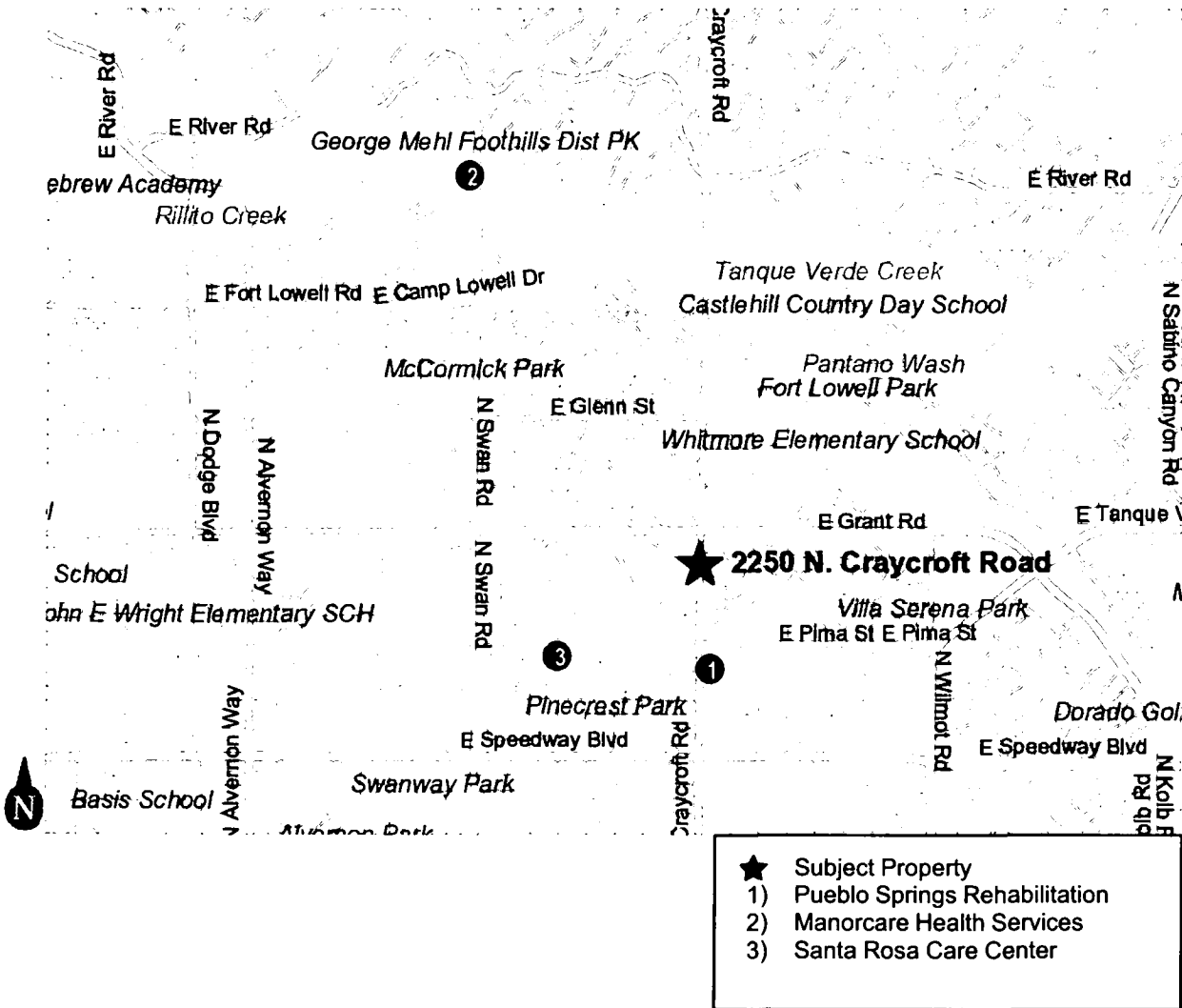
Type of Care	Unit Type	Private Pay Daily Rents	Avg. Rent
SNF	Private	\$220	\$220
SNF	Semi-Private	\$180	\$180
TOTAL			\$200

POSADA DEL SOL HEALTH CARE CENTER

TUCSON, AZ

POSADA DEL SOL HEALTH CARE CENTER

Rent Comparables Map



POSADA DEL SOL HEALTH CARE CENTER

TUCSON, AZ

Recent Sales



SUBJECT PROPERTY

POSADA DEL SOL HEALTH CARE CENTER

2250 N. Craycroft Road
Tucson, AZ 85712

Offering Price:		Total Units:	
Year:	1969 / 1978	Unit Breakdown:	10 (Priv),
Type of Care:	SNF	Total Beds:	149
	CURRENT	Total SF:	135,937
Occupancy:	86%		



SUNVIEW CARE CENTER

12207 N. 113th Avenue
Younstown, AZ 85363

Close of Escrow:	December 2009	Total Units:	
Sale Price:	\$5,745,000	Unit Breakdown:	
Year Built:	1986	Total Beds:	127
Type of Care:	SNF - Skilled	Total SF:	57,008
	CURRENT		
Occupancy:	63%		
CAP Rate:			
EGIM:			
Price/Unit:			
Price/Bed:	\$45,236		
Price/SF:	\$100.78		



CHULA VISTA

60 S. 58th Street
Mesa, AZ 85206

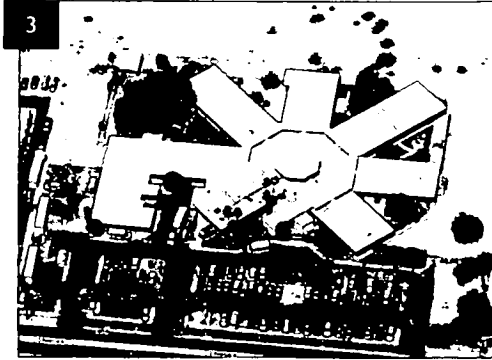
Close of Escrow:	January 2011	Total Units:	
Sale Price:	\$5,800,000	Unit Breakdown:	
Year Built:	1978	Total Beds:	127
Type of Care:	SNF - Skilled	Total SF:	32,487
	CURRENT		
Occupancy:	90%		
CAP Rate:	7.25%		
EGIM:			
Price/Unit:	\$120,833		
Price/Bed:	\$45,669		
Price/SF:	\$178.53		

POSADA DEL SOL HEALTH CARE CENTER

POSADA DEL SOL HEALTH CARE CENTER

TUCSON, AZ

Recent Sales



PALM VIEW REHABILITATION

2222 S. Avenue A
Yuma, AZ 85364

Close of Escrow: April 2011
Sale Price: \$11,000,000
Year Built: 1964
Type of Care: SNF - Skilled
CURRENT

Total Units:
Unit Breakdown:
Total Beds: 143
Total SF: 40,528

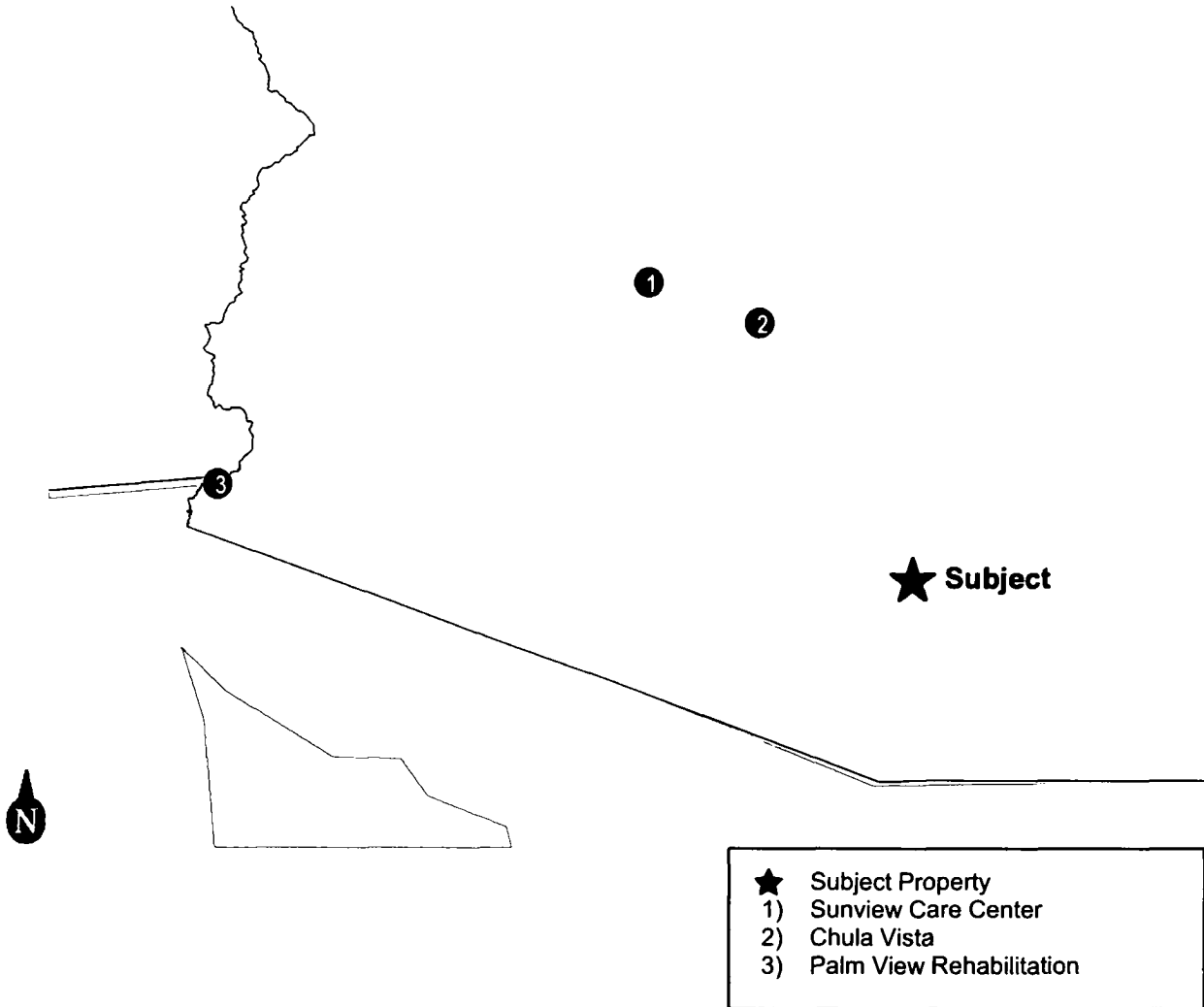
Occupancy:
CAP Rate:
EGIM:
Price/Unit:
Price/Bed: \$76,923
Price/SF: \$271.42

POSADA DEL SOL HEALTH CARE CENTER

POSADA DEL SOL HEALTH CARE CENTER
TUCSON, AZ

Recent Sales Map

POSADA DEL SOL HEALTH CARE CENTER



POSADA DEL SOL HEALTH CARE CENTER
TUCSON, AZ

Pima County Demographics

Demographic Trend Summary Report

Population Demographics

	2000 Census	Spring 2010 Estimate	2015 Projection	1990 to 2000	2010 to 2015
Total Population	843,746	1,040,440	1,135,181	26.5%	9.1%
Total Households	332,350	383,296	406,946	27.0%	6.2%
Gender:					
Male	412,562	509,646	556,270	26.4%	9.1%
Female	431,184	530,794	578,911	26.6%	9.1%

Population by Race/Ethnicity

	2000 Census	Spring 2010 Estimate	2015 Projection	1990 to 2000	2010 to 2015
White	633,387	714,151	744,272	20.7%	4.2%
Black	25,594	32,080	35,219	23.1%	9.8%
American Indian or Alaska Native	27,178	35,580	39,719	33.7%	11.6%
Asian or Pacific Islander	18,301	28,459	33,964	53.2%	19.3%
Some Other Race	112,217	179,695	218,372	26.3%	21.5%
Two or More Races	27,069	50,475	63,635	5.6%	26.1%
Hispanic Ethnicity	247,578	346,270	404,495	51.6%	16.8%
Not Hispanic or Latino	596,168	694,170	730,686	18.4%	5.3%

This information has been secured from sources we believe to be reliable, but we make no representations or warranties, expressed or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies. Marcus & Millichap Real Estate Investment Services is a service mark of Marcus & Millichap Real Estate Investment Services, Inc. © 2011 Marcus & Millichap

POSADA DEL SOL HEALTH CARE CENTER TUCSON, AZ

Pima County Demographics

Population by Age

	2000 Census	Spring 2010 Estimate	2015 Projection	1990 to 2000	2010 to 2015
0 to 4	55,829	67,919	67,831	11.9%	-0.1%
5 to 14	117,852	135,037	147,712	29.3%	9.4%
15 to 19	62,199	69,257	70,733	28.8%	2.1%
20 to 24	63,785	74,056	74,982	14.3%	1.3%
25 to 34	113,874	141,288	158,481	-0.3%	12.2%
35 to 44	126,061	129,997	142,657	28.5%	9.7%
45 to 54	110,563	137,959	141,976	77.6%	2.9%
55 to 64	74,096	122,229	141,910	33.0%	16.1%
65 to 74	62,916	81,693	103,266	14.7%	26.4%
75 to 84	43,499	54,642	59,653	50.6%	9.2%
85+	13,072	26,538	26,186	68.4%	-1.3%

Median Age:

Total Population	35.7	37.5	38.3	9.1%	2.0%
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Households by Income

	2000 Census	Spring 2010 Estimate	2015 Projection	1990 to 2000	2010 to 2015
\$0 - \$15,000	58,034	52,898	52,676	-23.1%	-0.4%
\$15,000 - \$24,999	51,157	50,134	50,473	-3.8%	0.7%
\$25,000 - \$34,999	48,820	47,279	47,365	12.2%	0.2%
\$35,000 - \$49,999	57,703	59,841	61,219	36.6%	2.3%
\$50,000 - \$74,999	58,818	70,441	74,789	92.6%	6.2%
\$75,000 - \$99,999	27,892	43,562	49,941	214.8%	14.6%
\$100,000 - \$149,999	18,820	38,017	45,376	267.9%	19.4%
\$150,000 +	11,106	21,124	25,107	279.3%	18.9%
Average Hhld Income	\$49,415	\$63,300	\$69,772	48.6%	10.2%
Median Hhld Income	\$36,826	\$44,803	\$47,686	44.7%	6.4%
Per Capita Income	\$19,464	\$24,387	\$26,005	47.6%	6.6%

This information has been secured from sources we believe to be reliable, but we make no representations or warranties, expressed or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies. Marcus & Millichap Real Estate Investment Services is a service mark of Marcus & Millichap Real Estate Investment Services, Inc. © 2011 Marcus & Millichap

POSADA DEL SOL HEALTH CARE CENTER

TUCSON, AZ

Pima County Mature Market Demographics

Mature Market Summary Report

Population By Age						% Change
	Spring 2010	%	2015	%	2010 to 2015	
Total Population	1,040,440		1,135,181			
Age 55 - 59	65,395	6.3%	73,620	6.5%	12.6%	
Age 60 - 64	56,834	5.5%	68,290	6.0%	20.2%	
Age 65 - 69	45,632	4.4%	58,068	5.1%	27.3%	
Age 70 - 74	36,061	3.5%	45,198	4.0%	25.3%	
Age 75 - 79	30,231	2.9%	33,813	3.0%	11.8%	
Age 80 - 84	24,411	2.4%	25,840	2.3%	5.9%	
Age 85+	26,538	2.6%	26,186	2.3%	-1.3%	
Age 55 +	285,102	27.4%	331,015	29.2%	16.1%	
Age 65 +	162,873	15.7%	189,105	16.7%	16.1%	
Median Age Total Pop	37.5		38.3		2.0%	
Median Age 55+	67.1		66.9		-0.3%	
Male Population	509,646		556,270		2.0%	
Age 55 - 59	31,040	6.1%	35,229	6.3%	13.5%	
Age 60 - 64	26,821	5.3%	32,110	5.8%	19.7%	
Age 65 - 69	21,186	4.2%	27,034	4.9%	27.6%	
Age 70 - 74	16,435	3.2%	20,571	3.7%	25.2%	
Age 75 - 79	13,449	2.6%	14,898	2.7%	10.8%	
Age 80 - 84	10,218	2.0%	10,846	1.9%	6.1%	
Age 85+	9,968	2.0%	9,308	1.7%	-6.6%	
Age 55 +	129,117	25.3%	149,996	27.0%	16.2%	
Age 65 +	71,256	14.0%	82,657	14.9%	16.0%	
Median Age Males	36.0		35.5		-1.4%	
Median Age Males 55+	66.5		66.3		-0.2%	
Female Population	530,794		578,911		9.1%	
Age 55 - 59	34,355	6.5%	38,391	6.6%	11.7%	
Age 60 - 64	30,013	5.7%	36,180	6.2%	20.5%	
Age 65 - 69	24,446	4.6%	31,034	5.4%	26.9%	
Age 70 - 74	19,626	3.7%	24,627	4.3%	25.5%	
Age 75 - 79	16,782	3.2%	18,915	3.3%	12.7%	
Age 80 - 84	14,193	2.7%	14,994	2.6%	5.6%	
Age 85+	16,570	3.1%	16,878	2.9%	1.9%	
Age 55 +	155,985	29.4%	181,019	31.3%	16.0%	
Age 65 +	91,617	17.3%	106,448	18.4%	16.2%	
Median Age Females	39.1		35.9		-8.2%	
Median Age Females 55+	67.7		67.5		-0.3%	

POSADA DEL SOL HEALTH CARE CENTER

POSADA DEL SOL HEALTH CARE CENTER

TUCSON, AZ

POSADA DEL SOL HEALTH CARE CENTER

Pima County Mature Market Demographics

Income by Age of Head of Household

Householder Age 55 - 64 Years

	Spring 2010 Estimate		2015 Projection		Percent Change 2000 to 2010
\$ 0 - \$19,999	10,033	15.4%	10,399	14.3%	12.5%
\$ 20,000 - \$39,999	13,817	21.1%	14,356	19.8%	19.0%
\$ 40,000 - \$59,999	11,598	17.7%	12,306	17.0%	35.4%
\$ 60,000 - \$74,999	6,629	10.1%	7,342	10.1%	53.7%
\$ 75,000 - \$99,999	8,406	12.9%	9,975	13.7%	95.4%
\$100,000 - \$124,999	5,837	8.9%	7,043	9.7%	128.2%
\$125,000 - \$149,999	3,438	5.3%	4,326	6.0%	195.4%
\$150,000 +	5,599	8.6%	6,813	9.4%	133.0%
Median Income Age 55-64	\$54,911		\$58,626		

Age Householder 65 - 74 Years

	Spring 2010 Estimate		2015 Projection		Percent Change 2000 to 2010
\$ 0 - \$19,999	8,375	18.2%	9,586	17.2%	-14.5%
\$ 20,000 - \$39,999	12,041	26.2%	13,753	24.7%	-4.1%
\$ 40,000 - \$59,999	8,752	19.0%	10,255	18.4%	16.8%
\$ 60,000 - \$74,999	4,377	9.5%	5,375	9.7%	33.5%
\$ 75,000 - \$99,999	4,687	10.2%	6,138	11.0%	74.0%
\$100,000 - \$124,999	3,199	7.0%	4,284	7.7%	112.3%
\$125,000 - \$149,999	1,712	3.7%	2,392	4.3%	161.4%
\$150,000 +	2,821	6.1%	3,812	6.9%	115.2%
Median Income Age 65-74	\$45,285		\$48,320		

Householder Age 75 Plus Years

	Spring 2010 Estimate		2015 Projection		Percent Change 2000 to Spring 2010
\$ 0 - \$19,999	12,362	26.3%	11,827	24.9%	-3.2%
\$ 20,000 - \$39,999	12,650	26.9%	12,086	25.4%	11.4%
\$ 40,000 - \$59,999	7,621	16.2%	7,551	15.9%	32.1%
\$ 60,000 - \$74,999	3,700	7.9%	3,862	8.1%	62.0%
\$ 75,000 - \$99,999	4,205	8.9%	4,693	9.9%	98.3%
\$100,000 - \$124,999	2,415	5.1%	2,764	5.8%	144.7%
\$125,000 - \$149,999	1,601	3.4%	1,907	4.0%	228.1%
\$150,000 +	2,530	5.4%	2,882	6.1%	145.4%
Median Income Age 75+	\$37,176		\$39,742		

POSADA DEL SOL HEALTH CARE CENTER
TUCSON, AZ

POSADA DEL SOL HEALTH CARE CENTER

Demographic Report of Subject Location

	5 Miles:	10 Miles:	15 Miles:
1990 Population	244,174	512,276	605,828
2000 Population	268,079	583,658	741,272
2010 Population	289,666	659,916	859,770
2015 Population	296,259	704,352	916,685
1990 Households	105,889	206,516	238,062
2000 Households	117,855	237,360	291,911
2010 Households	119,915	252,258	318,181
2015 Households	119,603	261,903	330,726
2010 Average Household Size	2.33	2.55	2.64
2010 Daytime Population	163,052	341,915	388,390
1990 Median Housing Value	\$76,067	\$74,683	\$76,371
2000 Median Housing Value	\$108,498	\$105,830	\$109,867
2000 Owner Occupied Housing Units	47.0%	51.9%	56.2%
2000 Renter Occupied Housing Units	45.3%	39.8%	35.5%
2000 Vacant	7.77%	8.33%	8.34%
2010 Owner Occupied Housing Units	45.9%	50.6%	55.1%
2010 Renter Occupied Housing Units	44.0%	38.7%	34.1%
2010 Vacant	10.02%	10.72%	10.82%
2015 Owner Occupied Housing Units	46.1%	50.4%	54.7%
2015 Renter Occupied Housing Units	43.9%	38.9%	34.4%
2015 Vacant	9.98%	10.78%	10.89%
\$ 0 - \$ 14,999	15.6%	16.7%	14.6%
\$ 15,000 - \$24,999	14.8%	14.6%	13.3%
\$ 25,000 - \$34,999	13.5%	13.3%	12.5%
\$ 35,000 - \$49,999	15.2%	15.2%	15.4%
\$ 50,000 - \$74,999	16.7%	16.5%	18.0%
\$ 75,000 - \$99,999	9.7%	9.5%	10.9%
\$100,000 - \$124,999	5.6%	5.5%	6.3%
\$125,000 - \$149,999	3.2%	3.3%	3.5%
\$150,000 - \$200,000	3.1%	2.8%	3.0%
\$200,000 to \$249,999	0.9%	0.8%	0.8%
\$250,000 +	1.8%	1.8%	1.7%
Median Household Income	\$40,110	\$39,533	\$43,657
Per Capita Income	\$26,839	\$24,142	\$24,453
Average Household Income	\$61,148	\$60,195	\$62,754

Demographic data © 2008 by Experian/ Applied Geographic Solutions.

POSADA DEL SOL HEALTH CARE CENTER
TUCSON, AZ

Summary Report of Subject Location

Geography: 15 Miles

Population

In 2010, the population in your selected geography is 859,770. The population has changed by 15.99% since 2000. It is estimated that the population in your area will be 916,685 five years from now, which represents a change of 6.62% from the current year. The current population is 48.92% male and 51.08% female. The median age of the population in your area is 36.5, compare this to the US average which is 37.1. The population density in your area is 1,216.33 people per square mile.

Households

There are currently 318,181 households in your selected geography. The number of households has changed by 9.00% since 2000. It is estimated that the number of households in your area will be 330,726 five years from now, which represents a change of 3.94% from the current year. The average household size in your area is 2.64 persons.

Income

In 2010, the median household income for your selected geography is \$43,657, compare this to the US average which is currently \$51,517. The median household income for your area has changed by 20.09% since 2000. It is estimated that the median household income in your area will be \$46,077 five years from now, which represents a change of 5.54% from the current year.

The current year per capita income in your area is \$24,453, compare this to the US average, which is \$27,867. The current year average household income in your area is \$62,754, compare this to the US average which is \$72,148.

Race & Ethnicity

The current year racial makeup of your selected area is as follows: 67.69% White, 3.43% Black, 2.76% Native American and 2.79% Asian/Pacific Islander. Compare these to US% averages which are: 73.52% White, 12.42% Black, 0.76% Native American and 4.60% Asian/Pacific Islander.

People of Hispanic origin are counted independently of race. People of Hispanic origin make up 34.70% of the current year population in your selected area. Compare this to the US% average of 15.45%.

Housing

The median housing value in your area was \$109,867 in 2000, compare this to the \$US average of \$115,194 for the same year. In 2000, there were 178,831 owner occupied housing units in your area and there were 113,080 renter occupied housing units in your area. The median rent at the time was \$479.

Employment

In 2010, there are 388,390 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 62.9% of employees are employed in white-collar occupations in this geography, and 37.1% are employed in blue-collar occupations. In 2010, unemployment in this area is 7.36%. In 2000, the median time traveled to work was 21.2 minutes.

Demographic data © 2008 by Experian/ Applied Geographic Solutions.

Marcus & Millichap
Real Estate Investment Services

**POSADA DEL SOL HEALTH CARE
CENTER**
TUCSON, AZ

OFFERING MEMORANDUM



Offices Nationwide
www.MarcusMillichap.com



ADDENDUM

C



BIDDERS' INFORMATION

POSADA DEL SOL HEALTH CARE CENTER

2250 N CRAYCROFT RD

**RITA LEON
SENIOR ACQUISITION AGENT
(520) 740-6462**

**REAL PROPERTY SERVICES
201 N STONE AVE, 6TH FLR
TUCSON, AZ 85701-1207**

(Publish: June 14, 2011; Please run as Sales)

NOTICE OF SALE

Pima County gives Notice of Sale or Lease of Posada del Sol Health Care Center located at 2250 N Craycroft Rd, in As-Is condition. The legal description of the property is:

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF PIMA, STATE OF ARIZONA AND IS DESCRIBED AS FOLLOWS:

LongLegal (Parcel #121-05-0150 121-05-0140, 121-05-016A, 121-05-017F, 121-05-017J

PARCEL NO. 1:

Lot 1, Block C, NORTHEAST CENTER RESUBDIVISION NO. 2, according to Book 19 of Maps, page 75, records of Pima County, Arizona

PARCEL NO. 2:

Lot 2, Block C, NORTHEAST CENTER RESUBDIVISION NO. 2, according to Book 19 of Maps, page 75, records of Pima County, Arizona

PARCEL NO. 3:

Lot 2, Block D, NORTHEAST CENTER RESUBDIVISION NO. 2, according to Book 19 of Maps, page 75, records of Pima County, Arizona

Except Beginning at a point which is the Southwest corner of said Lot 2;

thence South 89 degrees 53 minutes 00 seconds East along the South boundary line of said Lot 2 a distance of 315.00 feet to a point;

thence North 01 degrees 11 minutes 17 seconds East a distance of 175.01 feet to a point;

thence North 89 degrees 53 minutes 00 seconds West a distance of 185.00 feet to a point;

thence North 01 degrees 11 minutes 17 seconds East a distance of 10.00 feet to a point;

thence North 89 degrees 53 minutes 00 seconds West a distance of 130.00 feet to a point;

thence South 01 degrees 11 minutes 17 seconds West along the most Westerly boundary line of said Lot 2 a distance of 185.01 feet to the Point of Beginning, and

Except Beginning at the intersection of Edison Street and Leonora Avenue in said subdivision;

thence South 00 degrees 49 minutes 30 seconds West along the centerline of said Leonora Avenue a distance of 241.17 feet to a point;

thence North 89 degrees 10 minutes 30 seconds West a distance of 25.00 feet to the West right of way line of Leonora Avenue and the True Point of Beginning

(Continued)

thence Southerly along the arc of a 125.00 radius curve to the right and along the West right of way line of said Leonora Avenue through a central angle of 6 degrees 19 minutes 28 seconds a distance of 13.80 feet to a point;

thence North 89 degrees 55 minutes 30 seconds West a distance of 228.26 feet to a point;

thence North 0 degrees 49 minutes 30 seconds East a distance of 45.00 feet to a point;

thence South 89 degrees 55 minutes 30 seconds East a distance of 229.02 feet to a point on the West right line of Leonora Avenue;

thence South 0 degrees 49 minutes 30 seconds West along said right of way a distance of 31.24 feet to the True Point of Beginning, and

Except Beginning at the Southerly end of the 25 foot return curve in the Northeast corner of said Lot 2;

thence South 00 degrees 49 minutes 30 seconds West along the East line of said Lot 2 a distance of 165.20 feet;

thence North 89 degrees 55 minutes 30 seconds West parallel with the North line of said Lot 2 a distance of 228.02 feet;

thence North 00 degrees 49 minutes 30 seconds East parallel with the East line of said Lot 2 190.58 feet to a point on the North line of Lot 2 which point is in a 297.75 foot radius curve;

thence Easterly along the arc of said 297.75 foot radius curve to the left thru a central angle of 00 degrees 50 minutes 13 seconds 4.35 feet to a point of tangency;

thence South 89 degrees 55 minutes 30 seconds East along said North line 199.34 feet to the point of tangency;

thence Southeasterly along the arc of a 25 foot radius curve to the right in the boundary of said Lot 2 thru a central angle of 90 degrees 45 minutes 00 seconds 39.00 feet to the Point of Beginning.

Submissions shall be made by Sealed Bids. The Facility and property will be sold in one Sale or Leased to a single entity.

Title: Posada del Sol Health Care Center

Site Visits: Will be held at the Facility. Contact Rita Leon (520) 740-6462 for dates and times

All Bids Due By: Friday, July 15, 2011, at 5:00 PM Arizona time

Return To: Attn: Rita Leon
Pima County Real Property Services
201 N Stone Ave, 6th Flr Receptionist
Tucson, AZ 85701-1207

Sale Terms: The appraised value for a Sale is \$6,300,000.00. The minimum acceptable bid is the appraised value. Additional required terms are contained in the Bidders' Package that can be found at <http://www.pima.gov/depts/posada.html>.

Lease Terms: The appraised value for a Lease is \$540,000.00 annually, triple net. The

minimum acceptable bid for a Lease is the appraised value. Additional required terms are contained in the Bidders' Package that can be found at <http://www.pima.gov/depts/posada.html>.

All Bidders *must* Contact Marcus & Millichap Real Estate Investment Services, prior to submitting a bid. Bidders may contact either Mark L. Myers at mark.myers@marcusmillichap.com (773) 867-1470, or Joshua T. Jandris at Joshua.jandris@marcusmillichap.com (773) 867-1482.

Bids must be submitted and clearly marked on the outside with title, due date, and time, and Bidder's name. Bidders must complete a Bidder's Package and Pricing Page. Additional information regarding the property is located at <http://www.pima.gov/depts/posada.html>.

Submit your bids in a sealed envelope addressed to Rita Leon at the above address. Bids must be received and time stamped at the Pima County Real Property Services office on or before the above specified date and time. It is the Bidder's responsibility to assure bids are received at the above location by the specified time. Late bids will be returned.

The property is wheelchair accessible. The following services are available upon advance request to Rita Leon at (520) 740-6462 (please allow 10 business days): property information in Braille or large print; a signer for the hearing impaired.

Sale or Lease requires approval of the Pima County Board of Supervisors. Closing is by escrow.

SPECIFIC TERMS AND CONDITIONS

INTRODUCTION:

The purpose of this Notice of Sale or Lease is to sell to the highest Bidder Posada del Sol Health Care Center (the "**Facility**") located at 2250 N Craycroft Rd, Tucson, Arizona. The Facility is estimated at 135,937 square feet.

Pima County makes no guarantee/warranty as to the condition of the Facility. The successful Bidder shall accept the Facility, including the land and all improvements thereon, and all furniture, fixtures and equipment, in As-Is condition. Any Purchase or Lease Agreement is subject to Board of Supervisors approval and Pima County reserves the right to cancel the Sale or Lease at any time.

SITE VISIT:

Non-mandatory site visits will be held on June 22, 2011, June 29, 2011, and July 6, 2011 from 1:30 pm to 3:30 pm in order to view the Facility. Visits will be limited to 8 visitors so please limit the number of representatives from each organization. Contact Rita Leon at (520) 740-6462 to schedule a site visit. Because space is limited, visitors who have not registered in advance will not be allowed to tour.

CONTACTS:

Questions regarding this solicitation may be directed to Mark L. Myers or Joshua T. Jandris at Marcus & Millichap Real Estate Investment Services, a California corporation at mark.myers@marcusmillichap.com (773) 867-1470 or joshua.jandris@marcusmillichap.com, (773) 867-1482.

PRICING:

A Sale shall require an earnest money deposit, and the full purchase price to be paid to Pima County at closing. A Lease shall be for a 25 year term with a 25 year renewal option. A Lease will require a non-refundable deposit and first and last month's payment.

Closing of a Sale will be at Fidelity National Title with Paulette Fraioli at 6245 E. Broadway, Suite 200, Tucson, AZ.

SUBMISSION OF BID:

Sealed Bid Packages are to be addressed and delivered to Rita Leon at 201 N Stone Ave, 6th Flr, Tucson, AZ 85701-1207. Bids shall include a notation on the outside of the Bid Package that it is for the Posada del Sol Health Care Center. **Bids must be received no later than July 15, 2011.**

EVALUATION AND AWARD

Bidder's package will be reviewed by a panel, The Pima County Selection Committee. The successful Bidder will be determined based on the following criteria:

1. **MINIMUM REQUIREMENTS.** The successful Bidder must agree to meet all of the following minimum requirements:
 - A. **Employment Criteria.** Current Posada del Sol employees are to be provided:
 - 1) Guaranteed offers of employment to those employees who file an application and pass a basic background check;
 - 2) A benefit package similar to the current benefit package provided by Pima County; and
 - 3) Credit for years of continuous Pima County service determined by the current date of hire with Pima County, as though employed by purchaser.
 - B. **Operation of Facility.**
 - 1) Agree to continue operating the first floor of the Facility as a licensed Skilled Nursing Facility ("*SNF*") for as long as there continues to be a need for those services or appropriate alternate placement is available.
 - 2) Agree to continue existing respiratory/ventilator and behavioral health services for as long as there continues to be a need for those services or appropriate and acceptable alternate placement is available.
 - C. **Qualified to Operate Skilled Nursing Facility.** The successful Bidder must be qualified to operate a skilled nursing facility *with residents receiving respiratory/ventilator, bariatric and behavioral health services*. This will be based on Bidder's experience and the Bidder's financial statement. The average star rating from Medicare.gov, across the Bidder's entire portfolio, will not be less than 3 stars. Bidder shall submit proof of its ability to obtain all licenses and regulatory approvals necessary to operate the Facility as it is currently being operated.
 - D. **As-Is Purchase.** Bidder will purchase the Facility in As-Is condition, with no representations or warranties from Pima County as to the condition of the real property or furniture, fixtures or equipment.
2. **BID CRITERIA.** The successful Bidder, having satisfied the minimum requirements, will be

determined based on the following criteria in the following order of importance, with the most important criteria being Sales Price:

- A. **Sales Price.** Bidder must complete Pricing Page attached as **Exhibit A.**
- B. **Ability to Close Quickly.** Pima County prefers that the successful Bidder be able to close the purchase of the Facility not more than 120 days after being notified as the successful Bidder.
- C. **Lack of Contingencies to Closing.** Pima County prefers that there be no contingencies to closing *except* the buyer having secured all appropriate licenses and necessary regulatory approvals to operate the Facility. To the extent there are contingencies to closing, those contingencies will count *against* the bid, including any financing contingency. Pima County prefers that the successful Bidder demonstrates that it either has the entire purchase price in readily available liquid assets or that it possesses committed financing from a lending institution sufficient to complete the acquisition. A "Letter of Interest" from the Lender will not suffice.
- D. **Earnest Money Deposit.** Pima County prefers a non-refundable earnest money deposit be posted upon notice that Bidder has the successful bid, in an amount not less than \$250,000.00. The Earnest Money Deposit will be applied to the purchase price at closing, and will be forfeited if the successful Bidder does not close.
- E. **Multiple Rounds of Bidding; Purchase Contract.** Pima County reserves the right to have more than 1 round of bidding, in the event that in the sole discretion of Pima County additional rounds are in the best interest of Pima County and will assist Pima County in determining the successful Bidder. In the event there is a second or third round of bidding, Pima County may request that each Bidder selected for the additional round of bidding, provide, by a stated deadline, a marked up version of Pima County's draft purchase agreement, and an operations transfer plan. In such event, Pima County may consider, in determining the successful bid, the extent of the Bidder's requested Pima County's representations and warranties and Pima County's Indemnifications and requests for escrows and Bidder offsets and credits at Closing.
- F. **Lease of Facility.** A Lease will only be considered if there are no bids to purchase the Facility that meet Pima County's requirements for a Sale.

Pima County reserves the right to add or subtract other criteria in its analysis of the bids.

DISCLAIMERS

DISCLAIMER NOTICE #1:

Pima County Financial Statements

The care provided to most of the residents at Posada del Sol Health Care Center ("**Posada**") is paid for by the Arizona Healthcare Cost Containment System ("**AHCCCS**"), Arizona's Medicaid Agency, because they are enrolled members of AHCCCS. The Arizona Long Term Care System ("**ALTCS**") is the AHCCCS program which provides medical assistance for individuals with chronic health conditions requiring extended treatment. The ALTCS program is intended for individuals who are age 65 or older, blind or have a disability (at any age) and need ongoing services.

Pima County, through Pima Health System ("**PHS**") which is a *department* and *enterprise fund* of Pima County, has, prior to October 1, 2011, contracted with AHCCCS as the sole ALTCS provider for Pima and Santa Cruz Counties. This means that PHS has been the sole AHCCCS contractor that provides funding for members of AHCCCS in Pima and Santa Cruz County who require long term care services provided by ALTCS. After October 1, 2011, PHS will no longer have a contract with AHCCCS.

As the AHCCCS contractor, PHS has been paid a monthly per capita fee by AHCCCS to provide health services to AHCCCS members. PHS contracts with providers and facilities in Pima and Santa Cruz Counties to provide medical assistance to AHCCCS members. One of the facilities that provide medical assistance in Pima County is Posada, which is owned by Pima County. PHS uses the monthly fee it receives from AHCCCS to pay for medical assistance to AHCCCS members, including long term care services provided by Posada and other providers. The fee is *not* adjusted based upon the services needed or utilized; rather, PHS pays for any medical services utilized by its members, and its overhead, entirely from the fixed per capita fee it receives from AHCCCS.

PHS has contracted with nursing homes and other providers of medical care. The rates with third party providers are subject to negotiation. There were no negotiated rates with Posada, however, because Pima County owns Posada and PHS. Negotiated rates are set on a case-by-case basis for the limited number of Posada residents not enrolled with PHS.

Pima County is required to file audited financials with AHCCCS that requires a separate accounting for Posada, and, additionally, separate financials for Posada with the State of Arizona (Uniform Accounting Report) and Medicare (Medicare Cost Report). To establish an income level for Posada, a "rate" was set by PHS for the residents of Posada. As stated above, this was not a negotiated rate. Instead, Pima County estimated the cost of care for residents. At the end of each month, a month-end adjustment was done. Pima County determined the actual operating costs for Posada, and for accounting purposes, PHS "contributed" sufficient additional funds so that the income for Posada equaled the expenses for Posada.

No Pima County general fund money was used to operate Posada. All of the expenses of Posada

were covered by PHS from the money received from AHCCCS.

In determining the expenses for Posada at month end, a portion of Pima County administrative expenses were allocated to Posada. These costs include salaries of management personnel located in Pima County administration, legal fees allocated to Posada, and other administrative expenses. These are costs that a buyer might not incur.

The financial materials provided are for reference only and are not intended to represent performance expectations for the skilled nursing facility once it is purchased by a buyer. Potential buyers should carefully evaluate the operating cost elements to identify corporate fees and general overhead costs as well as costs such as insurance which are part of the Posada cost structure unique to Pima County. In addition, potential buyers should examine the rates of reimbursement from all possible payers including the AHCCCS ALTCS plan which is the current dominant funding stream as PHS has utilized Posada almost exclusively for its ALTCS health plan members.

New rates will need to be negotiated with the new AHCCCS contractor to be effective October 1, 2011.

DISCLAIMER NOTICE #2:

Regulatory Requirements for Kitchen Operation - Pima County Health Department

All kitchens in Pima County regardless of their location must meet the standards established by the Pima County Health Department ("**PCHD**") in order to receive an operating permit. The potential buyers will need to familiarize themselves with the application process and requirements for obtaining an operating permit as Pima County's operating permit for Posada del Sol is not transferable. Without an operating permit from the PCHD, the new owners will not be allowed to prepare, serve, or store food in the kitchen. During any period for which there is no valid operating permit, the new owner must make alternate arrangements for food service to the residents which will also require approval from the PCHD.

The information in this package is provided as background information and does not substitute for the application process or the required operational and structural inspections necessary for obtaining an operating permit from PCHD.

The due diligence website contains a document titled "Starting Your Own Food Business in a Previously Permitted Food Establishment" which potential buyers will find useful in planning for an inspection of the kitchen. The web site address is:

<http://www.pimahealth.org/healthfood/documents/Change-of-Owner-Guidelines-2010-cotds-edition.pdf>.

The Consumer Health Food Safety website is at:

<http://www.pimahealth.org/healthfood/index.asp>, which also includes links to the Pima County and State Food Codes.

DISCLOSURES

Attached as **Exhibit B** is a List of Documents on a Secured Website available publicly for all Bidders to review. Pima County makes no warranties or representations that the information is complete, correct or accurate. The website may be updated from time to time with additional documents. The Facility, including furniture, fixtures, equipment, and going-concern value, is being sold As-Is.

EXHIBITS

Attached are the following exhibits:

<u>Exhibit A</u>	Pricing Page
<u>Exhibit B</u>	List of Documents on Secured Website

Exhibit A
Pricing Page

Bidder's Name: _____

Price offered to Pima County: \$ _____

Non-refundable Earnest Money Deposit on notification of successful bid: \$ _____

Additional non-refundable Earnest Money Deposit on _____: \$ _____

Closing Date: _____, subject to regulatory approvals

Closing Contingencies, if any: _____

Signature: _____

Name & Title: _____

(Please Print/Type)

Address: _____

City, State, Zip: _____

Telephone: _____

Fax Number: _____

Contact Person: _____

Bidder agrees to the following by submitting this bid:

All Minimum Bid Requirements contained in the Bidders' Information Package are agreed to.

Bidder shall indemnify, defend and hold harmless Pima County, its officers, employees and agents from and against any and all suits, actions, legal administrative proceedings, claims, or demands and costs attendant thereto, arising out of any act, omission, fault or negligence by Company, its agents, employees or anyone under its direction or control or on its behalf in connection with performance of this Sale.

Optional Information

Exhibit B

List of Documents on Secured Website

The following documents are available through a secured website being developed by County IT.

ftp://ftpgis.pima.gov (username: readPosada password: view2PSA)

- I. Overview
 - a. Service Description
 - b. Unit Description
 - c. Legal Name of Owner

- II. Personnel
 - a. Staffing Profile as of 2/20/11 with employee detail – release approved by County HR
 - b. Payroll for one pay period – pay period ending 2/12/11 – release approved by County HR
 - c. Vacation and Sick Accrual as of payroll dated 2/26/11 with Rate of Accrual for every other week payroll – release approved by County HR
 - d. Average Weekly Utilization of Contracted Therapy Services – calculated from historical use
 - e. Memorandum of Understanding with Service Employee International Union to engage in “Meet and Confer” activities

- III. Investment in Healthcare Workforce Development
 - a. Pima Community College contract for training at Posada del Sol
 - b. Pima Medical Institute contract for training at Posada del Sol
 - c. Arizona Department of Health Services has suspended Certified Nursing Assistant (C N A) training at Posada del Sol until 8/31/11

- IV. Patient Statistics
 - a. Facility Quality Measure/Indicator Report and Comparison to State and National Averages
 - i. FY 2010
 - ii. FY 2011 – two months (July 1, 2010 through August 31, 2010) Note: More recent updates are not available due to MDS 3.0 implementation nationally and lack of comparable data for baseline comparison
 - b. Operating Statistics: Average Daily Census, Admissions and Discharges
 - i. FY 2010
 - ii. FY 2011
 - c. Monthly Census by RUG Category (October 2009-February 2011)
 - i. 2009
 - ii. 2010
 - iii. 2011 (January and February)
 - d. Facility Length of Stay (1990-2011)

- V. Financial Performance
 - a. State of Arizona Department of Revenue Exemption Letter
 - b. Rates
 - i. Schedule of Posada del Sol Published Charges effective August 2007 through December 2010 – as filed with the Arizona Department of Health Services

- ii. Schedule of Posada del Sol Published Charges effective January 2011 – as filed with the Arizona Department of Health Services
 - iii. Posada del Sol contracted Rates with Pima Health Systems
 - 1. Specialty/Non-Specialty Semi-Private
 - 2. Specialty Private
 - iv. Distribution of Medicare Days by RUG Rate- FY 2010 provided by the fiscal intermediary and as shown in Schedule S-7 of the Medicare cost report for FYE 6/30/10
 - v. Contracted Rates with United Health/Evercare
 - vi. Rate with Census 4/12/2011
 - c. Unaudited Interim Financials for first six months of FY 2011 with segregation of direct operating costs and county allocation of overhead and other costs which will be replaced by operator specific costs
 - i. First and Second Quarter (July 1, 2010 through December 31, 2010)
 - ii. Detail to Working Trial Balance
 - d. Audited FY 2010 Financials- Detail with Working Trial Balance
 - e. Room and Board Payer Mix for first three months of FY 2011 (July 1, 2010 through September 30, 2010)
 - f. Uniform Accounting Report (UAR) as filed with Arizona Department of Health Services
 - i. FY 2008
 - ii. FY 2009 revised
 - iii. FY 2010 revised
 - iv. FY 2008, 2009, 2010 Other Revenue detail
 - g. Medicare Cost Report Summary and Full report
 - i. FY 2008
 - ii. FY 2009
 - iii. FY 2010, including supporting worksheets (temporarily unavailable due to review)
 - h. Contract listing
 - i. FY 2011 Adopted Budget
 - i. Capital expenditures detail
 - j. Lease contracts
 - i. 2nd floor Behavioral Health Clinic lease
 - k. Property Tax Information
 - l. Ancillary and Room and Board Revenue (July-September 2010)
 - m. PHS/Posada del Sol Audited Budget
 - <http://www.pima.gov/finance/reports.shtml#>
 - i. 2008
 - ii. 2009
 - iii. 2010
- VI. Insurance
- a. Workers Compensation Claims FY 2011 – 7 months plus (July 1, 2010- February 23, 2010)
 - b. Workers Compensation Claims FY 2010
- VII. Facility/Building/Property Information
- a. Fact Sheet from Pima County facilities
 - b. Parcel Map and Aerial View from Pima County facilities
 - c. Blueprints of Posada del Sol

- d. Statement of Conditions from Pima County facilities
- e. Package from Lois Adams, Architect, Healthcare Facilities Architectural Review Section of the Office of Special Licensing, Arizona Department of Health Services- Lois Adams contact information
 - i. List of Architectural Firms Experienced in Healthcare Facilities in Arizona
 - ii. Application for Construction or Modification of a Health Care Institution
 - iii. Inspection and Testing Form
 - iv. Contractor's Material and Test Certificate for Underground Piping
- f. Fire Inspection Report
 - i. 2008
 - ii. 2009
 - iii. 2010
- g. Facility Asbestos Survey
- h. Legal description
- i. Pima County's Assessors Office Valuation
- j. Sale History
- k. Available Drawing/Manual List
- l. Phase 1 Environmental Survey

VIII. Licensing and Regulatory Documents

- a. National Provider Identification # - 1780710095
- b. Medicare Certification – Medicare provider # - 03-5064
- c. Licenses – skilled nursing facility # NCI-298 and outpatient treatment center # OTC 1775
- d. Fixed Food Establishment
 - i. Fixed food establishment license from Pima County Health Department – 3006443-1616C
 - ii. Change of Ownership guidelines
 - iii. State and County Food Regulations
 - iv. Consumer Food Safety Consult Report
- e. Certificate of Occupancy dated September 18, 1978
- f. Survey Results from Arizona Department of Health Services
- g. Veterans Administration survey results
- h. Clinical Laboratory Improvement Amendments (CLIA) Waiver
- i. Beauty Salon License- Arizona Board of Cosmetology # 141



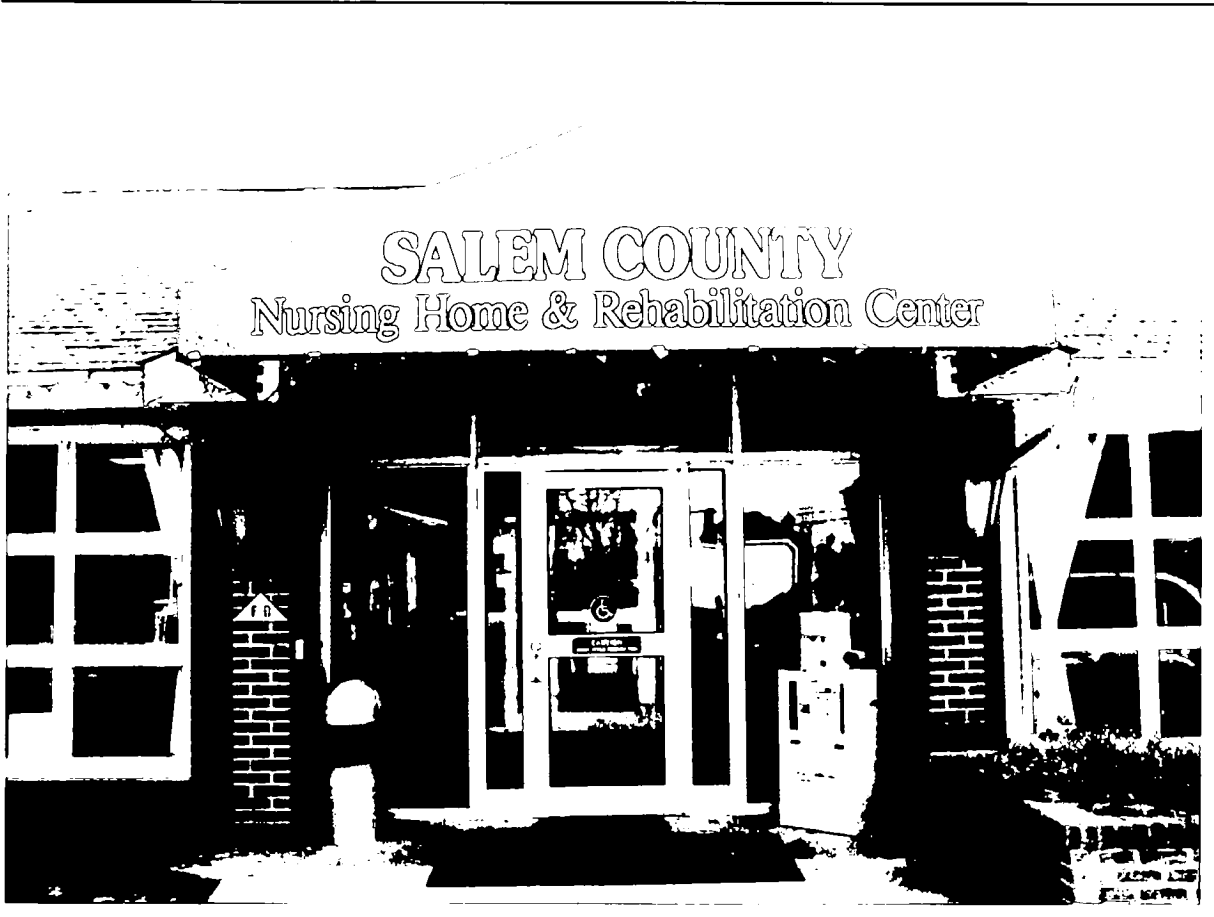
ADDENDUM

D

SALEM COUNTY NURSING HOME

Marcus & Millichap
Real Estate Investment Services

SALEM, NJ



OFFERING MEMORANDUM

Presented by:

Ben Sgambati

*Marcus & Millichap New Jersey
Vice President Investments*

611 River Drive
Fourth Floor
Elmwood Park, NJ 07407
Tel: 201-582-1000
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SALEM COUNTY NURSING HOME

SALEM, NJ

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Marcus & Millichap
Real Estate Investment Services

SALEM COUNTY NURSING HOME
SALEM, NJ

Property Summary

THE OFFERING

Property	Salem County Nursing Home
Property Address	438 New Jersey 45 Salem, NJ 08079
Assessor's Parcel Number	
Zoning	
Type of Care	Skilled Nursing Facility

SITE DESCRIPTION

Year Built	Approximately 1970's
Number of Rooms	50 total (11 four bed, 33 two bed & 6 private rooms)
Unit Breakdown	Priv/Semi-Priv/4 Bed Ward
Number of Beds	116
Total Square Feet	
Number of Buildings	One
Number of Stories	One main floor, plus basement and attic
Lot Size	6.1 Acres
Type of Ownership	
Parking	Approximately 70 total spaces
Handicapped Parking	Yes
Property Improvement	Building, gazebo, paved walkway and driveway, lighting, landscaping

CONSTRUCTION/MECHANICAL

Foundation	
Framing	
Exterior	Brick
Exterior Condition	Good
Parking Surface	Paved Asphalt
Roof	New shingle roof was recently installed throughout entire building
Plumbing	Semi-private bathrooms with toilets between each room, and a sink in each room
Elevator	None
HVAC	Heat is provided by electric and gas sources
Utilities	
Ceilings	Drop acoustical tiles
Floors	Commercial grade carpeting and tile flooring

SYSTEMS

Fire Protection	Dry sprinkler system
Emergency Lighting	
Emergency Generator	Small back-up generator provides emergency power
Call Devices	

SALEM COUNTY NURSING HOME

SALEM, NJ

Offering Summary



Unit Breakdown	Priv/Semi-Priv/4 Bed
Total Beds	116
Occupancy - Current	74.00%
Occupancy - Pro Forma	90.00%
Number of Buildings	One
Number of Floors	One
Year Built	Approx 1970's
Lot Size	6.1 Acres

VITAL DATA

Net Operating Income - Current	-\$3,298,312
Net Operating Income - Pro Forma	\$1,495,434

SALEM COUNTY NURSING HOME

COMMENTS

SALEM COUNTY NURSING HOME

SALEM, NJ

2010 Pricing & Financial Analysis (Including Regional Benchmark)

SALEM COUNTY NURSING HOME

Salem County 2010 Pricing & Financial Analysis including Regional Benchmarking

Assumed Current Occupancy	85	31025	2006 NJ Cost Report Avg. Revenue PPD Annualized	
REVENUE	Subject	% of Rev.	2006 NJ Cost Report Avg. Revenue PPD	Subject PPD
Medicare	\$863,698	14%		
Medicaid	\$3,738,992	59%		
Private	\$1,579,888	25%		
Commercial Insurance	\$26,458	0%		
Miscellaneous	\$177,653	3%		
	\$6,386,690		\$240.64	\$7,465,856.00
EXPENSES	Subject	% of Expenses	NJ 2006 Cost Reports	PPD
Total Administration	\$1,114,145	12%	\$34.34	\$35.91
Benefits	\$1,983,735	20%	\$18.09	\$63.94
Nursing	\$4,025,999	42%	\$69.83	\$129.77
Ancillary (Including Pharmacy)	\$423,966	4%	\$11.90	\$13.67
Dietary	\$918,744	9%	\$16.99	\$29.61
Maintenance & Plant Ops	\$656,002	7%	\$9.83	\$21.14
Housekeeping & Laundry	\$562,043	6%	\$8.25	\$18.12
Benchmark EBITDA Value at 8X	\$9,684,636		\$169.23	\$312.16
Estimated Negative CF during turnaround (Based on Current Annual Negative NOI)				
Estimated Current Market Value				
Estimated Market Value Per Effective Bed (108)				
PR Taxes & Benefits as % of Wages	Subject	Nat'l Avg.		
Total Payroll & Benefits	41%	21%		
Total Payroll	\$1,983,735			
	\$4,843,290			

	NJ PPD 50th Percentile	variance	ME PPD 90th Percentile	variance	NE PPD 10th Percentile	variance	Avg. Regional PPD	Average Regional Expenses
Total Administration	\$28.96	\$6.95	\$18.83	\$17.08	\$39.81	-\$3.90	\$30.49	\$945,797
Benefits	\$24.37	\$39.57	\$17.97	\$45.97	\$32.23	\$31.71	\$23.17	\$718,694
Nursing	\$94.31	\$35.46	\$80.40	\$49.37	\$113.43	\$16.34	\$89.49	\$2,776,505
Ancillary (Including Pharmacy)	\$21.52	-\$7.85	\$7.02	\$6.65	\$36.48	-\$22.81	\$19.23	\$596,611
Dietary	\$17.86	\$11.75	\$14.31	\$15.30	\$24.14	\$5.47	\$18.33	\$568,533
Maintenance & Plant Ops	\$11.54	\$9.60	\$8.86	\$12.28	\$16.11	\$5.03	\$11.59	\$359,425
Housekeeping & Laundry	\$8.73	\$9.39	\$5.91	\$12.21	12.96	\$5.16	\$8.96	\$278,062
Benchmark EBITDA Value at 8X	\$207.29	\$104.87	\$153.30	\$158.86	\$275.16	\$37.00	\$201.25	\$6,243,676
Estimated Negative CF during turnaround (Based on Current Annual Negative NOI)								\$1,222,230
Estimated Current Market Value								\$9,777,839
Estimated Market Value Per Effective Bed (108)								-\$2,000,000
PR Taxes & Benefits as % of Wages								\$7,777,839
Total Payroll & Benefits								\$72,017
Total Payroll								

****All benchmarking data is from the Larsen Allen 27th Annual Licensed Nursing Facility Cost Comparison with the exception of the "NJ 2006 Cost Reports" data it is from the Valuation & Information Group's 2008 Information Digest for the Skilled Nursing Industry.

This information has been secured from sources we believe to be reliable, but we make no representations or warranties, expressed or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies. Marcus & Millichap Real Estate Investment Services is a service mark of Marcus & Millichap Real Estate Investment Services of New Jersey, Inc. © 2011 Marcus & Millichap

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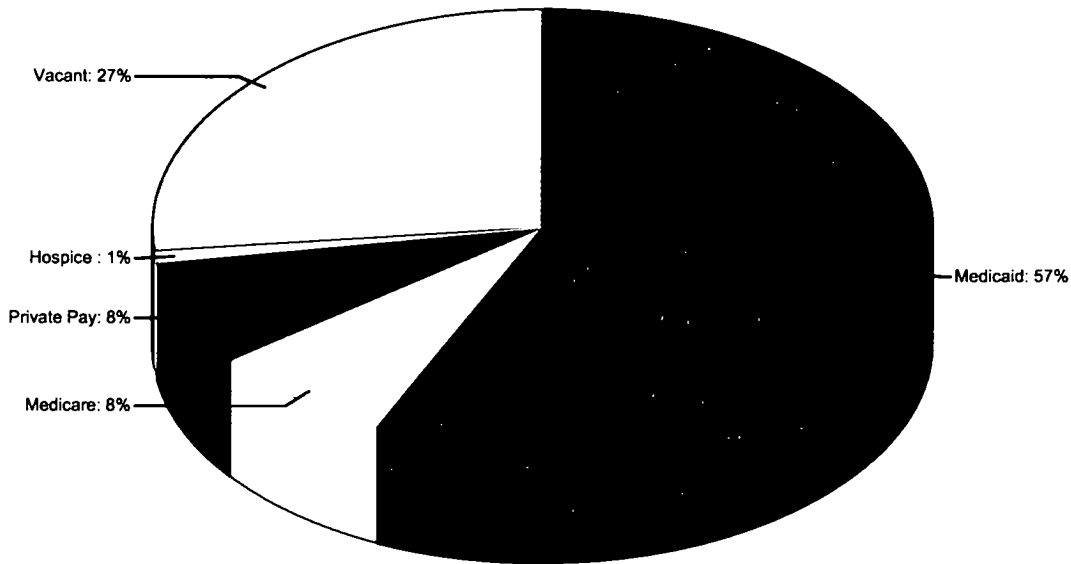
SALEM, NJ

SALEM COUNTY NURSING HOME

Unit Mix

Type of Care	No. of Beds	Pro Forma Beds	Unit Type	Current Daily Income	Pro Forma Daily Income
SNF	69	80	Medicaid		
SNF	7	15	Medicare		
SNF	10	8	Private Pay		
SNF	0	1	Hospice		
SNF			Comm Ins		
SNF	30	12	Vacant		
				\$17,010.00	\$25,026.56
116				\$17,010	\$25,027

UNIT MIX



Current Unit Mix Census and Daily Revenue are based on the 2010 FY YE averages and totals. Average Rents were not provided because detailed revenue was not available at the time the analysis' preparation. Pro Forma Census is based on estimated state wide census and quality mix averages.

SALEM COUNTY NURSING HOME
SALEM, NJ

SALEM COUNTY NURSING HOME

Income & Expenses

	CURRENT	PER BED	PRO FORMA	PER BED
RESIDENT SERVICE FEES				
Care & Service Rent	\$6,208,650	\$53,523	\$9,134,694	\$78,747
GROSS POTENTIAL RENT	\$6,208,650	\$53,523	\$9,134,694	\$78,747
Other Revenue				
Miscellaneous	177,653	1,531		
TOTAL OTHER REVENUE	\$177,653	\$1,531		
GROSS POTENTIAL INCOME	\$6,386,303	\$55,054	\$9,134,694	\$78,747
Total Expenses	\$9,684,615	\$83,488	\$7,639,261	\$65,856
PRD	\$313.34		\$201.25	
NET OPERATING INCOME	-\$3,298,312	-\$28,434	\$1,495,434	\$12,892

COMMENTS

SALEM COUNTY NURSING HOME

SALEM, NJ

SALEM COUNTY NURSING HOME

Expenses

	CURRENT	PRD	PER BED	PRO FORMA	PRD	PER BED
Administration	\$794,811	\$25.72	\$6,852	\$700,476	\$18.45	\$6,039
Benefits	1,983,735	64.18	17,101	879,343	23.16	7,581
Nursing	4,025,999	130.26	34,707	3,397,135	89.49	29,286
Management Fee (5% of GR)	319,315	10.33	2,753	456,735	12.03	3,937
Ancillary & Pharmacy	423,966	13.72	3,655	729,971	19.23	6,293
Dietary	918,744	29.73	7,920	695,617	18.33	5,997
Maintenance & Plant Ops.	656,002	21.22	5,655	439,767	11.59	3,791
Housekeeping & Laundry	562,043	18.18	4,845	340,217	8.96	2,933
TOTAL EXPENSES	\$9,684,615	\$313.34	\$83,488	\$7,639,261	\$201.25	\$65,856
% of GPI	152%			84%		
NET OPERATING INCOME	-\$3,298,312	-\$106.71		\$1,495,434	\$39.39	
% of GPI	-52%			16%		

Current Expenses represent the 2010 FY YE values in their entirety. Some of the categories from the audited financial reports were combined for and consolidated for comparison and benchmarking purposes. Pro Forma Expenses are a product of the PPD averages of the 2006 Lowest Quartile Cost Report Data for facilities in New Jersey and "Larson Allen's 27th Annual Licensed Nursing Facility Cost Comparison Report (2009 Data)" for 10th, 50th & 90th Percentile Skilled Nursing Facilities in the NE Region. The expense data in the pro forma is also based on an analysis of average expenses for New Jersey nursing homes, as provided by a licensed appraiser.

SALEM COUNTY NURSING HOME

SALEM, NJ

SALEM COUNTY NURSING HOME

Financial Overview

Total Beds	116	LOCATION	438 New Jersey 45	
Occupancy - Current	74.00%		Salem, NJ 08079	
Occupancy - Pro Forma	90.00%	ANNUALIZED OPERATING DATA		
Year Built	Approx 1970's	INCOME	CURRENT	PRO FORMA
Lot Size	6.1 Acres	Gross Potential Rent	\$6,208,650	\$9,134,694
		Total Other Revenue	177,653	
		Gross Potential Income	\$6,386,303	\$9,134,694
		Less: Expenses	9,684,615	7,639,261
		Net Operating Income	-\$3,298,312	\$1,495,434

EXPENSES	CURRENT	PRO FORMA
Administration	\$794,811	\$700,476
Benefits	1,983,735	879,343
Nursing	4,025,999	3,397,135
Management Fee (5% of GR)	319,315	456,735
Ancillary & Pharmacy	423,966	729,971
Dietary	918,744	695,617
Maintenance & Plant Ops.	656,002	439,767
Housekeeping & Laundry	562,043	340,217
TOTAL EXPENSES	\$9,684,615	\$7,639,261
PRD	\$313.34	\$201.25
Expenses per Bed	\$83,488	\$65,856

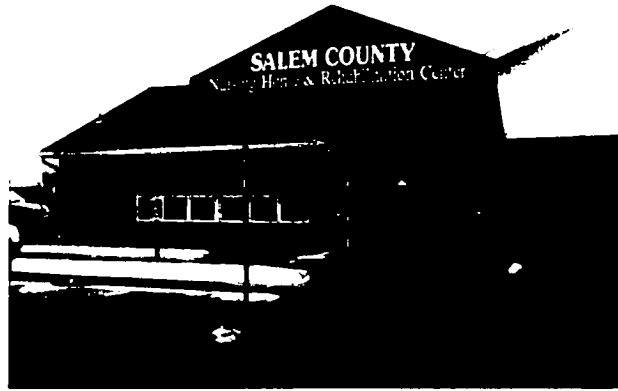
SCHEDULED INCOME

Type of Care	No. of Beds	Pro Forma Beds	Unit Type	Current Daily Income	Pro Forma Daily Income
SNF	69	80	Medicaid		
SNF	7	15	Medicare		
SNF	10	8	Private Pay		
SNF	0	1	Hospice		
SNF			Comm Ins		
SNF	30	12	Vacant		
	116	116	TOTAL	\$17,010	\$25,027

SALEM COUNTY NURSING HOME

SALEM, NJ

Property Photos

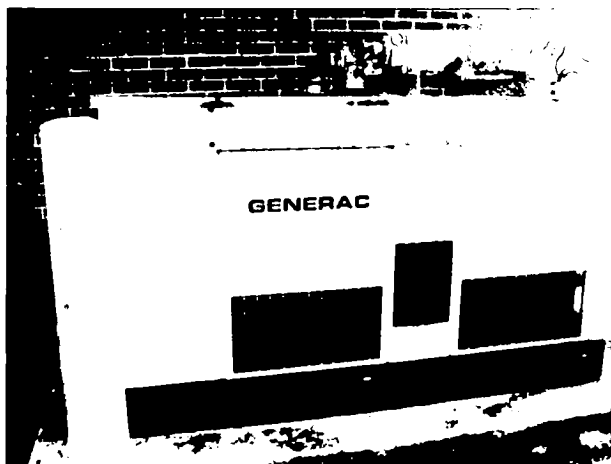


SALEM COUNTY NURSING HOME

SALEM COUNTY NURSING HOME

SALEM, NJ

Property Photos



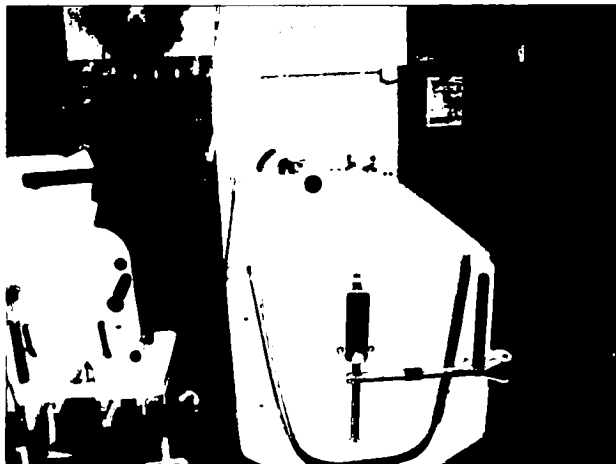
SALEM COUNTY NURSING HOME

Marcus & Millichap
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SALEM COUNTY NURSING HOME
SALEM, NJ

Property Photos



SALEM COUNTY NURSING HOME

SALEM COUNTY NURSING HOME

SALEM, NJ

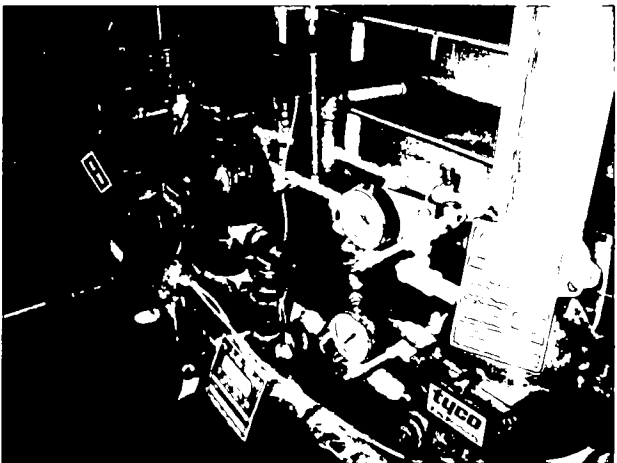
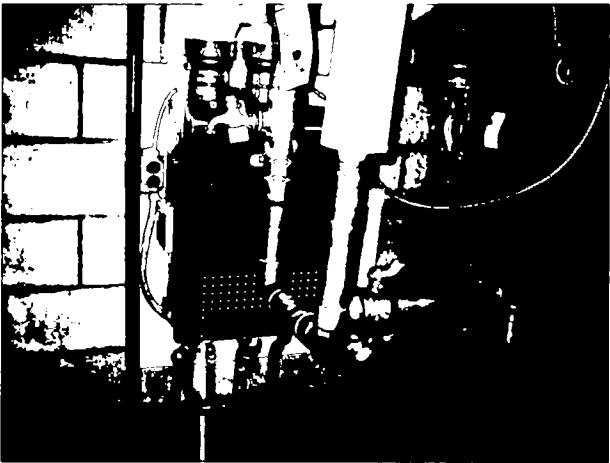
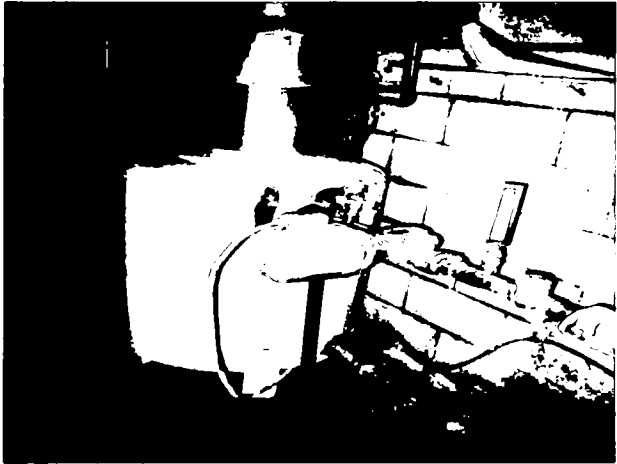
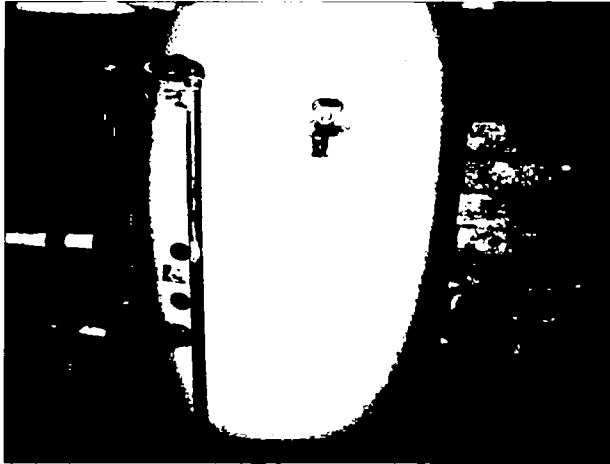
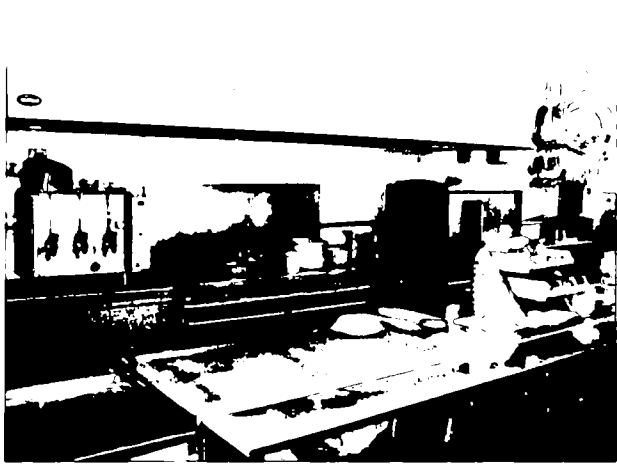
Property Photos



SALEM COUNTY NURSING HOME

SALEM COUNTY NURSING HOME
SALEM, NJ

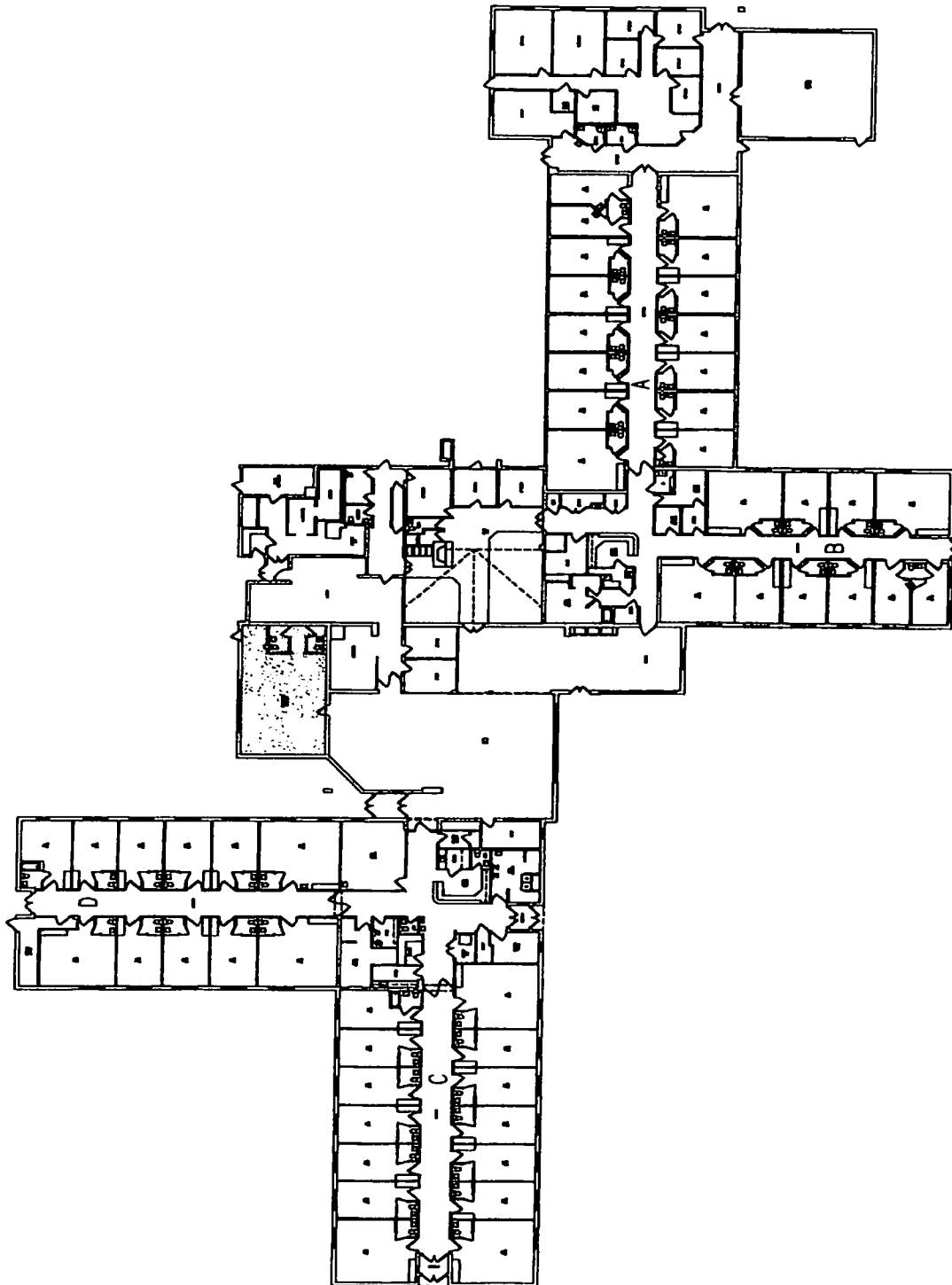
Property Photos



SALEM COUNTY NURSING HOME

SALEM COUNTY NURSING HOME
SALEM, NJ

Floor Plans



SALEM COUNTY NURSING HOME

SALEM COUNTY NURSING HOME

SALEM COUNTY NURSING HOME
SALEM, NJ

Local Map



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SALEM COUNTY NURSING HOME

SALEM COUNTY NURSING HOME SALEM, NJ

Regional Map



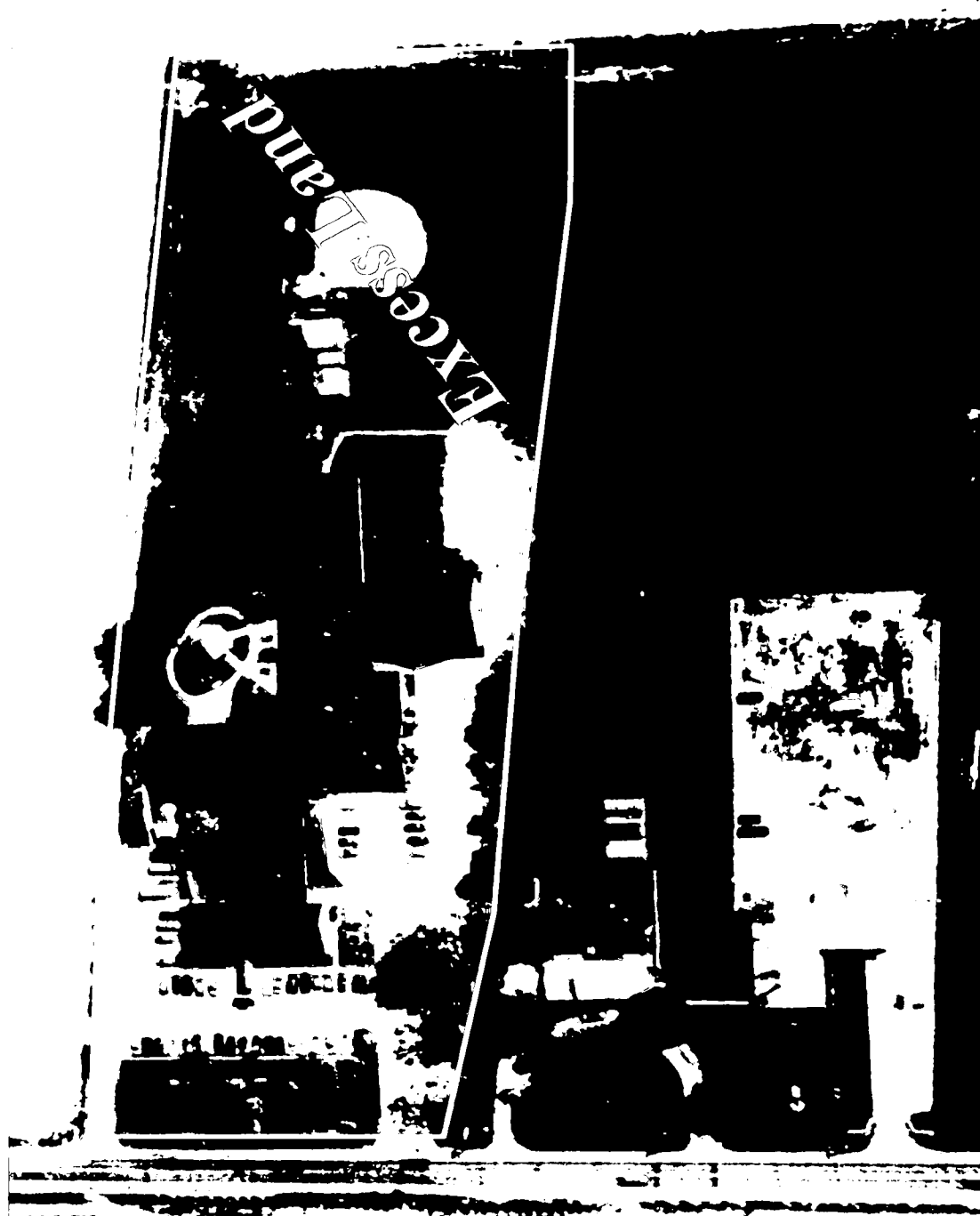
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SALEM COUNTY NURSING HOME

SALEM COUNTY NURSING HOME
SALEM, NJ

Aerial Photo



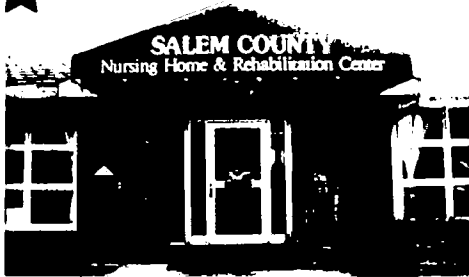
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SALEM COUNTY NURSING HOME

SALEM, NJ

Rent Comparables



SALEM COUNTY NURSING HOME

438 New Jersey 45
Salem, NJ 08079

Total Units:	50 total rooms	Date Surveyed:	February 2011
Unit Breakdown:	Priv/Semi-Priv/4	Occupancy:	74.00%
Total Beds:	116	Type of Care:	Skilled Nursing
Square Feet:		No. of Floors:	One
Year Built:	Approx 1970's	Management:	Salem County

SUBJECT PROPERTY

Type of Care	No. of Beds	Unit Type	Current Daily Income
SNF	69	Medicaid	\$10,244.00
SNF	7	Medicare	\$2,366.00
SNF	10	Private Pay	\$4,328.00
SNF	0	Hospice	
SNF		Comm Ins	\$72.00
	116	TOTAL	\$17,010

SALEM COUNTY NURSING HOME



SOUTHGATE HEALTH CARE CENTER

449 South Pennsville Road
Carneys Point, NJ 08069

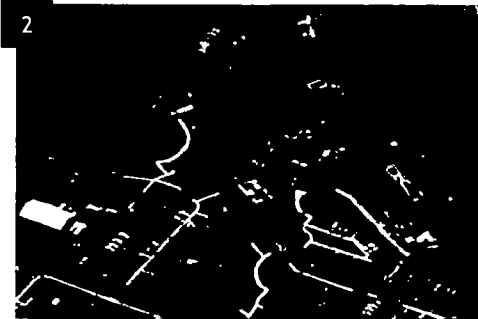
Total Units:	0	Date Surveyed:	February 2011
Unit Breakdown:	Priv/Semi-Priv	Occupancy:	98%
Total Beds:	152	Type of Care:	SNF
Year Built:		No. of Floors:	One

Type of Care	Unit Type	Private Pay Daily Rents	Avg. Rent
SNF	Private	\$297	\$297
SNF	Semi-Private	\$278	\$278
	TOTAL		\$287

SALEM COUNTY NURSING HOME
SALEM, NJ

SALEM COUNTY NURSING HOME

Rent Comparables

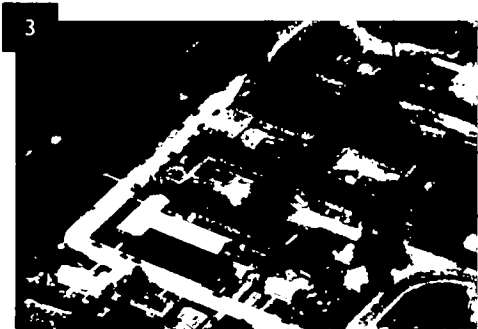


FRIENDS VILLAGE AT WOODSTOWN

Friends drive
Woodstown, NJ 08098

Total Units:	0	Date Surveyed:	February 2011
Unit Breakdown:	Priv/Semi-Priv	Occupancy:	96%
Total Beds:	60	Type of Care:	SNF
Year Built:	2003	No. of Floors:	Various

Type of Care	Unit Type	Private Pay Daily Rents	Avg. Rent
SNF	Private	\$336-\$398	\$367
SNF	Semi-Private	\$334	\$334
	TOTAL		\$350



CARNEYS POINT CARE CENTER

201 Fifth Avenue
Carneys Point, NJ 08069

Total Units:	0	Date Surveyed:	February 2011
Unit Breakdown:	Priv/Semi-Priv	Occupancy:	82%
Total Beds:	161	Type of Care:	SNF
Year Built:		No. of Floors:	One

Type of Care	Unit Type	Private Pay Daily Rents	Avg. Rent
SNF	Private	\$260	\$260
SNF	Semi-Private	\$250	\$250
	TOTAL		\$255

SALEM COUNTY NURSING HOME

SALEM, NJ

Rent Comparables



SOUTH JERSEY EXTENDED CARE

99 Mayhem Avenue
Bridgeton, NJ 08302

Total Units:	0	Date Surveyed:	February 2011
Unit Breakdown:	Priv/Semi-Priv	Occupancy:	86%
Total Beds:	167	Type of Care:	SNF
Year Built:		No. of Floors:	One

Type of Care	Unit Type	Private Pay Daily Rents	Avg. Rent
SNF	Private	\$310	\$310
SNF	Semi-Private	\$295	\$295
	TOTAL		\$302



CUMBERLAND MANOR

154 Sunny Slope Drive
Bridgeton, NJ 08302

Total Units:	0	Date Surveyed:	February 2011
Unit Breakdown:	Priv/Semi-Priv	Occupancy:	
Total Beds:	196	Type of Care:	SNF
Square Feet:		No. of Floors:	Various

Type of Care	Unit Type	Private Pay Daily Rates	Avg. Rent
SNF	Private		
SNF	Semi-Private		
	TOTAL		

SALEM COUNTY NURSING HOME

SALEM COUNTY NURSING HOME
SALEM, NJ

SALEM COUNTY NURSING HOME

Local Senior Housing & Hospitals

Local Seniors Housing

Distance	No. of Beds	Company Name	Address	City	State	ZIP
0.08	116	Salem County Nursing Home	438 Woodstown Rd	Salem	NJ	08079
6.15	60	Friends Villiage	P O Box 457	Woodstown	NJ	08098
6.66	152	Southgate Healthcare Center	449 S Pennsville Auburn R	Penns Grove	NJ	08069
10.10	161	Carneys Point Rehab	201 5th Ave	Carneys Point	NJ	08069
11.47		Bancroft Neuro Health	71 Saw Mill Rd	Monroeville	NJ	08343
15.63	195	Cumberland County Nursing Care	154 Sunny Slope Dr	Bridgeton	NJ	08302
16.29	167	South Jersey Exteded Care	99 Manheim Ave	Bridgeton	NJ	08302
18.14	84	Rainbow Nursing Center Inc	849 Big Oak Rd	Elmer	NJ	08318
18.37	72	PITMAN MANOR	535 N Oak Ave	Pitman	NJ	08071
20.11	139	Gloucester Manor Health Care	685 Salina Rd	Sewell	NJ	08080
20.78	116	H C R Manorcare	800 Jessup Rd Ste 808	Thorofare	NJ	08086
21.70	130	Kennedy Health Care Center	535 Egg Harbor Rd	Sewell	NJ	08080
22.77	300	New Jersey Veterans Mem HM	524 N West Blvd	Vineland	NJ	08360
23.55	291	CAMDEN COUNTY HEALTH SVCS CTR	20 Wodbury Trnersville Rd	Blackwood	NJ	08012
23.55	64	Mater Dei Nursing Home	Drawer 176	Newfield	NJ	08344

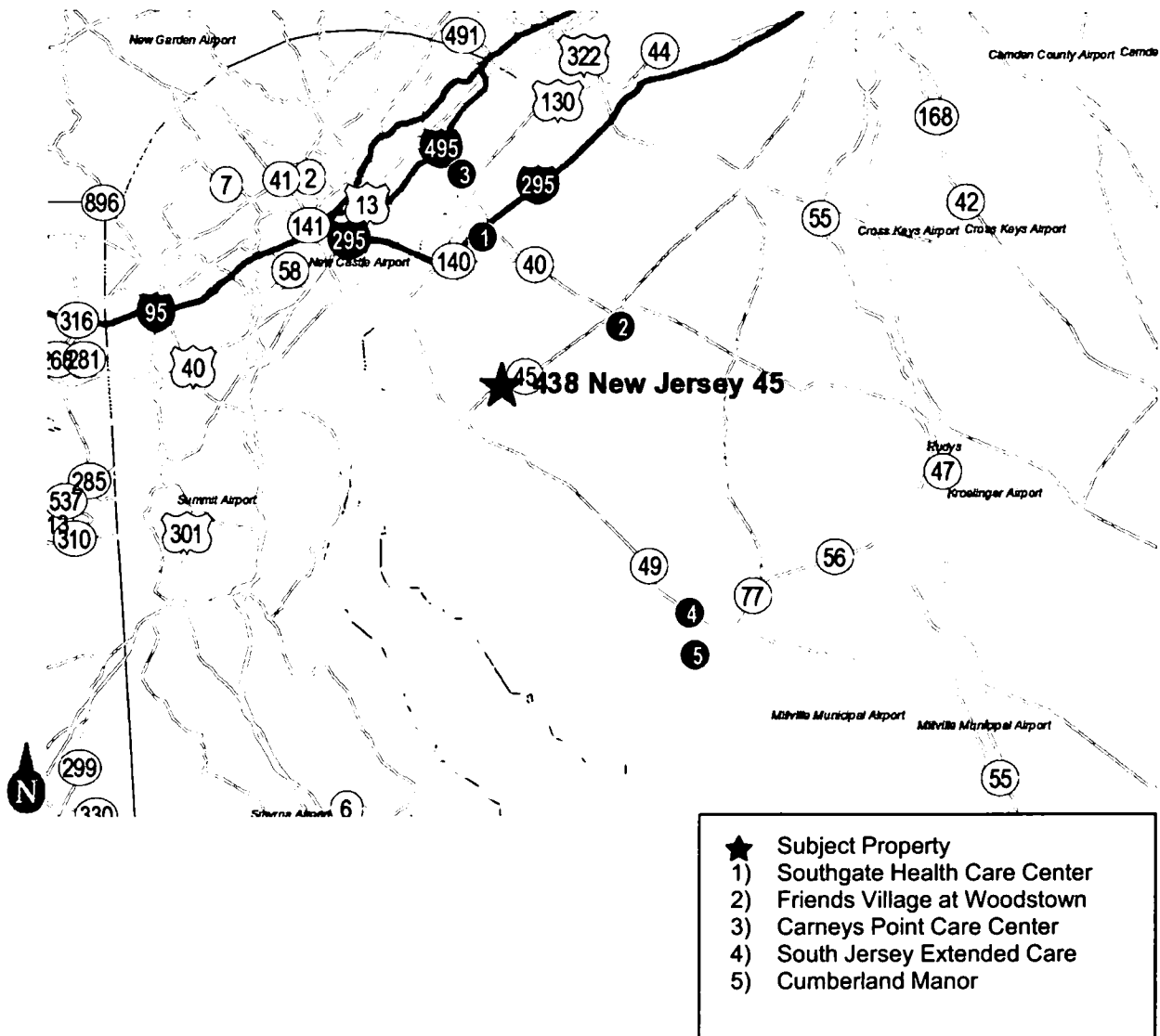
Local Hospitals

Distance	No. of Beds	Company Name	Address	City	State	ZIP
0.64	125	Memorial Hosp of Slem Cnty Inc	310 Woodstown Rd	Salem	NJ	08079
10.86	53	Meadowwood Hospital	575 S Dupont Hwy	New Castle	DE	19720
11.22	339	Underwood Memorial Hospital	100 Lexington Rd	Swedesboro	NJ	08085
11.90	192	Dupont Hospital For Children	1602 N Jessup St	Wilmington	DE	19802
12.31	187	Wilmington Hospital	501 W 14th St	Wilmington	DE	19801
14.74	331	Bayhealth Medical Center	1400 Foulk Rd	Wilmington	DE	19803
15.87	91	South Jersey Hospital	333 Irving Ave	Bridgeton	NJ	08302
16.75	944	Christiana Hospital	4755 Ogletown-Stanton Rd	Newark	DE	19718
17.6	88	South Jersey Hospital - Elmer	501 W. Front Street	Elmer	NJ	08318

SALEM COUNTY NURSING HOME
SALEM, NJ

SALEM COUNTY NURSING HOME

Rent Comparables Map



SALEM COUNTY NURSING HOME

SALEM, NJ

Summary Demographic Report

Geography: 5 Miles

Population

In 2010, the population in your selected geography is 12,836. The population has changed by -4.23% since 2000. It is estimated that the population in your area will be 13,281 five years from now, which represents a change of 3.46% from the current year. The current population is 48.00% male and 52.00% female. The median age of the population in your area is 38.6, compare this to the US average which is 37.1. The population density in your area is 163.44 people per square mile.

Households

There are currently 5,062 households in your selected geography. The number of households has changed by -3.78% since 2000. It is estimated that the number of households in your area will be 5,335 five years from now, which represents a change of 5.40% from the current year. The average household size in your area is 2.47 persons.

Income

In 2010, the median household income for your selected geography is \$49,152, compare this to the \$US average which is currently \$51,517. The median household income for your area has changed by 30.93% since 2000. It is estimated that the median household income in your area will be \$53,781 five years from now, which represents a change of 9.42% from the current year.

The current year per capita income in your area is \$27,722, compare this to the \$US average, which is \$27,867. The current year average household income in your area is \$66,976, compare this to the \$US average which is \$72,148.

Race & Ethnicity

The current year racial makeup of your selected area is as follows: 66.91% White, 28.07% Black, 0.24% Native American and 0.38% Asian/Pacific Islander. Compare these to US% averages which are: 73.52% White, 12.42% Black, 0.76% Native American and 4.60% Asian/Pacific Islander.

People of Hispanic origin are counted independently of race. People of Hispanic origin make up 4.17% of the current year population in your selected area. Compare this to the US% average of 15.45%.

Housing

The median housing value in your area was \$96,614 in 2000, compare this to the \$US average of \$115,194 for the same year. In 2000, there were 3,252 owner occupied housing units in your area and there were 2,010 renter occupied housing units in your area. The median rent at the time was \$485.

Employment

In 2010, there are 6,315 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 50.8% of employees are employed in white-collar occupations in this geography, and 49.2% are employed in blue-collar occupations. In 2010, unemployment in this area is 9.91%. In 2000, the median time traveled to work was 20.4 minutes.

Demographic data © 2008 by Experian/ Applied Geographic Solutions.

Mature Market Demographic Report

Mature Market Comparison Report

	1 Miles:	3 Miles:	5 Miles:	10 Miles:
Spring 2010 Population by Age				
Total Population	295	5,770	12,724	75,717
Age 55 - 59	6.9%	6.3%	6.5%	7.1%
Age 60 - 64	5.9%	5.1%	5.7%	6.3%
Age 65 - 69	5.3%	4.3%	4.6%	4.8%
Age 70 - 74	3.9%	3.2%	3.6%	3.4%
Age 75 - 79	3.5%	2.8%	2.8%	2.6%
Age 80 - 84	3.0%	2.4%	2.4%	2.0%
Age 85 Plus	4.8%	2.7%	2.9%	2.1%
Age 55 Plus	33.3%	26.8%	28.5%	28.3%
Age 65 Plus	20.4%	15.4%	16.3%	14.8%
Total Population Median Age	43.3	36.3	38.6	39.7
Total Population 55+ Median Age	68.5	67.2	67.1	65.6
Age: Male				
Male Total Pop	147	2,684	6,107	36,688
Age 55 - 59	6.2%	6.2%	6.5%	7.0%
Age 60 - 64	5.9%	5.0%	5.5%	6.2%
Age 65 - 69	5.9%	4.5%	4.6%	4.8%
Age 70 - 74	3.8%	3.1%	3.6%	3.2%
Age 75 - 79	3.1%	2.5%	2.5%	2.2%
Age 80 - 84	2.3%	1.9%	1.9%	1.6%
Age 85 Plus	1.0%	1.7%	1.8%	1.5%
Males Age 55 Plus	28.2%	24.9%	26.4%	26.5%
Males Age 65 Plus	16.1%	13.7%	14.4%	13.4%
Median Age Males	40.2	34.4	37.0	38.0
Median Age 55+ Males	66.6	66.3	66.2	65.1
Age: Female				
Female Population	148	3,086	6,617	39,029
Age 55 - 59	7.7%	6.3%	6.6%	7.2%
Age 60 - 64	6.0%	5.3%	5.8%	6.5%
Age 65 - 69	4.7%	4.2%	4.7%	4.9%
Age 70 - 74	4.0%	3.3%	3.6%	3.5%
Age 75 - 79	3.9%	3.1%	3.0%	2.9%
Age 80 - 84	3.6%	2.8%	2.8%	2.4%
Age 85 Plus	8.5%	3.5%	3.9%	2.7%
Females Age 55 Plus	38.3%	28.5%	30.4%	29.9%
Females Age 65 Plus	24.7%	16.9%	18.0%	16.2%
Median Age Females	46.3	37.7	40.0	41.2
Median Age 55+ Females	69.7	67.6	67.5	66.2

Mature Market Demographic Report

Mature Market Comparison Report

1 Miles: 3 Miles: 5 Miles: 10 Miles:

Spring 2010 Income by Age of Head of Household/Percentage of all Households

Age of Head of Household 55 - 64

\$ 0 - \$9,999	3.2%	14.6%	9.2%	6.1%
\$ 10,000 - \$14,999	2.0%	4.6%	3.8%	3.2%
\$ 15,000 - \$19,999	4.0%	7.0%	5.0%	4.1%
\$ 20,000 - \$24,999	2.6%	5.8%	5.0%	4.4%
\$ 25,000 - \$29,999	4.6%	6.1%	5.3%	4.9%
\$ 30,000 - \$34,999	3.8%	4.5%	4.8%	4.6%
\$ 35,000 - \$39,999	4.0%	5.3%	5.2%	4.7%
\$ 40,000 - \$49,999	7.1%	6.6%	8.1%	8.8%
\$ 50,000 - \$59,999	5.2%	6.9%	6.9%	8.2%
\$ 60,000 - \$74,999	11.9%	10.0%	11.9%	13.5%
\$ 75,000 - \$99,999	24.7%	12.8%	15.7%	16.5%
\$100,000 - \$124,999	12.5%	7.1%	7.6%	10.0%
\$125,000 - \$149,999	4.0%	1.7%	2.7%	4.3%
\$150,000 - \$199,999	6.2%	4.8%	6.7%	4.9%
\$200,000 Plus	4.6%	2.4%	2.3%	2.0%
Median 55 - 64	\$76,960	\$42,952	\$55,425	\$61,255

Age of Head of Household 65 - 74

\$ 0 - \$9,999	4.1%	15.6%	10.3%	7.8%
\$ 10,000 - \$14,999	5.1%	7.6%	6.7%	6.3%
\$ 15,000 - \$19,999	5.9%	9.6%	7.6%	7.4%
\$ 20,000 - \$24,999	4.1%	9.2%	9.2%	8.4%
\$ 25,000 - \$29,999	8.5%	7.8%	7.4%	7.0%
\$ 30,000 - \$34,999	4.9%	5.6%	6.6%	6.1%
\$ 35,000 - \$39,999	5.1%	5.9%	5.8%	5.6%
\$ 40,000 - \$49,999	8.5%	7.0%	8.9%	10.1%
\$ 50,000 - \$59,999	5.1%	5.5%	5.7%	7.3%
\$ 60,000 - \$74,999	9.5%	6.4%	7.6%	9.3%
\$ 75,000 - \$99,999	17.0%	8.5%	10.0%	10.4%
\$100,000 - \$124,999	7.7%	4.2%	4.6%	6.0%
\$125,000 - \$149,999	5.1%	2.2%	3.0%	3.9%
\$150,000 - \$199,999	6.5%	3.9%	5.8%	3.6%
\$200,000 Plus	2.6%	0.9%	0.8%	1.0%
Median 65 - 74	\$56,832	\$30,175	\$36,843	\$41,371

SALEM COUNTY NURSING HOME
SALEM, NJ

SALEM COUNTY NURSING HOME

Salem, NJ - Demographic Report

	1 Miles:	3 Miles:	5 Miles:
1990 Population	356	7,562	14,409
2000 Population	285	6,536	13,403
2010 Population	295	5,848	12,836
2015 Population	295	5,974	13,281
1990 Households	119	2,773	5,413
2000 Households	117	2,598	5,261
2010 Households	122	2,340	5,062
2015 Households	124	2,428	5,335
2010 Average Household Size	2.29	2.45	2.47
2010 Daytime Population	305	4,525	6,315
1990 Median Housing Value	\$83,697	\$58,409	\$71,912
2000 Median Housing Value	\$112,712	\$82,288	\$96,614
2000 Owner Occupied Housing Units	76.5%	42.0%	54.8%
2000 Renter Occupied Housing Units	16.8%	43.5%	33.9%
2000 Vacant	6.73%	14.49%	11.36%
2010 Owner Occupied Housing Units	75.1%	44.6%	57.0%
2010 Renter Occupied Housing Units	15.8%	38.9%	29.8%
2010 Vacant	9.06%	16.49%	13.17%
2015 Owner Occupied Housing Units	74.7%	44.9%	57.7%
2015 Renter Occupied Housing Units	16.1%	38.8%	29.4%
2015 Vacant	9.16%	16.30%	12.96%
\$ 0 - \$ 14,999	6.1%	22.5%	15.6%
\$ 15,000 - \$24,999	6.6%	14.5%	11.9%
\$ 25,000 - \$34,999	10.0%	11.1%	10.8%
\$ 35,000 - \$49,999	10.1%	11.0%	12.3%
\$ 50,000 - \$74,999	16.6%	15.6%	17.7%
\$ 75,000 - \$99,999	23.4%	11.2%	13.8%
\$100,000 - \$124,999	11.3%	6.0%	6.8%
\$125,000 - \$149,999	5.9%	2.2%	3.3%
\$150,000 - \$200,000	6.5%	4.3%	6.2%
\$200,000 to \$249,999	1.7%	0.8%	0.8%
\$250,000 +	1.8%	0.9%	0.8%
Median Household Income	\$75,491	\$37,075	\$49,152
Per Capita Income	\$35,241	\$23,722	\$27,722
Average Household Income	\$88,019	\$57,416	\$66,976

Demographic data © 2008 by Experian/ Applied Geographic Solutions.

Marcus & Millichap
Real Estate Investment Services

SALEM COUNTY NURSING HOME
SALEM, NJ

OFFERING MEMORANDUM



Offices Nationwide
www.MarcusMillichap.com

NOTICE OF CONTRACT AWARD

The Sussex County Board of Chosen Freeholders has awarded a contract without competitive bidding as a "Professional Service" pursuant to N.J.S.A. 40A11-5 (1) (a). This Resolution and the Agreement acting as the contract authorizing it are available for public inspection in the Office of the Clerk of the Board of Chosen Freeholders of the County of Sussex.

Awarded to: Marcus & Millichap
8750 West Bryn Mawr Avenue
Chicago, IL 60631

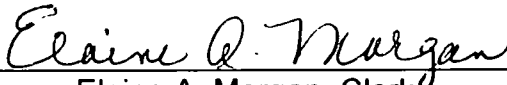
Services: REAL ESTATE BROKER CONSULTANT
SERVICES FOR THE SALE OF THE
SUSSEX COUNTY NURSING HOME

Time Period: February 22, 2012 to
Completion of the Sale

Cost: 3% of the sale cost

Dated: February 22, 2012

BY ORDER OF THE BOARD OF CHOSEN FREEHOLDERS
COUNTY OF SUSSEX



Elaine A. Morgan, Clerk

Advertised

Bid Proposal Name RFP-Providing Real Estate Broker

Consultant Services for the Sale of
the Sussex county Nursing Home

Date Advertised: Thursday, Feb. 9, 2012

Date & Time Opened: Wednesday, Feb. 22, 2012, 11 AM

SUSSEX COUNTY (NJ) PURCHASING OFFICE

**MAILING LIST AND
SUBMITTAL CHECKLIST**

NO.	VENDOR	SUBMITTAL DOCUMENTS						SERVICE OR PROGRAM
		Check List	Resolution	Corp. Disclosure	Non-Collusion	Business Registration Cert.	Signature Page	TOTAL AMOUNT OF PROPOSAL
1.	Marcus & Millichap 8750 W. Bryn Mawr Avenue Chicago, IL 60631	<i>All paperwork appears complete</i>						<i>3% Commission</i>
2.	Jones Lang LaSalle 601 Lexington Ave., 33rd Floor NY, NY 10022							
3.	Colliers International 380 Madisor Avenue NY, NY 10017	<i>All paperwork appears complete</i>						<i>1.5% Commission</i>
4.	Evans Senior Investments 1718 Mapleton Street Boulder, CO 80304	<i>All paperwork appears complete</i>						<i>4% Commission</i>
5.	Senior Living Investment Brokerage 337 W. Lockwood Avenue St. Louis, MO 03119							
6.	Grubb & Ellis 100 Passaic Avenue, 3rd Floor Fairfield, NJ 07004	<i>All paperwork appears completed except AA is noted as being submitted separately</i>						<i>can't find Commission Corporate Res^{ns} also Disclosed Separately</i>
7.	Alfreds Auctions Inc. PO Box 861 Hightstown, NJ 08520							
8.	Coldwell Bankers Commercial 191 Main Street Chester, NJ 07930							

RE

REMARKS (Here Fully Identify Source of Public Protests, Statements, Etc.)

rating item	category	scale	marcus & millichap	colliers international	evans senior investm ents	NW Financial
1 docu/demo marketing&sale govt long term& bed licen.	Qualifications & Experience	0-5	5	0	2	5
2 sales of long term facility & bed licen IN N.J.	Qualifications & Experience	0-4	4	2	0	4
3 knows 40A:12-1 et seq.?	Qualifications & Experience	0-1	1	1	0	1
4 exec. Summary ranking of firm	Qualifications & Experience	0-5	4	5	0	2
5 all claims filed in last 7 years	Qualifications & Experience	0-2	2	2	0	2
6 quality of resumes etc of firm principals.	Qualifications & Experience	0-1	1	1	1	1
7 all licenses etc provided?	Qualifications & Experience	0-1	1	1	0	0
8 timeline and milestones chart provided?	Qualifications & Experience	0-3	2	1	1	1
9 knowledge and experience dealing with NJ Dept of Health?	Qualifications & Experience	0-5	4	2	0	4
10 references provided for other govt. agencies served? 1 in NJ?	Qualifications & Experience	0-5	5	0	2	2
11 three continuous yrs providing these services?	Qualifications & Experience	0-3	3	3	3	3
12 sales of long term facility & bed licen IN N.J.	understanding Scope of Svcs	0-7	5	3	0	2
13 knows 40A:12-1 et seq.?	understanding Scope of Svcs	0-7	6	0	0	3
14 exec. Summary ranking of firm	understanding Scope of Svcs	0-7	1	1	0	1

15	timeline and milestones chart provided?	understanding Scope of Svcs	0-7	5	2	1	3
16	knowledge and experience dealing with NJ Dept of Health?	understanding Scope of Svcs	0-8	7	6	0	2
17	references provided for other govt. agencies served? 1 in NJ?	understanding Scope of Svcs	0-8	7	1	3	4
18	three continuous yrs providing these services?	understanding Scope of Svcs	0-5	5	2	3	3
19	fee schedule/costs	fees/financial	0-30	12	21	6	1.2
20	using subcontractors?		y/n	n	n	y	
				80	54	22	44.2



CLERK OF THE BOARD OF CHOSEN FREEHOLDERS
Sussex County Administrative Center
One Spring Street
Newton, New Jersey 07860
(973) 579-0240
FAX (973) 383-1124
E-mail: emorgan@sussex.nj.us

Elaine A. Morgan
Clerk of the Board

County of Sussex

February 23, 2012

Mr. Mark L. Myers
Marcus & Millichap
8750 West Bryn Mawr Avenue
Chicago, IL 60631

RESOLUTION RE: AWARDING A CONTRACT BASED ON PROPOSALS RECEIVED
THROUGH A FAIR AND OPEN CONTRACTING PROCESS
N.J.S.A. 19:44A-20.3 ET SEQ. FOR PROVIDING REAL ESTATE
BROKER CONSULTANT SERVICES FOR THE SALE OF THE
SUSSEX COUNTY NURSING HOME

Dear Mr. Myers:

The above-captioned Resolution was adopted by the Sussex County Board of Chosen Freeholders at its meeting held on February 22, 2012.

This Resolution awards this Contract, as detailed in the Resolution.

Enclosed please find a certified copy of the Resolution for your files. If you need anything further, please do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Elaine A. Morgan".

Elaine A. Morgan
Clerk of the Board

/eam