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April 22, 2021

Members of the Board
c/o Office of the General Counsel
Genesis Healthcare, Inc.
101 East State Street
Kennett Square, PA 19348

Dear Members of the Board,

We represent Green Field DES, LLC ("Green Field") and its affiliate, Care One LLC ("CareOne"). For over two decades, CareOne has been a leader in the field of post-acute, long-term and senior care. CareOne's ownership has a long track-record of investing in and turning around financially-troubled companies such as yours.

In the fall of 2020, our clients learned that Genesis Healthcare ("Genesis") was engaged in a restructuring process and planned to sell substantial assets due to its inability to continue as a going concern. Through direct conversations with executives at both Genesis and Welltower, Inc. ("Welltower"), our clients repeatedly attempted to purchase some or all of those assets. Due to its obligation to preserve shareholder value in the midst a company financial crisis, Genesis has an obligation to its shareholders to maximize the value of its assets by entertaining any and all credible offers. However, Genesis has rebuffed CareOne's efforts to negotiate a potential purchase on multiple occasions. Through public sources, CareOne learned that Genesis sold its operations and real estate assets, in which our clients had expressed interest, to related parties at prices below what our clients were prepared to pay, and that it conducted the sale via an unfair and opaque process to an insider who assembled operators with questionable track records as JV partners. The resulting transaction has already harmed Genesis shareholders and, as outlined below, Genesis Directors must act swiftly and decisively to prevent further damage.

Upon learning of Genesis's situation, CareOne's owner approached Genesis's then-CEO, George Hager, to propose an acquisition of Genesis. Hager refused, claiming the entire company

was not for sale. CareOne's owner then suggested that he was prepared to meet with Hager to discuss a recapitalization of the company, which Hager acknowledged would be beneficial to the company. Nevertheless, Genesis effectively declined to pursue this route too by failing to respond to numerous attempts to schedule the follow-up meeting. CareOne's owner then expressed interest in purchasing some or all of Genesis's real estate holdings or the skilled nursing operations Genesis and Welltower were selling. Based on prior representations that Genesis was not willing to sell all of its assets, or even all of its real estate assets and skilled nursing operations, Green Field submitted a Letter of Intent ("LOI") on a small portfolio of Genesis-operated properties. That LOI, sent in December 2020, offered to purchase the real estate and business assets relating to a small subset of Genesis's portfolio – four skilled-nursing facilities located in New Jersey – for $77.5 million. Genesis refused the offer. Subsequently, CareOne again conveyed its interest in purchasing some or all of Genesis's assets, and made clear that it was prepared to pay a premium price for whatever assets it purchased. Genesis and its leadership continued to rebuff our clients' efforts.

As stated above, our clients recently learned that Genesis sold a majority interest in its skilled nursing assets, that the buyer was a related party, and that the purchase price had a substantially lower attributable value per-property than what CareOne had proposed paying. Genesis sold the assets to an affiliate (an equity-holder and landlord to whom it was indebted), and did so at fire-sale prices. The transaction may have benefitted outgoing Genesis leadership, in the form of a bonus, and benefited the newly-installed Chairman, who is affiliated with the new operator, but it did the opposite for Genesis shareholders: in recent weeks, Genesis share price has consistently declined.

As Genesis Directors you owe your shareholders fiduciary duties of care and loyalty in conducting the company's business. Those duties obligate you to maximize the value of Genesis assets and, by extension, protect the value of shareholders' investments. By refusing to conduct an arms-length transaction, Genesis sold its assets via an unfair process that failed to maximize their value for your shareholders. That flawed process, and its resulting unfavorable terms for your shareholders, raise serious concerns that you, as Directors, have breached your fiduciary duties. Our clients' discussions with Hager and other Genesis representatives, along with Green Field's LOI, made clear to Genesis that our clients: (1) wanted to purchase some or all of Genesis's assets; and (2) were willing to offer a purchase price that would be more beneficial to investors than the price at which Genesis ultimately sold its real-estate assets. The reasonably prudent Director, acting in furtherance of shareholder interests, would, at a minimum, engage in good-faith discussions with Green Field and CareOne about the transaction. This neglect of fiduciary duties is particularly troubling due to Genesis's perilous financial position and its dire risk of bankruptcy – its investors are more vulnerable than ever as a result.

In addition, Genesis's failure to disclose the transaction in the Subsequent Events section of its most recent Form 10-K filing is both inaccurate and misleading. The Subsequent Events section in Note 23 discusses the termination of Genesis's relationship with Welltower. But, it does not address that, as part of this termination, Genesis sold some of its assets to a joint venture affiliated with Welltower. If anything, it misleads investors by stating that, as part of the termination, sales will be made to "third-party purchasers" and "new operators." Nor does it disclose that the sale process: (1) was not designed to maximize value for Genesis shareholders;

(2) rebuffed bidders who were prepared to pay substantially more for the asset; (3) favored instead related parties who have been the subject of news reports accusing them of running operations that are detrimental to quality care; and (4) allowed those related parties to purchase the assets at discounted prices. These are all material misstatements and omissions.

In light of these serious concerns, you as Directors must intervene to rectify the harm you have created and correct false and misleading disclosures to your shareholders and investors. You have an obligation to notify both shareholders and regulators of the terms of the transaction, and the process by which Genesis conducted the sale. The SEC needs to be made aware that your current statements about the termination of the relationship between Genesis and Welltower are inadequate and misleading. By copy of this letter to Welltower, we encourage them to conduct the same inquiry into the accuracy of its public disclosures. State Departments of Health, which must approve these transactions prior to closure, must also be notified of the terms of the sale and the existence of other interested bidders at higher prices whose bids were rejected. Genesis shareholders have a right to know that the sale's terms do not maximize the value of their investments. And, ultimately, you should conduct a fair auction of Genesis assets, one that prioritizes shareholder interests over special interests. Absent such measures, you cannot uphold your fiduciary duties and ensure a fair process, a fair price, and a fair deal for all of your investors.

Very truly yours,

Richard H. Walker
Partner

Craig Carpenito
Partner

Cc: Kenneth J. Bacon, Chairperson of the Board, Welltower Inc.
Shankh Mitra, CEO & Chief Investment Officer, Welltower Inc.