ORIGINAL

14-036

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT

RECEIVED
JUL 24 2014
HEALTH FACILITIES & SERVICES REVIEW BOARD

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Facility/Project Identification

Facility Name:	Elmhurst Medical & Surgical Center			
Street Address:	340 W. Butterfield Road			
City and Zip Code:	Elmhurst, IL 60126			
County:	DuPage	Health Service Area	VII	Health Planning Area: n/a

Applicant /Co-Applicant Identification
[Provide for each co-applicant [refer to Part 1130.220].

Exact Legal Name:	Elmhurst Medical & Surgical Center, Corporation
Address:	c/o Lyon Foot & Ankle Clinic 6 E. St. Charles Road Lombard, IL 60148
Name of Registered Agent:	
Name of Chief Executive Officer:	Esther Lyon, DPM
CEO Address:	c/o Lyon Foot & Ankle Clinic 6 E. St. Charles Road Lombard, IL 60148
Telephone Number:	630/495-1240

Type of Ownership of Applicant/Co-Applicant

☐	Non-profit Corporation	☐	Partnership		
X	For-profit Corporation	☐	Governmental		
☐	Limited Liability Company	☐	Sole Proprietorship	☐	Other

- Corporations and limited liability companies must provide an **Illinois certificate of good standing.**
- Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.

APPEND DOCUMENTATION AS ATTACHMENT-1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Primary Contact
[Person to receive ALL correspondence or inquiries)

Name:	Jacob M. Axel
Title:	President
Company Name:	Axel & Associates, Inc.
Address:	675 North Court Suite 210 Palatine, IL 60067
Telephone Number:	847/776-7101
E-mail Address:	jacobmaxel@msn.com
Fax Number:	847/776-7004

Additional Contact
[Person who is also authorized to discuss the application for permit]

Name:	none
Title:	
Company Name:	
Address:	
Telephone Number:	
E-mail Address:	
Fax Number:	

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City and Zip Code:	Elmhurst, IL 60126			
County:	DuPage	Health Service Area	VII	Health Planning Area: n/a

Applicant /Co-Applicant Identification
[Provide for each co-applicant [refer to Part 1130.220].

Exact Legal Name:	River North Surgical Suites, Inc.
Address:	c/o Chicago Podiatric Surgeons 467 W. Erie St. Chicago, IL 60654
Name of Registered Agent:	
Name of Chief Executive Officer:	Thomas Carr, DPM
CEO Address:	c/o Chicago Podiatric Surgeons 467 W. Erie St. Chicago, IL 60654
Telephone Number:	312/337-9900

Type of Ownership of Applicant/Co-Applicant

☐ Non-profit Corporation ☐ Partnership
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Applicant /Co-Applicant Identification
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Exact Legal Name:	Chicago Podiatric Surgeons, P.C.
Address:	467 W. Erie St. Chicago, IL 60654
Name of Registered Agent:	
Name of Chief Executive Officer:	Thomas Carr, DPM
CEO Address:	c/o Chicago Podiatric Surgeons 467 W. Erie St. Chicago, IL 60654
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City and Zip Code:	Elmhurst, IL 60126
County: DuPage	Health Service Area VII Health Planning Area: n/a

Applicant /Co-Applicant Identification
[Provide for each co-applicant [refer to Part 1130.220].

Exact Legal Name:	TEC West Properties, LLC
Address:	c/o Chicago Podiatric Surgeons 467 W. Erie St. Chicago, IL 60654
Name of Registered Agent:	
Name of Chief Executive Officer:	Thomas Carr, DPM
CEO Address:	c/o Chicago Podiatric Surgeons 467 W. Erie St. Chicago, IL 60654
Telephone Number:	312/337-9900

Type of Ownership of Applicant/Co-Applicant

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Name of Registered Agent:	
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Additional Contact
[Person who is also authorized to discuss the application for permit]

Name:	none
Title:	
Company Name:	
Address:	
Telephone Number:	
E-mail Address:	
Fax Number:	

Post Permit Contact

[Person to receive all correspondence subsequent to permit issuance-**THIS PERSON MUST BE EMPLOYED BY THE LICENSED HEALTH CARE FACILITY AS DEFINED AT 20 ILCS 3960**

Name:	Thomas Carr, DPM
Title:	
Company Name:	Chicago Podiatric Surgeons
Address:	467 W. Erie Street Chicago, IL 60654
Telephone Number:	312/337-9900
E-mail Address:	dr.tcarr@gmail.com
Fax Number:	

Site Ownership-current

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: Esther H. Lyon, DPM

Address of Site Owner: 6 East St. Charles Road Lombard, IL 60148

Street Address or Legal Description of Site: 340 W. Butterfield Road Elmhurst, IL 60126

Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statement, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease or a lease.

APPEND DOCUMENTATION AS ATTACHMENT-2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Operating Identity/Licensee--proposed

[Provide this information for each applicable facility, and insert after this page.]

Exact Legal Name: River North Surgical Suites, Inc.

Address: c/o Elmhurst Medical & Surgical Center 340 W. Butterfield Road Elmhurst, IL 60126

☐	Non-profit Corporation	☐	Partnership		
X	For-profit Corporation	☐	Governmental		
☐	Limited Liability Company	☐	Sole Proprietorship	☐	Other

- Corporations and limited liability companies must provide an Illinois Certificate of Good Standing.
- Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.
- **Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.**

APPEND DOCUMENTATION AS ATTACHMENT-3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Organizational Relationships

Provide (for each co-applicant) an organizational chart containing the name and relationship of any person or entity who is related (as defined in Part 1130.140). If the related person or entity is participating in the development or funding of the project, describe the interest and the amount and type of any financial contribution.

APPEND DOCUMENTATION AS ATTACHMENT-4, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Flood Plain Requirements

[Refer to application instructions.]

Provide documentation that the project complies with the requirements of Illinois Executive Order #2005-5 pertaining to construction activities in special flood hazard areas. As part of the flood plain requirements please provide a map of the proposed project location showing any identified floodplain areas. Floodplain maps can be printed at **www.FEMA.gov** or **www.illinoisfloodmaps.org**. **This map must be in a readable format**. In addition please provide a statement attesting that the project complies with the requirements of Illinois Executive Order #2005-5 **(http://www.hfsrb.illinois.gov)**.

APPEND DOCUMENTATION AS ATTACHMENT -5, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Historic Resources Preservation Act Requirements

[Refer to application instructions.]

Provide documentation regarding compliance with the requirements of the Historic Resources Preservation Act.

APPEND DOCUMENTATION AS ATTACHMENT-6, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

DESCRIPTION OF PROJECT

1. Project Classification

[Check those applicable - refer to Part 1110.40 and Part 1120.20(b)]

Part 1110 Classification:

☐ Substantive

X Non-substantive

2. Narrative Description

Provide in the space below, a brief narrative description of the project. Explain **WHAT** is to be done in **State Board defined terms**, **NOT WHY** it is being done. If the project site does NOT have a street address, include a legal description of the site. Include the rationale regarding the project's classification as substantive or non-substantive.

Elmhurst Medical and Surgical Center ("the ASTC") is a one-operating room ASTC approved to provide podiatric surgery services, exclusively. The ASTC is "controlled" by a single podiatric surgeon (the seller"). The ASTC, along with other assets owned by the seller are to be acquired by related entities through five interrelated transactions:

1. River North Surgical Suites, Inc. will purchase the ASTC practice/business ($975,000)
2. TEC Surgical Properties, LLC will purchase the ASTC-related real estate ($500,000)
3. Chicago Podiatric Surgeons, P.C. will purchase podiatric practices/business in Lombard ($700,000) and Elgin ($175,000)
4. TEC West Properties, LLC will purchase the real estate associated with the Lombard practice ($750,000)
5. Chicago Podiatric Surgeons, P.C. will lease the space occupied by the Elgin practice for a period of one year ($23,400).

Consistent with a technical assistance conference with IHFSRB staff, the acquisition/lease prices associated with the practices is included in the "project cost".

This is a "non-substantive" project, as a result of the project being limited to a change of ownership.

Project Costs and Sources of Funds

Complete the following table listing all costs (refer to Part 1120.110) associated with the project. When a project or any component of a project is to be accomplished by lease, donation, gift, or other means, the fair market or dollar value (refer to Part 1130.140) of the component must be included in the estimated project cost. If the project contains non-reviewable components that are not related to the provision of health care, complete the second column of the table below. Note, the use and sources of funds must equal.

Project Costs and Sources of Funds			
USE OF FUNDS	**CLINICAL**	**NONCLINICAL**	**TOTAL**
Preplanning Costs			
Site Survey and Soil Investigation			
Site Preparation			
Off Site Work			
New Construction Contracts			
Modernization Contracts			
Contingencies			
Architectural/Engineering Fees			
Consulting and Other Fees			
Movable or Other Equipment (not in construction contracts)			
Bond Issuance Expense (project related)			
ASTC Acquisition	$1,475,000		$1,475,000
Fair Market Value of Leased Space or Equipment		$23,400	$23,400
Acquisition of Businesses/Practices		$1,625,000	$1,625,000
Acquisition of Building or Other Property (excluding land)			
TOTAL USES OF FUNDS	$1,475,000	$1,648,400	$3,123,400
SOURCE OF FUNDS	**CLINICAL**	**NONCLINICAL**	**TOTAL**
Cash and Securities	$147,500	$162,500	$310,000
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages	$1,327,500	$1,462,500	$2,790,000
Leases (fair market value)		$23,400	$23,400
Governmental Appropriations			
Grants			
Other Funds and Sources			
TOTAL SOURCES OF FUNDS	$1,475,000	$1,648,400	$3,123,400

NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT-7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Related Project Costs

Provide the following information, as applicable, with respect to any land related to the project that will be or has been acquired during the last two calendar years:

Land acquisition is related to project X Yes No
Purchase Price: $__500,000_____
Fair Market Value: $__500,000_____

The project involves the establishment of a new facility or a new category of service
X Yes ☐ No

If yes, provide the dollar amount of all **non-capitalized** operating start-up costs (includir operating deficits) through the first full fiscal year when the project achieves or exceeds the targ utilization specified in Part 1100.

Estimated start-up costs and operating deficit cost is $ 100,000.

Project Status and Completion Schedules

For facilities in which prior permits have been issued please provide the permit numbers.

Indicate the stage of the project's architectural drawings:

X None or not applicable ☐ Preliminary

☐ Schematics ☐ Final Working

Anticipated project completion date (refer to Part 1130.140): ___December 15, 2014_____

Indicate the following with respect to project expenditures or to obligation (refer to Part 1130.140):

☐ Purchase orders, leases or contracts pertaining to the project have been executed.
☐ Project obligation is contingent upon permit issuance. Provide a copy of the contingent "certification of obligation" document, highlighting any language related to CON Contingencies
X Project obligation will occur after permit issuance.

APPEND DOCUMENTATION AS ATTACHMENT-8, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

State Agency Submittals

Are the following submittals up to date as applicable:

☐ Cancer Registry n/a
☐ APORS n/a
X All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted
☐ All reports regarding outstanding permits n/a

Failure to be up to date with these requirements will result in the application for permit being deemed incomplete.

CERTIFICATION

The application must be signed by the authorized representative(s) of the applicant entity. The authorized representative(s) are:

- in the case of a corporation, any two of its officers or members of its Board of Directors;
- in the case of a limited liability company, any two of its managers or members (or the sole manger or member when two or more managers or members do not exist);
- in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- in the case of a sole proprietor, the individual that is the proprietor.

This Application for Permit is filed on the behalf of _Elmhurst Medical & Surgical Center, Corporation_* in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this application for permit on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the permit application fee required for this application is sent herewith or will be paid upon request.

SIGNATURE	SIGNATURE
Esther Lyon	
PRINTED NAME	PRINTED NAME
President	
PRINTED TITLE	PRINTED TITLE
Sole Qualified Signatory	
Notarization:	Notarization:
Subscribed and sworn ~~to~~ before me	Subscribed and sworn to before me
this 10th day of July	this _____ day of _____
Signature of Notary	Signature of Notary
Seal	Seal

JOSEPH R WOJCIECHOWSKI NOTARY PUBLIC OFFICIAL SEAL STATE OF ILLINOIS MY COMMISSION EXPIRES AUGUST 2, 2014

*Insert EXACT legal name of the applicant

CERTIFICATION

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SIGNATURE

Thomas Carr, DPM

PRINTED NAME

President

PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 15 day of July 2014

Signature of Notary

Seal

OFFICIAL SEAL
HEATHER MULDER
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:01/10/17

SIGNATURE

PRINTED NAME

PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this _____ day of _____

Signature of Notary

Seal

*Insert EXACT legal name of the applicant

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SIGNATURE	SIGNATURE
Thomas Case, DPM	
PRINTED NAME	PRINTED NAME
President	
PRINTED TITLE	PRINTED TITLE
Notarization: Subscribed and sworn to before me this 15 day of July 2014	Notarization: Subscribed and sworn to before me this _____ day of _____
Signature of Notary	Signature of Notary
Seal	Seal

OFFICIAL SEAL
HEATHER MULDER
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:01/10/17

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This Application for Permit is filed on the behalf of ___TEC West Properties, LLC_____* in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this application for permit on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the permit application fee required for this application is sent herewith or will be paid upon request.

SIGNATURE

Thomas Carr, DPM

PRINTED NAME

Manager

PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 15 day of July 2014

Signature of Notary

Seal

OFFICIAL SEAL
HEATHER MULDER
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:01/10/17

SIGNATURE

Ellen Carr

PRINTED NAME

Manager

PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 16 day of July 2014

Signature of Notary

Seal

OFFICIAL SEAL
WAYMON MATTISON JR
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:01/31/17

*Insert EXACT legal name of the applicant

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SIGNATURE

THOMAS CARR, JR AM
PRINTED NAME

MANAGER
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 15 day of July 2014

Signature of Notary

Seal

OFFICIAL SEAL
HEATHER MULDER
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES 10/18/15

SIGNATURE

ELLEN CARR
PRINTED NAME

MANAGER
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 16 day of July 2014

Signature of Notary

Seal

OFFICIAL SEAL
WAYMON MATTISON JR
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:01/31/18

*Insert EXACT legal name of the applicant

SECTION III – BACKGROUND, PURPOSE OF THE PROJECT, AND ALTERNATIVES - INFORMATION REQUIREMENTS

This Section is applicable to all projects except those that are solely for discontinuation with no project costs.

Criterion 1110.230 – Background, Purpose of the Project, and Alternatives

READ THE REVIEW CRITERION and provide the following required information:

BACKGROUND OF APPLICANT

1. A listing of all health care facilities owned or operated by the applicant, including licensing, and certification if applicable.
2. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant during the three years prior to the filing of the application.
3. Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to: official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. **Failure to provide such authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.**
4. If, during a given calendar year, an applicant submits more than one application for permit, the documentation provided with the prior applications may be utilized to fulfill the information requirements of this criterion. In such instances, the applicant shall attest the information has been previously provided, cite the project number of the prior application, and certify that no changes have occurred regarding the information that has been previously provided. The applicant is able to submit amendments to previously submitted information, as needed, to update and/or clarify data.

APPEND DOCUMENTATION AS ATTACHMENT-11, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-4) MUST BE IDENTIFIED IN ATTACHMENT 11.

PURPOSE OF PROJECT

1. Document that the project will provide health services that improve the health care or well-being of the market area population to be served.
2. Define the planning area or market area, or other, per the applicant's definition.
3. Identify the existing problems or issues that need to be addressed, as applicable and appropriate for the project. [See 1110.230(b) for examples of documentation.]
4. Cite the sources of the information provided as documentation.
5. Detail how the project will address or improve the previously referenced issues, as well as the population's health status and well-being.
6. Provide goals with quantified and measurable objectives, with specific timeframes that relate to achieving the stated goals **as appropriate.**

For projects involving modernization, describe the conditions being upgraded if any. For facility projects, include statements of age and condition and regulatory citations if any. For equipment being replaced, include repair and maintenance records.

NOTE: Information regarding the "Purpose of the Project" will be included in the State Board Report.

APPEND DOCUMENTATION AS ATTACHMENT-12, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-6) MUST BE IDENTIFIED IN ATTACHMENT 12.

ALTERNATIVES

1) Identify **ALL** of the alternatives to the proposed project:

Alternative options **must** include:

A) Proposing a project of greater or lesser scope and cost;

B) Pursuing a joint venture or similar arrangement with one or more providers or entities to meet all or a portion of the project's intended purposes; developing alternative settings to meet all or a portion of the project's intended purposes;

C) Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project; and

D) Provide the reasons why the chosen alternative was selected.

2) Documentation shall consist of a comparison of the project to alternative options. The comparison shall address issues of total costs, patient access, quality and financial benefits in both the short term (within one to three years after project completion) and long term. This may vary by project or situation. **FOR EVERY ALTERNATIVE IDENTIFIED THE TOTAL PROJECT COST AND THE REASONS WHY THE ALTERNATIVE WAS REJECTED MUST BE PROVIDED.**

3) The applicant shall provide empirical evidence, including quantified outcome data that verifies improved quality of care, as available.

APPEND DOCUMENTATION AS ATTACHMENT-13, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION VI - MERGERS, CONSOLIDATIONS AND ACQUISITIONS/CHANGES OF OWNERSHIP

This Section is applicable to projects involving merger, consolidation or acquisition/change of ownership.

NOTE: For all projects involving a change of ownership THE COMPLETE TRANSACTION DOCUMENT must be submitted with the application for permit. The transaction document must be signed dated and contain the appropriate contingency language.

A. Criterion 1110.240(b), Impact Statement

Read the criterion and provide an impact statement that contains the following information:

1. Any change in the number of beds or services currently offered.
2. Who the operating entity will be.
3. The reason for the transaction.
4. Any anticipated additions or reductions in employees now and for the two years following completion of the transaction.
5. A cost-benefit analysis for the proposed transaction.

B. Criterion 1110.240(c), Access

Read the criterion and provide the following:

1. The current admission policies for the facilities involved in the proposed transaction.
2. The proposed admission policies for the facilities.
3. A letter from the CEO certifying that the admission policies of the facilities involved will not become more restrictive.

C. Criterion 1110.240(d), Health Care System

Read the criterion and address the following:

1. Explain what the impact of the proposed transaction will be on the other area providers.
2. List all of the facilities within the applicant's health care system and provide the following for each facility.
   a. the location (town and street address);
   b. the number of beds;
   c. a list of services; and
   d. the utilization figures for each of those services for the last 12 month period.
3. Provide copies of all present and proposed referral agreements for the facilities involved in this transaction.
4. Provide time and distance information for the proposed referrals within the system.
5. Explain the organization policy regarding the use of the care system providers over area providers.
6. Explain how duplication of services within the care system will be resolved.
7. Indicate what services the proposed project will make available to the community that are not now available.

APPEND DOCUMENTATION AS ATTACHMENT-19, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

The following Sections DO NOT need to be addressed by the applicants or co-applicants responsible for funding or guaranteeing the funding of the project if the applicant has a bond rating of A- or better from Fitch's or Standard and Poor's rating agencies, or A3 or better from Moody's (the rating shall be affirmed within the latest 18 month period prior to the submittal of the application):

- **Section 1120.120 Availability of Funds – Review Criteria**
- **Section 1120.130 Financial Viability – Review Criteria**
- **Section 1120.140 Economic Feasibility – Review Criteria, subsection (a)**

VIII. - 1120.120 - Availability of Funds

The applicant shall document that financial resources shall be available and be equal to or exceed the estimated total project cost plus any related project costs by providing evidence of sufficient financial resources from the following sources, as applicable: **Indicate the dollar amount to be provided from the following sources:**

_$310,000_____	a)	Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to: 1) the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and 2) interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion;
_____	b)	Pledges – for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated time table of gross receipts and related fundraising expenses, and a discussion of past fundraising experience.
_____	c)	Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;
_$2,790,000_	d)	Debt – a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including: 1) For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated; 2) For revenue bonds, proof of the feasibility of securing the specified amount and interest rate; 3) For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.; 4) For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment; 5) For any option to lease, a copy of the option, including all terms and conditions.
_____	e)	Governmental Appropriations – a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent;
_____	f)	Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;
_$23,400__	g)	All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.—real estate lease
$3,123,400		**TOTAL FUNDS AVAILABLE**

APPEND DOCUMENTATION AS ATTACHMENT-36, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

IX. 1120.130 - Financial Viability

Not applicable per 7/7/14 technical assistance conference with IHFSRB staff

All the applicants and co-applicants shall be identified, specifying their roles in the project funding or guaranteeing the funding (sole responsibility or shared) and percentage of participation in that funding.

Financial Viability Waiver

The applicant is not required to submit financial viability ratios if:

1. **"A" Bond rating or better**
2. **All of the projects capital expenditures are completely funded through internal sources**
3. **The applicant's current debt financing or projected debt financing is insured or anticipated to be insured by MBIA (Municipal Bond Insurance Association Inc.) or equivalent**
4. **The applicant provides a third party surety bond or performance bond letter of credit from an A rated guarantor.**

See Section 1120.130 Financial Waiver for information to be provided

APPEND DOCUMENTATION AS ATTACHMENT-37, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

The applicant or co-applicant that is responsible for funding or guaranteeing funding of the project shall provide viability ratios for the latest three years for which **audited financial statements are available and for the first full fiscal year at target utilization, but no more than two years following project completion.** When the applicant's facility does not have facility specific financial statements and the facility is a member of a health care system that has combined or consolidated financial statements, the system's viability ratios shall be provided. If the health care system includes one or more hospitals, the system's viability ratios shall be evaluated for conformance with the applicable hospital standards.

Provide Data for Projects Classified as:	Category A or Category B (last three years)			Category B (Projected)
Enter Historical and/or Projected Years:				
Current Ratio				
Net Margin Percentage				
Percent Debt to Total Capitalization				
Projected Debt Service Coverage				
Days Cash on Hand				
Cushion Ratio				

Provide the methodology and worksheets utilized in determining the ratios detailing the calculation and applicable line item amounts from the financial statements. Complete a separate table for each co-applicant and provide worksheets for each.

2. Variance

Applicants not in compliance with any of the viability ratios shall document that another organization, public or private, shall assume the legal responsibility to meet the debt obligations should the applicant default.

APPEND DOCUMENTATION AS ATTACHMENT 38, IN NUMERICAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

X. 1120.140 - Economic Feasibility

This section is applicable to all projects subject to Part 1120.

A. Reasonableness of Financing Arrangements

The applicant shall document the reasonableness of financing arrangements by submitting a notarized statement signed by an authorized representative that attests to one of the following:

1) That the total estimated project costs and related costs will be funded in total with cash and equivalents, including investment securities, unrestricted funds, received pledge receipts and funded depreciation; or

2) That the total estimated project costs and related costs will be funded in total or in part by borrowing because:

A) A portion or all of the cash and equivalents must be retained in the balance sheet asset accounts in order to maintain a current ratio of at least 2.0 times for hospitals and 1.5 times for all other facilities; or

B) Borrowing is less costly than the liquidation of existing investments, and the existing investments being retained may be converted to cash or used to retire debt within a 60-day period.

B. Conditions of Debt Financing

This criterion is applicable only to projects that involve debt financing. The applicant shall document that the conditions of debt financing are reasonable by submitting a notarized statement signed by an authorized representative that attests to the following, as applicable:

1) That the selected form of debt financing for the project will be at the lowest net cost available;

2) That the selected form of debt financing will not be at the lowest net cost available, but is more advantageous due to such terms as prepayment privileges, no required mortgage, access to additional indebtedness, term (years), financing costs and other factors;

3) That the project involves (in total or in part) the leasing of equipment or facilities and that the expenses incurred with leasing a facility or equipment are less costly than constructing a new facility or purchasing new equipment.

C. **Reasonableness of Project and Related Costs**

Read the criterion and provide the following:

1. Identify each department or area impacted by the proposed project and provide a cost and square footage allocation for new construction and/or modernization using the following format (insert after this page).

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE

Department (list below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New	Cost/Square Foot Mod.	Gross Sq. Ft. New	Gross Sq. Ft. Circ.*	Gross Sq. Ft. Mod.	Gross Sq. Ft. Circ.*	Const. $ (A x C)	Mod. $ (B x E)	
Contingency									
TOTALS									

* Include the percentage (%) of space for circulation

D. Projected Operating Costs

The applicant shall provide the projected direct annual operating costs (in current dollars per equivalent patient day or unit of service) for the first full fiscal year at target utilization but no more than two years following project completion. Direct cost means the fully allocated costs of salaries, benefits and supplies for the service.

E. Total Effect of the Project on Capital Costs

The applicant shall provide the total projected annual capital costs (in current dollars per equivalent patient day) for the first full fiscal year at target utilization but no more than two years following project completion.

APPEND DOCUMENTATION AS ATTACHMENT -39, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

XI. Safety Net Impact Statement

not applicable

SAFETY NET IMPACT STATEMENT that describes all of the following must be submitted for ALL SUBSTANTIVE AND DISCONTINUATION PROJECTS:

1. The project's material impact, if any, on essential safety net services in the community, to the extent that it is feasible for an applicant to have such knowledge.

2. The project's impact on the ability of another provider or health care system to cross-subsidize safety net services, if reasonably known to the applicant.

3. How the discontinuation of a facility or service might impact the remaining safety net providers in a given community, if reasonably known by the applicant.

Safety Net Impact Statements shall also include all of the following:

1. For the 3 fiscal years prior to the application, a certification describing the amount of charity care provided by the applicant. The amount calculated by hospital applicants shall be in accordance with the reporting requirements for charity care reporting in the Illinois Community Benefits Act. Non-hospital applicants shall report charity care, at cost, in accordance with an appropriate methodology specified by the Board.

2. For the 3 fiscal years prior to the application, a certification of the amount of care provided to Medicaid patients. Hospital and non-hospital applicants shall provide Medicaid information in a manner consistent with the information reported each year to the Illinois Department of Public Health regarding "Inpatients and Outpatients Served by Payor Source" and "Inpatient and Outpatient Net Revenue by Payor Source" as required by the Board under Section 13 of this Act and published in the Annual Hospital Profile.

3. Any information the applicant believes is directly relevant to safety net services, including information regarding teaching, research, and any other service.

A table in the following format must be provided as part of Attachment 43.

Safety Net Information per PA 96-0031			
CHARITY CARE			
Charity (# of patients)	**Year**	**Year**	**Year**
Inpatient			
Outpatient			
Total			
Charity (cost in dollars)			
Inpatient			
Outpatient			
Total			
MEDICAID			
Medicaid (# of patients)	**Year**	**Year**	**Year**
Inpatient			
Outpatient			
Total			
Medicaid (revenue)			
Inpatient			
Outpatient			
Total			

APPEND DOCUMENTATION AS ATTACHMENT 40, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

XII. Charity Care Information

not applicable to a change of ownership

Charity Care information MUST be furnished for ALL projects.

1. All applicants and co-applicants shall indicate the amount of charity care for the latest three **audited** fiscal years, the cost of charity care and the ratio of that charity care cost to net patient revenue.

2. If the applicant owns or operates one or more facilities, the reporting shall be for each individual facility located in Illinois. If charity care costs are reported on a consolidated basis, the applicant shall provide documentation as to the cost of charity care; the ratio of that charity care to the net patient revenue for the consolidated financial statement; the allocation of charity care costs; and the ratio of charity care cost to net patient revenue for the facility under review.

3. If the applicant is not an existing facility, it shall submit the facility's projected patient mix by payer source, anticipated charity care expense and projected ratio of charity care to net patient revenue by the end of its second year of operation.

Charity care" means care provided by a health care facility for which the provider does not expect to receive payment from the patient or a third-party payer. (20 ILCS 3960/3) Charity Care must be provided at cost.

A table in the following format must be provided for all facilities as part of Attachment 44.

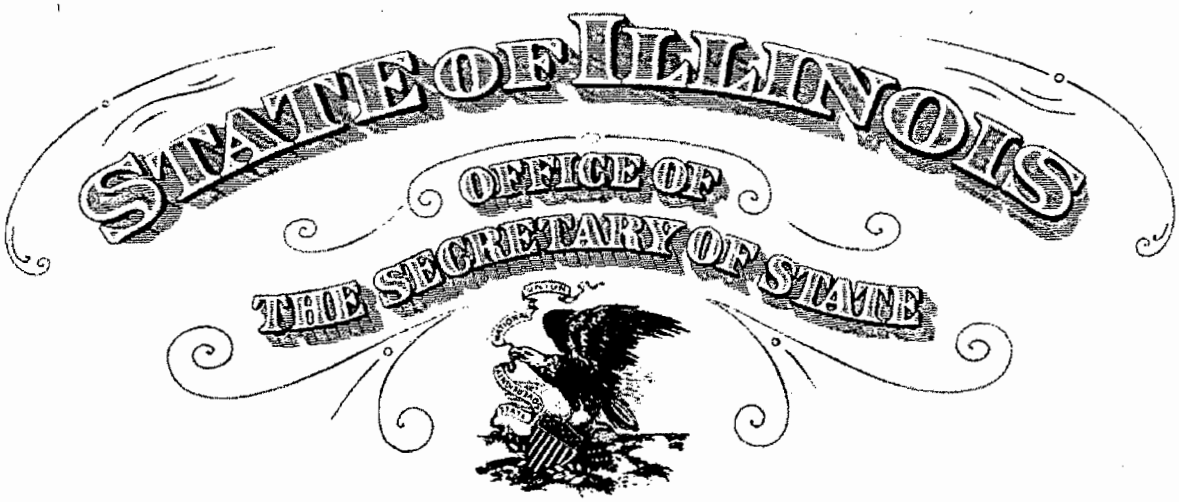
CHARITY CARE			
	Year	**Year**	**Year**
Net Patient Revenue			
Amount of Charity Care (charges)			
Cost of Charity Care			

APPEND DOCUMENTATION AS ATTACHMENT-41, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Anticipated Payor Mix:

Medicare:	50%
Private Insurance:	40%
Medicaid:	5%
Charity Care:	2%
Other:	3%

File Number 6582-577-5



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that

ELMHURST MEDICAL & SURGICAL CENTER, CORPORATION, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON NOVEMBER 06, 2007, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE BUSINESS CORPORATION ACT OF THIS STATE RELATING TO THE PAYMENT OF FRANCHISE TAXES, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.

Authentication #: 1417801720

Authenticate at: http://www.cyberdriveillinois.com

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 27TH *day of* JUNE *A.D.* 2014 .

Jesse White

SECRETARY OF STATE

ATTACHMENT 1

File Number 6135-562-6

STATE OF ILLINOIS

OFFICE OF THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that

RIVER NORTH SURGICAL SUITES INC., A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON NOVEMBER 17, 2000, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE BUSINESS CORPORATION ACT OF THIS STATE RELATING TO THE PAYMENT OF FRANCHISE TAXES, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 20TH *day of* JUNE *A.D.* 2014 .

Jesse White

SECRETARY OF STATE

Authentication #: 1417101928

Authenticate at: http://www.cyberdriveillinois.com

ATTACHMENT 1

File Number 0482579-9

STATE OF ILLINOIS

OFFICE OF THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that

TEC SURGICAL PROPERTIES LLC, HAVING ORGANIZED IN THE STATE OF ILLINOIS ON APRIL 30, 2014, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LIMITED LIABILITY COMPANY IN THE STATE OF ILLINOIS.

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 20TH *day of* JUNE *A.D.* 2014 .

Jesse White

SECRETARY OF STATE

Authentication #: 1417101932

Authenticate at: http://www.cyberdriveillinois.com

ATTACHMENT 1

File Number 5716-847-1

STATE OF ILLINOIS

OFFICE OF THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that

CHICAGO PODIATRIC SURGEONS, P.C., A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON FEBRUARY 03, 1993, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE BUSINESS CORPORATION ACT OF THIS STATE RELATING TO THE PAYMENT OF FRANCHISE TAXES, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 20TH *day of* JUNE *A.D.* 2014 .

Jesse White

SECRETARY OF STATE

Authentication #: 1417101910

Authenticate at: http://www.cyberdriveillinois.com

ATTACHMENT 1

18

File Number 0482580-2

STATE OF ILLINOIS

OFFICE OF THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that

TEC WEST PROPERTIES LLC, HAVING ORGANIZED IN THE STATE OF ILLINOIS ON APRIL 30, 2014, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LIMITED LIABILITY COMPANY IN THE STATE OF ILLINOIS.

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 26TH *day of* JUNE *A.D.* 2014 .

Jesse White

SECRETARY OF STATE

Authentication #: 1417702194

Authenticate at: http://www.cyberdriveillinois.com

ATTACHMENT 1

Elmhurst Medical & Surgical Center, Corp.

340 W Butterfield Rd Elmhurst IL, 60126

July 10, 2014

Illinois Health Facilities and
Facilities Services Review Board
Springfield, Illinois

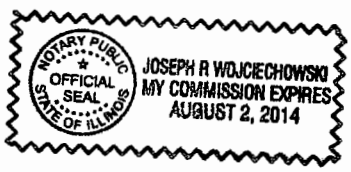
To Whom It May Concern:

I hereby certify that I own the real estate associated with Elmhurst Medical & Surgical Center, and located at 340 West Butterfield Road in Elmhurst, Illinois.

Sincerely,

Esther Lyon, DPM

Notarized:



ATTACHMENT 2

OPERATING IDENTITY/LICENSEE

Following the change of ownership, the operating entity of the ASTC will become River North Surgical Suites, Inc. which is fully owned by Thomas Carr, DPM.

ATTACHMENT 3

ORGANIZATIONAL RELATIONSHIPS

Elmhurst Medical & Surgical Center, Corporation is wholly owned by Esther Lyon, DPM. That entity is the current licensee of the ASTC. Dr. Lyon also owns the ASTC-related real estate. Elmhurst Medical & Surgical Center, Corporation's relationship to the ASTC, and Dr. Lyon's relationship to the ASTC will cease following the change of ownership.

The remaining applicant entities are not organizationally related, but, and consistent with the Narrative Description, each is acquiring assets from Dr. Lyon.

The equity/cash portion of the financing will be provided by Thomas Carr, DPM and Ellen Carr. Debt financing will be provided consistent with the documentation in ATTACHMENT 36.

River North Surgical Suites, Inc., which will be the future licensee of the ASTC, is wholly owned by Thomas Carr, DPM. TEC Surgical Properties, LLC, which is acquiring the ASTC-related real estate, is owned equally by Thomas Carr, DPM and Ellen Carr.

PROJECT COSTS

The capitalized project costs associated with the change of ownership are limited to the acquisition of the assets outlined below and, further described in the attached agreements.

- River North Surgical Suites, Inc. will purchase the ASTC practice/business ($975,000)
- TEC Surgical Properties, LLC will purchase the ASTC-related real estate ($500,000)
- Chicago Podiatric Surgeons, P.C. will purchase podiatric practices/business in Lombard ($700,000) and Elgin ($175,000)
- TEC West Properties, LLC will purchase the real estate associated with the Lombard practice ($750,000)
- Chicago Podiatric Surgeons, P.C. will lease the space occupied by the Elgin practice for a period of one year ($23,400).

PURCHASE AND SALE AGREEMENT

FOR 340 W. BUTTERFIELD RD.

ELMHURST, ILLINOIS 60126

FOR AMBULATORY OUTPATIENT SURGI-CARE FACILITY

By and Between

ESTHER LYON, DPM

and

TEC SURGICAL PROPERTIES, LLC,
an Illinois limited liability company

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Exhibit B	Contracts
Exhibit C	Litigation/Claims
Exhibit D	Due Diligence Materials
Exhibit E	Licenses and Permits
Exhibit F	Form of Earnest Money Escrow Instructions

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (this "**Agreement**") is made this _____ day of _____, 2014, by and among Esther Lyon ("**Seller**") and **TEC SURGICAL PROPERTIES, LLC**, an Illinois limited liability company ("**Purchaser**").

RECITALS:

A. Seller is the fee owner of that certain parcel of land (and the improvements and buildings located thereon), containing approximately _____ acres, legally described on **Exhibit A** and commonly known as 340 W. Butterfield Road, Elmhurst, Illinois 60126 ("**Property**").

B. Seller desires to sell the Property to Purchaser or its designee upon and subject to the terms and conditions hereinafter set forth.

AGREEMENTS:

NOW, THEREFORE, in consideration of the foregoing premises and the respective representations, warranties, agreements, covenants and conditions herein contained, and other good and valuable consideration, Seller and Purchaser agree as follows:

ARTICLE 1

DEFINITIONS

1.1 **Definitions**. As used herein, the following terms shall have the respective meanings indicated below:

Agreement: This Purchase and Sale Agreement, including the Exhibits, which are incorporated herein.

Building: The building located at 340 W. Butterfield Road, Elmhurst, Illinois 60126.

Closing: As defined in Section 6.1

Closing Date: As defined in Section 6.1.

Closing Escrow Instructions: The escrow instructions which will govern the Closing and the EMSC Transaction Closing to be executed and delivered by the parties (or their respective attorneys who are hereby authorized by the parties to execute same) to such transactions and the Escrowee.

Contracts: All equipment leases, management, leasing, repair, maintenance, operating, supply, purchase, equipment, utility, concession, telephone, cable, and other contracts, commitments and agreements (excluding the Existing Lease) relating to all or any portion of the Property, a schedule of which is attached hereto as **Exhibit B**,

Definitive Agreements. The term "Definitive Agreements" shall mean the Asset Purchase Agreement for the Elmhurst Medical and Surgical Center ("EMSC") between Lyon Foot and Ankle Clinic, P.C., as Seller and Chicago Podiatric Surgeons, P.C. dated the same date of this Agreement, as well as any and all other agreements related thereto.

Deposit: The sum of Twenty-Five Thousand and No/100 Dollars ($25,000.00), which shall be deposited by Purchaser with Escrowee, as escrowee, to be held as earnest money subject to the terms of this Agreement, the Earnest Money Escrow Instructions and the Closing Escrow Instructions.

Earnest Money Escrow Instructions: The earnest money escrow instructions to be executed and delivered by the parties concurrently with the execution of this Agreement in the form attached hereto as **Exhibit F**.

Escrow: The escrow created for the purpose of facilitating the transactions contemplated hereby pursuant to the Earnest Money Escrow Instructions.

Escrowee: Professional National Title Network ("PNTN")

Existing Lease: Lease Agreement dated _____ by and between Seller and Lyon Foot and Ankle Clinic, P.C. ("**Tenant**").

Improvements: The Building, including, but not limited to, structures (surface and sub-surface) and other improvements, including all fixtures, systems, facilities, machinery, equipment and conduits to provide fire protection, security, heat, exhaust, ventilation, air-conditioning, electric power, light plumbing refrigeration, gas, sewer and water thereto.

Inspection Period. The period between the date hereof and 5:00 p.m. Chicago time on the date two days prior to the Closing of the Purchaser's purchase of the Lombard practice located at 6 E. St. Charles, Lombard, Illinois.

Land: The parcel of real estate described in **Exhibit A** hereto, together with all easements and appurtenances thereto, all oil, gas and mineral rights belonging to Seller, all rights, title and interest, if any, of Seller in and to all land lying in any street, alley, road or avenue, open or proposed, in front of or adjoining said Land, to the centerline thereof, and all right, title and interest of Seller in and to any award made or to be made in lieu thereof and in and to any unpaid award for the damage to said Land by reason of change of grade of any street.

Legal Requirements: (i) All laws, statutes, codes, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, certificates (including the certificate of occupancy issued for the Property), directions and requirements, including any applicable environmental, zoning, building, housing or similar law, ordinance, code, order or regulation of all governments and governmental authorities having jurisdiction of the Property (including, for purposes hereof, any local Board of Fire Underwriters), which now or hereafter may be applicable to the Property, and the operation thereof; and (ii) all covenants, easements and restrictions affecting the Property.

Obligations: All payments required to be made and all representations, warranties, covenants, agreements and commitments required to be performed under the provisions of this Agreement by Seller or Purchaser, as applicable.

Permitted Exceptions: Those exceptions to title to the Real Property approved or deemed approved by Purchaser pursuant to Article 4 hereof.

Property: (i) The Real Property, and (ii) the Tangible Personal Property, collectively.

Proration Date: The day immediately preceding the Closing Date.

Purchase Price: Five Hundred Thousand Dollars and No/00 ($500,000.00).

Real Property: The Land together with the Improvements located on the Land.

Records: All books and records maintained by Seller or its agents relating to receipts and expenditures pertaining to the Property during Seller's ownership thereof.

Survey: The survey for the Property prepared in accordance with Section 4.2(a).

Tangible Personal Property: Except as set forth in the Asset Purchase Agreement, any and all machinery, equipment, fixtures, furnishings and other tangible personal property of every kind and character owned by Seller and used in connection with the operation, ownership and/or maintenance of the Land and Improvements (or any part thereof), and all replacements, additions or accessories thereto.

Title Commitment: The commitment for title insurance issued by the Title Company in accordance with Section 4.2 (b).

Title Company: PNTN.

1.2 **References**. Except as otherwise specifically indicated, all references to Section and Subsection numbers refer to Sections and Subsections of this Agreement, and all references to Exhibits refer to the Exhibits attached hereto. The words "hereby," "hereof," "herein," "hereof," "hereto," "hereunder," "hereinafter," and words of similar import refer to this Agreement as a whole and not to any particular Section or Subsection hereof. The word "hereafter" shall mean after, and the term "heretofore" shall mean before, the date of this Agreement. Captions used herein are for convenience only and shall not be used to construe the meaning of any part of this Agreement.

ARTICLE 2

PURCHASE AND SALE

2.1 **Purchase and Sale**. Subject to the conditions and on the terms contained in this Agreement:

(a) Purchaser, and/or its designee, agrees to purchase and acquire from Seller, and Seller agrees to sell and convey to Purchaser and/or its designee the Real Property by the Deed (as defined in Section 6.3(a)), subject only to the Permitted Exceptions.

(b) Purchaser, and/or its designee, agrees to purchase and acquire from Seller and Seller agrees to sell, assign and transfer to Purchaser and/or its designee all of Seller's right, title and interest in the Tangible Personal Property, as applicable.

ARTICLE 3

PURCHASE PRICE

3.1 **Purchase Price; Allocation Thereof**. The purchase price ("**Purchase Price**") for the Property shall be Five Hundred Thousand Dollars and No/00 ($500,000.00). Purchaser agrees to pay to Seller, and Seller agrees to accept payment of the Purchase Price as follows:

(a) The Deposit shall be (i) applied against the Purchase Price at Closing, (ii) refunded or returned to Purchaser in the event that this Agreement is terminated on or before the end of the Inspection Period, or as otherwise provided in this Agreement, or (iii) forfeited to Seller in the event of Purchaser's default hereunder.

(b) At Closing, Purchaser shall pay to Seller the balance of the Purchase Price (after deduction of the Deposit applied against the Purchase Price as above provided), plus or minus prorations as hereinafter provided, in cash or by certified or cashier's check or by wire transfer of collected federal funds.

3.2 **Escrow; Deposit**. Concurrently with the execution of this Agreement, Seller and Purchaser shall execute the Earnest Money Escrow Instructions and within three (3) business days following the date hereof, the parties, through their respective attorneys, shall establish an escrow (the "**Escrow**") with the Escrowee through which the transaction contemplated hereby shall be closed. Upon opening of said escrow, Purchaser shall cause the Deposit to be deposited in said Escrow. Said Escrow shall be auxiliary to this Agreement, and this Agreement shall not be merged into nor in any manner superseded by said Escrow.

ARTICLE 4

FEASIBILITY; TITLE AND SURVEY REVIEW

4.1 **Review and Inspection**. At any time prior to Closing and at agreed upon times by the Seller, Purchaser shall have the right to enter upon the Real Property to inspect the Property and to conduct tests and investigations at its sole cost and expense. In addition, Seller shall allow Purchaser to review all books and records relating to the Property. Seller shall cooperate with Purchaser, or its agents, in arranging such inspections and reviews. Purchaser shall conduct all such inspections and reviews so as not to interfere unreasonably with the operation of the Building. Without limitation of the foregoing, Purchaser may cause a Phase I to be performed at the Property in order to obtain an environmental report, at Purchaser's sole cost and expense, to be conducted by an environmental engineering firm selected by Purchaser. Prior to the date hereof, Seller shall have provided to Purchaser all information which Purchaser, or its

attorneys or consultants deem necessary in connection with Purchaser's investigation of the Property including, without limitation, the items identified on **Exhibit D** attached hereto and made a part hereof (the "**Due Diligence Materials**") to the extent such items are in Seller's possession or reasonable control. Purchaser hereby agrees to treat the Due Diligence Materials as confidential materials pursuant to Section 15.7 hereof. The Purchaser agrees that the Due Diligence Materials are being provided to Buyer as a convenience only, that such documents are for general information only and that they Purchaser shall not have any right to rely on the documents or information contained therein and shall rely, instead, on its own inspections and investigations of the Property. Purchaser may terminate this Agreement by delivering written notice thereof to Seller prior to the expiration of the Inspection Period if Purchaser is unsatisfied, in its sole and absolute discretion, with the results of its investigations or otherwise elects, in Purchaser's sole and absolute discretion, not to proceed with the transaction contemplated herein. If Purchaser timely terminates this Agreement in accordance with this Section 4.1, then the Deposit shall promptly be returned by Escrowee to Purchaser.

4.2 **Survey, Title Commitment and Searches**. Seller shall obtain, at Seller's sole cost and expense, the following (hereinafter referred to collectively as the "**Title Documents**") within thirty (30) business days after the date hereof.

(a) **Survey**. A current survey of the Property (i.e., dated no earlier than three (3) months prior to the date hereof) prepared by a surveyor licensed by the State of Illinois, in conformity with the "Minimum Standard Detail Requirements for ALTA/ACSM Land Title Surveys" jointly established and adopted by ALTA and NSPS in 2011, meeting the accuracy requirements of an Urban Survey, as defined therein, and including items 1, 2, 3, 4, 6(b), 7(a), 7(b)(1), 7(c), 8, 9, 10(a), 11(a), 13, 14, 16, 17, 18, 19, 20(a), 21 and 22 in Table A contained therein, and in conformity with such standards as are required by the Title Company as a condition to the removal of any survey exceptions from the Title Commitment, certified to Purchaser, the Title Company and such other parties as Purchaser shall reasonably require.

(b) **Title Commitment**. A Title Commitment dated after the date hereof for an ALTA Owner's Policy Form B-2006 issued by the Title Company in the amount of the Purchase Price showing title to the Real Property in the Seller, with deletion of all general or standard exceptions, a Zoning 3.1 endorsement (with parking), an access endorsement, a contiguity endorsement, if applicable, a restrictions endorsement, and such other endorsements as may be reasonably requested by Purchaser and available in the State of Illinois. Seller shall delivery full and legible copies of all documents ("**Title Exceptions**") referred to in the Title Commitment.

In addition, Purchaser shall have the right to order, at Purchaser's sole cost and expense, such UCC, judgment and tax lien searches on the name of Seller as Purchaser may elect (collectively, the "**Searches**").

4.3 **Title Evidence Review**. Prior to the expiration of the Inspection Period, Purchaser shall have the right to give Seller written notice ("**Purchaser's Title Notice**") of any matter shown on any of the Title Commitment, Title Exceptions, Survey or Searches (the "**Title Evidence**") as to which Purchaser objects ("**Title Defects**"). If Purchaser fails to timely deliver

Purchaser's Title Notice, then Purchaser shall be deemed to have approved all matters disclosed by the Title Evidence. Seller shall have a period of ten (10) business days ("**Seller's Notice Period**") following delivery of Purchaser's Title Notice to Seller to notify Purchaser in writing ("**Seller's Response Notice**") as to which Title Defects Seller shall cause prior to Closing to be cured and removed (and Seller shall provide Purchaser with adequate assurances as to Seller's ability to so cure or remove such objectionable matters) or insured over by the Title Company (provided that any such insurance over shall be subject to Purchaser's approval, not to be unreasonably withheld). If Seller fails to timely deliver Seller's Response Notice, then Seller shall be deemed to have elected to cause to be cured and removed all such Title Defects. If Seller does not agree to cure and remove or insure overall Title Defects in a manner reasonably satisfactory to Purchaser then Purchaser may elect, prior to the Closing Date, to (A) terminate this Agreement, in which event, the Deposit shall be refunded to Purchaser and the parties shall have no further obligations hereunder or (B) waive Purchaser's objections to the Title Defects as to which Seller has not agreed to cure and remove or insure over, in which event, such Title Defects shall be deemed to be Permitted Exceptions. Notwithstanding anything stated in the foregoing, the following shall be considered Permitted Exceptions: general real estate taxes not yet due and payable at the time of Closing; covenants, conditions and restrictions of record, and building lines and easements, if any, provided they do not interfere with the current use and enjoyment of the Property.

4.4 **Monetary Defects**. Notwithstanding anything contained herein to the contrary, Seller shall be obligated to remove mortgages, deeds of trust and other liens or encumbrances of a definite and ascertainable amount ("**Monetary Defects**"), which the parties agree may be removed by the use of the proceeds of sale at Closing. If the proceeds of sale are insufficient to remove all Monetary Defects, Seller shall deposit at Closing any additional amount required to remove such Monetary Defects, and should Seller fail to do so, Purchaser may exercise any remedy available to Purchaser at law or in equity against Seller.

ARTICLE 5

COVENANTS, REPRESENTATIONS AND WARRANTIES

5.1 **Covenants, Representations and Warranties of Seller**. To induce Purchaser to execute, deliver and perform this Agreement, Seller, covenants, represents and warrants to Purchaser on and as of the date hereof as follows:

(a) **Representations**. All representations and warranties of Seller appearing in this Section 5.1 and in other Sections of this Agreement are true and correct as of the date hereof.

(b) **Authority**. Seller has the power and authority to sell, transfer, convey and deliver the Property to be sold and purchased hereunder and all required action and approvals therefor have been duly taken and obtained. The individuals signing this Agreement and all other documents executed pursuant hereto on behalf of Seller are duly authorized to sign same on behalf of such Seller and to bind such Seller.

(c) **No Breach**. The execution and delivery of this Agreement, the consummation of the transactions provided for herein and the fulfillment of the terms hereof will not result in a breach of any of the terms or provisions of, or constitute a default under, any agreement of Seller or any instrument to which Seller is a party or by which Seller or the Property is bound, or any judgment, decree or order of any court or governmental body, or any applicable law, rule or regulation.

(d) **Leases**. Other than the Existing Lease, which shall be terminated prior to the Closing Date, there are no leases, subleases, or other occupancy agreements affecting any part of the Property.

(e) **No Notice**. No written notice has been given to any Seller by any holder of any mortgage or deed of trust on the Property, by any insurance company which has issued a policy with respect to any of the Property, or by any board of fire underwriters (or other body exercising similar functions), any of which notices claim any defect or deficiency or request the performance of any repairs, alterations or other work to the Property; and Seller will comply with any such notice and complete all repairs, alterations or other work required in order to comply with such notice and to correct any such defect prior to Closing, at such Seller's cost and expense, if such notice is received by any Seller prior to Closing hereunder.

(f) **Condemnation**. There is no pending condemnation, expropriation, eminent domain, or similar proceeding affecting all or any portion of the Real Property, and each of Seller has not received any written notice of any of the same and each of Seller has no knowledge that any such proceeding is contemplated.

(g) **Contracts**. Attached hereto as **Exhibit B** is a complete list of all Contracts. There are no material defaults under any of the Contracts, and all of the Contracts are in good standing and in full force and effect. Seller shall, effective as of Closing, terminate any Contracts Purchaser may by written notice request Seller to terminate, and Seller shall pay at or prior to the Closing all amounts which are or may come due under such terminated contracts.

(h) **Due Diligence Materials**. Prior to fifteen (15) days of the execution hereof, Seller will provide Purchaser true, correct and complete copies of the Due Diligence Materials to the extent in Seller's possession or reasonable control.

(i) **Certificates of Occupancy**. Permanent certificates of occupancy and all other licenses, permits, authorizations, consents and approvals required by all governmental or quasi-governmental authorities having jurisdiction, and the requisite certificates of the Local board of fire underwriters (or other body exercising similar functions), if any, have been issued for the buildings, structures and other improvements which are a part of the Property, have been paid for in full, and are in full force and effect, and copies thereof to the extent available, will be delivered to Purchaser within three (3) days from the date hereof.

(j) **Legal Requirements**. There are no existing violations of any Legal Requirements by the Property or due to the operation thereof. Seller shall cure, at its sole cost and expense, prior to Closing or as soon thereafter as reasonably practical, any violation of which any Seller or Purchaser receives written notice prior to the Closing from any governmental or quasi-governmental authority having jurisdiction over the Property.

(k) **No Default**. No material default or breach exists under any of the covenants, conditions, restrictions, rights-of-way or easements, if any, affecting all or any portion of the Property which are to be performed or complied with by the owner of the Property.

(l) **Litigation**. There is no action, suit or proceeding pending or, to the knowledge of Seller, threatened against or affecting all or any portion of the Property or relating to or arising out of the ownership, management or operation of the Property, in any court or before or by any federal, state, county or municipal department, commission, board, bureau or agency or other governmental instrumentality.

(m) **Value**. Seller has no notice of any proposed change in the assessed valuation of all or any portion of the Property.

(n) **Personal Property**. All fixtures, articles of personal property and other Tangible Personal Property included in and which are a part of this sale are now, and at Closing will be, owned by Seller free and clear of any conditional bills of sale, chattel mortgages, security agreements or financing statements or other liens or security interests of any kind.

(o) **Improvements**. To the best of Seller's knowledge, the Improvements on the Land are structurally sound and weather-tight, free from termite, insect and all other vermin infestation, and said Improvements are in good condition and working order.

(p) **Insurance**. To the best of Seller's knowledge, there are no defects or inadequacies in the Property which would adversely affect the insurability of the same or cause the imposition of extraordinary premiums therefor or create or be likely to create a hazard, excessive maintenance cost or material operating deficiencies.

(q) **Utilities**. All water, sewer, gas, electric, telephone and drainage facilities and all other utilities and public or quasi-public improvements upon or adjacent to the Land required by law or for the normal operation of the Property are installed, are connected under valid permits, and are in good working order, are adequate to service the Property and are paid in full.

(r) **License and Permits**. The certificate(s) of occupancy, licenses and permits listed on **Exhibit E** are all of the licenses and permits held by Seller in connection with its ownership and operation of the Real Property and Personal Property. Each of the licenses and permits is in full force and effect and in good standing, and neither Seller, nor any agent or employees of Seller have received notice of any intention on the part of the issuing authority to cancel, suspend or modify any of the licenses or

permits or to take any action or institute any proceedings to effect such a cancellation, suspension or modification. To the best of Seller's knowledge, the licenses and permits identified on **Exhibit E** comprise all licenses, franchises, certifications, authorizations, approvals and permits required by any governmental or quasi-governmental authority for the use and operation of the Property (including the business operations therein) as the same is presently used and operated, and the Property is operated and occupied in compliance with each of the licenses and permits. All of the licenses and permits are fully paid for, and each of has made, or will make, application for renewals of any such licenses and permits which will expire before the Closing Date. Seller shall have provided copies, to the extent in Seller's possession or reasonable control, to Purchaser as part of the Due Diligence Materials.

(s) **Recapture Agreements**. To Seller's knowledge, there are no obligations in connection with the Land of any so-called "recapture agreement" involving refund for sewer extension, oversizing utility, lighting or like expense or charge for work or services done upon or relating to the Real Property. No portion of the Property is subject to or is affected by any special assessment or special taxing district.

(t) **Zoning**. To Seller's knowledge, the zoning classification for the Real Property permits the present use of the Real Property for an ambulatory outpatient surgical center as currently constructed and operated, and the Property fully complies with all relevant zoning laws and ordinances affecting the Real Property; and the continued maintenance, operation and use of the buildings, structures or other improvements on the Property will not violate any Legal Requirements. To Seller's knowledge, there is no existing, pending, contemplated, threatened or anticipated (i) change in the zoning classification of the Real Property or (ii) widening, change of grade or limitation on use of streets abutting the Real Property.

(u) **Intentionally deleted**.

(v) **Environmental Matters**. To Seller's knowledge, prior to and during Seller's ownership of the Property, (i) no Hazardous Materials have been located on the Property or have migrated onto the Property or have been released into the environment, or discharged, placed or disposed of at, on or under the Property; (ii) no underground storage tanks have been located on the Property; (iii) the Property has never been used as a dump for waste material; and (iv) the Property and its prior uses comply with and at all times have complied with all Environmental Laws.

The term "**Hazardous Materials**" shall mean and include the following, including mixtures thereof: any hazardous substance, pollutant, contaminant, waste, by-product or constituent regulated under the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 et seq.; oil and petroleum products and natural gas, natural gas liquids, liquefied natural gas and synthetic gas usable for fuel; pesticides regulated under the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. Section 136 et seq.; asbestos and asbestos-containing materials, PCBs and other substances regulated under the Toxic Substances Control Act, 15 U.S.C. Section 2601 et seq.; source material, special nuclear material, by-product material and any other

radioactive materials or radioactive wastes, however produced, regulated under the Atomic Energy Act or the Nuclear Waste Policy Act of 1982; chemicals subject to the OSHA Hazard Communication Standard, 29 C.F.R. { 1910.1200 et seq.; and industrial process and pollution control wastes, whether or not hazardous within the meaning of the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq. The term "Environmental Laws" shall mean and include all federal, state and local statutes, ordinances, regulations and rules in effect and as amended from time to time relating to environmental quality, health, safety, contamination and clean-up, including, without limitation, the Clean Air Act, 42 U.S.C. Section 7401 et seq.; the Clean Water Act, 33 U.S.C. Section 1251 et seq., and the Water Quality Act of 1987; the Federal Insecticide, Fungicide, and Rodenticide Act 7 U.S.C. Section 136 et seq.; the Marine Protection, Research, and Sanctuaries Act, 33 U.S.C. Section 1401 et seq.; the National Environmental Policy Act, 42 U.S.C. Section 4321 et seq.; the Noise Control Act, 42 U.S.C. Section 4901 et seq.; the Occupational Safety and Health Act, 29 U.S.C. Section 651 et seq.; the Resource Conservation and Recovery Act 42 U.S.C. Section 6901 et seq., as amended by the Hazardous and Solid Waste Amendments of 1984; the Safe Drinking Water Act, 42 U.S.C. Section 300f et seq.; the Comprehensive Environmental Response, Compensation and Liability Act 42 U.S.C. Section 9601 et seq., as amended by the Superfund Amendments and Reauthorization Act, the Emergency Planning and Community Right-to-Know Act and the Radon Gas and Indoor Air Quality Research Act; the Toxic Substances Control Act 15 U.S.C. Section 2601 et seq.; the Atomic Energy Act, 42 U.S.C. Section 2011 et seq., and the Nuclear Waste Policy Act of 1982, 42 U.S.C. Section 10101 et seq.; and state and local environmental statutes and ordinances, with implementing regulations and rules, as any of the foregoing may be amended from time to time.

5.2 **Covenants, Representations and Warranties of Purchaser**. Purchaser covenants, represents and warrants to Seller as follows:

(a) **Authority**. Following Purchaser's receipt of the approval of its Board ("**Board Approval**"), Purchaser shall have the power and authority to purchase and accept the Property to be sold and purchased hereunder and all required action and approvals therefor will have been duly taken and obtained. Following Board Approval, the individuals signing this Agreement and all other documents executed heretofore and pursuant hereto on behalf of Purchaser shall be duly authorized to sign same on behalf of Purchaser and to bind Purchaser. Purchaser shall promptly notify Seller in writing at such time that Board Approval has been obtained.

(b) **No Breach**. The execution and delivery of this Agreement, the consummation of the transactions provided for herein and the fulfillment of the terms hereof will not result in a breach of any of the terms or provisions of, or constitute a default under, any agreement of Purchaser or any instrument to which Purchaser is a party or by which Purchaser is bound, or any judgment, decree or order of any court or governmental body, or any applicable law, rule or regulation.

ARTICLE 6

CLOSING MATTERS

6.1 **Closing**. The closing of the transaction contemplated hereby (the "**Closing**") shall take place on the same date of the closing of the Definitive Agreements (the "**Closing Date**"). The Closing shall be effected pursuant to the Closing Escrow Instructions.

6.2 **New York Style Closing**. The transaction shall be closed by means of a so-called New York Style Closing, with the concurrent delivery of the documents of title, transfer of interests, delivery of the title policy described in Section 4.2(b) and the payment of the Purchase Price. Seller shall provide any undertaking (the "**Gap Undertaking**") to the Title Company necessary for the New York Style Closing to occur or for the satisfaction of any other requirement for Closing.

6.3 **Seller's Deliveries**. On or before two (2) business days prior to the date of Closing, Seller shall deposit into escrow with the Escrowee pursuant to the Closing Escrow Instructions the following, each of which shall be in form and substance acceptable to counsel for Purchaser and, in the case of documents of transfer or conveyance, shall be accepted or consented to by all parties required to make such transfer or conveyance effective:

(a) a duly executed and acknowledged Warranty Deed in the form customarily provided by Seller from time to time (the "**Deed**") conveying to Purchaser fee title to the Property subject to general real estate taxes not yet due and payable at the time of Closing, covenants, conditions and restrictions of record, and building lines and easements, if any, provided they do not interfere with the current use and enjoyment of the Property;

(b) an affidavit of title covering the Property executed by Seller in customary form;

(c) the Title Company shall issue a 2006 ALTA Form B Owner's Title Insurance Policy ("**Title Policy**"), in the full amount of the Purchase Price, insuring on Schedule A (i) the Property and (ii) all easements benefiting the Property, providing for full extended coverage over all general title exceptions contained in such policies and containing the following endorsements: deletion of arbitration; 3.1 zoning (with parking); location; access; contiguity; comprehensive; survey; tax parcel; and any other endorsement required by Purchaser during the Inspection Period, insuring that fee title to the Property is vested in Purchaser, subject only to the Permitted Exceptions;

(d) a valid assignment to Purchaser of all of Seller's right, title and interest in and to the Contracts, if any, that Purchaser has provided written notice to Seller of Purchaser's election to assume such Contracts at Closing;

(e) copies of Certificates of Occupancy, licenses, permits, authorizations, consents and approvals required by law and issued by any governmental or quasi-governmental authority having jurisdiction over the Property and copies of all

certificates, if any, issued by the local board of fire underwriters (or other body exercising similar functions);

(f) to the extent Seller has such documents in its possession, a complete set of as built architectural and engineering drawings, utilities layout plans, topographical plans and the like used in the construction of the buildings, structures and other improvements on the Real Property together with a certificate from Seller and its architect that the Improvements have been constructed as set forth therein;

(g) certified originals of all Records, certified originals of all Contracts, the originals of all other materials identified in the Exhibits hereto and then in Seller's possession, and all other records and files relating to the current operation and maintenance of the Property;

(h) a written certification ("**FIRPTA Certificate**") in form reasonably satisfactory to Purchaser and dated no earlier than ten (10) days prior to the date of Closing, which certification shall be in compliance with the Tax Reform Act of 1984 (the "**Act**") and the regulations thereunder that are imposed by the Foreign Investment in Real Property Tax Act ("**FIRPTA**") and certifying that Seller is not a person or entity subject to withholding under FIRPTA and the Act, and containing Seller's tax identification number and address. If Seller does not provide such written certification, Purchaser may withhold at Closing ten percent (10%) of the gross proceeds of the sale of the Property for remittance to the Internal Revenue Service in accordance with the provisions of the Act;

(i) evidence of the termination of the Existing Lease;

(j) such evidence as Purchaser's counsel or the Title Company may reasonably require as to the authority of the person executing documents on behalf of Seller;

(k) State of Illinois, DuPage County and any municipal transfer tax declarations, as applicable (collectively, the "**Transfer Declarations**");

(l) such additional documents as shall be reasonably required to consummate the transaction expressly contemplated by this Agreement, including, without limitation, the delivery of any necessary documentation for Seller to satisfy its obligations hereunder;

(m) a certificate remaking and updating through the Closing Date the representations and warranties made in Section 5.1 hereof.

6.4 **Purchaser's Deliveries**. Purchaser shall deposit into escrow with the Escrowee pursuant to the Closing Escrow Instructions the following:

(a) on or before the Closing Date, the Purchase Price required to be paid pursuant to Section 3.1 hereof;

(b) on or before Two Days prior to the Closing Date, Purchaser's counterparts of the Transfer Declarations; and

(c) on or before Two Days prior to the Closing Date, a certificate remaking and updating through the Closing Date the representations and warranties made in Section 5.2 hereof.

6.5 **Closing Statement**. Seller and Purchaser shall cooperate to prepare no later than the date that is five (5) business days prior to the Closing Date, a closing statement for the transaction contemplated hereby in accordance with the provisions of Article 7 hereof and shall execute and deposit such closing statement in the Escrow pursuant to the Closing Escrow Instructions on or before the Closing Date.

6.6 **Concurrent Transactions**. All documents or other deliveries required to be made by Purchaser or Seller at or prior to Closing, and all transactions required to be consummated concurrently with Closing, shall be deemed to have been delivered and to have been consummated simultaneously with all other transactions and all other deliveries, and no delivery shall be deemed to have been made, and no transaction shall be deemed to have been consummated, until all deliveries required by Purchaser and Seller shall have been made, and all concurrent or other transactions shall have been consummated.

6.7 **Further Assurances**. Seller and Purchaser, at the Closing, or at any time or from time to time thereafter, upon request of either party, will execute such additional instruments, documents or certificates as either party deems reasonably necessary in order to convey, assign and transfer the Property to Purchaser hereunder.

6.8 **Possession**. Possession of the Property, free and clear of all encumbrances and tenancies other than the Permitted Exceptions, shall be delivered to Purchaser at Closing.

6.9 **Contracts**. Seller acknowledges and agrees that unless Purchaser otherwise notifies Seller in writing, Purchaser is not assuming any of the Contracts and that Seller shall remain solely responsible therefor after Closing. Seller agrees to indemnify, defend (with Purchaser having the right to retain counsel for the purpose of participating in such defense, at Seller's sole cost and expense) and hold Purchaser harmless against and with respect to any loss or damage to Purchaser arising from or in connection with the Contracts. The provisions in this Section 6.9 shall survive Closing.

ARTICLE 7

APPORTIONMENTS; TAXES; UTILITIES

The following items shall be adjusted and apportioned between Seller and Purchaser as follows:

7.1 **Taxes**. All ad valorem real estate taxes, personal property taxes, charges and assessments affecting the Property and payable during the year in which Closing occurs shall be prorated on a per diem basis as of Twelve AM (12:00 AM) of the Closing Date. The proration of taxes shall be made on the basis of one hundred percent (100%) of the real estate taxes reflected

on the then most recent final (i.e., second installment) tax bill. Such proration shall be calculated based upon the actual number of days in such fiscal year, with Seller being responsible for that portion of such fiscal year occurring prior to and including Eleven Fifty-Nine PM of the Proration Date and Purchaser being responsible for that portion of such fiscal year occurring after Twelve AM (12:00 AM) on the Closing Date. Seller shall pay all installments of special assessments due and payable prior to the Closing Date and Purchaser shall pay all installments of special assessments due and payable on and after the Closing Date.

7.2 **Other Property Operating Expenses**. Operating expenses for the Property shall be prorated as of 12:00 AM on the Closing date. Seller shall pay all utility charges and other operating expenses attributable to the Property to, but not including the Closing date and Purchaser shall pay all utility charges and other operating expenses attributable to the Property on or after the Closing date.

7.3 **Delayed Adjustment**. To the extent that the amount of actual consumption of any utility services is not determined prior to the Closing date, a proration shall be made based on the last available reading and post-closing adjustments between Purchaser and Seller and shall be made within twenty (20) days of the date that actual consumption for such pre-closing period is determined, which obligation shall survive the Closing and not be merged therein. Seller shall not assign to Purchaser any deposits which Seller has with any of the utility services or companies servicing the Property. If at any time following the Closing date, the amount of an item listed in any section of this Article 7 shall prove to be incorrect (whether as a result in an error in calculation or a lack of complete and accurate information as of the Closing), the party in whose favor the error was made shall pay to the other party the sum necessary to correct such error within fifteen (15) days after receipt of proof of such error. The provisions of this Section 7.3 shall survive the Closing.

7.4 **Management Fees and Insurance Premiums**. At Closing, Seller shall terminate its contract with the current manager of the Property, if any, and cancel the existing insurance policies for the Property. Seller shall pay all management fees and all insurance premiums owed prior to the Closing Date and there shall be no proration of such items. Following Closing, Seller shall indemnify, defend and hold Purchaser harmless from and against any and all losses, claims, damages, liabilities, costs and expenses (including attorneys' fees and court costs) that Purchaser may incur due to Seller's failure to pay all such sums prior to Closing.

ARTICLE 8

CONDITIONS TO SELLER'S OBLIGATIONS

8.1 **Seller's Conditions Precedent**. The obligation of Seller to close the transaction contemplated hereby is, at Seller's option, subject to all representations and warranties of Purchaser contained in this Agreement being true and correct in all material respects at and as of the Closing Date and all covenants of Purchaser to have been performed on or before the Closing Date having been timely and duly performed in all material respects. Seller's obligation is also contingent on Purchaser having obtained unconditional approval from the Illinois Health Facilities Planning Board of a Certificate of Exemption for the transfer of or Certificate of Need in favor of Purchaser or its affiliate.

ARTICLE 9

CONDITIONS TO PURCHASER'S OBLIGATIONS

9.1 **Purchaser's Conditions Precedent**. The obligation to Purchaser to close the transaction contemplated hereby is, at Purchaser's option, subject to the satisfaction of the following conditions:

(a) Seller shall have delivered to Purchaser all of the items required to be delivered to Purchaser pursuant to the terms of this Agreement.

(b) All of the representations and warranties of Seller contained in this Agreement shall be true and correct in all material respects as of the date of Closing.

(c) Seller shall have performed and observed, in all material respects, all covenants and agreements of this Agreement to be performed and observed by Seller as of the date of Closing.

(d) The Title Company shall be committed to provide Purchaser, subject only to the payment of the premium therefor, the Title Policy, insuring that fee title to the Property is vested in Purchaser subject only to the Permitted Exceptions.

(e) There shall have been no material change in the condition of the Property from the date of the waiver of the Inspection Period through the Closing Date.

(f) The Existing Lease shall have been terminated.

(g) Purchaser (or affiliates thereof) and Seller (or affiliates thereof) shall have entered into and consummated the transactions contemplated under the Elmhurst Medical and Surgical Center Definitive Agreements (the "**EMSC Transaction**") concurrently with the Closing of the transactions contemplated hereunder, in accordance with the Closing Escrow Instructions.

(h) Seller shall have removed all patient paper files older than seven (7) years.

ARTICLE 10

ACTIONS AND OPERATIONS PENDING CLOSING

10.1 **Actions and Operations Pending Closing**. Seller agrees that from the date hereof through the Closing Date:

(a) Except as may be provided to the contrary herein, the Property will continue to be operated and maintained substantially in accordance with the present standards.

(b) Seller shall maintain the Property free from waste and neglect and in good order and repair and shall keep and perform or cause to be performed all obligations of

extend to any Indemnified Losses caused in whole or in part by any act, conduct, omission, contract or commitment of Seller or any of Seller's invitees or permittees;

(b) any loss or damage to Seller, subsequent to the Closing Date, resulting from any inaccuracy in or breach of any representation or warranty of Purchaser or resulting from any breach or default by Purchaser of any Obligation of Purchaser under this Agreement;

(c) any injury to person or property causing any loss or damage to a Seller resulting from or arising out of investigations performed by Purchaser pursuant to Section 4.1 hereof; provided, however, that this indemnity shall not apply to the extent such loss or damage arise in connection with such Seller's negligence or willful misconduct, and Purchaser shall have no liability to Seller or to any other person or entity by reason of, nor shall Purchaser have any duty to indemnify, defend or hold any person or entity harmless from or against, any loss or damage, including, without limitation, any claim for diminution in value of the Property or for environmental remediation or clean-up costs, arising out of or in connection with the mere fact of having discovered and/or reported (as Purchaser may believe upon advice of counsel is required by law) any adverse or environmental condition with respect to the Property; and

(d) all costs and expenses, including reasonable attorneys' fees, related to any actions, suits or judgments incident to any of the foregoing.

13.3 **Notice of Claims**. Seller and Purchaser shall promptly notify the other in the event any claim is made against any Seller or Purchaser as to which the other party has agreed to indemnify and the indemnitor shall thereupon undertake to defend and hold the indemnitee harmless therefrom.

ARTICLE 14

NOTICES

14.1 **Notices**. Any notice pursuant to this Agreement shall be given in writing by one of the following means sent to the intended addressee at the address set forth below, or to such other address or to the attention of such other person as the addressee shall have designated by written notice sent in accordance herewith: (a) personal delivery, or (b) reputable overnight delivery, or (c) United States Mail, postage prepaid, registered or certified mail, return receipt requested, or (d) facsimile transmission (provided that a copy of such notice shall also be sent by one of the means specified in clauses (a)-(c) of this sentence). Any such notice shall be deemed to have been given either at the time of personal delivery, or, in the case of expedited delivery service or mail, as of the date of first attempted delivery at the address and in the manner provided herein, or, in the case of facsimile transmission, as of the date of the facsimile transmission provided that an proof of such transmission shall be provided to the other party upon request. Unless changed in accordance with the preceding sentence, the addresses for notices given pursuant to this Agreement shall be as follows:

If intended for any Seller, to:

Esther Lyon, DPM
6 East St. Charles Road
Lombard, Illinois 60148

Copies to:

Matthew P. Barrette
Sullivan Hincks & Conway
120 W. 22nd Street, Suite 100
Oak Brook, Illinois 60523
mattbarrette@shlawfirm.com
Fax: (630) 573-5021

If intended for Purchaser, to:

TEC Surgical Properties, LLC
467 W. Erie
Chicago, Illinois 60654
Fax: _____

Copies to:

Robbins, Salomon & Patt, Ltd.
180 N. LaSalle Street
Suite 3300
Chicago, Illinois 60601
Attention: Alan J Wolf
Fax: (312) 782-6690

ARTICLE 15

MISCELLANEOUS

15.1 **Expenses**. Seller shall be responsible for the payment of all State and County transfer taxes (State of Illinois, DuPage County and Purchaser shall be responsible for the Village of Elmhurst transfer tax), all title charges for the issuance of the Title Commitment, all title charges for the premium for the Title Policy, the costs of any extended coverage and any title insurance endorsements to the Title Policy required to cure any Title Defects (the "**Title Defects Endorsements**"), all costs of the Survey. Purchaser shall be responsible for the payment of all recording fees, the escrow fees, and the costs of any title endorsements to the Title Policy other than the Title Defects Endorsements. The fees and expenses of Seller's designated representatives, accountants and attorneys shall be borne by Seller, and the fees and expenses of Purchaser's designated representatives, accountants and attorneys shall be borne by Purchaser.

15.2 **Brokerage**. With respect to the transaction contemplated by this Agreement, Seller represents that it has engaged Monica Daniel of Wilmon Properties, and Purchaser represents that it has no broker ("**Broker**"). Seller shall pay any monies owed to Seller's Broker pursuant to a separate written agreement. The parties agree that should any claim be made for brokerage commissions or finder's fees by any broker or finder other than Seller's Broker by, through or on account of any acts of said party or its representatives, said party will indemnify

and hold the other party free and harmless from and against any and all loss, liability, cost, damage and expense in connection therewith. The provisions of this paragraph shall survive Closing or earlier termination of this Agreement.

15.3 **Default**. If this Agreement is terminated by a default of Seller, the Deposit, and all interest earned thereon, shall be promptly returned to Purchaser, and Purchaser shall be entitled to pursue against Seller any and all remedies available to Purchaser, at law or in equity, including, but not limited to specific performance. In the event this Agreement is terminated by a default of Purchaser, Seller may receive and retain the entire Deposit and pursue any and all remedies against Purchaser available to Seller at law or in equity. Neither Seller nor Purchaser shall avail itself of any remedy granted to it hereunder based upon an alleged default of the other party, unless and until written notice of the alleged default, in reasonable detail, has been delivered to the defaulting party by the non-defaulting party and the alleged default has not been cured on or before 5:00 p.m., Chicago time, on the fifth (5th) business day next following delivery of said notice of default

15.4 **Survival**. The representations, warranties, obligations, covenants, agreements, undertakings and indemnifications of Seller and Purchaser contained herein, and any right of a party to receive funds pursuant to this Agreement, shall survive the Closing.

15.5 **Purchaser's Investigation and Inspections**. Any investigation or inspection conducted by Purchaser, or any agent or representative of Purchaser, pursuant to this Agreement, in order to verify independently Seller's satisfaction of any conditions precedent to Purchaser's Obligations hereunder or to determine whether Seller's warranties are true and accurate, shall not affect (or constitute a waiver by Purchaser of) any of Seller's Obligations hereunder or Purchaser's reliance thereon.

15.6 **Construction**. This Agreement shall not be construed more strictly against one party than against the other, merely by virtue of the fact that it may have been prepared primarily by counsel for one of the parties, it being recognized that both Purchaser and Seller have contributed substantially and materially to the preparation of this Agreement.

15.7 **Confidential Information**. The parties acknowledge that the transaction described herein (including, without limitation, the Due Diligence Materials) is of a confidential nature and shall not disclosed except to consultants, lenders, advisors, and affiliates, or as required by law. Without limitation of the foregoing, no party will make any public disclosure of the specific terms of this agreement, including, without limitation, the identity of the Purchaser hereunder, without the written consent of the other party, except as required by law.

15.8 **General**. This Agreement may be executed in any number of counterparts, each of which shall constitute an original but all of which, taken together, shall constitute but one and the same instrument. This Agreement (including all Exhibits hereto) contains the entire agreement between the parties with respect to the subject matter hereof, supersedes all prior understandings, if any, with respect thereto and may not be amended, supplemented or terminated, nor shall any Obligation hereunder or condition hereof be deemed waived, except by a written instrument to such effect signed by the party to be charged. The warranties, representations, agreements and undertakings contained herein shall not be deemed to have been

made for the benefit of any person or entity, other than the parties hereto and their permitted successors and assigns. Seller has no right to assign its rights or to delegate its duties hereunder. Captions used herein are for convenience only and shall not be used to construe the meaning of any part of this Agreement. If Seller is comprised of more than one person or entity, such persons and/or entities shall be jointly and severally liable for the obligations and liabilities of Seller hereunder.

15.9 **Headings**. The headings preceding the text of the paragraphs and subparagraphs hereof are inserted solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or effect.

15.10 **Governing Law; Parties at Interest**. This Agreement will be governed by the law of the State of Illinois, and will bind and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors, assigns and personal representatives. Notwithstanding the foregoing, Purchaser shall have no right to assign its rights or obligations under this Agreement without the prior written consent of Seller, and Seller shall have no right to assign its rights or obligations under this Agreement without the prior written consent of Purchaser. Seller hereby grants its consent to an assignment by Purchaser of this Agreement and Purchaser's rights hereunder at any time to any entity that controls, is controlled by or is under common control with, Purchaser. In no event shall Purchaser be relieved of any liability hereunder by reason of such assignment and Purchaser shall give Seller written notice of any such assignment not less than one (1) business day prior to Closing.

15.11 **Computation of Time**. In computing any period of time pursuant to this Agreement, the day of the act or event from which the designated period of time begins to run will not be included. The last day of the period so computed will be included, unless it is a Saturday, Sunday or legal holiday, in which event the period runs until the end of the next day which is not a Saturday, Sunday or such legal holiday.

15.12 **Recording**. A memorandum of this Agreement, at Purchaser's option, shall not be recorded in the Recorder's Office in the county where the Land is located.

15.13 **Time of the Essence**. All times, wherever specified herein for the performance by Seller or Purchaser of their respective obligations hereunder, are of the essence of this Agreement.

15.14 **WAIVER OF TRIAL BY JURY**. SELLER AND PURCHASER, TO THE EXTENT THEY MAY LEGALLY DO SO, HEREBY EXPRESSLY WAIVE ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION, CAUSE OF ACTION, OR PROCEEDING ARISING UNDER OR WITH RESPECT TO THIS AGREEMENT, OR IN ANY WAY CONNECTED WITH, OR RELATED TO, OR INCIDENTAL TO, THE DEALINGS OF THE PARTIES HERETO WITH RESPECT TO THIS AGREEMENT OR THE TRANSACTIONS RELATED HERETO OR THERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND IRRESPECTIVE OF WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE. TO THE EXTENT THEY MAY LEGALLY DO SO, SELLER AND PURCHASER HEREBY AGREE THAT ANY SUCH CLAIM, DEMAND, ACTION, CAUSE OF ACTION, OR PROCEEDING SHALL BE DECIDED BY A COURT

TRIAL WITHOUT A JURY AND THAT ANY PARTY HERETO MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE OTHER PARTY OR PARTIES HERETO TO WAIVER OF ITS OR THEIR RIGHT TO TRIAL BY JURY. THE PROVISIONS OF THIS SECTION 14.15 SHALL SURVIVE THE CLOSING OR EARLIER TERMINATION OF THIS AGREEMENT.

15.15 **No Liability of Purchaser**. Except as expressly provided herein, Purchaser shall not assume or take subject to any liabilities or obligations of the Property, existing or accrued as of the date of Closing, and Seller shall pay the same as they mature and shall hold Purchaser harmless with respect to all thereof.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed or caused this Agreement to be executed, all as of the day and year first above written.

SELLER:

ESTHER LYON, DPM

PURCHASER:

TEC SURGICAL PROPERTIES, LLC an Illinois limited liability company

By: _____
Name: Thomas Cohen, DPM
Title: MANAGER

IN WITNESS WHEREOF, the parties hereto have executed or caused this Agreement to be executed, all as of the day and year first above written.

SELLER:

ESTHER LYON, DPM

PURCHASER:

TEC SURGICAL PROPERTIES, LLC an Illinois limited liability company

By:_____
Name:_____
Title:_____

EXHIBIT A

LAND LEGAL DESCRIPTION

Legal Description:
UNIT 1B IN BUTTERFIELD EXCHANGE OFFICE CONDOMINIUM, AS DELINEATED ON A SURVEY OF THE FOLLOWING DESCRIBED REAL ESTATE:
PARCEL 1: LOT 1 (EXCEPT FOR THAT PART TAKEN FOR HIGHWAY AND DRAINAGE PURPOSES IN CASE NO. C68-733, CIRCUIT COURT OF THE 18TH JUDICIAL CIRCUIT, PARCELS 176A AND 176B), IN LEGION'S ASSESSMENT PLAT OF PART OF THE SOUTH 1/2 OF SECTION 14, TOWNSHIP 39 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED DECEMBER 24, 1958 AS DOCUMENT NO. 907313, IN DUPAGE COUNTY, ILLINOIS
PARCEL 2: THAT PART OF THE SOUTHWEST 1/4 OF SECTION 14, TOWNSHIP 39 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED BY COMMENCING AT THE NORTHWEST CORNER OF LOT 1 IN LEGION'S ASSESSMENT PLAT ACCORDING TO THE PLAT THEREOF RECORDED DECEMBER 24, 1958 AS DOCUMENT 907313 AND RUNNING THENCE SOUTH 14 DEGREES 05 MINUTES EAST ON THE WEST LINE OF LOT 1, 196.48 FEET TO A POINT IN THE SOUTHEASTERLY LINE OF TRACT 173-A AS DESCRIBED IN CONDEMNATION CASE C64-933 FOR A POINT OF BEGINNING; THENCE CONTINUING SOUTH 14 DEGREES 05 MINUTES EAST ON SAID WEST LINE AND WEST LINE, IF EXTENDED SOUTH OF LOT 1, 295.87 FEET TO THE CENTER LINE OF A 150.0 FOOT DRAINAGE EASEMENT DESCRIBED AS TRACT 173-B IN SAID CONDEMNATION; THENCE NORTH 76 DEGREES 13 MINUTES 03 SECONDS WEST, ON SAID CENTER LINE OF EASEMENT, 136.46 FEET TO A POINT OF CURVE IN SAID CENTER LINE; THENCE CONTINUING NORTHWESTERLY, ON SAID CENTER LINE, ON A CURVE TO THE RIGHT AND HAVING A RADIUS OF 339.37 FEET AN ARC DISTANCE OF 169.94 FEET (THE CHORD OF SAID CURVE BEARING NORTH 61 DEGREES 52 MINUTES 19 SECONDS WEST, A DISTANCE OF 168.17 FEET) TO THE INTERSECTION OF SAID CENTER LINE WITH THE SOUTHEASTERLY LINE OF SAID TRACT 173-A; THENCE NORTHEASTERLY ON SAID SOUTHEASTERLY LINE, ON A CURVE TO THE RIGHT HAVING A RADIUS OF 2325.0 FEET AN ARC DISTANCE OF 272.75 FEET (THE CHORD OF SAID CURVE BEARING NORTH 50 DEGREES 0 MINUTES 31 SECONDS EAST, A DISTANCE OF 272.60 FEET) TO THE POINT OF BEGINNING, IN DUPAGE COUNTY, ILLINOIS;

WHICH SURVEY IS ATTACHED AS EXHIBIT "C" TO THE DECLARATION OF CONDOMINIUM RECORDED DECEMBER 4, 1984 AS DOCUMENT R84-97595, AS AMENDED BY FIRST AMENDMENT TO DECLARATION OF CONDOMINIUM RECORDED MAY 21, 1997 AS DOCUMENT R97-072239, TOGETHER WITH ITS UNDIVIDED PERCENTAGE INTEREST IN THE COMMON ELEMENTS

Address: 340 W. Butterfield Road, Elmhurst, IL 60126

ATTACHMENT 7

EXHIBIT B

CONTRACTS

EXHIBIT C

Litigation Claims

None

ATTACHMENT 7

EXHIBIT D

DUE DILIGENCE MATERIALS

1. Copies of real estate tax bills and special assessments (if any and payments status for the preceding two (2) full calendar years;

2. Copies of leases and all amendments if any; licenses or other agreements related to the use and occupancy of the Property;

3. All unrecorded covenants, conditions, restrictions and casements, and documents affecting title to or use of the Property as outlined in the Title Commitment in Seller's possession or reasonable control;

4. Statements of any and all expenses related to the Property for the preceding two (2) full calendar years;

5. All studies and reports in the possession or reasonable control of Seller, including those relating to environmental status, soil tests, and any other information regarding the environmental and sod conditions;

6. Copies of all written citations from any governmental entities including those pertaining to any uncured violations of any applicable laws, codes or compliance of same;

7. All building plans, including any architectural plans, studies and specifications that may have been developed for the Property;

8. Copies of all service contracts and management agreements, warranties or guarantees, licenses and permits;

9. A listing of all equipment and other personal property owned or leased by Seller located on or used in the operations or maintenance of the Property;

10. Surveys of the Property; and

11. All documents or descriptions of any pending or anticipated litigation.

12. To the extent title to the real property is being held in a trust, provide true and correct copies of the trust agreement and all amendments.

EXHIBIT E

LICENSES AND PERMITS

[To be inserted]

EXHIBIT F

FORM OF EARNEST MONEY ESCROW INSTRUCTIONS

[To be inserted]

EMSC CONTRACT SCHEDULE 1.2

Additional Excluded Assets

1. All personal property, fixtures and real estate located at or related to the Wood Dale Practice, Cary Practice and Warrenville Practice.

EMSC
ASSET PURCHASE AGREEMENT

This EMSC Asset Purchase Agreement (the "Agreement"), dated _____ ___, 2014 (the "***Execution Date***"), is by and among River North Surgical Suites, Inc. an Illinois corporation, or its nominee ("***Buyer***"), Lyon Foot and Ankle Clinic, P.C. ("***Seller***") and Esther Lyon, D.P.M., the owner of Seller ("***Owner***").

Recitals:

WHEREAS, Seller owns and operates a podiatry practice with an office at 6 East St. Charles Road, Lombard, Illinois, 60148 (the "***Lombard Practice***");

WHEREAS, Seller additionally owns and operates a podiatry practice with a principal office at 1590 Weatherstone Lane, #1, Elgin, Illinois 60123 ("***Elgin Practice***");

WHEREAS, Seller and Buyer have heretofore entered into an Asset Purchase Agreement dated _____, 2014 for the purchase and sale of the Seller's assets involving the Lombard Practice and the Elgin Practice;

WHEREAS, Seller additionally owns and operates an ambulatory outpatient surgi-care facility located at 340 W. Butterfield Road, Elmhurst, Illinois 60126 ("***EMSC Practice***");

WHEREAS, Seller is wholly owned by Owner, a podiatrist, licensed to practice in Illinois;

WHEREAS, Buyer desires to purchase and Seller desires to sell substantially all of its assets related to the EMSC Practice (referred to herein as the "***Business***"), including the goodwill of the Business, as more fully described herein, upon and subject to the terms and conditions contained in this Agreement;

WHEREAS, Seller additionally owns and operates a podiatry practice with offices in Wood Dale, Illinois ("***Wood Dale Practice***") and Cary, Illinois ("***Cary Practice***") and Warrenville, Illinois ("***Warrenville Practice***");

WHEREAS, Buyer is not purchasing and Seller is not selling any of Seller's assets relating to the Wood Dale Practice, Cary Practice and Warrenville Practice;

WHEREAS, at the Closing (as defined herein), Seller will transfer substantially all of its assets associated with the Business, and certain liabilities described herein, to the Buyer in exchange for the Purchase Price (as defined herein), all on the terms and conditions hereinafter set forth;

WHEREAS, as a condition precedent to Closing, Seller and Buyer must satisfy certain conditions as described in this Agreement;

WHEREAS, Owner owns the real property in which the EMSC Practice operates and Owner and TEC Surgical Properties, LLC, an Illinois limited liability company and an affiliate of Buyer, have simultaneously entered into a Real Estate Purchase Agreement for the purchase and sale of 340 W. Butterfield Road, Elmhurst, Illinois, 60126 ("***EMRE PSA***"), which EMRE

ATTACHMENT 7

RE PSA is attached hereto as Exhibit ____ and must close at the same time as this Agreement, which closing is contingent upon and a condition to the closing of this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual representations, warranties and covenants of the parties hereinafter set forth, the parties agree as follows:

1. PURCHASE AND SALE OF ASSETS

1.1. **Purchase and Sale of Assets.** Subject to the terms and conditions of this Agreement, at the Closing, Seller shall sell, transfer, convey, assign and deliver to Buyer and Buyer shall purchase, acquire and accept from Seller on the Closing Date substantially all of the assets comprising the Business owned and operated by such Seller, (the "***Purchased Assets***"), including, without limitation the following:

(a) all of the tangible personal property owned by Seller with respect to the operation of the Business, including all equipment, furniture, fixtures, machinery, office furnishings, leasehold improvements and inventories of supplies, drugs and other disposables and consumables related to the operation of the Business as set forth on Schedule 1.1(a) hereto (the "***Personal Property***"). Schedule 1.1(a) also sets forth the current book value of the Personal Property;

(b) each contract set forth on Schedule 4.16(b) (the "***Contracts***");

(c) all documents, including all patient files and records and documents related to such patient files and records, medical charts, operating manuals, files and computer software with respect to the operation of the Business;

(d) all of Seller's rights, to the extent assignable or transferable, to the Certificate of Need, all licenses, provider numbers, permits, approvals, certificates of need, certificates of exemption, franchises, accreditations and registrations and other governmental licenses, permits or approvals issued to Seller with respect to the operation of the Business;

(e) all patient, customer and/or referral lists;

(f) the names, symbols and telephone number 630-495-1240 used with respect to the operation of the Business;

(g) the website www.lyonfootandankleclinic.net and the assumed name "Lyon Foot and Ankle Clinic";

(h) all insurance proceeds arising in connection with property damage to the Purchased Assets occurring after the Execution Date, to the extent not expended on the repair or restoration of the Purchased Assets; and

(i) all goodwill with respect to the operation of the Business and the other Purchased Assets together with the exclusive right of the Buyer to represent itself as carrying on the Business in succession to such Seller.

1.2. **Excluded Assets.** The Purchased Assets shall not include, and Seller shall retain all right and title to the following assets (the "***Excluded Assets***"):

(a) any accounts receivable of Seller;

(b) any cash or cash equivalents in Seller's accounts on the Closing Date; and

(c) the excluded assets specifically listed in Schedule 1.2, including but not limited to, the Wood Dale Practice, Cary Practice and Warrenville Practice.

1.3. **Assumed Liabilities.** On the Closing Date, Seller shall assign and Buyer shall assume and agree to discharge from and after the Closing Date the following liabilities and obligations of such Seller and no other liability or obligation of (the "***Assumed Liabilities***"):

(a) the liabilities and obligations of Seller specifically listed on Schedule 1.3(a);

(b) any liabilities arising after the Closing Date from the Contracts listed on Schedule 4.16(b) other than liabilities or obligations arising out of such Seller's breach of any Contract prior to the Effective Time, as herein defined; and

1.4. **Excluded Liabilities.** Except as provided in Section 1.3 above with respect to the Assumed Liabilities, Buyer shall not assume or become responsible for any of Seller's duties, obligations or liabilities, whether known or unknown, fixed or contingent or arising from contract, tort or otherwise (the "***Excluded Liabilities***"). The Excluded Liabilities shall include, without limitation:

(a) any accounts payable of Seller;

(b) all liabilities of Seller to or for the benefit of employees of the Business arising prior to the Effective Time, including, without limitation, vacation, sick, bonus or severance pay, benefit plan contributions or liabilities and payroll taxes other than as specifically included in the Assumed Liabilities; and

(c) any other liabilities of Seller or Owner.

1.5. **Risk of Loss.** The risk of loss or damage to any of the Purchased Assets shall remain with the Seller until the Effective Time.

1.6. **Prorations and Invoice Adjustments.**

(a) Buyer and Seller shall prorate, as of the Closing Date of the sale of the Lombard practice and the Elgin practice ("Lombard Closing Date"), all real estate and personal property lease payments, real estate and personal property taxes, utilities charges or assessments and amounts due for invoices related to a contract identified in Schedule 4. In addition, in the event that Seller has prepaid invoices relating to any Contract, Seller shall schedule such amounts prior to Closing, and Buyer and Seller shall equitably prorate such amounts at Closing as they relate to benefits to be received by Buyer or Seller, as applicable. All such amounts not scheduled and prorated at Closing will be deemed Excluded Liabilities which are retained by Seller.

(b) With respect to invoices received by any party after the Lombard Closing Date that relates to a Contract (other than any prepaid invoice referenced in Section 1.6(a) above), to the extent that such invoice relates to pre- and post-Closing items, Buyer and Seller shall together equitably prorate at Closing and as of the Lombard Closing Date such amounts to as

they relate to benefits to be received by Buyer or the Seller, as applicable, with Buyer and Seller each being responsible for their respective portions of such invoices.

(c) With respect to any invoice relating to a Contract set forth on Schedule 4.16(b), regardless of when such invoice is received, Buyer shall notify Seller to the extent that Buyer contends Seller owes payment on the invoice and Buyer and Seller shall equitably determine which amounts are owed by Seller and which amounts are owed by Buyer.

(d) Seller shall retain sole responsibility for the payment of any invoices related to any Excluded Liability.

1.7. **Satisfaction of Certain Indebtedness.** At the Closing, Seller shall pay, or cause to be paid as a direct disbursement from Buyer from the Purchase Price, the amounts set forth on Schedule 1.7 to the applicable creditors such that the assets pursuant to such leases can be transferred to Buyer free and clear of any liens or obligations.

2. PURCHASE PRICE AND DOCUMENT ESCROW

2.1. **EMSC Purchase Price.** The purchase price ("***EMSC Purchase Price***") for the EMSC Practice Purchased Assets shall be Nine Hundred Seventy-Five Thousand Dollars and 00/100 ($975,000.00) payable at Closing subject to adjustment in accordance with Section 1.6 hereof, as follows:

(a) The sum of Seventy-Five Thousand Dollars and 00/100 ($75,000.00) has been paid by Buyer to Seller, as and for the Earnest Money deposit to be held by Seller's counsel, Sullivan Hincks & Conway, two (2) business days next following the execution of this Agreement; and

(b) The balance of the EMSC Purchase Price in the amount of Nine Hundred Thousand Dollars and 00/100 ($900,000.00), plus or minus based on prorations, payable by check at closing.

2.2. **Allocation of Purchase Price.** Buyer, Seller and the Owner shall allocate the Purchase Price among the Purchased Assets as set forth on Schedule 2.2.

2.3. **Document Escrow.** On the Execution Date, concurrent with the signing of this Agreement, Owner and Seller shall execute an Independent Contractor's Agreement. The Independent Contractor's Agreement shall not be effective until the occurrence of the Closing.

3. CLOSING

3.1. **Closing.** The closing ("***Closing***") of the sale and purchase of the Purchased Assets shall take place at the offices of the Title Insurance Company issuing the title insurance policy for the EMRE PSA on **[_____ ___, 2014]**, or at such other time as shall be agreed upon by all the parties hereto (the "***Closing Date***") which shall occur upon:

(a) Thirty (30) days next following the approval of the Illinois Health Facilities Planning Board ("IHFPB") of a certificate of exemption transferring the Seller's Certificate of Need to Buyer, together with all necessary approvals from the Illinois Department of Public Health ("IDPH") to operate an Ambulatory Outpatient Surgery Center at the EMSC Practice site.

The Closing shall be effective as of 12:01 a.m., local time, on the Closing Date (the "***Effective Time***").

3.2. **Obligations of the Parties at the Closing.**

(a) At the Closing, Buyer shall deliver to Seller:

(i) EMSC Purchase Price as specified in Section 2.1;

(ii) a certified copy of Buyer's Articles of Incorporation and a certified copy of Buyer's Secretary certifying that the Buyer's board of directors and shareholders have authorized the execution delivery and performance of this Agreement and the other documents referred to herein to be executed by Buyer, and the consummation of the transactions contemplated hereby;

(iii) a certificate of Buyer certifying as to the accuracy of the representations and warranties of Buyer at and as of the Closing and that Buyer has performed or complied with all of the covenants, agreements, terms, provisions and conditions to be performed or complied with by Buyer at or before the Closing; and

(iv) an Assignment and Assumption Agreement in the form attached hereto as Exhibit 3.2(a)(iii);

(v) such other certificates and documents as either Seller or its counsel may reasonably request;

(vi) verification that Buyer has secured the issuance or transfer of the matter described in Section 3.1(a); and

(vii) a mutually agreed closing statement describing the disbursement of the Purchase Price, including any direct disbursements to be made pursuant to Section 1.7.

(b) At the Closing, Seller and Owner will deliver to Buyer:

(i) a certified copy of the articles of incorporation or organization, as applicable, of Seller;

(ii) a certificate of the Secretary of Seller certifying that the board of directors and shareholders have authorized the execution, delivery and performance of this Agreement and the other documents referred to herein to be executed by Seller, and the consummation of the transactions contemplated hereby;

(iii) a certificate of Seller certifying as to the accuracy of Seller's representations and warranties at and as of the Closing and that it has performed or complied with all of the covenants, agreements, terms, provisions and conditions to be performed or complied with by such Seller at or before the Closing;

(iv) all records and financial data requested by Buyer, including but not limited to any lists of patients and referral sources relevant to the continuation of the Business by Seller;

(v) a certificate of Owner certifying as to the accuracy of Owner's representations and warranties at and as of the Closing Date and that he has performed or complied with all of the covenants, agreements, terms, provisions and conditions to be performed or complied with by him at or before the Closing Date;

(vi) an Assignment and Assumption Agreement in the form attached hereto as Exhibit 3.2(a)(iii)

(vii) any necessary third-party consents for each of the Contracts or governmental licenses or permits as set forth on Schedule 4.14;

(viii) the Bill of Sale, in the form attached hereto as Exhibit 3.2(b)(viii), duly executed by Seller;

(ix) an updated claims history showing at a minimum open, closed and reserved incidents and claims involving Seller, the Owner, and/or the Business during the previous five (5) years prior to the Closing Date or since the date of opening of the Business, if sooner (the "**Claims Histories**"), dated no more than five (5) days prior to the Closing Date;

(x) a mutually agreed closing statement describing the disbursement of the Purchase Price, including any direct disbursements to be made pursuant to Section 1.7; and

(xi) such other certificates, consents, assurances and documents as Buyer or its counsel may reasonably request.

4. REPRESENTATIONS AND WARRANTIES BY SELLERS AND OWNER

Seller and Owner herein represent and warrant, jointly and severally, to Buyer as of the Execution Date and the Closing Date as follows:

4.1. Organization and Authorization.

(a) (i) Seller is an Illinois professional service corporation, validly existing and in good standing under the laws of the State of Illinois with full power and authority to conduct its business as now conducted and to own, lease or operate its properties and assets as now owned, leased or operated, (ii) Seller has full power and corporate authority to enter into this Agreement and perform its obligations hereunder and carry out the transactions contemplated hereby.

4.2. **No Violation.** The execution and delivery of this Agreement by Seller does not, and the consummation of the transactions contemplated hereby will not, (a) violate any provision of, or result in the creation of any lien or security interest under, any contract or agreement to which Seller is a party or by which any of Seller's assets or properties are bound; (b) violate any provision of the articles of incorporation, bylaws, or other governing documents of Seller; (c) violate any order, arbitration award, judgment, writ, injunction, decree, statute, rule or regulation applicable to Seller; or (d) violate any other contractual or legal obligation or restriction to which such Seller is subject.

4.3. **Financial Statements.** Seller shall make available to Buyer for Buyer's review (1) true and complete copies of Sellers' Tax Returns for 2011, 2012 and 2013, (2) Profit and Loss

Statements for 2011, 2012 and 2013, (3) a balance sheet as of December 31, 2013, (4) Profit and Loss Statement for January 1, 2014 through the last day of the month preceding the month in which the Closing is scheduled (the "***Interim Financial Statement Date***"), and (5) such other financial statements as may reasonably be requested by Buyer for Buyer's review prior to the Closing, The Financial Statements have been prepared from the books and records of Seller (which are true and correct in all respects to the best of Seller's knowledge). Seller acknowledges that Buyer relied upon the financial information set forth in the Financial Statements in order to determine the consideration paid under Article 2 hereof.

4.4. **Ownership of Purchased Assets.** Seller owns and possesses and has good and marketable title to all of the Purchased Assets, free and clear of all mortgages, pledges, liens, security interests, conditional sale agreements, defects, charges, encumbrances and rights of third parties, and no conditions exist which could give rise to any such mortgage, pledge, lien, security interest, defect, charge, encumbrance on, or right of any such third party to, the Purchased Assets.

(a) Schedule 1.1(a) contains an accurate and complete description of the Personal Property. All of the Personal Property is in good working condition and repair, normal wear and tear excepted. Schedule 1.1(a) also sets forth the current book value of the Personal Property.

(b) Intentionally deleted.

(c) Intentionally deleted.

(d) Seller shall purge the assets purchased hereunder, including, but not limited to, the patient data from Seller's records and information technology systems remaining that solely involve the Wood Dale Practice, Warrenville Practice and the Cary Practice.

4.5. **No Liabilities or Adverse Conditions.** Owner has reported all incidents, claims and potential claims to his existing malpractice insurance carrier, and (iii) Buyer has been provided with the Claims Histories.

4.6. **Absence of Certain Changes.** Except as set forth on Schedule 4.6, since the Interim Financial Statement Date, with respect to the Business, Seller has not:

(a) suffered any material casualty loss (whether or not insured);

(b) made any change in its business or operations or in the manner of conducting its business, other than changes in the ordinary course of business;

(c) incurred any material obligations or liabilities (whether absolute, accrued, contingent or otherwise and whether due or to become due), including entering into any contract or agreement; except as necessary to carry on day to day operations of the Business;

(d) Intentionally deleted;

(e) written off as uncollectible any notes or accounts receivable or any portion thereof, except for immaterial write-offs made in the ordinary course of business consistent with past practice;

(f) canceled any other debts or claims, or waived any rights, of substantial value;

(g) sold, transferred or conveyed any of its properties or assets, except in the ordinary course of business consistent with past practice;

(h) made any capital expenditures or commitments in excess of $10,000 in the aggregate for replacements or additions to property, plant, equipment or intangible capital assets;

(i) declared, paid or made or set aside for payment of, any distribution of shares in respect of its outstanding shares other than distributions made in the ordinary course of business consistent with past practice, or directly or indirectly redeemed, purchased or otherwise acquired any of its shares;

(j) made any change in any method of accounting or accounting practice;

(k) hired any new employees; or

(l) granted any increase in the compensation of any officer, employee or agent of Seller who performs services for or on behalf of the Business, (including without limitation any increase pursuant to any bonus, pension, profit sharing or other plan or commitment), or adopted any such plan or other arrangement; and no such increase or the adoption of any such plan or arrangement, is planned or required.

4.7. **Taxes.** (i) Seller has filed all federal, state and local tax returns required to be filed by it and has paid or made provision for the payment of all taxes and assessments, and (ii) Seller has not signed any extension agreement with any taxing authority and knows of no open matters for any prior periods.

4.8. **Litigation.** (i) Schedule 4.8 sets forth a true and accurate description of all claims, litigation, investigations or proceedings ("***Litigation***") relating to the Business and its operations initiated since January 1, 2007, and (ii) Seller is not subject to any judgment, order, decree or other governmental restriction applicable to Seller or its assets, including the Purchased Assets, which would be material to the Purchased Assets or the Business.

4.9. **Compliance with Laws; Regulatory Compliance.** Seller and Owner are and each has at all times been in compliance with all applicable statutes, rules, regulations, orders, ordinances, judgments, decrees and requirements of all federal, state and local commissions, boards, bureaus and agencies having jurisdiction over Seller and the operations of Seller and over Owner (collectively, "***Laws***"). Further, Seller has not received any notice of, or notice of any investigation of, a possible violation of any applicable Laws, or any other Law or requirement relating to or affecting the operations of the Business. Seller has not received a notice from the regulatory authorities which enforce the statutory or regulatory provisions in respect to either the Medicare or Medicaid program of any pending or threatened investigations. To the best of Seller's knowledge, Seller has timely filed, accurately and completely, all reports, returns, data and other information required by federal, state, municipal or other governmental authorities which control, directly or indirectly, any of Seller's activities required to be filed with any commissions, boards, bureaus and agencies and has paid all sums heretofore due with respect to such reports and returns.

4.10. **Licenses.** Seller has all required licenses, permits, certificates, authorizations and agreements needed for the ownership and efficient operation of the Business, all of which are in full force and effect and are listed on Schedule 4.10. To the best of Seller's knowledge, no act or

omission has occurred on or before the date hereof which would subject Seller or the Business to any fine or penalty or the suspension, withdrawal, cancellation, termination or revocation of any license, permit, certificate, authorization or agreement. To the best of Seller's knowledge, Seller is presently in substantial compliance with all the terms, conditions and provisions of such licenses, permits, certificates, authorizations and agreements.

4.11. **Billing Practices; Medicare and Medicaid.**

(a) Seller's billing practices are in compliance in all respects with all federal and state laws (including all workers' compensation and insurance laws and regulations), and, where applicable, all contracts with insurance companies, health maintenance organizations and other third party payors.

(b) Intentionally deleted.

(c) Seller and Owner are qualified for participation in each of the Medicare and Medicaid program. Complete and accurate copies of Seller's existing Medicare and Medicaid contracts for the Business have been furnished or made available to Buyer. Seller and Owner are presently in compliance in all material respects with all of the terms, conditions and provisions of all such contracts.

4.12. **Reports and Returns.** To the best of Seller's knowledge, all reports and returns heretofore required by federal, state or municipal authorities with respect to the operations of the Business have been filed and all sums heretofore due to any such governmental authorities have been paid.

4.13. **Employees**. A schedule setting forth the names and titles of all employees of Seller and the annual rate of compensation (showing any base, any bonuses and total compensation) being paid to each such employee as of the Execution Date is attached as Schedule 4.13. To the best of Seller's knowledge, Seller has complied in all material respects with all applicable Laws concerning the employer-employee relationship and with all contracts relating to the employment of Seller's employees, including, but not limited to applicable wage and hour laws, the Fair Labor Standards Act, safety laws, worker compensation laws, unemployment, anti-discrimination and harassment laws, ERISA, Title VII, ADEA and social security laws. Except as set forth on Schedule 4.16(a) hereof, Seller has no independent contractor arrangement(s) with any physicians or other health professionals, or any non-clinicians to provide services on behalf of Seller or use space within the Premises, as defined in Section 4.22 hereof.

4.14. **Consents and Approvals.** Except as required by the CON process, Seller represents that no consent, approval or authorization of any governmental authority or other third party is necessary for the authorization, execution and performance of this Agreement by Seller or for the continued operation and governmental reimbursement of the Business following the consummation of the transactions contemplated hereby.

4.15. **Pension and Benefit Plans.**

(a) Seller has disclosed to Buyer each and every employment agreement, severance, bonus, deferred compensation, defined benefit pension, equity based plan, welfare plan (including any employee health plan), fringe benefit plan, cafeteria plan or other salary reduction agreement, profit sharing, defined contribution retirement plan (such as a plan under Section 401(k) of the Internal Revenue Code of 1986, as amended (the "Code")), any arrangement or

practice and each other agreement of Seller, whether formal or informal, whether legally binding or not and whether affecting one or more of its employees who perform services for or on behalf of the Business; Schedule 4.15 contains an exhaustive list of all such benefit plans of Seller (the items disclosed on Schedule 4.15 shall be referred to herein as the "***Benefit Plans***"). Copies of each Benefit Plan have heretofore been delivered to Buyer.

(b) Seller has no commitment, whether formal or informal, and whether legally binding or not (i) to create any additional such agreement, plan, arrangement or practice; (ii) to modify or change any such agreement, arrangement, plan or practice; or (iii) to maintain for any period of time any such agreement, arrangement, plan or practice, except as described on Schedule 4.15 or as may be decided by the parties to this Agreement.

4.16. **Contracts.**

(a) Schedule 4.16(a) is a complete and accurate list of all contracts related to the Business. Each contract is in full force and effect and is the valid and binding obligation of Seller and each other party thereto. There have been no threatened cancellations of any contract and there are no outstanding disputes under any contract. Seller is unaware of any breach of any provision thereof and to the best of Seller's knowledge, there does not exist any default by Seller or any other party thereto, under any contract. Seller is aware of no event that has occurred which is, or with the giving of notice or the passage of time or both would become, a breach or default under the material terms of any contract.

(b) Schedule 4.16(b) lists all contracts that will be assigned to Buyer (each, a "***Contract***" and collectively the "***Contracts***").

4.17. **Insurance Policies.** Certificates of insurance evidencing any insurance coverage currently maintained by Seller have been provided to Buyer prior to Closing. Neither Seller nor Owner is in default regarding the provisions of any such insurance or has failed to file any notice or to present any claim thereunder in a timely fashion in accordance with the requirements of such policies.

4.18. **No Broker's Fees.** Excepting Monica Daniel with Wilmon Properties, Inc., which broker shall be solely paid by Seller, neither Buyer nor Seller have done anything to cause or incur any liability or obligation for investment banking, brokerage, finder's, agent's or other fees, commissions, expenses or charges in connection with the negotiation, preparation, execution or performance of this Agreement or the consummation of the transactions contemplated hereby, and neither Buyer nor Seller know of no claim by anyone other than the above for such a fee, commission, expense or charge.

4.19. **Full Disclosure.** Neither this Agreement, nor any schedule, exhibit, list, certificate or other instrument or document delivered to Buyer pursuant to this Agreement by or on behalf of Seller, contains any untrue statement of a material fact or omits to state any material fact required to be stated herein or therein or necessary to make the statements, representations or warranties and information contained herein or therein not misleading. Seller has not withheld from Buyer disclosure of any event, condition or fact which Seller knows, or has reasonable grounds to know, may materially adversely affect the Purchased Assets or the operations of the Business.

4.20. **Affiliate Transactions.** Excluding ordinary course distributions to its equity holders, and regular and periodic payments made by Seller to Owner for rental of the Business premises,

Seller warrants that there are no transactions involving the transfer of any cash, property or rights to or from Seller from, to or for the benefit of any affiliate or former affiliate of Seller or any other contracts or agreements with any affiliates ("***Affiliate Transactions***") during the period commencing two (2) years prior to the date hereof and continuing through the Closing Date or any existing commitments of Seller to engage in the future in any Affiliate Transactions.

4.21. **Real Property.** All agreements to which Seller is a party which relate to the EMSC Property, including but not limited to leases and subleases, have been provided to Buyer. Schedule 4.21 sets forth a true and complete description of all real property used in connection with the Business (the "***Premises***"). Seller and Buyer have entered into the EMRE PSA relative to the Premises, which transaction shall close simultaneous with the closing of this Agreement.

5. REPRESENTATIONS AND WARRANTIES OF OWNER

Owner represents and warrants as follows:

5.1. **Authority.** Subject to the approval of IDPH and IHFPB, Owner has full authority to enter into and carry out the provisions of this Agreement, and this Agreement, when executed, will constitute a valid and binding legal obligation enforceable against her in accordance with its terms.

5.2. **No Violation.** The execution and delivery of this Agreement by Owner does not, and the consummation of the transactions contemplated hereby will not (a) violate any provision of, or result in the creation of any lien or security interest under, any contract or agreement to which Owner is a party or by which any of Owner's assets or properties are bound; (b) violate any provision of the articles of incorporation or bylaws of Seller; (c) violate any order, arbitration award, judgment, writ, injunction, decree, statute, rule or regulation applicable to Owner; or (d) violate any other contractual or legal obligation or restriction to which Owner is subject.

5.3. **Ownership of Seller.** Owner constitutes the sole shareholder of Seller.

5.4. **No Broker's Fees.** Excepting the broker referenced in Section 4.19, Owner has not done anything to cause or incur any liability or obligation for investment banking, brokerage, finder's, agent's or other fees, commissions, expenses or charges in connection with the negotiation, preparation, execution or performance of this agreement or the consummation of the transactions contemplated hereby, and Owner does not know of any claim by anyone for such a fee, commission, expense or charge.

5.5. **Competitive Relationships.** To Owner's knowledge, Owner currently is not a party to any relationship that would violate the provisions of Section 7.7 hereof.

6. REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants as follows:

6.1. **Organization.** Buyer is an Illinois professional corporation, duly organized, validly existing and in good standing under the laws of the State of Illinois. Buyer has full power and authority to carry on its business as now conducted and to own, lease or operate its properties and assets as now owned, leased or operated.

6.2. **Authorization.** Buyer has full power and authority to enter into this Agreement and perform its obligations hereunder and carry out the transactions contemplated hereby. The execution, delivery and performance by Buyer of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized and approved by all necessary corporate action. This Agreement, when executed, will constitute a legal, valid and binding obligation of Buyer enforceable against it in accordance with its terms.

6.3. **No Violation.** The execution and delivery of this Agreement by Buyer does not, and the consummation of the transactions contemplated hereby will not, (a) violate any provision of, or result in the creation of any lien or security interest under, any material contract or agreement to which Buyer is a party or by which any of Buyer's assets or properties are bound; (b) violate any provision of the articles of incorporation or bylaws of Buyer; (c) violate any order, arbitration award, judgment, writ, injunction, decree, statute, rule or regulation applicable to Buyer; or (d) violate any other contractual or legal obligation or restriction to which Buyer is subject.

6.4. **Licensed Podiatrist.** Buyer's sole shareholder is a licensed podiatrist lawfully permitted to own the Business and acknowledges the responsibilities to maintain patient confidentialities in accordance with applicable statutory and professional requirements.

6.5. **CON.** Buyer shall use all reasonable and necessary efforts to secure approval from the IHGBB of a certificate of exemption transferring Seller's CON to Buyer together with all necessary approvals from the IDPH to operate an Ambulatory Outpatient Surgery Center at the EMSC Practice site.

7. COVENANTS AND AGREEMENTS OF SELLER AND OWNER

Seller and Owner further covenant and agree that from the Execution Date until the Closing, and thereafter if so specified, they will fulfill the following covenants and agreements unless otherwise consented to by Buyer in writing:

7.1. **Access; Further Assurances.**

(a) Seller will accord to Buyer, its counsel, accountants and other representatives, from the date hereof and at any time up to the Closing, full access to all of the properties, books, contracts, commitments, financial information and records of the Business, and will furnish Buyer during such period with all such information concerning the business and operations of the Business, as Buyer reasonably may request.

(b) At any time and from time to time after the Closing, at Buyer's request and without further consideration, Seller will execute and deliver such other instruments of sale, transfer, conveyance, assignment and delivery and confirmation and take such action as Buyer may reasonably deem necessary or desirable in order more effectively to transfer, convey and assign to Buyer and to confirm Buyer's title to, the Purchased Assets, and to assist Buyer in exercising all rights and enjoying all benefits with respect thereto.

(c) Seller shall remove from the Business Premises all paper charts greater than seven (7) years old.

7.2. **Confidentiality.** In the event the transactions contemplated by this Agreement are not consummated for any reason, each of the parties shall destroy or promptly will return to the other

parties all records and information provided and the parties will treat all such records and information as confidential.

7.3. **Conduct of Business Pending the Closing.** From the date hereof until the Closing, and except as otherwise consented to by Buyer in writing, Seller shall not:

(a) take any action described in Section 4.6;

(b) fail to maintain in effect adequate insurance coverage of the Purchased Assets; or

(c) fail to use its best efforts to (i) maintain the Purchased Assets in their present condition, (ii) comply with all applicable laws, rules and regulations of governmental agencies or authorities, and (iii) operate its business in the manner necessary to maintain the goodwill of its patients and physicians and its reputation.

7.4. **Consents.** Seller and Owner and Buyer shall jointly use their best efforts to obtain the consents, provide the notices, and obtain all necessary approvals and authorizations as a condition to the Closing.

7.5. **Notice of Adverse Change.** Seller will advise Buyer in writing of (a) any material adverse change in the Purchased Assets, (b) any breach or change in a representation or warranty set forth herein after the date of this Agreement to the Closing Date, or (c) any reported action which results in a change to the Claims Histories; provided, however, such notice shall not absolve such Seller or Owner of any liability or obligation herein.

7.6. **Prohibited Actions Prior to the Closing Date.** From the date hereof until the Closing Date, and except as otherwise consented to by Buyer in writing, Owner, shall not, and will cause his employees, agents and affiliates not to take any of the following actions: (i) solicit, initiate, or encourage the submission of any proposal or offer from any person relating to the acquisition of any shares or other securities, or any portion of the assets, of Seller (including any acquisition structured as a merger, consolidation, or stock exchange), (ii) participate in any discussions or negotiations regarding, furnish any information with respect to, assist or participate in, or facilitate in any other manner any effort or attempt by any person to do or seek any of the foregoing, or (iii) syndicate, sell or otherwise attempt to sell any shares or other securities in Seller. Owner agrees that he will notify Buyer immediately if any third party makes any proposal, offer, inquiry, or contact with respect to any of the foregoing.

7.7. **Non-Competition.** Owner agrees that during the "***Restricted Period***," as herein defined, Owner shall not, directly or indirectly, alone or as a partner, shareholder, agent, owner, employee, independent contractor or otherwise, work for, be or become associated with, establish a practice, practice podiatric medicine, engage in the practice of medicine (including as an attending physician at any hospital) or provide any professional services within ten (10) miles of the Business or the EMSC Practice (the "***Restricted Area***"). "***Restricted Period***" means during the three (3) year period following the Effective Date.

7.8. **Non-Solicitation.** Owner agrees that during the Restricted Period, Owner shall not directly or indirectly, on her behalf, or as a principal, partner, shareholder, officer, employee, agent, consultant, specialist, director or trustee of any person, partnership, firm or corporation:

(i) attempt to solicit or solicit Lyon Foot and Ankle Clinic, P.C., or EMSC patients, to terminate, curtail or restrict the relationship with Lyon Foot and Ankle Clinic, P.C. or Chicago Podiatric Surgeons, PC; or

(ii) attempt to solicit or solicit any person employed or contracted by Lyon Foot and Ankle Clinic, P.C. or EMSC to leave their employment or not fulfill their contractual responsibility, whether or not the employment or contract is full-time or temporary, pursuant to a written or oral agreement, or for a determined period or at will; or

(iii) attempt to solicit or solicit any physician or other person, partnership, firm or corporation which has referred patients to Lyon Foot and Ankle Clinic, P.C. or Esther Lyon, DPM or EMSC, within the period of three years prior to the closing date.

7.9. **Property of the Business**. All memoranda, notes, lists, records and other documentation or papers (and all copies thereof), including such items stored in computer memories, or microfiche or by any other means related to the Business and the Purchased Assets, which will become the Buyer's property (after the consummation of transactions contemplated by this Agreement), are and shall be the Buyer's property after Closing and shall be delivered to the Buyer promptly on the request of Buyer.

7.10. **Blue-Pencil.** If any court of competent jurisdiction shall at any time deem the term of this Agreement or any particular restrictive covenant contained in this Article 7 too lengthy or the territory too extensive, the other provisions of this Article 7 shall nevertheless stand.

7.11. **Remedies**. Owner agrees that the time span, scope and geographic area covered by this Section are reasonable to protect Buyer's legitimate and protectable business interests and that Buyer would suffer irreparable harm if this Section were violated. Owner further acknowledges that the enforcement of these restrictions will not prevent Owner from obtaining other positions, or otherwise interfere with Owner's ability to earn a living for Owner, the members of Owner's family and those dependent upon Owner and to maintain a standard of living to which Owner and they have become accustomed. If, however, a court determines that any provision of this Section is unreasonably broad, such provision shall not be declared automatically invalid but rather shall be modified or revised in accordance with Section 7.10 of this Agreement. Notwithstanding anything contained herein to the contrary, Owner shall be allowed to provide in-home care to the patients listed on Schedule 7.7 within the Restricted Area during the Restricted Period. Seller and Owner acknowledges and agrees that the covenants set forth in this Article 7 are reasonable and necessary for the protection of Buyer and its business interests, that irreparable injury will result if Seller or Owner breaches any of the terms of said restrictive covenants, and that in the event of actual or threatened breach of any such restrictive covenants, Buyer will have no adequate remedy at law. Seller and Owner accordingly agrees that in the event of any actual or threatened breach by any of them of any of the covenants set forth in this Article 7, Buyer may be entitled to immediate temporary injunctive and other equitable relief, without bond and without the necessity of showing actual monetary damages, subject to hearing as soon thereafter as possible. Nothing contained herein shall be construed as prohibiting Buyer from pursuing any other remedies available to it for such breach or threatened breach, including the recovery of any damages which it is able to prove. Owner further recognizes and acknowledges that the ascertainment of damages in the event of a breach of Section 7.7 or 7.8 would be difficult, and agree that Buyer, in addition to all other remedies it may have, shall have the right to injunctive relief if there is such a breach.

7.12. **Assignment.** Seller and Owner agree that the rights granted in this Article 7 to Buyer may be assigned by Buyer solely to an affiliated entity with common ownership with the Buyer at its sole and absolute discretion. All of the provisions of this Article 7 shall inure to any successors of Buyer, all of which are specifically third party beneficiaries of this Article 7 with full rights hereunder. In addition, the parties hereto agree that an assignee of the rights hereunder is an intended, direct third party beneficiary of Article 7 and may enforce such rights in its own name in addition to or in lieu of Buyer.

7.13. Intentionally deleted.

7.14. **Patient Freedom.** The parties hereto agree that the benefits afforded either party hereunder are not payment for, and are not in any way contingent upon the referral, admission or any other arrangement for, the provision of any item or service offered by any party hereto. Nothing in this Agreement shall be construed to limit the freedom of any patient of Seller or Owner to choose the facility or physician from whom any patient shall receive health care services or limit or interfere with either Seller's or Owner's ability to exercise professional judgment in treating patients or their ability to provide medical services to patients.

7.15. **Lease Terminations.** Owner and Seller, as applicable, shall cause the landlord at the Premises to enter into a Lease Termination related to such Premises, to be effective as of the Closing, in a form reasonably agreeable to Buyer at least thirty (30) days prior to Closing.

7.16. Intentionally deleted.

7.17. **Post-Closing A/R Collection.** Following the Closing, neither Seller nor any of Seller's employees or agents, nor Owner will utilize any Buyer resources for the purpose of winding-down the affairs of Seller or collecting the accounts receivable of such Seller. Resources of the Buyer include, but are not limited to, any real property leased by Buyer, any computer equipment owned by Buyer, and any employees of Buyer. Notwithstanding the foregoing, Seller and/or Owner may utilize the services of Sarah Espino outside of Ms. Espino's regular work hours to assist in processing payments received for services provided by Seller and/or Owner prior to Closing. All checks or other payments received by the Buyer in payment of accounts receivable due to the Seller as of the date of Closing shall be immediately turned over to the Seller in the form in which they are received. The Seller shall have the right to endorse the name "Lyon Foot & Ankle Clinic" on all such checks and other proceeds and deposit such payments in a bank account maintained in Seller's own name. Any payments received by the Buyer after the Closing Date from or on behalf of patients who are indebted to the Seller for services provided prior to the Closing Date shall first be applied in satisfaction of such debts to the Seller, even though such patients are also indebted to Purchaser for services rendered after the Closing Date. Each party shall have the right to audit such collections for a period of six months after the Closing Date by being granted reasonable access to the other's books and records solely for such purpose.

8. COVENANTS AND AGREEMENTS OF BUYER

Buyer further covenants and agrees that from the Execution Date until the Closing, unless otherwise consented to by Seller in writing, it will fulfill the following covenants and agreements:

8.1. **Confidentiality.**

(a) In the event the transactions contemplated by this Agreement are not consummated for any reason, Buyer shall destroy or promptly will return to Seller all records and information provided to Buyer from such Seller, and Buyer will treat all such records and information as confidential.

(b) Except as otherwise required by law, Buyer will not disclose at any time to any other person not an employee of Buyer or Seller (or a person otherwise involved in the carrying out of the transactions contemplated by this Agreement), nor make any public announcement of, the transactions or terms of the transactions contemplated by this Agreement.

8.2. **Employee Benefits.** Buyer shall not assume any responsibility with regard to any Benefit Plan of Seller.

8.3. **Letters to Patients.** On the date of Closing, Buyer agrees to deliver to patients a letter signed by Seller addressed to all patients of the EMSC Practice for whom Seller has provided treatment during the past twelve (12) months in a form attached hereto as Exhibit 8.3.

8.4. **Bulk Sales Notice.** Buyer will provide to Seller a completed CBS-1 Notice of Sale, Purchase, or Transfer of Business Assets no later than twenty-one (21) days prior to the Closing Date to enable Seller to submit such form to the Illinois Department of Revenue.

9. CONDITIONS TO BUYER'S OBLIGATIONS

Buyer shall not be obligated to consummate the transactions contemplated hereby, unless each of the following conditions is fulfilled or performed (unless expressly waived in writing by Buyer) prior to or at the Closing:

9.1. **Compliance.** The representations and warranties made by Seller and Owner in this Agreement and the statements contained in the Schedules attached hereto or in any instrument, list, certificate or writing delivered by Seller or Owner pursuant to this Agreement shall be true and accurate in all material respects (except where qualified by materiality, in which case they shall be true and accurate in all respects) when made and at and as of the time of the Closing as though such representations and warranties were made at and as of the Closing.

9.2. **Performance by Sellers and Owner.** Seller and Owner shall have performed and complied with all covenants, agreements, obligations and conditions required by this Agreement to be so complied with or performed by each of them.

9.3. **Delivery of Documents.** Seller and Owner shall have delivered to Buyer the certificates, instruments and other documents required to be delivered by each of them pursuant to Section 3.2(b).

9.4. **No Material Adverse Change.** No material adverse change in Seller, the Purchased Assets or the business or operations of the Business shall have occurred since the date of this Agreement.

9.5. **Litigation.** No Litigation shall be pending or threatened which challenges or seeks to challenge, or which could prevent or cause the rescission of, the consummation of the transactions contemplated hereby.

9.6. **Due Diligence.** Buyer shall have completed to Buyer's satisfaction a customary due diligence review including, but not limited to, a billing and coding audit, the Inventory Valuation and other operational, compliance and regulatory issues, on or before April 31, 2014, or this condition shall be waived.

10. CONDITIONS TO SELLERS' AND OWNER'S OBLIGATIONS

Seller shall not be obligated to consummate the transactions contemplated hereby unless each of the following conditions is fulfilled or performed (unless expressly waived in writing by Seller) prior to or at the Closing:

10.1. **Compliance.** The representations and warranties made by Buyer in this Agreement and the statements contained in the Schedules attached hereto or in any instrument, list, certificate or writing delivered by Buyer pursuant to this Agreement shall be true and accurate in all material respects (except where qualified by a materiality qualifier, in which case they shall be true and accurate in all respects) when made and at and as of the time of the Closing as though such representations and warranties were made at and as of the Closing.

10.2. **Performance by Buyer.** Buyer shall have performed and complied with all agreements, obligations and conditions required by this Agreement to be so complied with or performed by Buyer.

10.3. **Delivery of Documents**. Buyer shall have delivered to Seller and Owner the certificates, instruments and other documents required to be delivered by Buyer pursuant to Section 3.2(a).

10.4. **Litigation.** No Litigation shall be pending or threatened which challenges or seeks to challenge, or which could prevent or cause the rescission of, the consummation of the transactions contemplated hereby.

11. INDEMNIFICATION

11.1. **Indemnification by Seller and Owner.** Seller and Owner, jointly and severally, hereby agree to defend, indemnify and hold harmless Buyer and shall reimburse Buyer for, from and against each claim, loss, liability, cost and expense (including without limitation interest, penalties, costs of preparation and investigation, and the reasonable fees, disbursements and expenses of attorneys, accountants and other professional advisors) (collectively, "Losses"), directly or indirectly relating to, resulting from, arising out of or incidental to:

(a) any untrue representation, misrepresentation, breach of warranty or non-fulfillment of any covenant, agreement or other obligation by or of any Seller or Owner contained herein, any Schedule hereto or in any certificate, document or instrument delivered to Buyer pursuant hereto;

(b) the Excluded Liabilities;

(c) the Excluded Assets;

(d) any tax liability of Seller or the Business not previously paid, which may at any time be asserted or assessed against Seller or the Business for any event or period prior to the Effective Time (regardless of whether the possibility of the assertion or assessment of any such tax liability shall have been disclosed to Buyer at or prior to the Closing);

(e) any liability for any amounts owed by Seller or the Business to any governmental third party or private payors because of overpayments to Seller or the Business prior to the Closing for services rendered to patients, which liability is due to a recomputation of rates, field audit adjustments, overpayments, improper billing practices or otherwise;

(f) any liability associated with the operation of the Business prior to the Closing Date;

(g) the qualification, maintenance, administration, funding or termination of any Benefit Plan before and after the Closing Date, including the obligation to comply with the requirements of any applicable law, including but not limited to ERISA, the Code and HIPAA;

(h) any claims, suits, actions or proceedings against or involving any Benefit Plan or the benefits provided thereunder; and

(i) any tax liabilities and/or penalties concerning any Benefit Plan, including but not limited to adjustments of amounts claimed as deductions for any taxable years.

Without limiting the generality of the foregoing provisions of this Section 11.1, with respect to the measurement of damages, Buyer shall have the right to be put in the same financial position as it would have been in had the representations and warranties of the Seller and Owner been true and correct, had each of the covenants of the Seller and Owner been performed in full, and had Seller and Owner paid, discharged and performed all of its liabilities and obligations.

11.2. **Indemnification by Buyer.** Buyer hereby agrees to defend, indemnify and hold harmless Seller and Owner, and shall reimburse Seller and Owner for, from and against each claim, loss, liability, cost and expense (including without limitation interest, penalties, costs of preparation and investigation, and the reasonable fees, disbursements and expenses of attorneys, accountants and other professional advisors) (collectively, "***Losses***"), directly or indirectly relating to, resulting from, arising out of or incidental to:

(a) any untrue representation, misrepresentation, breach of warranty of nonfulfillment of any covenant, agreement or other obligation by or of any Seller or Owner contained herein, any Schedule hereto or in any certificate, document or instrument delivered to Buyer pursuant hereto.

(b) the Assumed Liabilities;

(c) the Purchased Assets;

(d) any tax liability of Buyer or the Business or EMSC, which may at any time be asserted or assessed against Seller or the Lombard Business for any event or period after the Effective Time;

(e) any liability for any amounts owed by Buyer or the Business or EMSC to any governmental third party or private payors because of overpayments to Seller or the Lombard Business after the Closing for services rendered to patients, which liability is due to a recomputation or rates, field audit adjustments, overpayments, improper billing practices or otherwise;

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(f) any liability associated with the operation of the Business or EMSC after the Effective Time;

(g) any liability associated with the acquisition and/or use of patient records (including any claim for failure to maintain the confidentiality of such records), or otherwise arising out of the Buyer's practice of medicine at the Business or EMSC from the Closing Date forward.

Without limiting the generality of the foregoing provisions of this Section 11.2, with respect to the measurement of damages, Seller and Owner shall have the right to be put in the same financial position as it would have been in had the representations and warranties of the Buyer been true and correct, had each of the covenants of the Buyer been performed in full, and had Buyer paid, discharged and performed all of its liabilities and obligations.

11.3. **Procedure.** The indemnified party shall promptly notify the indemnifying party of any claim, demand, action or proceeding for which indemnification will be sought under Sections 11.1 or 11.2 of this Agreement, and, if such claim, demand, action or proceeding is a third party claim, demand, action or proceeding, the indemnifying party will have the right at its expense to assume the defense thereof using counsel reasonably acceptable to the indemnified party. If the indemnifying party does not affirmatively, and in writing, assume the defense, the indemnified shall be free to defend and bill costs if such defense shall be borne by the indemnifying party. The indemnified party shall have the right to participate, at its own expense, with respect to any such third party claim, demand, action or proceeding for which the indemnifying party assumes the defense. In connection with any such third party claim, demand, action or proceeding, Buyer and Seller and Owner shall cooperate with each other and provide each other with access to relevant books and records in their possession. No such third party claim, demand, action or proceeding shall be settled without the prior written consent of the indemnified party. If a firm written offer is made to settle any such third party claim, demand, action or proceeding and the indemnifying party proposes to accept such settlement and the indemnified party refuses to consent to such settlement, then: (i) the indemnifying party shall be excused from, and the indemnified party shall be solely responsible for, all further defense of such third party claim, demand, action or proceeding; and (ii) the maximum liability of the indemnifying party relating to such third party claim, demand, action or proceeding shall be the amount of the proposed settlement if the amount thereafter recovered from the indemnified party on such third party claim, demand, action or proceeding is greater than the amount of the proposed settlement, which consent shall not be unreasonably delayed.

12. SURVIVAL OF REPRESENTATIONS AND WARRANTIES

12.1. **Survival of Representations and Warranties.** The representations and warranties contained herein shall survive the Closing Date and any investigation made by or on behalf of any party hereto, and shall survive for a period of thirty-six (36) months after the Closing Date, except that losses resulting from fraud or intentional misrepresentation or omission of material fact or breaches of representations and warranties contained in Sections 4.1, 4.2(b), 4.3, 4.4, 4.7, 4.9, 4.10, 4.11, 4.15, 4.17 and 4.19 shall survive for the longer of (i) thirty-six (36) months after the Closing Date or (ii) until the expiration of the applicable statute of limitations.

12.2. **Remedies Cumulative.** The remedies provided herein shall be cumulative and shall not preclude the assertion by any party hereto of any other rights or the seeking of any other remedies against the other party hereto.

13. TERMINATION OF AGREEMENT

13.1. **Termination.** This Agreement may be terminated at any time prior to the Closing:

(a) by mutual agreement of Seller and Buyer;

(b) by Buyer, if there has been a material violation or breach by Seller or Owner of any of the agreements, representations or warranties contained in this Agreement which has not been waived in writing. In such event, Buyer agrees to provide Seller and Owner written notice of such alleged material violation and breach and thirty (30) days to cure such violation or breach;

(c) by Seller, if there has been a material violation or breach by Buyer of any of the agreements, representations or warranties contained in this Agreement which has not been waived in writing;

(d) by Buyer by giving written notice to Seller if the Closing shall not have occurred on or before November 1, 2014 by reason of the failure of any condition precedent under Article 9 hereof (unless the failure results primarily from Buyer itself breaching any representation, warranty, or covenant contained in this Agreement). In such event, Buyer agrees to provide Seller and Owner written notice of such alleged material violation and breach and thirty (30) days to cure such violation or breach;

(e) by Seller by giving written notice to Buyer if the Closing shall not have occurred on or before November 1, 2014 by reason of the failure of any condition precedent under Article 10 hereof (unless the failure results primarily from Seller or Owner breaching any representation, warranty, or covenant contained in this Agreement);or

(f) by either Buyer, on the one hand, or Seller, on the other hand, if the other makes an assignment for the benefit of creditors, files a voluntary petition in bankruptcy or seeks or consents to any reorganization or similar relief under any present or future bankruptcy act or similar law, or is adjudicated a bankrupt or insolvent, or if a third party commences any bankruptcy, insolvency, reorganization or similar proceeding involving the other.

14. MISCELLANEOUS

14.1. **Expenses.** All fees and expenses incurred by Seller and Owner, including without limitation legal fees and expenses, in connection with this Agreement, will be borne by Seller and Owner and all fees and expenses incurred by Buyer, including without limitation legal fees and expenses, in connection with this Agreement will be borne by Buyer.

14.2. **Assignability; Parties in Interest.**

(a) Buyer may assign any or all of its rights hereunder to any affiliate or any direct or indirect subsidiary of Buyer, and Buyer shall advise Seller of any such assignment and shall designate such party as the assignee and transferee of the Purchased Assets. Any such assignee shall assume all of Buyer's duties, obligations and undertakings hereunder.

(b) Seller and Owner may not assign, transfer or otherwise dispose of any of their respective rights hereunder without the prior written consent of Buyer.

(c) All the terms and provisions of this Agreement shall be binding upon, shall inure to the benefit of and shall be enforceable by the respective heirs, successors, assigns and legal or personal representatives of the parties hereto.

14.3. **Consented Assignment.** Anything contained herein to the contrary notwithstanding, this Agreement shall not constitute an agreement to assign any claim, right, contract, license, lease, commitment, sales order or purchase order if an attempted assignment thereof without the consent of the other Party thereto would constitute a breach thereof or in any material way affect the rights of Seller, as appropriate, thereunder, unless such consent is obtained. If such consent is not obtained, or if an attempted assignment would be ineffective or would materially affect the rights of Seller thereunder so that Buyer would not in fact receive all such rights, the parties shall cooperate in any reasonable arrangement designed to provide for the parties the benefits under any such claim, right, contract, license, lease, commitment, sales order or purchase order, including, without limitation, enforcement of any and all rights of Seller, against the other party or parties thereto arising out of the breach or cancellation by such other party or otherwise.

14.4. **Entire Agreement; Amendments; Waiver.** This Agreement, including the exhibits, Schedules, lists and other documents and writings referred to herein or delivered pursuant hereto, which form a part hereof, contains the entire understanding of the parties with respect to its subject matter. There are no restrictions, agreements, promises, warranties, covenants or undertakings other than those expressly set forth herein or therein. This Agreement supersedes all prior agreements and understandings between the parties with respect to its subject matter. This Agreement may be amended only by a written instrument duly executed by all parties or their respective heirs, successors, assigns or legal personal representatives. Any condition to a party's obligations hereunder may be waived but only by a written instrument signed by the party entitled to the benefits thereof. The failure or delay of any party at any time or times to require performance of any provision or to exercise its rights with respect to any provision hereof, shall in no manner operate as a waiver of or affect such party's right at a later time to enforce the same.

14.5. **Severability.** The invalidity of any term or terms of this Agreement shall not affect any other term of this Agreement, which shall remain in full force and effect.

14.6. **Notices.** All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered or mailed (registered or certified mail, postage prepaid, return receipt requested, by overnight courier service or by facsimile) as follows:

If to Seller:

Lyon Foot and Ankle Clinic, P.C.
340 W. Butterfield Road
Elmhurst, IL 60126

With a copy to:

Matthew P. Barrette

Sullivan Hincks & Conway
120 W. 22nd Street, Suite 100
Oak Brook, IL 60523

If to Buyer:

River North Surgical Suites, Inc.
467 W. Erie Street
Chicago, IL 60610
Dr. Thomas Carr

With a copy to:

Robbins, Salomon & Patt, Ltd.
180 N. LaSalle Street, Suite 3300
Chicago, IL 60601
Attn: Alan J. Wolf

or to such other address as any party may have furnished to the others in writing in accordance herewith, except that notices of change of address shall only be effective upon receipt.

14.7. **Section and Other Headings.** The section and other headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

14.8. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement. Delivery of an executed counterpart by facsimile or other electronic imaging means shall be effective as an original.

14.9. **Parties in Interest.** This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns. The parties acknowledge that they have independently negotiated the provisions of this Agreement, that they have relied upon their own counsel as to matters of law and application and that neither party has relied on the other party with regard to such matters. The parties expressly agree that there shall be no presumption created as a result of either party having prepared in whole or in part any provisions of this Agreement.

14.10. **Waiver of Jury Trial.** EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHTS IT MAY HAVE TO DEMAND THAT ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT OR THE RELATIONSHIPS OF THE PARTIES HERETO BE TRIED BY JURY. THIS WAIVER EXTENDS TO ANY AND ALL RIGHTS TO DEMAND A TRIAL BY JURY ARISING FROM ANY SOURCE INCLUDING, BUT NOT LIMITED TO, THE CONSTITUTION OF THE UNITED STATES OR ANY STATE THEREIN, COMMON LAW OR ANY APPLICABLE STATUTE OR REGULATIONS. EACH PARTY HERETO ACKNOWLEDGES THAT IT IS KNOWINGLY AND VOLUNTARILY WAIVING ITS RIGHTS TO DEMAND TRIAL BY JURY.

14.11. **Applicable Law and Venue.** This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Illinois without regard to its conflict of laws rules. The parties consent that all disputes arising under the terms of this Agreement shall be brought in the state and federal courts located in Cook or DuPage County, Illinois.

15. OPERATION OF EMSC PRIOR TO CLOSING

15.1. Seller agrees that for the time period commencing on the date of the Lombard Closing and continuing through the date of Closing hereunder, Seller shall extend to Buyer and its qualifying medical practitioner employees such privileges as necessary to perform surgical services at the EMSC under the Seller's CON.

15.2. For the time period commencing on the date of the Lombard Closing and continuing through the date of Closing hereunder, Buyer agrees to pay all expenses necessary for the continuing maintenance and operation of the EMSC including but not limited to taxes, utilities, inspection costs, water service, and insurance, within 15 days of presentment of invoices for such expenses from Seller.

15.3. For the time period commencing on the date of the Lombard Closing and continuing through the date of Closing hereunder, Buyer warrants that each individual performing surgical services for patients at the EMSC shall be a licensed podiatrist or physician lawfully permitted to perform surgical services to patients and Buyer warrants that Buyer shall adhere to its responsibilities to maintain patient confidentialities in accordance with applicable statutory and professional requirements. Buyer further warrants that each such individual shall be covered under Buyer's malpractice insurance and that Buyer's malpractice insurance shall cover claims arising from services performed at the EMSC.

15.4. Buyer agrees agree to defend, indemnify and hold harmless Seller and shall reimburse Seller for, from and against each claim, loss, liability, cost and expense (including without limitation interest, penalties, costs of preparation and investigation, and the reasonable fees, disbursements and expenses of attorneys, accountants and other professional advisors) (collectively, "Losses"), directly or indirectly relating to, resulting from, arising out of or incidental to, Buyer's performance of medical services at the EMSC following the date of the Lombard Closing, all expenses incurred for the maintenance and operation of the EMSC following the date of the Lombard Closing,

IN WITNESS WHEREOF, the parties have duly executed this Asset Purchase Agreement as of the date first above written.

BUYER:

RIVER NORTH SURGICAL SUITES, INC.

By: _____
Dr. Thomas Carr
Title: President

SELLER:

LYON FOOT AND ANKLE CLINIC, S.C.

By: _____
Esther Lyon, D.P.M.
Title: President

OWNER:

_____
Esther Lyon, D.P.M.

EMSC
ASSET PURCHASE AGREEMENT

SCHEDULES & EXHIBITS

Schedule	1.1 a	Personal Property
	1.2	Excluded Assets
	1.3 a	Assumed Liabilities
	1.7	Indebtedness to be Satisfied
	2.2	Allocation of Purchase Price
	4.6	Absence of Changes
	4.8	Litigation
	4.10	Licenses
	4.15	Benefit Plans
	4.16 (a)	All Contracts
	4.16 (b)	Contracts to be Assigned to Buyer
	4.21	Real Property
Exhibit	3.2 (a) (iii)	Assignment & Assumption Agreement
	3.2 (a) (viii)	Bill of Sale
	8.3	Letters to Patients

EMSC CONTRACT SCHEDULE 1.1(a)

ATTACHMENT 7

ELMHURST MEDICAL &SURGICAL CENTER EQUIPMENT /FURNITURE LIST		
MODEL	Description	COST
LP12	Lifepak 12 Defibrillator	$ 4,375.00
LifePak	Physiocontrol Battery	$ 200.00
3180	Dyonics Light source	$ 1,200.00
DYOCAM750	Dyonics camera control unit-460P3-CCD	$ 2,500.00
Ps3500EP	Dyonics shaver control unit	$ 1,995.00
Illuminator II ABI	Dyonics light source 300XL	$ 1,200.00
D3-1233	Dyonics camera control unit-460P3-CCD	$ 2,500.00
Illuminator II ABI	Dyonics light source 300XL	$ 1,200.00
Ps3500EP	Dyonics shaver control unit	$ 1,995.00
G180	Gomco portable aspirator	$ 650.00
PST-M1980	Dyonics panasonic monitor	$ 895.00
	Dyonics 2.7mm 30 deg small joint s-mount scope with sheath and pencil tip obturator	$ 1,495.00
V1000	Esprit ventilator	$ 4,995.00
TMA57-15-2BA-142211	Transmotion battery charger (3)	$ 600.00
G180	Gomco suction unit	$ 250.00
7175	Gomco portable aspirator	$ 250.00
	dyonics video tower	$ 660.00
pvm1953MD	monitor	$ 399.00
ABI II	light source	$ -
ps3500ep	shaver box	$ -
UP5200MD	printer	$ 250.00
maxi-62	exam chair, smr	$ 300.00
r14	[redacted]	$ -
BC1200	tripplite battery backup	$ 175.00
ACUTORR2A	non-invasive blood pressure unit	$ 399.00
MRL	ecg/non invasive blood pressure unit	$ 399.00
133000	Borkel scientific warming cabinet Mo.13300 Towel Warmer	$ 300.00
3870A	Tuttenauer sterilizer unit	$ 9,000.00
na	Crash Cart unit - blue (1)	$ 750.00
	Medtronic battery charger (1)	$ 175.00
na	Medication Refrigerator (1)	$ 100.00
na	Patient Nourishment Refrigerator (1)	$ 150.00
	wheelchair (1)	$ 150.00
	Operating Room light (1)	$ 500.00
	Stainless back table (1)	$ 100.00
	Stools, brown (4)	$ 800.00
	Mayostand (1)	$ 100.00
	Mayo basin stand (1)	$ 100.00
	C-Arm Flouroscan Unit (1)	$ 32,500.00

	Dyonics video stand (2)	$	1,790.00
	Anesthesia cart, red (1)	$	1,200.00
	Garbage, stainless (1)	$	50.00
	biohazard container (2)	$	335.00
	X-ray apron holder	$	312.00
	X-ray Appron (3)	$	300.00
	Garbage (stainless o.r. bag) holder	$	40.00
	Kick bucket	$	60.00
	Sharps Holders (6)	$	192.00
	Ambu Bags 3 Resusitator Bag	$	157.00
	OFFICE ITEMS		
	Phones - (4)	$	400.00
	Computers (3 monitors/ 3 towers)	$	1,350.00
	Code Blue Call System (1)	$	-
	Copier/ Fax (Brother MFC) (1)	$	250.00
	Scanner - 1	$	850.00
	Pioneer Receiver - 1	$	350.00
	CLASSIC SERIES AUDIO SYSTEM: MODEL C60	$	275.00
	Sony CD player - 1	$	100.00
	Vertical SBX - phones	$	100.00
	Vacuum - 2	$	-
	Step ladder - 1	$	50.00
	Leviton computer rack	$	-
	Brother DCP Copier/ printer (1)	$	100.00
	Regulators (2)	$	-
Beacon Medaes	Medical Oxygen system and manifold	$	-
	Chairs, desk (4)	$	2,075.00
	Pre-op (located by the O.R.)		
	Stryker Arthroscopy cart (1)	$	-
	Transmotion chair (1)	$	6,284.00
	Narcotic Cabinet (1)	$	1,999.00
	Brown Cart, (1)	$	885.00
	Garbage, stainless (1)	$	40.00
	PACU ITEMS		
	Brown storage carts - 5	$	4,429.00

ATTACHMENT 7

	Exam lights (3)	$ 300.00
	brown stools (3)	$ 600.00
	Garbage, stainless (3)	$ 120.00
	Transmotion chairs (2)	$ 12,568.00
	Brown Nurses (high back) chair (1)	$ 600.00
	Shelving unit (1)	$ 100.00
	Patient Thermometer (1)	$ 220.00
		$ -
	Consultation Room	
	Scale (1)	$ 125.00
	Stool, Brown (1)	$ 200.00
	Garbage can, silver (1)	$ 40.00
	Stryker Arthroscopy cart for Monitor (1)	$ -
	End Table (1)	$ 880.00
	Silver Chair (1)	$ 950.00
	Patient Thermometer (1)	$ 220.00
	Lounge	
	Refrigerator (full size) (1)	$ 400.00
	Microwave (1)	$ 200.00
Hotpiont	Dishwasher (1)	$ 400.00
	Locker Room	
	lockers	$ -
	small cabinet	$ 100.00
	small seat/stool	$ 100.00
	Sterile Processing (clean/dirty)	
	Garbage, stainless (1)	$ 40.00
	Incubator - STERRAD (1)	$ 175.00
	incubator - 3m	$ 300.00
	Rack for Sterilizer (1)	$ 100.00
	Eye wash station (1)	na
NX	STERRAD (1)	$ 50,592.00

	Reception Area	
	Silver chairs (7)	$ 6,650.00
	end tables (2)	$ 1,760.00
	Large Mirror (1)	see list
	MISC	
	Vacuum Pump	$ -
	Humidifier	$ -
	Instruments	
	Large Basins (4)	$ 40.00
	MicroAire Oscillating saw w/chuck (1)	$ 499.00
	Oscillating saw (2)	$ 250.00
	Bur tip (1)	$ 750.00
	Hand pieces (2)	$
	Bone cutting forceps (4)	$ 120.00
	Kwire Cutters (4)	$ 360.00
	Kwire grabbers (6)	$
	Power Hose (6)	$
	Osteotom and mallet (2 sets)	$ 80.00
	Misc instruments (32 pieces)	$
	PF packs (2 sets)	$
	1 triangular Knife	
	1 Scissors	
	1 Freer	
	1 Elevator	

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ATTACHMENT 7

1 Hemostat	
P&A PACK (2 Sets)	
1 Blade	
1 Curette	
1 Nail cutters.	
1 Large Hemostat	
1 small hemostat	
Ankle Scope Surgical Pack (2 Sets)	
1 Blade	
1 Scissors	
1 Freer	
1 Elevator	
1 Hemostat	
1 Cannula	
Small surgical Pack (3 Sets)	$
1 Freer	
1 Needle holder	
1 Hemostat	
1 Blade holder	
1 Scissor	
Misc ankle scope instruments: 2 Cannula Sets	$
Large surgical trays (10 sets)	$
2 blade holders	
3 Small Hemostats	
1 scissor	
1 Dissecting scissors	
1 Adson Forceps	
1 Adson tissue forceps	
2 Skin Hooks	
2 Senn Retractors	
2 Needle holder	
1 large retractor	
Power pack (2 Sets)	$
1 Driver	
1 Chuck	
1 Bur Tip	
1 Hand pieces	

Total: $ 177,419.00

ATTACHMENT 7

93

EMSC CONTRACT SCHEDULE 1.2

Additional Excluded Assets

1. All personal property, fixtures and real estate located at or related to the Wood Dale Practice, Cary Practice and Warrenville Practice.

2. Cutera Laser equipment.

SCHEDULE 1.3(a)

EMSC

Assumed Liabilities

None

SCHEDULE 1.7

EMSC

Indebtedness to be Satisfied

None

ATTACHMENT 7

SCHEDULE 2.2

EMSC

Allocation of Purchase Price

ATTACHMENT 7

SCHEDULE 4.6

EMSC

Absence of Changes

ATTACHMENT 7

PICA - 3000 Meridian Blvd. Suite 400, Franklin, TN 37067

Claims History as of 3/21/2014

Insured Name: Lyon, Esther DPM

For claims reported from: 03/21/2004 to 03/21/2014

ATTACHMENT 7

Policy Number: 1PD0010859

laim#	Status	Claim Type	Coverage Type	Report Date	Loss Date	Closed Date	Total Paid Expenses + Loss Closed Files	Total Incurred Expenses + Loss Open Files
576-01	OPEN	SUIT	MPL	04/27/2010	04/04/2008			$391,567.26
782-01	OPEN	SUIT	MPL	04/06/2011	11/16/2009			$333,277.04
'05-01	CLOSED	SUIT	MPL	01/27/2012	12/18/2009	04/23/2012	$3,862.39	
Subtotal for: 1PD0010859							$3,862.39	$724,844.30

Policy Number: 1PD0010859

Term	Claim#	Status	Claim Type	Coverage Type	Report Date	Loss Date	Closed Date	Total Paid Expenses + Loss Closed Files	Total Incurred Expenses + Loss Open Files
04/01/2009-04/01/2010	14771-01	OPEN	SUIT	MPL	09/16/2009	08/24/2007			$480,917.62
04/01/2008-04/01/2009	13614-01	CLOSED	SUIT	MPL	11/14/2008	10/13/2006	10/27/2009	$6,656.39	
	13615-01	CLOSED	SUIT	MPL	11/14/2008	05/09/2007	05/06/2010	$39,742.43	
04/01/2007-04/01/2008	No Claims								
04/01/2006-04/01/2007	No Claims								
04/01/2005-04/01/2006	10327-01	CLOSED	SUIT	MPL	01/19/2006	01/13/2004	10/14/2009	$64,044.49	
04/01/2004-04/01/2005	9622-01	CLOSED	SUIT	MPL	12/15/2004	11/22/2002	05/18/2005	$1,457.00	
Subtotal for: 1PD0010859								$111,900.31	$480,917.62
Grand Total:								$115,762.70	$1,205,761.92

99

MPL = Medical Professional Liability, OPL = Office Premises Liability, BPPL = Business Premises Personal Liability

*TOTAL PAID AND INCURRED AMOUNTS INCLUDE LOSS AND LEGAL EXPENSES. Effective January 28, 2013, you will notice this is a change in how we show total paid which now includes expenses and loss reserves in addition to indemnity payments.

*The information contained in this loss run is proprietary. It is to be used by the insured and his or her insurance agent for the purpose of obtaining insurance coverage or for facility credentialing only. It is not to be given to any other party for any other purpose.

SCHEDULE 4.8

EMSC

Litigation

ATTACHMENT 7

SCHEDULE 4.10

EMSC

Licenses

ATTACHMENT 7

SCHEDULE 4.15

EMSC

Benefit Plans

ATTACHMENT 7

Farmer, Poklop, Hoppa & Company
Certified Public Accountants
Integrity. Experience. Results.

1100 S Old Rand Road
Lake Zurich , IL 60047
847-550-0516
847-550-1614 fax
www.fph-cpa.com

LETTER SENT TO ESTHER
TO EXPLAIN THE PARAMETERS
OF THE PROFIT SHARING AND
PENSION PLANS

MARCH 29, 2014

Dear Esther & Andrew:

I wanted to follow up on our discussion on the retirement accounts as it's difficult to explain all the numbers without the information in front of you, so I've enclosed the investment summaries and Participants' Equity Accounts. The markets have been very strong in 2013 and the total income for both plans comes to $107,100 for 2013. The accrued Profit Sharing contributions owed is $194,000 after a distribution made in 2013. The Profit Sharing Plan has assets held in the Oppenheimer Accounts of $502,000 and with the $194,000 added in, there is a total of $696,000 of which your balance is $676,000 with an amount of $20,000 owed to the other participants that is subject to vesting and would be $5,000 less if the distribution were made in 2014 and added to your total. The Pension Plan has assets in the Oppenheimer Accounts of $152,000 that is entirely yours. Between the two plans you would be entitled to a total of $833,000. You do not have to pay the $194,000 at one time and could pay it in installments. When you are ready to make a payment, call me so we can direct the funds to the accounts with the highest return on investment. As discussed with Andrew, you have the option of not paying the $194,000 for the Profit Sharing contribution and reporting the amount as Other Income through the corporation and paying the tax on it next year which would come to about $87,000 for the state and federal taxes. Please feel free to call me to discuss this further. I'm trying to simplify this as much as possible, but I know sometimes it can be confusing.

Thanks,

Carey Dolitsky

Carey B. Dolitsky C.P.A.

ATTACHMENT 7

LYON FOOT & ANKLE CLINIC
PROFIT SHARING PLAN
2013

DESCRIPTION	BALANCE '12-31-12	INCREASE (DECREASE) IN VALUE	BALANCE 12-31-13	RETURN ON INVSTMT
GLOBAL FUND CLASS A	132,179.72	35,387.78	167,567.50	26.77%
GLOBAL STRATEGIC INCOME FUND A	79,145.65	-287.57	78,858.08	-0.36%
LIMITED TERM GOVERNMENT FUND A	62,938.89	50.13	62,989.02	0.08%
RISING DIVIDENDS FUND A	59,245.99	16,210.74	75,456.73	27.36%
MAIN STREET FUND A	36,846.77	11,623.70	48,470.47	31.54%
DISCOVERY FUND A	26,883.67	12,397.25	39,280.92	46.11%
LIMITED TERM GOVERNMENT FUND C	9,846.94	-71.09	9,775.85	-0.72%
COMMODITY STRATEGY FUND	8,307.44	-835.97	7,471.47	-10.06%
CAPITAL APPRECIATION FUND C	7,787.91	2,199.71	9,987.62	28.25%
DISCOVERY FUND C	1,444.82	649.52	2,094.34	44.97%
TOTAL MARKET VALUE	424,627.80	77,324.20	501,952.00	18.21%
ADD: 2009 CONTRIBUTION			53,171.00	
ADD: 2010 CONTRIBUTION			53,192.00	
ADD: 2011 CONTRIBUTION			62,085.00	
ADD: 2012 CONTRIBUTION ($57,158 - $31,606)			25,552.00	
TOTAL MARKET VALUE + CONTRIBUTIONS			695,952.00	

ATTACHMENT 7

LYON FOOT & ANKLE CLINIC
PROFIT SHARING PLAN
2013

PARTICIPANT	BALANCE 12/31/2012	ALLOCATED INCOME	ALLOCATED FORFEITURES	BALANCE 12/31/2013	VESTED DISTRIBUTION
DR. ESTHER LYON	599,075	75,179	1,746	676,000	676,000
ANDREA WALKER	10,014	1,255	29	11,298	10,014
SARAHI ESPITA	6,253	784	19	7,056	4,234
BERNICE ARAIZA	1,535	59	4	1,598	639
JACKIE WILLIAMS	1,798	-0-	(1,798)	-0-	-0-
TOTAL	618,675	77,277	-0-	695,952	690,887

ATTACHMENT 7

LYON FOOT & ANKLE CLINIC
PENSION PLAN
2013

DESCRIPTION	BALANCE '12-31-12	INCREASE (DECREASE) IN VALUE	BALANCE 12-31-13	RETURN ON INVSTMT
GLOBAL FUND CLASS A	29,587.25	7,921.25	37,508.50	26.77%
RISING DIVIDENDS FUND A	26,059.84	7,130.42	33,190.26	27.36%
MAIN STREET FUND A	17,103.41	5,395.45	22,498.86	31.55%
LIMITED TERM GOVERNMENT FUND A	16,998.19	13.54	17,011.73	0.07%
DISCOVERY FUND CLASS A	16,247.11	7,492.26	23,739.37	46.12%
GLOBAL STRATEGIC INCOME FUND A	11,897.69	-43.18	11,854.51	-0.36%
DISCOVERY FUND CLASS A	2,802.81	1,260.51	4,063.32	44.97%
CAPITAL APPRECIATION FUND C	2,147.14	606.31	2,753.45	28.23%
TOTAL MARKET VALUE	122,843.44	29,776.56	152,620.00	24.24%

ATTACHMENT 7

SCHEDULE 4.16(a)

EMSC

All Contracts

ATTACHMENT 7

Terms and Conditions

By entering into an OFFICITE Service Agreement ("Service Agreement") and obtaining the right to use the Services (as hereinafter defined) provided by OFFICITE, LLC ("OFFICITE") the Customer executing the Service Agreement ("Customer") agrees to be bound by the following Terms and Conditions of Service ("Terms and Conditions"). For the purposes of these Terms and Conditions, "Services" means all services in connection with the design, development, maintenance and hosting by OFFICITE of a web site on the World Wide Web in accordance with the information provided, e-mail and other Service Options selected by Customer in the Service Agreement ("Customer's Web Site").

1. Applicability, Modification

1.1 These Terms and Conditions shall apply to Services provided by OFFICITE to Customer under the Service Agreement or any other agreement between OFFICITE and Customer, to the exclusion of any terms and conditions specified by Customer on a purchase order, acknowledgement, payment, or other document or form.

1.2 No modification of these Terms and Conditions shall be effective unless agreed in writing by OFFICITE. These Terms and Conditions may be amended by OFFICITE by giving at least 30 days advance notice to Customer by e-mail or regular mail. By using the Services following the effective date of the modification, Customer shall be deemed to have accepted the amendment. A copy of the most current Terms and Conditions will also be available at www.officite.com/satc.

2. Services, License

2.1 OFFICITE will design, develop, maintain and host Customer's Web Site in accordance with the information provided in the Service Agreement and the Service Options selected by Customer. Unless otherwise requested by Customer and to the extent permitted by the domain name registrar, Officite will register the Customer's domain names (URLs) in the name of the Customer as the registrant (or such other name as the Customer shall specify), with Officite as the contact for billing, technical and administrative matters.

2.2 Customer will be offered upgrades, enhancements, technical assistance or other support services when and as they are offered by OFFICITE to its customers generally, provided the scope, type, availability, fees and other terms applicable thereto will be at the sole discretion of OFFICITE. OFFICITE may provide and Customer agrees to receive notification of additional OFFICITE offered products and services via email communication. CUSTOMER may elect to discontinue email notifications at any time through the opt-out facility provided on each email notification.

2.3 OFFICITE hereby grants Customer a personal, non-transferable nonexclusive, limited license to use Customer's Web Site for Customer's internal business purposes in accordance with these Terms and Conditions (the "License").

2.4 Customer may not sublicense, assign, or transfer the License, and any attempt to do so shall be void and with no effect.

3. Fees

3.1 Fees for Services, including without limitation setup fees for Customer's Web Site, recurring fees for maintenance and hosting of Customer's Web Site and other fees for Service Options, are set forth in the Service Agreement. All maintenance fees, hosting fees and other recurring fees are subject to change from time to time by OFFICITE giving at least 30 days advance notice to Customer by e-mail or regular mail. If Customer does not accept a fee adjustment, Customer may terminate the Service Agreement by giving written notice to OFFICITE prior to the effective date of the change.

3.2 Fees for set-up of Customer's Web Site and other one-time fees for Service Options selected on the Service Agreement will be due upon acceptance of the Service Agreement by OFFICITE unless otherwise agreed by OFFICITE.

3.3 All recurring fees, including without limitation fees for maintenance and hosting of Customer's Web Site and other Service Options, will commence and be due and payable on the first day of the applicable billing cycle (i.e. monthly, quarterly or annually). The first day of a billing cycle shall be either: (i) the start date indicated on the Service Agreement for a particular Service if the start date is the first day of a month; or (ii) the first day of the month immediately following the start date if the start date is any day other than the first day of a month. OFFICITE may, at its option, bill for a partial month from the date OFFICITE first publishes Customer's Web Site on the World Wide Web until the first day of the applicable billing cycle, based on a daily pro-ration of the applicable fee for the number of days the Service is provided. A quarterly billing cycle shall be a three month period beginning the first day of the first billing cycle and the first day of every three month period thereafter. An annual billing cycle be a one year period beginning the first day of the first billing cycle and every anniversary thereafter.

3.4 Fees for Services are to be paid by Customer's credit card identified in the Payment Options section of the Service Agreement, except annual recurring fees and set-up or other one-time fees may be paid in advance by check, at OFFICITE's option.

3.5 Customer represents, warrants and covenants that: (i) Customer will pay all fees incurred by Customer as set forth in the Service Agreement or these Terms and Conditions, including any applicable taxes; (ii) the credit card information supplied by Customer is true, correct and complete; and (iii) the fees incurred by Customer will be honored by the credit card company identified by Customer. If any charges to Customer's credit card made by OFFICITE are rejected, charged back or otherwise not processed by Customer's credit card company, or if Customer's credit card is cancelled for any reason,

Customer will provide to OFFICITE information for a substitute credit card which may be used from that point forward under the Service Agreement. If any charge for Services is more than thirty (30) days delinquent from the applicable due date, OFFICITE may, at its option, discontinue the Services including the maintenance and hosting of Customer's Web site and e-mail in accordance with OFFICITE's policies and procedures. Customer may reactivate its account and reestablish the delivery of Services within thirty (30) days after any such discontinuation by payment of all unpaid amounts owed to OFFICITE plus a $200.00 reinstatement fee.

4. Intellectual Property Rights, Ownership and Use

4.1 Except as provided in Section 4.2, all intellectual property rights in and with respect to the Services, including without limitation the rights in the libraries, photos, data, designs, forms, documents or information or other content supplied by OFFICITE (collectively the "OFFICITE Content"), as between OFFICITE and Customer, are and shall remain the property of OFFICITE. Customer's rights to use the Services and OFFICITE Content are limited to the rights granted to Customer under these Terms and Conditions. Customer does not acquire ownership rights to the OFFICITE Content or any other document or materials accessed through Customer's Web Site. The posting or availability of OFFICITE Content on Customer's Web Site does not constitute a waiver of any right of OFFICITE in such information and materials. The Services, including Customer's Web Site and the OFFICITE Content, are solely intended for the personal use of Customer in connection with its practice. As such, the License is personal and may not be sublicensed, assigned, conveyed or otherwise transferred to a third party by Customer.

4.2 Customer will own the Customer Web Site File (as hereafter defined) developed for Customer by OFFICITE under the Platinum Service Option. For the purposes of these Terms and Conditions, the "Customer Web Site File" shall mean the computer file containing executable code that, when loaded and operating on a web server utilizing a hosting environment specified by OFFICITE, produces the Web Site specifically developed by OFFICITE for Customer in conformity with the requirements and specifications supplied by Customer, provided the Customer Web Site File specifically excludes: (i) any OFFICITE Content; or (ii) any code that executes functions specific to the OFFICITE hosting environment that may be included in such file. Upon expiration or termination of this Agreement for any reason under Section 6.1, OFFICITE shall provide the Customer Web Site File to Customer. Customer acknowledges that third party software may be necessary for Customer or another service provider to host and maintain a fully functional site on the World Wide Web using the Customer Web Site File. OFFICITE shall have a non-exclusive limited license to use the Customer Web Site File in connection with the delivery of Services.

4.3 Without limiting the generality of the foregoing, the OFFICITE Content, and the organization, graphics, design, compilation, magnetic translation, digital conversion and other matters related to the OFFICITE Content and other materials used by OFFICITE in connection with the delivery of Services are protected under applicable copyright, trade secret and other intellectual property laws. In connection with its practice, Customer may

provide to Customer's patients excerpts from the OFFICITE Content. Otherwise, except as expressly permitted in these Terms and Conditions, Customer may not reproduce, publish, create derivative works from, distribute, transmit, sublicense, participate in the transfer or sale of, modify, or in any way exploit, the OFFICITE Content or other materials used in connection with the delivery of Services.

4.4 All intellectual property rights in and with respect to the photos, data, information and other content supplied by Customer for posting on Customer's Web Site ("collectively Customer Content"), as between OFFICITE and Customer, are and shall remain the property of Customer. OFFICITE shall have a non-exclusive limited license to use the Customer Content on Customer's Web Site and otherwise in connection with the delivery of Services.

4.5 OFFICITE reserves the right in its sole discretion to edit, add or delete the OFFICITE Content or any other photographs, graphics, designs or other materials appearing on Customer's Web Site.

4.6 With respect to the computer software used to deliver the Services and/or provided to Customer in connection with the Services ("Software"), the owners or licensors of the Software retain all right, title and interest, including any intellectual property rights, in and to the Software and all portions thereof, and no title to the Software, or any intellectual property rights in the Software, is transferred to Customer. Neither Customer nor any third party to is permitted to: (i) sublicense, rent, lease, sell, offer to sell, distribute, or otherwise transfer rights to any Software; (ii) copy the Software (other than as expressly provided herein); (iii) remove any proprietary markings, copyright, notices, logos, trademarks, trade names or labels on the Software and/or documentation for the Software; (iv) use any database software embedded in the Software as a general SQL server, as a stand-alone database or with applications other than the Software; (v) use any Software on any computer not controlled by Customer; or (vi) allow any third party, other than Customer's employees, agents and consultants ("Internal Users") to use the Software.

5. Hosting Requirements & Services

5.1 All information infrastructure, including servers, software and network devices shall be physically located at a data center or other site selected by OFFICITE.

5.2 A copy of the source materials for Customer's Web Site will be held in escrow by the Certified Public Accounting firm Mowery & Schoenfeld, Vernon Hills, Illinois. In the case of a Customer with the Platinum Service Option, the source materials shall consist of the Customer Web Site File. In the event Customer is not in breach of this Agreement and OFFICITE ceases to do business as a going concern for any reason, upon written request to OFFICITE and Mowery and Schoenfeld, the source materials will be made available to Customer for hosting of Customer's Web Site by Customer or another service provider. Customer acknowledges that third party software may be necessary for

Customer or another service provider to host and maintain a fully functional site on the World Wide Web using the source materials for Customer's Web Site.

5.3 OFFICITE will use reasonable commercial efforts to maintain its information technology systems, facilities and services used to deliver Services in an operational and accessible condition. OFFICITE reserves each Sunday from 12:01 AM until 6:00 AM, or other reasonable period of time selected by OFFICITE ("Maintenance Window") for maintenance activities on the systems, network or data center used to provide Services. Services provided by OFFICITE may be interrupted during some or all of the Maintenance Window. If a disruption in Services should occur (other than as a result of a force majeure event under Section 5.4), OFFICITE will use reasonable commercial efforts to remedy the situation. OFFICITE shall not be deemed to be in breach of this Agreement and Customer shall not be permitted to claim damages due to non-accessibility or disruption in Services during a Maintenance Window or as a result of a force majeure event under Section 5.4.

5.4 Any delays in or failures of delivery of Services by OFFICITE shall not be considered a breach of the Service Agreement or these Terms and Conditions if and to the extent caused by occurrences beyond the reasonable control of OFFICITE, including, but not limited to acts of God, acts, regulations or laws of any government, strikes or other concerted acts of workers, failures or delays by third parties not under the direct control of a party, fires, floods, explosions, riots, wars, rebellion and sabotage. Any time for performance hereunder shall be extended by the actual time of delay caused by such occurrence. OFFICITE shall promptly give notice to Customer of such occurrences and their cessation.

5.5 Customer agrees that it will use the Services in a lawful manner for lawful purposes and in accordance with the Service Agreement and these Terms and Conditions. Customer will comply at all times with all applicable laws and regulations. Customer is responsible for knowing what constitutes unlawful acts. Customer hereby indemnifies and holds OFFICITE harmless for any losses, claims, damages or liabilities arising out the unlawful use of the Services by Customer or any customer of Customer.

5.6 OFFICITE has the right to refuse to provide further Services for Customer if at any time it becomes apparent to OFFICITE that the Services are being utilized by Customer or a customer of Customer in a manner deemed by OFFICITE, in its sole discretion, to be unlawful, inappropriate or damaging to OFFICITE's image or reputation. Customer acknowledges and agrees that such unlawful, inappropriate or damaging use of the Services shall be a breach of this Agreement.

6. Term and Termination

6.1 The term of the Service Agreement shall be month to month. The Service Agreement may be terminated by either party giving thirty (30) days written notice to the other party. The effective date of termination shall be the last day of the calendar month in which such 30th day occurs. The prorated portion of any quarterly or annual fees previously

paid for unused Services through the date of termination shall be refunded to Customer by OFFICITE.

6.2 If requested by Customer prior to the expiration or termination of the Service Agreement, upon such expiration or termination and payment of the applicable transfer fee, OFFICITE will transfer to Customer the Universal Record Locator(s) registered in OFFICITE's name for the benefit of Customer and identified on the Service Agreement.

7. Search Engine Registration

OFFICITE will submit information concerning Customer's Web Site to one or more search engine services selected by OFFICITE. OFFICITE provides no representation or warranty, either express or implied, that Customer's Web Site will be accepted by any search engine service.

8. Customer Satisfaction

If for any reason whatsoever Customer is not completely satisfied with the Services, Customer may notify OFFICITE in writing within thirty (30) days of the execution of the Service Agreement and OFFICITE will refund any amount paid by Customer prior to the date of notification in excess of fifty percent (50%) of the set-up fees specified in the Service Agreement. Upon payment of the refund, the Services shall be discontinued and the Service Agreement terminated.

9. Trademarks

OFFICITE, OFFICITE, LLC and the OFFICITE, LLC logo are trademarks of OFFICITE. Customer's use of the Services shall not be deemed to be a grant of any right, title, license or interest in or to these trademarks.

10. Links to Other Web Sites

Customer's Web Site may contain links to, or may be accessible from, links within related or unrelated web sites and resources. OFFICITE shall not be liable for any loss, injury, claim, liability or damages of any kind arising out of or in connection with such links.

11. Disclaimers

11.1 CUSTOMER AGREES THAT OFFICITE, ITS SERVICE PROVIDERS, SUBCONTRACTORS AND THIRD PARTY LICENSORS OF SOFTWARE WILL NOT BE HELD LIABLE FOR ANY DELAYS, INACCURACIES, ERRORS OR OMISSIONS IN THE DELIVERY OF SERVICES OR THE SOFTWARE, INCLUDING WITHOUT LIMITATION FOR ANY DIRECT DAMAGES ARISING OUT OF ANY OF THE FOREGOING.

11.2 OFFICITE does not represent or endorse the accuracy or reliability of any OFFICITE Content. THE SERVICES AND SOFTWARE ARE PROVIDED ON AN "AS IS" BASIS WITHOUT WARRANTIES OF ANY KIND, WHETHER EXPRESSED, IMPLIED, STATUTORY OR OTHERWISE, INCLUDING, WITHOUT LIMITATION, THE WARRANTIES OF TITLE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS, OR THE IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. OFFICITE FURTHER MAKES NO WARRANTIES RESPECTING ANY HARM THAT MAY BE CAUSED BY THE TRANSMISSION OF A COMPUTER VIRUS, WORM, TIME BOMB, LOGIC BOMB OR OTHER SUCH COMPUTER PROGRAM. OFFICITE, ITS SERVICE PROVIDERS, SUBCONTRACTORS AND THIRD PARTY LICENSORS OF SOFTWARE DO NOT WARRANT THAT THE SOFTWARE WILL MEET ANY OR ALL OF BUYER'S OR ITS INTERNAL USERS' NEEDS OR REQUIREMENTS, THAT THE SOFTWARE WILL BE ERROR-FREE OR THAT ALL ERRORS IN THE SOFTWARE WILL BE CORRECTED OR THAT THE FUNCTIONALITY OF THE SOFTWARE WILL BE UNINTERRUPTED. CUSTOMER HEREBY ACKNOWLEDGES THAT USE OF THE SERVICES IS AT ITS SOLE RISK.

11.3 OFFICITE does not and cannot control the flow of data to or from OFFICITE'S network, the Internet or Customer's systems which are dependent upon the performance of the Internet, and/or telecommunications or other service providers. OFFICITE does not guarantee that failures of the Internet, and/or providers of telecommunications or other services will not occur. The conduct of third parties can affect Customer's access to the Internet or other telecommunications services used by Customer. Customer acknowledges that telecommunications services, circuits or associated interface equipment can be disrupted or blocked by viruses, worms or other attacks. Accordingly, there may be periods of time when Customer's access to or utilization of the Internet, telecommunications, or other services will be disrupted or blocked, or OFFICITE may be required to disable Customer's connections to the Internet or other services in order to isolate problems or defeat attacks by third parties. Furthermore, Customer acknowledges that: (i) the Internet, telecommunications and other services are not totally secure, and communications on the Internet or through telecommunications or other services may be intercepted, copied, read and/or altered without detection by anyone who gains access thereto; (ii) OFFICITE cannot guarantee the delivery or nondisclosure of such communications; and (iii) OFFICITE is a distributor of Internet services and does not have editorial control over the content of any Customer communications. For the purposes of these Terms and Conditions, the term "telecommunications" shall be deemed to include the communication of information of all forms (including without limitation voice and data) via any wired (whether metallic, fiber optic or other form of cable connection) or wireless means.

12. Liability

12.1 If for any reason OFFICITE, its service providers, subcontractors, or licensors of third party Software are held to be liable to Customer for any default or breach howsoever arising, such liability to Customer shall in no case exceed the prorated

monthly hosting fee charged by OFFICITE during the Service disruption to which the default or breach relates.

12.2 IN NO EVENT, WHETHER BASED ON CONTRACT, INDEMNITY, WARRANTY, TORT, STRICT LIABILITY OR OTHERWISE, SHALL OFFICITE, ITS SERVICE PROVIDERS, SUBCONTRACTORS AND THIRD PARTY LICENSORS OF SOFTWARE, OR ANY OF THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES OR AGENTS, BE LIABLE TO CUSTOMER OR TO ANY THIRD PARTY FOR ANY REASON, INCLUDING WITHOUT LIMITATION FOR: (I) THE SUSPENSION OR TERMINATION OF THE DELIVERY OF SERVICES BY OFFICITE UNDER SECTION 3.5, SECTION 5.3, SECTION 5.4 OR SECTION 5.6; OR (II) SPECIAL, INCIDENTAL, EXEMPLARY, INDIRECT OR CONSEQUENTIAL DAMAGES OF ANY KIND, INCLUDING WITHOUT LIMITATION INTERRUPTED BUSINESS OPERATIONS, LOST PROFITS, LOST SAVINGS, DAMAGES ARISING FROM LOSS OF CONTENT, LOSS OF USE, LOSS OF DATA OR LOST SALES, DAMAGE TO OR LOSS OF USE OF EQUIPMENT OR FACILITIES, LOSS OF SERVICES, DOWNTIME COSTS, OFFSITE STORAGE OF DATA, OR CLAIMS OF CUSTOMERS OF CUSTOMER FOR SUCH DAMAGES. CUSTOMER SHALL INDEMNIFY OFFICITE, ITS SERVICE PROVIDERS, SUBCONTRACTORS AND THIRD PARTY LICENSORS OF SOFTWARE AGAINST ANY SUCH CLAIMS FROM CUSTOMER'S CUSTOMERS. THE FOREGOING LIMITATIONS AND DISCLAIMERS SHALL APPLY WHETHER OR NOT THE POSSIBILITY OF SUCH SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES HAS BEEN DISCLOSED IN ADVANCE TO OR COULD HAVE BEEN FORESEEN BY OFFICITE, ITS SERVICE PROVIDERS AND THIRD PARTY LICENSORS OF SOFTWARE AND REGARDLESS OF WHETHER ANY REMEDY AVAILABLE TO CUSTOMER FAILS OF ITS ESSENTIAL PURPOSE.

12.3 THE CONSIDERATION TO BE RECEIVED BY OFFICITE HEREUNDER DOES NOT INCLUDE COMPENSATION FOR THE COST OF INSURING THE RISKS AND LIABILITIES DISCLAIMED BY OFFICITE. THE LIMITATIONS AND DISCLAIMERS OF OFFICITE'S OBLIGATIONS AND LIABILITIES ARE INTENDED TO APPLY TO THE FULLEST EXTENT PERMITTED BY LAW, AND THE INVALIDITY OF APPLICATION THEREOF TO ANY GIVEN CIRCUMSTANCE SHALL NOT AFFECT SUCH APPLICATION TO ANY OTHER CIRCUMSTANCE. SUCH LIMITATIONS AND DISCLAIMERS ARE INTENDED TO PREVAIL OVER ANY PROVISION IN THIS AGREEMENT TO THE CONTRARY.

12.4 Customer's Internal Users shall either: (i) be given notice of terms substantially similar to provisions of Section 11.1, Section 11.2 and Section 12.2 and be required to agree to the same by a click through procedure prior to utilizing any Services; or (ii) be required by Customer to comply with such terms as a condition of utilizing any Services.

13. Indemnification

13.1 Customer hereby agrees to indemnify, defend and hold OFFICITE, and its officers, directors, agents, vendors, licensors and subcontractors (collectively, the "Indemnified Parties") harmless from and against any and all claims, liability and costs and expenses, including, without limitation, reasonable attorneys' fees, incurred by the Indemnified Parties in connection with any claim arising out of: (i) any breach by Customer of the Service Agreement, these Terms and Conditions or any other contract between OFFICITE and Customer; (ii) claims based upon representations made by Customer; (iii) any use of the Customer's Web Site or Services; (iv) information and services provided by Customer, and (v) any and all actions, conduct or acts of omission of Customer.

13.2 Customer shall cooperate as fully and as reasonably required in the defense of any claim. OFFICITE reserves the right, at its own expense, to assume the exclusive defense and control of any matter subject to indemnification by Customer.

14. Privacy

Customer's use of the Services indicates Customer's acceptance of OFFICITE's Privacy Policy. OFFICITE's Privacy Policy provides in part that OFFICITE may disclose information about usage of Customer's Web Site and demographics pertaining thereto so long as such disclosure does not reveal users' personal identities, unless such disclosure is required to protect against violations of the Service Agreement or these Terms and Conditions, or to protect and defend OFFICITE's rights or property or the rights or property of third parties.

15. No Waiver

The failure by OFFICITE at any time or for any period to enforce any one or more of these Terms and Conditions shall not be a waiver of them or a waiver of the right to enforce the Terms and Conditions on a future occasion.

16. Law

16.1 Each of the Terms and Conditions shall be read and construed independently of each other so that if one or more is held to be unlawful it shall not affect the validity or enforceability of the remainder of the Terms and Conditions.

16.2 The Service Agreement and these Terms and Conditions shall be construed in accordance with Illinois Law without reference to choice of law provisions. Any action brought by Customer or OFFICITE to enforce the Service Agreement and these Terms and Conditions shall be brought in the Circuit Court of DuPage County, Illinois or the United States District Court for the Northern District of Illinois, Eastern Division, and the parties hereby consent to the jurisdiction of those courts for these purposes.

17. Subcontractors

OFFICITE may, in its reasonable discretion, engage one or more subcontractors in connection with the delivery of Services under the Service Agreement or to perform its obligations under these Terms and Conditions. These Terms and Conditions shall inure to the benefit of OFFICITE's subcontractors and third party licensors of Software, who shall, at all times and for all purposes to the fullest extent permitted by law, be deemed to be third party beneficiaries of the Service Agreement and these Terms and Conditions.

Primary Contact Name	Sarah Espino	ZIP Code	60148
Business Phone	(630) 802-5527	County	
Cell Phone		Email Address	esarah28@gmail.com
Pager Number		Primary Fax Number	
Technical Contact Name		Tech Contact On-Site?	No
Technical Contact Business Phone		Technical Contact Email	
Property Manager Contact Name		Property Mgr. Phone	

COMCAST BUSINESS CLASS SERVICES

	Selection (X)
Business Class Voice	
Business Class Internet	X
Business Class TV	

Service Term (Months)	36

COMCAST BUSINESS CLASS SERVICES DETAILS

Business Class Voice*

VOICE SELECTIONS	Quantity	Unit Cost	Total Cost
Full Feature Voice Lines			
Add'l. F.F. Voice Lines w/ pkg.			
4+ Lines			
Basic Lines			
Fax Lines			
Toll Free Numbers			
Equipment Fee			

VOICE OPTIONS	Selection(X)	Total Cost
Voicemail		
Directory Listing Suppression Fee		
Auto-Attendant		

* Voice offers & options not available in all markets.

Business Class Internet*

INTERNET SELECTIONS	Selection(X)	Total Cost
Starter		
Preferred		
Other Premium	X	$99.95
Equipment Fee	X	$7.00

INTERNET OPTIONS	Selection(X)	Total Cost
Microsoft Outlook Office Email	X	Included
Web Hosting - Starter	X	Included
Web Hosting - Business		
Web Hosting - Commerce		
Web Hosting - Professional		
Static IP - 1	X	$14.95
Static IP - 5		
Static IP - 13		

* Internet selections & options not available in all markets.

Business Class Packages

Package Name:
PACKAGE DESCRIPTION

Business Class TV*

TV SELECTIONS	Selection(X)	Total Cost
Basic		
Information & Entertainment		
Standard		
Preferred		
Music Choice Standalone		

TV OPTIONS	Selection	Total Cost
Sports Pack**		
Music Choice W/Business Class		
Canales Selecto		
Other Programming		
Other Programming		
Other Programming		

TV OUTLETS	Quantity	Unit Cost	Total Cost
Additional Outlets			
HD TV Box Charges			

* Not available in home offices or public view establishments. TV selections & options not available in all markets.

** Available for Information & Entertainment, Standard & Preferred TV offers only.

COMCAST BUSINESS CLASS TOTAL SERVICE CHARGES

Business Class	Selection(X)	Unit Cost	Total Cost
Installation Fee	X	$49.00	$49.00
Voice Activation Fee*			
Auto-Attendant Setup Fee			
Voice Jack Fee			
Toll Free Activation Fee			

* Per line activation fee, up to four (4) line maximum charge.

Total Monthly Service Charge	$121.90
Promotional Code (if applicable)	
Less Discount (if applicable)	$0.00

Total Installation Charges:* $49.00

* Does not include Custom Installation Fees referenced below.

Total Recurring Monthly Bill:* $121.90

* Applicable federal, state, and local taxes and fees may apply.

GENERAL SPECIAL INSTRUCTIONS

ATTACHMENT 7

Business Class Internet: Starter	2 Full Access	Transfer Existing Comcast.net Email	No
Business Class Internet: Preferred	4 Full Access	Number of Static IPs*	1
Other: Premium	8 Email boxes included		

* If 5 or 13 Static IPs are requested a STATIC IP JUSTIFICATION FORM is required.

COMCAST BUSINESS CLASS TV CONFIGURATION DETAILS

Outlet Details	Location	Outlet Type
Outlet 1 - Primary		
Outlet 2 - Additional		
Outlet 3 - Additional		
Outlet 4 - Additional		
Outlet 5 - Additional		
Outlet 6 - Additional		
Outlet 7 - Additional		
Outlet 8 - Additional		

Additional Comments:

OUTLETS 9 & UP	QUANTITY
Analog	
Digital	
HDTV	
DTA	

COMCAST BUSINESS CLASS VOICE CONFIGURATION DETAILS

Phone #	Type	Voicemail

Customer Equipment

Phone System Type (Key System, PBX, Other)

Phone System Manufacturer

Fax Machine Manufacturer

Alarm System Vendor

Point of Sale Device

Telco Closet Location

Hunt Group Configuration Details

Hunt Group Features Requested (Yes/No)

Hunt Group Configuration Type

Hunt Group Pilot Number

Toll Free #	Calling Origination Area	Associated TN

Directory Listing Details

Directory (Published, Non-Published, Unlisted)	
Directory Listing Phone Number	
Directory Listing Display Name	
DA/DL Header Text Information	

Additional Voice Details

Caller ID (Yes/No)	
Caller ID Display Name (max 15 char.)	

ATTACHMENT 7

Billing Name (3rd Party Accounts)		State	IL
Address 1	6 E SAINT CHARLES RD	ZIP Code	60148
Address 2		Billing Contact Email	esarah28@gmail.com
Billing Contact Name	Sarah Espino	Billing Contact Phone	(630) 802-5527
Tax Exempt?*	No	Billing Fax Number	

If yes, please provide and attach tax exemption certificate.

AGREEMENT

1. This Comcast Business Class Service Order Agreement sets forth the terms and conditions under which Comcast Cable Communications Management, LLC and its operating affiliates ("Comcast") will provide the Services to Customer. This Comcast Business Class Service Order Agreement consists of this document ("SOA"), the standard Comcast Business Class Terms and Conditions ("Terms and Conditions"), and any jointly executed amendments ("Amendments"), collectively referred to as the "Agreement". In the event of inconsistency among these documents, precedence will be as follows: (1) Amendments, (2) Terms and Conditions, and (3) this SOA. This Agreement shall commence and become a legally binding agreement upon Customer's execution of the SOA. The Agreement shall terminate as set forth in the Terms and Conditions (http://business.comcast.com/terms-conditions/index.aspx). All capitalized terms not defined in this SOA shall reflect the definitions given to them in the Terms and Conditions. Use of the Services is also subject to the then current High-Speed Internet for Business Acceptable Use Policy located at http://business.comcast.com/terms-conditions/index.aspx (or any successor URL), and the then current High-Speed Internet for Business Privacy Policy located at http://business.comcast.com/terms-conditions/index.aspx (or any successor URL), both of which Comcast may update from time to time.

2. Each Comcast Business Class Service ("Service") carries a 30 day money back guarantee. If within the first thirty days following Service activation Customer is not completely satisfied, Customer may cancel Service and Comcast will issue a refund for Service charges actually paid by Customer, custom installation, voice usage charges, and optional service fees excluded. In order to be eligible for the refund, Customer must cancel Service within thirty days of activation and return any Comcast-provided equipment in good working order. In no event shall the refund exceed $500.00.

3. IF CUSTOMER IS SUBSCRIBING TO COMCAST'S BUSINESS CLASS VOICE SERVICE, I ACKNOWLEDGE RECEIPT AND UNDERSTANDING OF THE E911 NOTICE:

E911 NOTICE

Comcast Business Class Voice service ("Voice") may have the E911 limitations specified below:

- In order for 911 calls to be properly directed to emergency services using Voice, Comcast must have the correct service address for the Voice Customer. If Voice is moved to a different location without Comcast's approval, 911 calls may be directed to the wrong emergency authority, may transmit the wrong address, and/or Voice (including 911) may fail altogether.

- Voice uses electrical power in the Customer's premises. If there is an electrical power outage, 911 calling may be interrupted if the battery back-up in the associated multimedia terminal adapter is not installed, fails, or is exhausted after several hours.

- Voice calls, including calls to 911, may not be completed if there is a problem with network facilities, including network congestion, network/equipment/power failure, or another technical problem.

- Comcast will need several business days to update a Customer service address in the E911 system. All change requests and questions should be directed to 1-800-391-3000. USE OF VOICE AFTER DELIVERY OF THIS DOCUMENT CONSTITUTES CUSTOMER ACKNOWLEDGEMENT OF THE E911 NOTICE ABOVE.

4. To complete a Voice order, Customer must execute a Comcast Letter or Authorization ("LOA") and submit it to Comcast, or Comcast's third party order entry integrator, as directed by Comcast.

5. New telephone numbers are subject to change prior to the install. Customers should not print their new number on stationery or cards until after the install is complete.

6. Modifications: All modifications to the Agreement, if any, must be captured in a written Amendment, executed by an authorized Comcast Senior Vice President and the Customer. All other attempts to modify the Agreement shall be void and non-binding on Comcast. Customer by signing below, agrees and accepts the Terms and Conditions of this Agreement.

CUSTOMER SIGNATURE	
By signing below, Customer agrees and accepts the Terms and Conditions of this Agreement. General Terms and Conditions can be found at http://business.comcast.com/terms-conditions/index.aspx.	
Signature:	DocuSigned by: Sarah Espino 4605D4781403400...
Print:	Sarah Espino
Title:	
Date:	2/15/2012

FOR COMCAST USE ONLY	
Sales Representative:	Christopher Hargraves
Sales Representative Code:	
Sales Manager/Director	Erin Kaighn
Sales Manager/Director	
Division:	Central
Lead ID:	4841122

ATTACHMENT 7

PITNEY BOWES GLOBAL FINANCIAL SERVICES LEASE AGREEMENT

Customer Privilege Add On

7371082 004

Your Business Information

Customer Name LOMBARD FOOT & ANKLE Tax ID # (FEIN/TIN)

Address 6 E SAINT CHARLES RD Email Address

City LOMBARD State IL Zip 60148-2302

Sales Information

Rep Name 1 Richard Howard Rep # 118951 Rep Name 2 Rep #

District Office Mid America (36) District # 036

Customer Privilege – Maintain your current Pitney Bowes Equipment

Term : 61 months Billed : Quarterly

Except as otherwise provided in this lease, all of the terms and conditions of your existing lease # 7371082/003 and all other related agreements, including the PERIODIC TOTAL payment as currently invoiced, are fully incorporated in this lease by reference, and Pitney Bowes Global Financial Services LLC, as LESSOR, agrees to lease the equipment to you under such terms and conditions. This lease shall commence on the day following the expiration date of your existing lease if this lease is entered into during your initial Lease Term or on the first day of the next billing period if this lease is entered into during your monthly renewal term. You have the right to upgrade, buyout or maintain your current position in your existing equipment if your needs change prior to five months before the commencement of this lease.

Lease Information – Add one of these 4 options to your existing lease for additional payment

☐ Binder with Supply Pak (BD50 & BDP1)	☐ Office Shredder (SH5A)	☐ Medium Duty Office Shredder (SH6A)	☐ Folder / Inserter (DI22)
List price $55/mo	List price $78/mo	List price $124/mo	List price $165/mo
YOUR PRICE $41/mo	YOUR PRICE $59/mo	YOUR PRICE $89/mo	YOUR PRICE $119/mo

Price is effective upon installation and for a period of _____months.
This is in addition to your current lease payment and is subject to the attached terms and conditions. The Solution selected above includes a Standard Service Level Agreement.

☒ I decline all of the discounted offers above and would like to keep my payment the same

Your Signature

You agree to be bound by all the terms and conditions of this Agreement, including this Order page, your existing lease terms and conditions and, for any Customer Privilege Add-on selected by checking the boxes above, those terms and conditions contained on page 2 and those located in the Pitney Bowes Terms (Version 01/11), which are available at www.pb.com/terms and are incorporated by reference. The Lease will be binding on PBGFS only after PBGFS has completed its credit and documentation approval process and an authorized PBGFS employee signs below. The Lease requires you either to provide proof of insurance or instead participate in PBGFS's equipment protection program called ValueMAX® (see paragraph L9 on page 2) for an additional fee.

Customer Signature Date 7-7-2011

Print Name Esther Uyen Title Owner

PBGFS (Lessor) Approval Salvatore Porretta Date

Equipment Vendor Pitney Bowes, Inc. for Sales and Service Call 1-800-322-8000

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ABOUT MERCHANT'S BUSINESS

PNC MERCHANT SERVICES

Bank Code: 287 Merchant ID: _____ BuyPass Merchant #: _____

☐TR ☐TU ☐New Merchant ☐ Franchise/Association ☐ Additional Outlet Tie To #: _____

DBA Name: Wood Fired Pizza (24 characters)

BANKING INFORMATION

First/Last Control Name: _____ Phone Number: ( ) _____

☐ATTACH A COPY OF FUNDING CHECK OR BANK LETTERHEAD/LOGO SIGNED BY A BANK OFFICER WITH TYPED ABA/DDA. MUST INCLUDE BANK NAME AND ADDRESS.

Sales Lead Tracking #: _____

ABA/DDA #: 071921891/1412066618 City _____ State _____ Zip _____

CHECKLIST INFORMATION

Regional Office Received Date: / / MCC: 5947 Merchant Type: ☐☐☐☐ FEL#: PN1 or Other _____

Pricing Grid #: _____ ☐Special Pricing Model ☐ Association Grid ☒Interchange # 128000004 RMFT _____ MGPT _____

Sales Support ID: PCEC Rep #: PNSC Print Sales Rep. Name: Julie Vigg Initials: JV Office Address: _____

HIERARCHY: Bank _____ Agent _____

Corp: _____ Chain _____ BuyPass PIDs: _____

CLIENT VISITATION

☐ Visit Not Required (Use Professional)

1. Zone: ☐Primary ☐Secondary ☐Industrial ☐Residential
2. Location: ☐Mall ☐Shopping Area ☐Railroad ☐Office ☐Apartment ☐Home ☐Other: _____
3. Personal Site ☐Yes, Upside to Customer: _____ Hours Open Per Week: _____ to _____
4. External Facility Description (and Levels/Floors): ☐1 ☐2-10 ☐11 plus
5. Merchant Occupies: ☐Ground Floor ☐Other: _____
6. Surrounding Area(s) Occupied by: ☐Office ☐Residential ☐Commercial ☐Combination
7. Advertising Name Displayed: ☐Window ☐Door ☐Store Front
8. Approximate Square Footage: ☐0-250 ☐251-500 ☐501-2,000 ☐2,001 plus
9. # of Registers: 1
10. Return Policy: ☐In Person ☐By Phone ☐Exchange Only ☐None
11. Do you have a refund policy for your MC/Visa/Discover sales? ☐Yes ☐No
If Yes, check all that apply: ☐Cash ☐Exchange ☐Store Credit ☐Merchandise Credit
If Merchandise Credit, what time limit do you allow for refund transactions? ☐0-9 ☐10-14 ☐15-30 ☐Over 30 days
12. Merchant's E-Mail Address: (recommended for E-Statements)
13. Proper Licenses Visible (Liquor, Tax ID, etc.)? ☐Yes ☐No
If No, explain: _____
14. Your Previous Processor: _____
15. Your Previous Merchant Number: _____
16. Check Reason for Changing: ☐Rate ☐Service ☐Terminated ☐Other: _____
17. Do You Have Previous Processor MC/Visa/Discover Statements? ☐Yes ☐No
18. Are customers required to leave a deposit? ☐Yes ☐No If Yes, % of sale required: _____ %
Time Frame for Delivery: _____ Days

Comments to Credit Officer/Other Dependency/Primary Business Account Number and Additional Information:

(40 Characters): _____

MAIL STATEMENTS/DOCUMENTS

Merchant Report Information: 01 = Detail, or (check one) 02 = Mail to 5th Tie/Top Receipt 07 = Suppress Mail (No Mail) 09 = Produce Report, No Mail
08 = Mail to Address/Email, Last Receipt 10 = Receipt to Chain Bill To/Statement to Outlet Bill To

Statement Type: (check one) ☐Detail ☐Summary Statement Delivery Method: (check one) ☐E-Mail ☐Online ☐Print and Mail

Statement E-Mail Address: _____

ON YOUR BUSINESS ACCOUNT
CHECKING STATEMENT ROLLUP: (check one) ☐1 = Cash Transfer ☐2 = Debit/Credit Grouped (By Category) ☐3 = Net Transfer Amount Only

PROCESSING INFORMATION

PNC1102

1. Processing mode: EDC
2. # of Printers: ___ Long ___ Short
3. Funding will be processed DAILY via: ☐ACH ☐Other
4. Bank will Fund: ☐Outlet ☐Head Office
5. Ship Equipment and Welcome Packets: (check one) ☒Outlet ☐Field Office ☐Other, give mailing information below
6. Fee Debit Acct: ☐Yes ☐No

Name: _____ Field Last Contact Name: _____

Address: _____ City: _____ State: _____ Zip: _____

7. Debit/EBT Payment Transaction Type: ☐Internet ☐POS ☐Recurring ☐Call Center Sponsoring Debit Network: ☐NYCE ☐Pulse ☐Star

8. Additional Terminal Features: (Check all that apply to ensure timely terminal programming)

☐Auto Settle Time: 19 hh ☐ET (military)	☐Tip _____ (Not Current Provider)	☐Remove Room # Prompt	☐Amex Prepaid Program Preference (Choose One)	Terminal Features (cont'd)	Key Depress or Prompt	Password Protect
☐Bar Tab	☐DSR CREDIT (Commercial Card Only)	☐Remove Ticket # Prompt	☐Partial Auth	Credits	☐	☐
☐Clerk Server Entry	☐DSR Print Option	☐Retail Get	☐Balance Back	Voids	☐	☐
☐Debit Cash Back	_____	☐Retail Fill Tip	☐Other: _____	Forces	☐	☐
Delayed Ship Date: / /	☐Invoice Number	☐Ship Method (Override)	PIN Pad:	Reviews	☐	☐
☐Dial Prefix ☐Dial 9 ☐Other: _____	☐Host Trans (retain/delete/summarize only)	☐Tip % Option	☐DES Encryption	Bal/Settle	☐	☐
☐Dial Suffix: _____	☐No Server/Ticket ID	☐Verify Amount Prompt	☐DUKPT	Auth Only	☐	☐
☐E-Commerce		☐Partial Approval	☐Access Code # _____	Reports	☐	☐
		☐Purchase w/Cash Back Return		Tip Adjustment	☐	☐
		☐Standalone Balance Inquiry				

Comments: _____
(NOTE: Completing the Comments field will result in a 48 hour terminal programming delay)

ATTACHMENT 7

MERCHANT PROCESSING APPLICATION AND AGREEMENT (Page 1 of 5)

PNC MERCHANT SERVICES

Merchant #: _____ Loc. 1 of 1

PNC1505 — (1) TELL US ABOUT YOUR BUSINESS — PNC1508

Client (Your Business LEGAL Name): Lyon Foot And Ankle Clinic, PC — Store #:

Name as Legal Name of / Provide DBA/Outlet Name: — First/Last Contact Name: Esther Lyon DPM

(No P.O. Box) Address: 6E. Saint Charles Rd — Suite #: 100 — City: Lombard — State: IL — Zip Code: 60148

Your Business Phone: 630-495-1250 — ☐ Same as Business Phone or Merchant's Customer Service Phone: — Your Fax #:

Your Email/Web Page Address: — Select One for Referral Response: ☐ (1) Dedicated 24 Hour Fax ☐ (2) No Response ☐ (3) eMail

(2) MASTERCARD / VISA / DISCOVER / AMERICAN EXPRESS / ONEPOINT

Your Total Cash and Credit Sales (For All Outlets)	$ 1,000,000	Estimated MC/Visa Average Ticket/Sales Amount:	$ 70
Total Annual MC/Visa Volume: (For All Outlets)	$ 75,000	Estimated Discover® Average Ticket for this Outlet:	$ 70
Total Annual Discover® Volume: (For All Outlets)	$ 25,000	Estimated American Express Average Ticket for this Outlet:	$ 70
Total Annual American Express Volume: (For All Outlets)	$ 1,000	Annual MC/Visa Volume for this Outlet: (For Multiple Outlets Only)	$,000
Highest Ticket Amount:	$ 300	Est. Discover® Annual Sales Vol. for this Outlet: (For Multiple Outlets Only)	$,000
		Est. American Express Annual Sales Vol. for this Outlet: (For Multiple Outlets Only)	$,000

(3) PROVIDE MORE BUSINESS DATA

State Incorp.: IL Month/Year Started: 06/97 ☐ Sole Ownership ☐ Partnership ☐ Non Profit/Tax Exempt ☐ Public Corp. ☒ Private Corp. ☐ L.L.C. ☐ Govt.

Check one: Tax Type: ☒ EIN (Fed Tax ID #) ☐ SSN — No. of Employees: 5

NOTE: Failure to provide accurate information may result in a withholding of merchant tracking per IRS regulations. (See Part II, Section A.3 of your Program Guide for further information.)

Name (as it appears on your income tax return)	Federal Tax ID: (This is it appears on your income tax return)	☐ I certify that I am a foreign entity/corporation/other. If checked, please provide Form W-8.
Lyon Foot And Ankle Clinic PC	36-4166842	

Use Code: 80 % x Keyed Activity: 20 % = 100% Product/Service You Sell: Foot surgery

POS Card Present (Use swipe device/terminal/imprinter): 80 % / Mail Order/Direct Marketing ____ % + Phone Order: 20 % + Internet: ____ % = 100%

Do you use any third party to store, process or transmit cardholder data? ☐ Yes ☒ No (Examples include, but not limited to web hosting companies, Electronic Cash Register, Loyalty programs)

If Yes, give name/address: _____

Please identify any Gateway used for storing, transmitting, or processing Card Transactions or Authorization Requests: _____

(4) OTHER ENTITLEMENTS

Traditional Tele-Check: ☐ ECA Warranty (WAR) ☐ Paper Warranty (PWR)

Signed Agent Check Sales Volume: $ _____,000 — Avg. Check Ticket: $ _____ — ☐ Use as 1 or MCH #: _____

☐ Voyager Fleet or Existing Voyager Acct #: _____ — Annual Voyager Vol.: $ _____ — ☐ FC Fleet ☐ Wright Express or Existing WEX Acct #: _____

Transactional Voyager Cards accepted: ☐ Yes ☐ No

☐ Discover (EDC) 6011 _____ (Existing Acct #)

☐ American Express Card Direct Service (EDC) — ☐ American Express _____ or ☐ SESA _____

☐ DEBIT Pin #: 4 4 6 5 0 4 2 — ☐ EBT (SNAP) Fcs # (QUEST): _____ — Check one: ☐ EDC ☐ Single Settle

☐ PLUS (If Check Agent is unable to Qual & Enter Form to Hosting) ☐ (100) Optional ☐ (200) Recurring ☐ (500) Purchase ☐ Other _____ Specify Security Code: (_____)

(5) DESCRIBE EQUIPMENT DETAILS

Equip. Purchase / Rental / Lease (Circle One)	Qty.	D	Equipment Type (i.e., Terminal/PAR/Printer)	Model # and Description (VERIFONE/Omni/Tranz/Hypercom/Ingenico/Other) Check Service Agreement - Pg 4	Software Name / Terminal Model Code and Name	Unit Price w/o Tax	Check/Serial Number / Vendor #
R P C U	1	☒	Terminal	R Re MOTO/I L S O OSR P	FD 300 Ti	$ 24.95	
R P C U		☐		R Re MOTO/I L S O OSR P		$	
R P C U		☐		R Re MOTO/I L S O OSR P		$	

LEASE COMPANY: (00) First Data Global Leasing — Lease Term: 48 Months — Annual Tax Handling Fee: $10.20

Monthly Lease Charge for This Location: $ 24.95 w/o taxes, late fees, or other charges that may apply.

*See Multiple Location form for the Monthly Lease charges for each individual location. See Part II, Section 1 of the Program Guide for details.

Title II = NON-NEGOTIABLE lease for the full term indicated. — (Client's Initials) _____

) MAID to Train (for training using the phrase, dial 1-800-659-7101 Opt #1, M-F 8:00 am - 10:00 pm EST & Sat. 10:00 am - 2:00 pm EST)

Sales Dept. to Train: ☐ Installer to Train ☐ No Merchant Training — Best Time To Call: _____ ☐ am ☐ pm

Imprinter Purchase: ☐ Yes ☐ No ☐ Yes $ _____ x Qty.: _____ = $ _____ (w/o Tax) — Wireless Provider: ☐ PAR Cingular/AT&T ☐ CDMA Sprint

) First Data Global Gateway (FDGG) E-mail address: _____ ☐ To Verify Serial #: _____

VAR (Internet/Software) Name: _____ (Nashville Only: Product ID #: _____ Vendor ID #: _____)

) Frame: (A price quote is required for Frame) ☐ Host/Lease Line Solutions ☐ Dial Solutions

NOTE: Any Special Instructions must be included on Asset Merchant's Business Page.

See Section 02 of the Program Guide for Equipment Purchase or Rental details.

Complete Credit Addendum for Software Compliance. ☐ PABP Compliant ☐ POI/DSS Compliant

(6) PROVIDE YOUR OWNER INFORMATION

Owner/Partner/Officer Name: Esther Lyon, DPM	D.O.B.: 07-31-69	Social Security #: 511-60-7988	Home Phone: 630-832-1200	% of Ownership:			
Home Address: 8 Sainte Row	City: Barrington	State: IL	Zip: 60010	County: Cook			
Owner/Partner/Officer Name:	D.O.B.:	Social Security #:	Home Phone:	% of Ownership:			
Home Address:	City:	State:	Zip:	County:			

Client's Initials: _____

ATTACHMENT 7

MERCHANT PROCESSING APPLICATION AND AGREEMENT (Page 2 of 3)

PNC MERCHANT SERVICES

DBA Name: Lyon Foot And Ankle Clinic PC Pricing Type: 101 Interchange Schedule Version: 1.004 Loc. 1 of 1

PNC1505 (7) SERVICE FEE SCHEDULE PNCFee1506

Start-Up Fees (One-Time Charge)

Non-Taxable Fees
- Application Fee (Non-Refundable) (247) $ 175.00
- Site Visitation Fee (310) $
- Programming Fee (91A) $ 195.00
- Deployment Fee (325) $
- FDGG Setup Fee (F335) $
- FD Mobile Pay Setup Fee (311) $
- PAYware Mobile Setup Fee (L78) $
- Global Gateway E4 Setup Fee (405) $
- Wireless Activation Fee (316) $
- Internet Set-up Fee (306)
  FEE PER TID $ ____ x # OF TIDS ____ = TOTAL $
- Other $

Taxable Items
- State: ____ Sales Tax ____ %
- City/Locality Tax ____ %
- Equipment Purchase (ACH) $
- Total Sales Tax $
- Total Amount $

Billed Monthly Fees

- Monthly Svc Fee: ☐ $10.50 ☐ Other (P24) $
- Monthly Minimum Fee (850) $ 14.95
- Maximum Processing Fee (994) $ 1,000.00
- Wireless Access Fee (309) $
- FD Mobile Pay Monthly Svc Fee (398, 309) $
- PAYware Mobile Monthly Svc Fee (L77) $
- Global Gateway E4 Monthly Fee (405) $
- FDGG (F425) $
- CheckFree (329) $
- Statement Fee:
  - ☐ Paper Statement (240) $ 1.00 / 0.00
  - ☐ E-Mail Statement (256) $ 4.90
  - ☐ Suppress Statement
- Internet Service Fee (394)
  FEE PER TID $ ____ x # OF TIDS ____ = TOTAL $
- Other $
- Equipment Rental Fee (ACH) $

Credit & Non-PIN Debit Authorization & Credit/Refund

MasterCard	(100, 002, 131)	$ .20
Visa	(150, 005, 130)	$ .20
Discover	(161, 016, 765)	$ .20
American Express	(191, 014)	$ .20

☐ Interchange Pass-Through, plus the following fees:
- MC/Visa/Discover TXN Fee (001, 002, 005, 006, 015, 018) $
- MC/Visa/Discover Interchange Fee (550, 520, 520) $
- MC/Visa/Discover Data Point Fee (555, 556, 490) %

Bundled Debit

- Debit Sales Discount Rate (125) %
- Debit Auth Fee VMC/Dsc (DCR) $
- Debit Auth Fee WMC (DCO) $

Discount Fees (Based On Gross Transaction Volume)

Accept all MasterCard, Visa and Discover® transactions
(processed, unless any selections below are checked)

MasterCard Acceptance	Visa Acceptance	Discover® Acceptance
☐ Accept MC Credit transactions only	☐ Accept Visa Credit transactions only	☐ Accept Discover Credit transactions only
☐ Accept MC Non-PIN Debit Debit transactions only	☐ Accept Visa Non-PIN Debit transactions only	☐ Accept Discover Non-PIN Debit transactions only

See Section 1.2 of the Program Guide for details regarding limited acceptance. You are responsible for differentiating Credit from Non-PIN Debit Cards. Even if you have agreed to limit your acceptance of certain cards as indicated above, you must continue to accept all foreign issued cards, whether Credit or Non-PIN Debit. If you agree to limit your acceptance to a particular type of card and, whether intentionally or in error, accept another type of transaction, the resulting transaction will downgrade to the highest cost interchange plus the applicable Non-Qualified Surcharge. (See Section 11.3 of the Program Guide).

QUALIFIED DISCOUNT RATES

- MasterCard Credit Discount Rate (100) 1.69 %
- Visa Credit Discount Rate (150) 1.69 %
- Discover® Credit Discount Rate (170) 1.69 %
- American Express OnePoint℠ Credit Discount Rate (Key 0 570) 2.89 %
- MasterCard Non-PIN Debit Discount Rate (160) 1.35 %
- Visa Non-PIN Debit Discount Rate (154) 1.35 %
- Discover® Non-PIN Debit Discount Rate (164) 1.35 %

MID-QUALIFIED DISCOUNT RATES

- MasterCard Credit Discount Rate (110) 2.50 %
- Visa Credit Discount Rate (514) 2.50 %
- Discover® Credit Discount Rate (190) 2.50 %
- MasterCard Non-PIN Debit Discount Rate (170) 2.50 %
- Visa Non-PIN Debit Discount Rate (174) 2.50 %
- Discover® Non-PIN Debit Discount Rate (168) 2.50 %

NON-QUALIFIED DISCOUNT RATES

- MasterCard Credit Discount Rate (120) 3.25 %
- Visa Credit Discount Rate (154) 3.25 %
- Discover® Credit Discount Rate (180) 3.25 %
- MasterCard Non-PIN Debit Discount Rate (180) 3.25 %
- Visa Non-PIN Debit Discount Rate (184) 3.25 %
- Discover® Non-PIN Debit Discount Rate (178) 3.25 %

Non-Qualified Surcharge Fee: (exclusive of Interchange pass-through fees, see §10.1) (140) 2.00 %
Applies to Non-Qualified MasterCard, Visa and Discover® Credit and/or Non-PIN Debit transactions. or ☐ ____ (Requires Special Mailer)

*Retail and Restaurant merchants will be charged an additional 0.05% for non-swiped American Express transactions. Also, an assessed fee of 0.40% will be applied by American Express to any Charge made by an American Express Cardmember using a Card issued by an American Express Issuer located outside of the United States.

Transaction / Other Fees

- American Express OnePoint Trans Fee $ .15
- American Express Capture (056) $
- MC/Visa Foreign Handling (250, 251) 0.60 %
- MC Network Access Fee (001, 494) $ 0.0105
- Visa Acquirer Processing Fee – Credit (01H) $ 0.0195
- Visa Acquirer Processing Fee – Debit (01J) $ 0.0155
- Visa Fixed Acquirer Network Fee CP* (IIF1) Face-Thru at Cost
- Visa Fixed Acq Network Fee CNP* (IIF2) Face-Thru at Cost
- Visa Transaction Integrity Fee (233) $ 0.10
- Discover Usage (226) $ 0.0185
- MasterCard Assessment Fee (272) 0.1100 %
- MC Assessment Trans Amt > = $1k (237) 0.0200 %
- Visa Assessment Fee (274) 0.1100 %
- Discover® Assessment Fee (DAC) 0.105 %
- PIN Debit Fee (018, Key 0 in 250) $ 0.55 (for access to Network fee)
- MC/Visa, Amex, Discover VRU (016, 046, 076, 078) $ 0.48
- MC/Visa, Amex, Discover VRU/Voice (037, 047, 047, 077) $ 0.69
- Visa Misuse of Auth Fee (040) $ 0.045
- MC Processing Integrity Fee (045) $ 0.045
- MC U.S. Acct Status Inquiry Service International (110) $
- MC U.S. Acct Status Inquiry Service Intercontinental (111) $
- MC License Fee ( ) $
- EBT (185, 181, 02X, 183) $
- AVS Fee (POS Mag Stripe) (403, 406, 408, 078, 79) $ 0.035
- Batch Settlement Fee (127) $ 0.30
- PAYware Mobile Trans Fee (L76) $

*See Interchange Qualification Matrix (IQM) for billing letters.

Client's Initials: ____

ATTACHMENT 7

MERCHANT PROCESSING APPLICATION AND AGREEMENT (Page [illegible]) PNC MERCHANT SERVICES

DBA Name: Lyon Foot And Ankle Clinic, PC Loc. 1 of 1

PNC1505 (2) SERVICE FEE SCHEDULE (cont'd) PNCFee1505

Other Payment Fees

Chargeback Fee	(205, 725, 01A)	$ 25.00
Discover Int'l Service Fee	(22H)	0.55 %
Discover Int'l Process Fee	(220)	0.40 %
TrustKeeper Fee	(501)	$
TransArmor Token & Encrypt/VF	(12E, 120)	$
TransArmor Token Only	(12G)	$
TransArmor Token Registration	(12H)	$
TransArmor Monthly Fee	(20L)	$
Other:		$

American Express ESA (Pass Through Fees)*

☐ Amex Discount Rate**	%
☐ Amex Transaction Fee	$
☐ Amex Monthly Fee *(Flat Fee)*	$

*Billed Separately by AMEX

**Retail and Restaurant merchants will be charged an additional 0.30% for non-swiped American Express transactions. Also, an inbound fee of 0.40% will be applied by American Express to any charge made by an American Express Cardmember using a Card issued by an American Express issuer located outside of the United States.

Internet Service/Transaction Fees

		Per Auth
MC/Visa/Amex/Discover Internet GW	(03H, 04R, 051, 07I)	$
Global Gateway E4 Per Trans Fee	(GFC)	$
PayPal Auth Fee	(45U, 47U)	$
PayPal Sales/Return Trans Fee	(45V, 47V, 47Y)	$
Internet AVS	(435)	$

Bypass Fees

Voyager Sales/Credit Discount Rate	(844, 845)	%
Voyager Auth Fee	(000, 001, 007)	$
WEX Sales/Refund Discount Rate	(840, 841)	%
WEX Auth Fee	(050, 081, 08Y, 004)	$
WEX Chargeback Discount Fee	(842, 843)	%
WEX Chargeback Fee	(29H)	$
WEX Retrieval Fee	(29I)	$

TeleCheck Fees:	☐ Traditional TeleCheck** (20)	
	☐ Paper Warranty (20P)	☐ ECA Warranty (20E)
Inquiry Rate	%	%
Transaction Fee	$	$
Monthly Minimum Fee	$	$
Customer Request Operator Call/Voice Auth Fee	$ 2.50	$ 2.50
Monthly Processing/Statement Fee	$	$
December Risk Surcharge	0.10 %	0.10 %
Other:	$	$
Funding Report Fee Format / Frequency		No Charge Mail/Monthly

**Billed Separately by TeleCheck

Annual Fee:

We reserve the right to assess, on an annual basis and with at least 30 days' advance written notice, a reasonable fee to defray the cost of necessary systems technology upgrades, communication requirements and reporting.

See Agreement for definitions and any additional fees.
Note: See Part IV, Section A3 of the Program Guide for early termination fees.

(8) AGREEMENT APPROVAL

[illegible]

Client certifies under penalties of perjury, that the federal taxpayer identification number and corresponding filing name provided herein are correct.

THIS MERCHANT PROCESSING APPLICATION AND AGREEMENT HAS BEEN EXECUTED ON BEHALF OF AND BY THE AUTHORIZED MANAGEMENT OF CLIENT AS OF THE EFFECTIVE DATE.

Client's Business Principal: *(Please sign below)*

X Signature [signature] Date 03-19-13

Title: ☒ President ☐ Vice President ☐ Member L.L.C. ☐ Owner ☐ Partner

☐ Other: Esther Lyon, DPM
Print Name

X Signature _______ Date _______

Title: ☐ President ☐ Vice President ☐ Member L.L.C. ☐ Owner ☐ Partner ☐ Other: _______ Print Name _______

For PNC Bank, N.A. and PNC Merchant Services Company:
JOHN COLLINS
X Signature "USE LIMITED TO CONTRACT ACCEPTANCE"

(9) PERSONAL GUARANTY

[illegible]

Signature *(Please sign below)*:

X [signature], an Individual

Signature *(Please sign below)*:

X _______, an Individual

ATTACHMENT 7

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PART I: CONFIRMATION PAGE

Please read the Merchant Processing Program Guide in its entirety. It describes the terms under which we will provide merchant processing Services to you.

From time to time you may have questions regarding the contents of your Agreement with Bank and/or Processor or the contents of your Agreement with a third party. The following information summarizes portions of your Agreement in order to assist you in answering some of the questions we are most commonly asked.

1. Your Discount Rates are assessed on transactions that qualify for certain reduced interchange rates imposed by MasterCard and Visa. Any transactions that fail to qualify for these reduced rates will be charged an additional fee (see Section 11 of the Card Processing Program Guide).
2. We may debit your bank account from time to time for amounts owed to us under the Agreement.
3. There are many reasons why a Chargeback may occur. When Chargebacks occur we will debit your settlement funds or settlement account. For a more detailed discussion regarding Chargebacks, see Section 10 of the Operating Procedures Guide, which will be sent to you when your account is approved, or see the applicable provisions of the TeleCheck Services Agreement.
4. If you dispute any charge or funding, you must notify us within 45 days of the date of the statement where the charge or funding appears for Card Processing or within thirty (30) days of the date of a TeleCheck transaction.
5. The Agreement limits our liability to you. For a detailed description of the limitation of liability see Section 13 of the Merchant Processing Program Guide or Section 3.14 of the TeleCheck Services Agreement.
6. We have assumed certain risks by agreeing to provide you with Card processing or check services. Accordingly, we may take certain actions to mitigate our risk, including termination of the Agreement, and/or hold monies otherwise payable to you (see Card Processing General Terms in Section 16, Term; Event of Default and Section 17, Reserve Account; Security Interest), (see TeleCheck Services Agreement in Sections 3.1, 3.3.2, 3.3.6, 3.5 and 3.6), under certain circumstances.
7. By executing this Agreement with us you are authorizing us to obtain financial and credit information regarding your business and the personal credit and financial information of the signer (even if the signer is executing this Agreement in his/her business capacity) and guarantors of the Agreement until all your obligations to us are satisfied.
8. The Agreement contains a provision that, in the event you terminate the Agreement early, you may be responsible for the payment of early termination fees as set forth in Part IV, A3 under "Additional Fee Information" and Section 27 of the TeleCheck Services Agreement.
9. If you are leasing equipment, it is important that you review in full the Equipment Lease Agreement in Part IV, Section 1 of the Third Party Agreements. Please note, you may NOT cancel the lease during the initial term of the Merchant Processing Agreement.

10. Visa and MasterCard Disclosure

Member Bank Information: PNC Bank, N.A.

The Bank's mailing address is: Two PNC Plaza, 620 Liberty Avenue, Pittsburgh, PA, 15222, and its phone number is: 1-877-287-2654.

Important Member Bank Responsibilities:

a) The Bank is the only entity approved to extend acceptance of Card Organization products directly to a Merchant.

b) The Bank must be a principal (signer) to the Merchant Agreement.

c) The Bank is responsible for educating Merchants on pertinent Visa, MasterCard and Discover Rules with which Merchants must comply; but this information may be provided to you by Processor.

d) The Bank is responsible for and must provide settlement funds to the Merchant.

e) The Bank is responsible for all funds held in reserve that are derived from settlement.

Important Merchant Responsibilities:

a) Ensure compliance with Cardholder data security and storage requirements.

b) Maintain fraud and Chargebacks below Association thresholds.

c) Review and understand the terms of the Merchant Agreement.

d) Comply with Card Organization Rules.

e) Retain a signed copy of this Disclosure Page.

f) You may download "Visa Regulations" from Visa's website at: http://usa.visa.com/merchants/operations/op_regulations.html

g) You may download "MasterCard Regulations" from MasterCard's website at: http://www.mastercard.com/us/merchant/support/rules.html

Print Client's Business Legal Name: Lyon Foot And Ankle Clinic, PC

By its signature below, Client acknowledges that it received the Interchange Qualification Matrix (version IQM.512.1 or _____) and complete Program Guide (Version PNC1503) consisting of 39 pages (including this confirmation).

Client further acknowledges reading and agreeing to all terms in the Program Guide, which shall be incorporated into Client's Agreement. Upon receipt of a signed facsimile or original of this Confirmation Page by us, Client's Application will be processed.

NO ALTERATIONS OR STRIKE-OUTS TO THE PROGRAM GUIDE WILL BE ACCEPTED.

Client's Business Principal

Signature (please sign below)

X _____ President 03-19-13

Title Date

Esther Lyon, DPM

Please Print Name of Signer

ATTACHMENT 7

SCHEDULE 4.16(b)

EMSC

Contract to be Assigned to Buyer

ATTACHMENT 7

SCHEDULE 4.21

EMSC

Real Property

ATTACHMENT 7

EXHIBIT 3.2(a)(iii)

EMSC

Assignment & Assumption Agreement

ATTACHMENT 7

EXHIBIT 3.2(a)(viii)

EMSC

Bill of Sale

ATTACHMENT 7

BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS, that Lyon Foot and Ankle Clinic, P.C., an Illinois corporation with its principal place of business at 6 East St. Charles Road, Lombard, IL 60148 ("Seller"), for and in consideration of the sum of Ten and no/100 Dollars ($10.00), and other good and valuable consideration, to it paid by River North Surgical Suites, Inc., an Illinois corporation, or its nominee ("Buyer"), the receipt whereof is hereby acknowledged, does hereby bargain, sell, transfer, set over, and convey to Buyer, Seller's right, title and interest in and to the following described items of personal property (collectively, "Personal Property"):

All of the tangible personal property owned by Seller with respect to the operation of the Surgical Center practice with an office at 340 W. Butterfield Road, Elmhurst, Illinois, 60126 (the "EMSC"), including all equipment, furniture, fixtures, machinery, office furnishings, leasehold improvements and inventories of supplies, drugs and other disposables and consumables related to the operation of the EMSC set forth on the attached Schedule; each contract set forth on Schedule 4.16(b) to the Asset Purchase Agreement entered into by and between Seller and Buyer on _____, 2014; all documents, including all patient files and records and documents related to such patient files and records, medical charts, operating manuals, files and computer software with respect to the operation of the EMSC; all of Seller's rights, to the extent assignable or transferable, and subject to necessary approvals, to the Certificate of Need, to all licenses, provider numbers, permits, approvals, certificates of need, certificates of exemption, franchises, accreditations and registrations and other governmental licenses, permits or approvals issued to Seller with respect to the operation of the EMSC; all patient, customer and/or referral lists; the names, symbols and telephone number 630-495-1240 used with respect to the operation of the EMSC; and the website www.lyonfootandankleclinic.net and the assumed name "Lyon Foot and Ankle Clinic" *provided*, however, the personal property conveyed to Buyer as reflected in this Bill of Sale shall not include accounts receivable of Seller, any cash, cash equivalents or bank accounts of Seller, such Personal Property appurtenant to and with respect to the operation of a podiatry practice in Wood Dale, Illinois, Cary, Illinois, and Warrenville, Illinois.

Buyer acknowledges by executing this Bill of Sale that it has made its own investigation as to the nature and extent and has inspected the physical condition of the Personal Property.

Seller has free and clear title to the Personal Property. The Personal Property is not subject to any mortgage, pledge, lien (including tax liens), charge, security interest, encumbrance or restriction, lease, liability or claim of any nature whatsoever. THE SALE OF PERSONAL PROPERTY IS MADE BY SELLER WITHOUT REPRESENTATION OR WARRANTY OF ANY KIND, EITHER EXPRESS OR IMPLIED, AS TO THE CONDITION OF THE PERSONAL PROPERTY, OR ITS MERCHANTABILITY. THE PERSONAL PROPERTY IS SOLD ON AN AS-IS, WHERE-IS BASIS, AND BY ITS ACCEPTANCE OF THE INVENTORY AND PERSONAL PROPERTY, BUYER EXPRESSLY RELIEVES AND EXONERATES SELLER OF ANY RESPONSIBILITY FOR ITS PHYSICAL CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PURPOSE. SELLER'S WARRANTIES SET FORTH HEREIN ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES AND

GUARANTEES OF ANY KIND (INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR PURCHASER'S INTENDED USE), WHETHER WRITTEN OR ORAL OR IMPLIED IN FACT OR IN LAW.

Buyer expressly assumes, as of the date hereof, all risk of loss, damage, or injury occurring after the date hereof in connection with the Personal Property and Buyer expressly releases the Seller from all claims of every kind or nature arising by reason of or in connection with the ownership, possession, handling or use of the Personal Property on or after the date hereof.

Buyer hereby covenants and agrees to protect, defend and indemnify and hold harmless Seller from and against any and all claims, damages, liability and causes of action arising out of the present or future condition of the Personal Property or the use or existence of the Personal Property, whether for injury or death to persons or damage or destruction of property.

To have and to hold unto Buyer, its personal representatives, successors and assigns

IN WITNESS WHEREOF, the Seller has hereunto set its hand and hereto this _____day of _____, 2014.

WITNESS:

Lyon Foot and Ankle Clinic, P.C.
An Illinois corporation

_____
_____

By:_____
Esther H. Lyon
President

CERTIFICATION OF INSPECTION

The undersigned certifies that all of the items which are purchased by the undersigned will be accepted on the terms set forth above, and on an "as is" basis, without warranties, express or implied, or guarantees as to its merchantability or fitness for any use whatsoever.

Certified to this _____day of_____, 2014.

By:_____
Name:_____
Title:_____

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ELMHURST MEDICAL &SURGICAL CENTER EQUIPMENT/FURNITURE LIST		
MODEL	Description	COST
LP12	Lifepak 12 Defibrillator	$ 4,375.00
LifePak	Physiocontrol Battery	$ 200.00
3180	Dyonics Light source	$ 1,200.00
DYOCAM750	Dyonics camera control unit-460P3-CCD	$ 2,500.00
Ps3500EP	Dyonics shaver control unit	$ 1,995.00
Illuminator II ABI	Dyonics light source 300XL	$ 1,200.00
D3-1233	Dyonics camera control unit-460P3-CCD	$ 2,500.00
Illuminator II ABI	Dyonics light source 300XL	$ 1,200.00
Ps3500EP	Dyonics shaver control unit	$ 1,995.00
G180	Gomco portable aspirator	$ 650.00
PST-M1980	Dyonics panasonic monitor	$ 895.00
	Dyonics 2.7mm 30 deg small joint s-mount scope with sheath and pencil tip obturator	$ 1,495.00
V1000	Esprit ventilator	$ 4,995.00
TMA57-15-2BA-142211	Transmotion battery charger (3)	$ 600.00
G180	Gomco suction unit	$ 250.00
7175	Gomco portable aspirator	$ 250.00
	dyonics video tower	$ 660.00
pvm1953MD	monitor	$ 399.00
ABI II	light source	$ -
ps3500ep	shaver box	$ -
UP5200MD	printer	$ 250.00
maxi-62	exam chair, smr	$ 300.00
r14	[redacted]	$ -
BC1200	tripplite battery backup	$ 175.00
ACUTORR2A	non-invasive blood pressure unit	$ 399.00
MRL	ecg/non invasive blood pressure unit	$ 399.00
133000	Borkel scientific warming cabinet Mo.13300 Towel Warmer	$ 300.00
3870A	Tuttenauer sterilizer unit	$ 9,000.00
na	Crash Cart unit - blue (1)	$ 750.00
	Medtronic battery charger (1)	$ 175.00
na	Medication Refrigerator (1)	$ 100.00
na	Patient Nourishment Refrigerator (1)	$ 150.00
	wheelchair (1)	$ 150.00
	Operating Room light (1)	$ 500.00
	Stainless back table (1)	$ 100.00
	Stools, brown (4)	$ 800.00
	Mayostand (1)	$ 100.00
	Mayo basin stand (1)	$ 100.00
	C-Arm Flouroscan Unit (1)	$ 32,500.00

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	Dyonics video stand (2)	$ 1,790.00
	Anesthesia cart, red (1)	$ 1,200.00
	Garbage, stainless (1)	$ 50.00
	biohazard container (2)	$ 335.00
	X-ray apron holder	$ 312.00
	X-ray Appron (3)	$ 300.00
	Garbage (stainless o.r. bag) holder	$ 40.00
	Kick bucket	$ 60.00
	Sharps Holders (6)	$ 192.00
	Ambu Bags 3 Resusitator Bag	$ 157.00
	OFFICE ITEMS	
	Phones - (4)	$ 400.00
	Computers (3 monitors/ 3 towers)	$ 1,350.00
	Code Blue Call System (1)	$ -
	Copier/ Fax (Brother MFC) (1)	$ 250.00
	Scanner - 1	$ 850.00
	Pioneer Receiver - 1	$ 350.00
	CLASSIC SERIES AUDIO SYSTEM: MODEL C60	$ 275.00
	Sony CD player - 1	$ 100.00
	Vertical SBX - phones	$ 100.00
	Vacuum - 2	$ -
	Step ladder - 1	$ 50.00
	Leviton computer rack	$ -
	Brother DCP Copier/ printer (1)	$ 100.00
	Regulators (2)	$ -
Beacon Medaes	Medical Oxygen system and manifold	$ -
	Chairs, desk (4)	$ 2,075.00
	Pre-op (located by the O.R.)	
	Stryker Arthroscopy cart (1)	$ -
	Transmotion chair (1)	$ 6,284.00
	Narcotic Cabinet (1)	$ 1,999.00
	Brown Cart, (1)	$ 885.00
	Garbage, stainless (1)	$ 40.00
	PACU ITEMS	
	Brown storage carts - 5	$ 4,429.00

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	Exam lights (3)	$ 300.00
	brown stools (3)	$ 600.00
	Garbage, stainless (3)	$ 120.00
	Transmotion chairs (2)	$ 12,568.00
	Brown Nurses (high back) chair (1)	$ 600.00
	Shelving unit (1)	$ 100.00
	Patient Thermometer (1)	$ 220.00
	Stryker Arthroscopy cart for Monitor (1)	$ -
	Consultation Room	
	Scale (1)	$ 125.00
	Stool, Brown (1)	$ 200.00
	Garbage can, silver (1)	$ 40.00
	Stryker Arthroscopy cart for Monitor (1)	$ -
	End Table (1)	$ 880.00
	Silver Chair (1)	$ 950.00
	Patient Thermometer (1)	$ 220.00
	Lounge	
	Refrigerator (full size) (1)	$ 400.00
	Microwave (1)	$ 200.00
Hotpiont	Dishwasher (1)	$ 400.00
	Locker Room	
	lockers	$ -
	small cabinet	$ 100.00
	small seat/stool	$ 100.00
	Sterile Processing (clean/dirty)	
	Garbage, stainless (1)	$ 40.00
	Incubator - STERRAD (1)	$ 175.00
	incubator - 3m	$ 300.00
	Rack for Sterilizer (1)	$ 100.00
	Eye wash station (1)	na
NX	STERRAD (1)	$ 50,592.00

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	Reception Area	
	Silver chairs (7)	$ 6,650.00
	end tables (2)	$ 1,760.00
	Large Mirror (1)	see list
	MISC	
	Vacuum Pump	$ -
	Humidifier	$ -
	Instruments	
	Large Basins (4)	$ 40.00
	MicroAire Oscillating saw w/chuck (1)	$ 499.00
	Oscillating saw (2)	$ 250.00
	Bur tip (1)	$ 750.00
	Hand pieces (2)	$
	Bone cutting forceps (4)	$ 120.00
	Kwire Cutters (4)	$ 360.00
	Kwire grabbers (6)	$
	Power Hose (6)	$
	Osteotom and mallet (2 sets)	$ 80.00
	Misc instruments (32 pieces)	$
	PF packs (2 sets)	$
	1 triangular Knife	
	1 Scissors	
	1 Freer	
	1 Elevator	

ATTACHMENT 7

1 Hemostat	
P&A PACK (2 Sets)	
1 Blade	
1 Curette	
1 Nail cutters.	
1 Large Hemostat	
1 small hemostat	
Ankle Scope Surgical Pack (2 Sets)	
1 Blade	
1 Scissors	
1 Freer	
1 Elevator	
1 Hemostat	
1 Cannula	
Small surgical Pack (3 Sets)	$
1 Freer	
1 Needle holder	
1 Hemostat	
1 Blade holder	
1 Scissor	
Misc ankle scope instruments: 2 Cannula Sets	$
Large surgical trays (10 sets)	$
2 blade holders	
3 Small Hemostats	
1 scissor	
1 Dissecting scissors	
1 Adson Forceps	
1 Adson tissue forceps	
2 Skin Hooks	
2 Senn Retractors	
2 Needle holder	
1 large retractor	
Power pack (2 Sets)	$
1 Driver	
1 Chuck	
1 Bur Tip	
1 Hand pieces	

Total: $ 177,419.00

ATTACHMENT 7

EXHIBIT 8.3

EMSC

Letters to Patients

ATTACHMENT 7

Dear Valued Patient:

In preparation for a significant career change, I have merged my practice with one of Chicago's premier podiatric practices; **Chicago Podiatric Surgeons.**

In doing so, I have assured that you will have access to the most up to date and comprehensive foot and ankle care available. Chicago Podiatric Surgeons has a reputation of excellence, with doctors that are recruited from around the country. I'm thrilled to be part of this caring team of physicians. I have known the President of Chicago Podiatric Surgeons, Dr. Thomas Carr, for over 20 years as both a professional mentor and friend and have no doubt this association will benefit my patients.

As for me, this merge will allow me to take an extended leave of absence to spend more time with my three young children: 2 ½ year old twins AJ and Jack, and my 2 month old Samantha. I will be transferring all of my patients to the experienced and caring hands of my new partners. In addition to the offices in Lombard and Elgin, CPS physicians will be available in Chicago, Tinley Park and Evanston offices.

I encourage you to visit our website **www.chicagopodiatry.com** to learn more about the Chicago Podiatric Surgeons reputation, services and physicians.

You can continue to make appointments by calling 630-495-1240, or online at www.chicagopodiatry.com.

Thank you for allowing me to be a part of your life and for your continued loyalty.

Sincerely,

Dr. Esther Lyon, DPM

ATTACHMENT 7

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (the "Agreement"), dated _____ ___, 2014 (the "***Execution Date***"), is by and among Chicago Podiatric Surgeons, P.C., an Illinois professional corporation, or its nominee ("***Buyer***"), Lyon Foot and Ankle Clinic, P.C. ("***Seller***") and Esther Lyon, D.P.M., the owner of Seller ("***Owner***").

Recitals:

WHEREAS, Seller owns and operates a podiatry practice with an office at 6 East St. Charles Road, Lombard, Illinois, 60148 (the "***Lombard Practice***");

WHEREAS, Seller additionally owns and operates a podiatry practice with an principal office at 1590 Weatherstone Lane, #1, Elgin, Illinois 60123 ("***Elgin Practice***");

WHEREAS, Seller additionally owns and operates an ambulatory outpatient surgi-care facility located at 340 W. Butterfield Road, Elmhurst, Illinois 60126 ("***EMSC Practice***");

WHEREAS, Seller is wholly owned by Owner, a podiatrist, licensed to practice in Illinois;

WHEREAS, Buyer desires to purchase and Seller desires to sell substantially all of its assets related to the Elgin Practice, and the Lombard Practice (collectively referred to herein as the "***Business***"), including the goodwill of the Business, as more fully described herein, upon and subject to the terms and conditions contained in this Agreement;

WHEREAS, Seller additionally owns and operates a podiatry practice with offices in Wood Dale, Illinois ("***Wood Dale Practice***") and Cary, Illinois ("***Cary Practice***") and Warrenville, Illinois ("***Warrenville Practice***");

WHEREAS, Buyer is not purchasing and Seller is not selling any of Seller's assets relating to the Wood Dale Practice, Cary Practice and Warrenville Practice;

WHEREAS, at the Closing (as defined herein), Seller will transfer substantially all of its assets associated with the Business, and certain liabilities described herein, to the Buyer in exchange for the Purchase Price (as defined herein), all on the terms and conditions hereinafter set forth;

WHEREAS, Seller will contract with the Owner following the Closing in accordance with the terms and conditions of the Independent Contractor's Agreement (as defined herein); and

WHEREAS, as a condition precedent to Closing, Seller must satisfy certain conditions as described in this Agreement;

WHEREAS, Owner, as a beneficiary of a land trust, owns the real property in which the Lombard Practice operates and Owner and TEC West Properties, LLC, an Illinois limited liability company and an affiliate of Buyer, have simultaneously entered into a Real Estate Purchase Agreement for the purchase and sale of 6 East S. Charles Road, Lombard, Illinois, 60148 ("***RE PSA***"), which RE PSA is attached hereto as Exhibit ____ and must close at the same

ATTACHMENT 7

time as this Agreement, which closing is contingent upon and a condition to the closing of this Agreement.

WHEREAS, Owner owns the real property in which the Elgin Practice operates and Owner and TEC Properties, LLC, an Illinois limited liability company and an affiliate of Buyer, will enter into a Lease of 1590 Weatherstone Lane, #1, Elgin, Illinois 60123 ("***Lease***"), which Lease is attached hereto as Exhibit A and must become effective simultaneous with the closing of this Agreement, which Lease commencement is contingent upon a condition to the closing of this Agreement;

WHEREAS, Owner and Buyer have also entered into an Asset Purchase Agreement for the EMSC Practice and Certificate of Need together with a Purchase and Sale Agreement for the real estate at 340 W. Butterfield Road, Elmhurst, Illinois 60126, which transactions are scheduled to be closed subsequent to the instant Agreement.

WHEREAS, the Buyer's binding agreement to purchase the EMSC Practice and Certificate of Need together with a Purchase and Sale Agreement for the real estate located at 340 W. Butterfield Road, Elmhurst, Illinois constitutes a material inducement for Owner and Seller to enter into this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual representations, warranties and covenants of the parties hereinafter set forth, the parties agree as follows:

1. PURCHASE AND SALE OF ASSETS

1.1. **Purchase and Sale of Assets.** Subject to the terms and conditions of this Agreement, at the Closing, Seller shall sell, transfer, convey, assign and deliver to Buyer and Buyer shall purchase, acquire and accept from Seller on the Closing Date substantially all of the assets comprising the Business owned and operated by such Seller, (the "***Purchased Assets***"), including, without limitation the following:

(a) all of the tangible personal property owned by Seller with respect to the operation of the Business, including all equipment, furniture, fixtures, machinery, office furnishings, leasehold improvements and inventories of supplies, drugs and other disposables and consumables related to the operation of the Business as set forth on Schedule 1.1(a) hereto (the "***Personal Property***"). Schedule 1.1(a) also sets forth the current book value of the Personal Property;

(b) each contract set forth on Schedule 4.16(b) (the "***Contracts***");

(c) all documents, including all patient files and records and documents related to such patient files and records, medical charts, operating manuals, files and computer software with respect to the operation of the Business;

(d) all of Seller's rights, to the extent assignable or transferable, to all licenses, provider numbers, permits, approvals, certificates of need, certificates of exemption, franchises, accreditations and registrations and other governmental licenses, permits or approvals issued to Seller with respect to the operation of the Business;

(e) all patient, customer and/or referral lists;

(f) the names, symbols and telephone number 630-495-1240 used with respect to the operation of the Business;

(g) the website www.lyonfootandankleclinic.net and the assumed name "Lyon Foot and Ankle Clinic";

(h) all insurance proceeds arising in connection with property damage to the Purchased Assets occurring after the Execution Date, to the extent not expended on the repair or restoration of the Purchased Assets; and

(i) all goodwill with respect to the operation of the Business and the other Purchased Assets together with the exclusive right of the Buyer to represent itself as carrying on the Business in succession to such Seller.

1.2. **Excluded Assets.** The Purchased Assets shall not include, and Seller shall retain all right and title to the following assets (the "***Excluded Assets***"):

(a) any accounts receivable of Seller;

(b) any cash or cash equivalents in Seller's accounts on the Closing Date; and

(c) the excluded assets specifically listed in Schedule 1.2, including but not limited to, the Wood Dale Practice, Cary Practice and Warrenville Practice.

(d) to the extent the assets of the EMSC Practice or real estate located at 340 W. Butterfield Road or the real estate comprising the Elgin Practice could be considered assets of the Seller, such assets shall be Excluded Assets.

1.3. **Assumed Liabilities.** On the Closing Date, Seller shall assign and Buyer shall assume and agree to discharge from and after the Closing Date the following liabilities and obligations of such Seller and no other liability or obligation of (the "***Assumed Liabilities***"):

(a) the liabilities and obligations of Seller specifically listed on Schedule 1.3(a);

(b) any liabilities arising after the Closing Date from the Contracts listed on Schedule 4.16(b) other than liabilities or obligations arising out of such Seller's breach of any Contract prior to the Effective Time, as herein defined; and

1.4. **Excluded Liabilities.** Except as provided in Section 1.3 above with respect to the Assumed Liabilities, Buyer shall not assume or become responsible for any of Seller's duties, obligations or liabilities, whether known or unknown, fixed or contingent or arising from contract, tort or otherwise (the "***Excluded Liabilities***"). The Excluded Liabilities shall include, without limitation:

(a) any accounts payable of Seller;

(b) all liabilities of Seller to or for the benefit of employees of the Business arising prior to the Effective Time, including, without limitation, vacation, sick, bonus or severance pay, benefit plan contributions or liabilities and payroll taxes other than as specifically included in the Assumed Liabilities; and

(c) any other liabilities of Seller or Owner.

1.5. **Risk of Loss.** The risk of loss or damage to any of the Purchased Assets shall remain with the Seller until the Effective Time.

1.6. **Prorations and Invoice Adjustments.**

(a) Buyer and Seller shall prorate, as of the Effective Time, all real estate and personal property lease payments, real estate and personal property taxes, utilities charges or assessments and amounts due for invoices related to a contract identified in Schedule 4. In addition, in the event that Seller has prepaid invoices relating to any Contract, Seller shall schedule such amounts prior to Closing, and Buyer and Seller shall equitably prorate such amounts at Closing as they relate to benefits to be received by Buyer or Seller, as applicable. All such amounts not scheduled and prorated at Closing will be deemed Excluded Liabilities which are retained by Seller.

(b) With respect to invoices received by any party after Closing that relates to a Contract (other than any prepaid invoice referenced in Section 1.6(a) above), to the extent that such invoice relates to pre- and post-Closing items, Buyer and Seller shall together equitably prorate at Closing such amounts to as they relate to benefits to be received by Buyer or the Seller, as applicable, with Buyer and Seller each being responsible for their respective portions of such invoices.

(c) With respect to any invoice relating to a Contract set forth on Schedule 4.16(b), regardless of when such invoice is received, Buyer shall notify Seller to the extent that Buyer contends Seller owes payment on the invoice and Buyer and Seller shall equitably determine which amounts are owed by Seller and which amounts are owed by Buyer.

(d) Seller shall retain sole responsibility for the payment of any invoices related to any Excluded Liability.

1.7. **Satisfaction of Certain Indebtedness.** At the Closing, Seller shall pay, or cause to be paid as a direct disbursement from Buyer from the Purchase Price, the amounts set forth on Schedule 1.7 to the applicable creditors such that the assets pursuant to such leases can be transferred to Buyer free and clear of any liens or obligations.

2. PURCHASE PRICE AND DOCUMENT ESCROW

2.1. **Lombard Purchase Price.** The purchase price ("***Lombard Purchase Price***") for the Lombard Practice Purchased Assets shall be Seven Hundred Thousand Dollars and 00/100 ($700,000.00) payable at Closing subject to adjustment in accordance with Section 1.6 hereof, as follows:

(a) The sum of Twenty-one Thousand Dollars and 00/100 ($21,000.00) has been paid by Buyer to Seller, as and for the Earnest Money deposit to be held by Buyer's counsel, Robbins, Salomon & Patt, Ltd., two (2) business days next following the execution of this Agreement; and

(b) The balance of the Lombard Purchase Price in the amount of Six Hundred Seventy-Nine Thousand Dollars and 00/100 ($679,000.00), plus or minus based on prorations, payable by check at closing; and

2.2. **Elgin Purchase Price.** The purchase price ("***Elgin Purchase Price***") for the Elgin Practice Purchased Assets shall be One Hundred Seventy-Five Thousand Dollars and 00/100 ($175,000.00) payable at Closing subject to adjustment in Section 1.6 hereof.

2.3. **Allocation of Purchase Price.** Buyer, Seller and the Owner shall allocate the Purchase Price among the Purchased Assets as set forth on Schedule 2.2.

2.4. **Document Escrow.** On the Execution Date, concurrent with the signing of this Agreement, Owner and Seller shall execute an Independent Contractor's Agreement. The Independent Contractor's Agreement shall not be effective until the occurrence of the Closing.

3. CLOSING

3.1. **Closing.** The closing ("***Closing***") of the sale and purchase of the Purchased Assets shall take place at the offices of the Title Insurance Company issuing the title insurance policy for the RE PSA on **[_____, 2014]**, or at such other time as shall be agreed upon by all the parties hereto (the "***Closing Date***") which shall occur upon the later to occur of:

(a) The date Buyer successfully obtains credentialing with Blue Cross/Blue Shield and Medicare for the Business locations; or

(b) One hundred eighty (180) days next following the Effective Date.

The Closing shall be effective as of 12:01 a.m., local time, on the Closing Date (the "***Effective Time***").

3.2. **Obligations of the Parties at the Closing.**

(a) At the Closing, Buyer shall deliver to Seller:

(i) the Lombard Purchase Price and the Elgin Purchase Price (collectively hereafter sometimes referred to as the "***Purchase Price***") as specified in Sections 2.1 and 2.2;

(ii) a certified copy of Buyer's Articles of Incorporation and a certified copy of Buyer's Secretary certifying that the Buyer's board of directors and shareholders have authorized the execution delivery and performance of this Agreement and the other documents referred to herein to be executed by Buyer, and the consummation of the transactions contemplated hereby;

(iii) a certificate of Buyer certifying as to the accuracy of the representations and warranties of Buyer at and as of the Closing and that Buyer has performed or complied with all of the covenants, agreements, terms, provisions and conditions to be performed or complied with by Buyer at or before the Closing; and

(iv) an Assignment and Assumption Agreement in the form attached hereto as Exhibit 3.2(a)(iii);

(v) such other certificates and documents as either Seller or its counsel may reasonably request;.

(vi) the Independent Contractor's Agreement, duly executed by the Buyer;

(vii) a mutually agreed closing statement describing the disbursement of the Purchase Price, including any direct disbursements to be made pursuant to Section 1.7; and

(viii) the Lease, duly executed by Buyer.

(b) At the Closing, Seller and Owner will deliver to Buyer:

(i) a certified copy of the articles of incorporation or organization, as applicable, of Seller;

(ii) a certificate of the Secretary of Seller certifying that the board of directors and shareholders have authorized the execution, delivery and performance of this Agreement and the other documents referred to herein to be executed by Seller, and the consummation of the transactions contemplated hereby;

(iii) a certificate of Seller certifying as to the accuracy of Seller's representations and warranties at and as of the Closing and that it has performed or complied with all of the covenants, agreements, terms, provisions and conditions to be performed or complied with by such Seller at or before the Closing;

(iv) all records and financial data, including but not limited to any lists of patients and referral sources relevant to the continuation of the Business by Seller;

(v) a certificate of Owner certifying as to the accuracy of Owner's representations and warranties at and as of the Closing Date and that he has performed or complied with all of the covenants, agreements, terms, provisions and conditions to be performed or complied with by him at or before the Closing Date;

(vi) the Lease, duly executed by Seller;

(vii) an Assignment and Assumption Agreement in the form attached hereto as Exhibit 3.2(a)(iii)

(viii) any necessary third-party consents for each of the Contracts or governmental licenses or permits as set forth on Schedule 4.14;

(ix) the Bill of Sale, in the form attached hereto as Exhibit 3.2(b)(ix), duly executed by Seller;

(x) an updated claims history showing at a minimum open, closed and reserved incidents and claims involving Seller, the Owner, and/or the Business during the previous five (5) years prior to the Closing Date or since the date of opening of the Business, if sooner (the "**Claims Histories**"), dated no more than five (5) days prior to the Closing Date;

(xi) the Independent Contractor's Agreement, duly executed by the Owner;

(xii) a mutually agreed closing statement describing the disbursement of the Purchase Price, including any direct disbursements to be made pursuant to Section 1.7; and

(xiii) such other certificates, consents, assurances and documents as Buyer or its counsel may reasonably request.

4. REPRESENTATIONS AND WARRANTIES BY SELLERS AND OWNER

Seller and Owner herein represent and warrant, jointly and severally, to Buyer as of the Execution Date and the Closing Date as follows:

4.1. **Organization and Authorization.**

(a) (i) Seller is an Illinois professional service corporation, validly existing and in good standing under the laws of the State of Illinois with full power and authority to conduct its business as now conducted and to own, lease or operate its properties and assets as now owned, leased or operated, (ii) Seller has full power and corporate authority to enter into this Agreement and perform its obligations hereunder and carry out the transactions contemplated hereby.

4.2. **No Violation.** The execution and delivery of this Agreement by Seller does not, and the consummation of the transactions contemplated hereby will not, (a) violate any provision of, or result in the creation of any lien or security interest under, any contract or agreement to which Seller is a party or by which any of Seller's assets or properties are bound; (b) violate any provision of the articles of incorporation, bylaws, or other governing documents of Seller; (c) violate any order, arbitration award, judgment, writ, injunction, decree, statute, rule or regulation applicable to Seller; or (d) violate any other contractual or legal obligation or restriction to which such Seller is subject.

4.3. **Financial Statements.** Seller shall make available to Buyer for Buyer's review (1) true and complete copies of Sellers' Tax Returns for 2011, 2012 and 2013, (2) Profit and Loss Statements for 2011, 2012 and 2013, (3) a balance sheet as of December 31, 2013, (4) Profit and Loss Statement for January 1, 2014 through the last day of the month preceding the month in which the Closing is scheduled (the "***Interim Financial Statement Date***"), and (5) such other financial statements as may reasonably be requested by Buyer for Buyer's review prior to the Closing, The Financial Statements have been prepared from the books and records of Seller (which are true and correct in all respects). Seller represents and warrants that there has not been any change between the Interim Financial Statement Date and the date of this Agreement which has had or is likely to have a material effect on the financial position, results of operations or business or prospects of Seller. Seller acknowledges and agrees that Buyer relied upon the financial information set forth in the Financial Statements in order to determine the consideration paid under Article 2 hereof.

4.4. **Ownership of Purchased Assets.** Seller owns and possesses and has good and marketable title to all of the Purchased Assets, free and clear of all mortgages, pledges, liens, security interests, conditional sale agreements, defects, charges, encumbrances and rights of third parties, and no conditions exist which could give rise to any such mortgage, pledge, lien, security interest, defect, charge, encumbrance on, or right of any such third party to, the Purchased Assets.

(a) Schedule 1.1(a) contains an accurate and complete description of the Personal Property. All of the Personal Property is in good working condition and repair, normal wear and tear excepted. Schedule 1.1(a) also sets forth the current book value of the Personal Property.

(b) Intentionally deleted.

(c) Intentionally deleted.

(d) Seller shall purge the assets purchased hereunder, including, but not limited to, the patient data from Seller's records and information technology systems remaining that solely involve the Wood Dale Practice, Warrenville Practice and the Cary Practice.

4.5. **No Liabilities or Adverse Conditions.** Owner has reported all incidents, claims and potential claims to his existing malpractice insurance carrier, and (iii) Buyer has been provided with the Claims Histories.

4.6. **Absence of Certain Changes.** Except as set forth on Schedule 4.6, since the Interim Financial Statement Date, with respect to the Business, Seller has not:

(a) suffered any material casualty loss (whether or not insured);

(b) made any change in its business or operations or in the manner of conducting its business, other than changes in the ordinary course of business;

(c) incurred any material obligations or liabilities (whether absolute, accrued, contingent or otherwise and whether due or to become due), including entering into any contract or agreement; except as necessary to carry on day to day operations of the Business;

(d) Intentionally deleted;

(e) written off as uncollectible any notes or accounts receivable or any portion thereof, except for immaterial write-offs made in the ordinary course of business consistent with past practice;

(f) canceled any other debts or claims, or waived any rights, of substantial value;

(g) sold, transferred or conveyed any of its properties or assets, except in the ordinary course of business consistent with past practice;

(h) made any capital expenditures or commitments in excess of $10,000 in the aggregate for replacements or additions to property, plant, equipment or intangible capital assets;

(i) declared, paid or made or set aside for payment of, any distribution of shares in respect of its outstanding shares other than distributions made in the ordinary course of business consistent with past practice, or directly or indirectly redeemed, purchased or otherwise acquired any of its shares;

(j) made any change in any method of accounting or accounting practice;

(k) hired any new employees; or

(l) granted any increase in the compensation of any officer, employee or agent of Seller who performs services for or on behalf of the Business, (including without limitation any increase pursuant to any bonus, pension, profit sharing or other plan or commitment), or adopted any such plan or other arrangement; and no such increase or the adoption of any such plan or arrangement, is planned or required.

4.7. **Taxes.** (i) Seller has filed all federal, state and local tax returns required to be filed by it and has paid or made provision for the payment of all taxes and assessments, and (ii) Seller has not signed any extension agreement with any taxing authority and knows of no open matters for any prior periods.

4.8. **Litigation.** (i) Schedule 4.8 sets forth a true and accurate description of all claims, litigation, investigations or proceedings ("***Litigation***") relating to the Business and its operations initiated since January 1, 2007, and (ii) Seller is not subject to any judgment, order, decree or other governmental restriction applicable to Seller or its assets, including the Purchased Assets, which would be material to the Purchased Assets or the Business.

4.9. **Compliance with Laws; Regulatory Compliance.** Seller and Owner are and each has at all times been in compliance with all applicable statutes, rules, regulations, orders, ordinances, judgments, decrees and requirements of all federal, state and local commissions, boards, bureaus and agencies having jurisdiction over Seller and the operations of Seller and over Owner (collectively, "***Laws***"). Further, Seller has not received any notice of, or notice of any investigation of, a possible violation of any applicable Laws, or any other Law or requirement relating to or affecting the operations of the Business. Seller has not received a notice from the regulatory authorities which enforce the statutory or regulatory provisions in respect to either the Medicare or Medicaid program of any pending or threatened investigations. To the best of Seller's knowledge, Seller has timely filed, accurately and completely, all reports, returns, data and other information required by federal, state, municipal or other governmental authorities which control, directly or indirectly, any of Seller's activities required to be filed with any commissions, boards, bureaus and agencies and has paid all sums heretofore due with respect to such reports and returns.

4.10. **Licenses.** Seller has all required licenses, permits, certificates, authorizations and agreements needed for the ownership and efficient operation of the Business, all of which are in full force and effect and are listed on Schedule 4.10. To the best of Seller's knowledge, no act or omission has occurred on or before the date hereof which would subject Seller or the Business to any fine or penalty or the suspension, withdrawal, cancellation, termination or revocation of any license, permit, certificate, authorization or agreement. To the best of Seller's knowledge, Seller is presently in substantial compliance with all the terms, conditions and provisions of such licenses, permits, certificates, authorizations and agreements.

4.11. **Billing Practices; Medicare and Medicaid.**

(a) Seller's billing practices are in compliance in all respects with all federal and state laws (including all workers' compensation and insurance laws and regulations), and, where applicable, all contracts with insurance companies, health maintenance organizations and other third party payors.

(b) Intentionally deleted.

(c) Seller and Owner are qualified for participation in each of the Medicare and Medicaid program. Complete and accurate copies of Seller's existing Medicare and Medicaid contracts for the Business have been furnished or made available to Buyer. Seller and Owner are presently in compliance in all material respects with all of the terms, conditions and provisions of all such contracts.

4.12. **Reports and Returns.** To the best of Seller's knowledge, all reports and returns heretofore required by federal, state or municipal authorities with respect to the operations of the Business have been filed and all sums heretofore due to any such governmental authorities have been paid.

4.13. **Employees**. A schedule setting forth the names and titles of all employees of Seller and the annual rate of compensation (showing any base, any bonuses and total compensation) being paid to each such employee as of the Execution Date is attached as Schedule 4.13. To the best of Seller's knowledge, Seller has complied in all material respects with all applicable Laws concerning the employer-employee relationship and with all contracts relating to the employment of Seller's employees, including, but not limited to applicable wage and hour laws, the Fair Labor Standards Act, safety laws, worker compensation laws, unemployment, anti-discrimination and harassment laws, ERISA, Title VII, ADEA and social security laws. Except as set forth on Schedule 4.16(a) hereof, Seller has no independent contractor arrangement(s) with any physicians or other health professionals, or any non-clinicians to provide services on behalf of Seller or use space within the Premises, as defined in Section 4.22 hereof.

4.14. **Consents and Approvals.** Except as set forth on Schedule 4.14, no consent, approval or authorization of any governmental authority or other third party is necessary for the authorization, execution and performance of this Agreement by Seller or for the continued operation and governmental reimbursement of the Business following the consummation of the transactions contemplated hereby. Schedule 4.14 lists all necessary third party consents or notices to permit the assignment of the Contracts.

4.15. **Pension and Benefit Plans.**

(a) Seller has disclosed to Buyer each and every employment agreement, severance, bonus, deferred compensation, defined benefit pension, equity based plan, welfare plan (including any employee health plan), fringe benefit plan, cafeteria plan or other salary reduction agreement, profit sharing, defined contribution retirement plan (such as a plan under Section 401(k) of the Internal Revenue Code of 1986, as amended (the "Code")), any arrangement or practice and each other agreement of Seller, whether formal or informal, whether legally binding or not and whether affecting one or more of its employees who perform services for or on behalf of the Business; Schedule 4.15 contains an exhaustive list of all such benefit plans of Seller (the items disclosed on Schedule 4.15 shall be referred to herein as the "***Benefit Plans***"). Copies of each Benefit Plan have heretofore been delivered to Buyer.

(b) Seller has no commitment, whether formal or informal, and whether legally binding or not (i) to create any additional such agreement, plan, arrangement or practice; (ii) to modify or change any such agreement, arrangement, plan or practice; or (iii) to maintain for any period of time any such agreement, arrangement, plan or practice, except as described on Schedule 4.15 or as may be decided by the parties to this Agreement.

4.16. **Contracts.**

(a) Schedule 4.16(a) is a complete and accurate list of all contracts related to the Business. Each contract is in full force and effect and is the valid and binding obligation of Seller and each other party thereto. There have been no threatened cancellations of any contract and there are no outstanding disputes under any contract. Seller is unaware of any breach of any provision thereof and to the best of Seller's knowledge, there does not exist any default by Seller or any other party thereto, under any contract. No event has occurred which is, or with the giving of notice or the passage of time or both would become, a breach or default under the material terms of any contract.

(b) Schedule 4.16(b) lists all contracts that will be assigned to Buyer (each, a "***Contract***" and collectively the "***Contracts***").

4.17. **Certain Payments.** Neither Seller nor Owner, nor anyone acting on Seller's behalf, has made or received any "sensitive" payments, and no such person has maintained any unrecorded cash or non-cash assets out of which any "sensitive" payments might be made. "Sensitive" payments mean, whether or not illegal, (a) payments to or from governmental officials or employees, (b) commercial bribes or kick-backs, (c) amounts paid with an understanding that rebates or refunds will be made in contravention of the laws of any applicable jurisdiction, either directly or through a third party, (d) political contributions, (e) payments or commitments (whether made in the form of commissions, payments of fees for goods or services received, or otherwise) made with the understanding or under circumstances which would indicate that all or part thereof is to be paid by the recipient to government officials or employees or as a commercial bribe or inducement, influence payment or kickback and (f) payments made in violation of Medicare or Medicaid laws or the laws of the State of Illinois.

4.18. **Insurance Policies.** Certificates of insurance evidencing any insurance coverage currently maintained by Seller have been provided to Buyer prior to Closing. Neither Seller nor Owner is in default regarding the provisions of any such insurance or has failed to file any notice or to present any claim thereunder in a timely fashion in accordance with the requirements of such policies.

4.19. **No Broker's Fees.** Excepting Terry Flanagan with Medical Practice Managers and Troy Golden and Steve Stoner with SC Group Real Estate, both of which brokers shall be solely paid by Seller, neither Buyer nor Seller have done anything to cause or incur any liability or obligation for investment banking, brokerage, finder's, agent's or other fees, commissions, expenses or charges in connection with the negotiation, preparation, execution or performance of this Agreement or the consummation of the transactions contemplated hereby, and Seller knows of no claim by anyone other than the above for such a fee, commission, expense or charge. Seller certifies and stipulates that Troy Golden and Steve Stoner have provided broker services solely with respect to the sale of the real estate located in Lombard, Illinois. Seller certifies and stipulates that Troy Golden and Steve Stoner have provided no services with respect to the sale of the Elgin practice and that Troy Golden and Steve Stoner shall not receive compensation for such sale.

4.20 **Full Disclosure.** Neither this Agreement, nor any schedule, exhibit, list, certificate or other instrument or document delivered to Buyer pursuant to this Agreement by or on behalf of

Seller, contains any untrue statement of a material fact or omits to state any material fact required to be stated herein or therein or necessary to make the statements, representations or warranties and information contained herein or therein not misleading. Seller has not withheld from Buyer disclosure of any event, condition or fact which Seller knows, or has reasonable grounds to know, may materially adversely affect the Purchased Assets or the operations of the Business.

4.21 **Affiliate Transactions**. Excluding ordinary course distributions to its equity holders, and regular and periodic payments made by Seller to Owner for rental of the Business premises, Seller warrants that there are no transactions involving the transfer of any cash, property or rights to or from Seller from, to or for the benefit of any affiliate or former affiliate of Seller or any other contracts or agreements with any affiliates ("***Affiliate Transactions***") during the period commencing two (2) years prior to the date hereof and continuing through the Closing Date or any existing commitments of Seller to engage in the future in any Affiliate Transactions.

4.22 **Real Property.** All agreements to which Seller is a party which relate to the Elgin Property and the Lombard Property real property, including but not limited to leases and subleases, have been provided to Buyer. Schedule 4.22 sets forth a true and complete description of all real property used in connection with the Business (the "***Premises***"). Seller and Buyer have entered into the RE PSA and Lease relative to the Premises, which transaction shall close simultaneous with the closing of this Agreement.

5. REPRESENTATIONS AND WARRANTIES OF OWNER

Owner represents and warrants as follows:

5.1. **Authority.** Owner has full authority to enter into and carry out the provisions of this Agreement, and this Agreement, when executed, will constitute a valid and binding legal obligation enforceable against him in accordance with its terms.

5.2. **No Violation.** The execution and delivery of this Agreement by Owner does not, and the consummation of the transactions contemplated hereby will not (a) violate any provision of, or result in the creation of any lien or security interest under, any contract or agreement to which Owner is a party or by which any of Owner's assets or properties are bound; (b) violate any provision of the articles of incorporation or bylaws of Seller; (c) violate any order, arbitration award, judgment, writ, injunction, decree, statute, rule or regulation applicable to Owner; or (d) violate any other contractual or legal obligation or restriction to which Owner is subject.

5.3. **Ownership of Seller.** Owner constitutes the sole shareholder of Seller.

5.4. **No Broker's Fees.** Excepting the brokers referenced in Section 4.19, Owner has not done anything to cause or incur any liability or obligation for investment banking, brokerage, finder's, agent's or other fees, commissions, expenses or charges in connection with the negotiation, preparation, execution or performance of this agreement or the consummation of the transactions contemplated hereby, and Owner does not know of any claim by anyone for such a fee, commission, expense or charge.

5.5. **Competitive Relationships.** To Owner's knowledge, Owner currently is not a party to any relationship that would violate the provisions of Section 7.7 hereof.

6. REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants as follows:

6.1. **Organization.** Buyer is an Illinois professional corporation, duly organized, validly existing and in good standing under the laws of the State of Illinois. Buyer has full power and authority to carry on its business as now conducted and to own, lease or operate its properties and assets as now owned, leased or operated.

6.2. **Authorization.** Buyer has full power and authority to enter into this Agreement and perform its obligations hereunder and carry out the transactions contemplated hereby. The execution, delivery and performance by Buyer of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized and approved by all necessary corporate action. This Agreement, when executed, will constitute a legal, valid and binding obligation of Buyer enforceable against it in accordance with its terms.

6.3. **No Violation.** The execution and delivery of this Agreement by Buyer does not, and the consummation of the transactions contemplated hereby will not, (a) violate any provision of, or result in the creation of any lien or security interest under, any material contract or agreement to which Buyer is a party or by which any of Buyer's assets or properties are bound; (b) violate any provision of the articles of incorporation or bylaws of Buyer; (c) violate any order, arbitration award, judgment, writ, injunction, decree, statute, rule or regulation applicable to Buyer; or (d) violate any other contractual or legal obligation or restriction to which Buyer is subject.

6.4. **Licensed Podiatrist.** Buyer's sole shareholder is a licensed podiatrist lawfully permitted to own the Business and acknowledges the responsibilities to maintain patient confidentialities in accordance with applicable statutory and professional requirements.

7. COVENANTS AND AGREEMENTS OF SELLER AND OWNER

Seller and Owner further covenants and agrees that from the Execution Date until the Closing, and thereafter if so specified, they will fulfill the following covenants and agreements unless otherwise consented to by Buyer in writing:

7.1. **Access; Further Assurances.**

(a) Seller will accord to Buyer, its counsel, accountants and other representatives, from the date hereof and at any time up to the Closing, full access to all of the properties, books, contracts, commitments, financial information and records of the Business, and will furnish Buyer during such period with all such information concerning the business and operations of the Business, as Buyer reasonably may request.

(b) At any time and from time to time after the Closing, at Buyer's request and without further consideration, Seller will execute and deliver such other instruments of sale, transfer, conveyance, assignment and delivery and confirmation and take such action as Buyer may reasonably deem necessary or desirable in order more effectively to transfer, convey and assign to Buyer and to confirm Buyer's title to, the Purchased Assets, and to assist Buyer in exercising all rights and enjoying all benefits with respect thereto.

(c) Seller shall remove from the Business Premises all paper charts greater than seven (7) years old.

7.2. **Confidentiality.** In the event the transactions contemplated by this Agreement are not consummated for any reason, each of the parties shall destroy or promptly will return to the other parties all records and information provided and the parties will treat all such records and information as confidential.

7.3. **Conduct of Business Pending the Closing.** From the date hereof until the Closing, and except as otherwise consented to by Buyer in writing, Seller shall not:

(a) take any action described in Section 4.6;

(b) fail to maintain in effect adequate insurance coverage of the Purchased Assets; or

(c) fail to use its best efforts to (i) maintain the Purchased Assets in their present condition, (ii) comply with all applicable laws, rules and regulations of governmental agencies or authorities, and (iii) operate its business in the manner necessary to maintain the goodwill of its patients and physicians and its reputation.

7.4. **Consents.** Seller and Owner and Buyer shall use their best efforts to obtain the consents, provide the notices, and obtain the approvals and authorizations listed on Schedule 4.14 at or prior to Closing.

7.5. **Notice of Adverse Change.** Seller will advise Buyer in writing of (a) any material adverse change in the Purchased Assets, (b) any breach or change in a representation or warranty set forth herein after the date of this Agreement to the Closing Date, or (c) any reported action which results in a change to the Claims Histories; provided, however, such notice shall not absolve such Seller or Owner of any liability or obligation herein.

7.6. **Prohibited Actions Prior to the Closing Date.** From the date hereof until the Closing Date, and except as otherwise consented to by Buyer in writing, Owner, shall not, and will cause his employees, agents and affiliates not to take any of the following actions: (i) solicit, initiate, or encourage the submission of any proposal or offer from any person relating to the acquisition of any shares or other securities, or any portion of the assets, of Seller (including any acquisition structured as a merger, consolidation, or stock exchange), (ii) participate in any discussions or negotiations regarding, furnish any information with respect to, assist or participate in, or facilitate in any other manner any effort or attempt by any person to do or seek any of the foregoing, or (iii) syndicate, sell or otherwise attempt to sell any shares or other securities in Seller. Owner agrees that he will notify Buyer immediately if any third party makes any proposal, offer, inquiry, or contact with respect to any of the foregoing.

7.7. **Non-Competition.** Owner agrees that during the "***Restricted Period***," as herein defined, Owner shall not, directly or indirectly, alone or as a partner, shareholder, agent, owner, employee, independent contractor or otherwise, work for, be or become associated with, establish a practice, practice podiatric medicine, engage in the practice of medicine (including as an attending physician at any hospital) or provide any professional services within ten (10) miles of the Business or the EMSC Practice (the "***Restricted Area***"). "***Restricted Period***" means during the three (3) year period following the Effective Date.

7.8. **Non-Solicitation.** Owner agrees that during the Restricted Period, Owner shall not directly or indirectly, on her behalf, or as a principal, partner, shareholder, officer, employee, agent, consultant, specialist, director or trustee of any person, partnership, firm or corporation:

(i) attempt to solicit or solicit Lyon Foot and Ankle Clinic, P.C., or EMSC patients, to terminate, curtail or restrict the relationship with Lyon Foot and Ankle Clinic, P.C. or Chicago Podiatric Surgeons, PC; or

(ii) attempt to solicit or solicit any person employed or contracted by Lyon Foot and Ankle Clinic, P.C. or EMSC to leave their employment or not fulfill their contractual responsibility, whether or not the employment or contract is full-time or temporary, pursuant to a written or oral agreement, or for a determined period or at will; or

(iii) attempt to solicit or solicit any physician or other person, partnership, firm or corporation which has referred patients to Lyon Foot and Ankle Clinic, P.C. or Ester Lyon, DPM or EMSC, within the period of three years prior to the closing date.

7.9. **Property of the Business**. All memoranda, notes, lists, records and other documentation or papers (and all copies thereof), including such items stored in computer memories, or microfiche or by any other means related to the Business and the Purchased Assets, which will become the Buyer's property (after the consummation of transactions contemplated by this Agreement), are and shall be the Buyer's property after Closing and shall be delivered to the Buyer promptly on the request of Buyer.

7.10. **Blue-Pencil.** If any court of competent jurisdiction shall at any time deem the term of this Agreement or any particular restrictive covenant contained in this Article 7 too lengthy or the territory too extensive, the other provisions of this Article 7 shall nevertheless stand.

7.11. **Remedies**. Owner agrees that the time span, scope and geographic area covered by this Section are reasonable to protect Buyer's legitimate and protectable business interests and that Buyer would suffer irreparable harm if this Section were violated. Owner further acknowledges that the enforcement of these restrictions will not prevent Owner from obtaining other positions, or otherwise interfere with Owner's ability to earn a living for Owner, the members of Owner's family and those dependent upon Owner and to maintain a standard of living to which Owner and they have become accustomed. If, however, a court determines that any provision of this Section is unreasonably broad, such provision shall not be declared automatically invalid but rather shall be modified or revised in accordance with Section 7.18 of this Agreement. Notwithstanding anything contained herein to the contrary, Owner shall be allowed to provide in-home care to the patients listed on Schedule 7.7 within the Restricted Area during the Restricted Period. Seller and Owner acknowledges and agrees that the covenants set forth in this Article 7 are reasonable and necessary for the protection of Buyer and its business interests, that irreparable injury will result if Seller or Owner breaches any of the terms of said restrictive covenants, and that in the event of actual or threatened breach of any such restrictive covenants, Buyer will have no adequate remedy at law. Seller and Owner accordingly agrees that in the event of any actual or threatened breach by any of them of any of the covenants set forth in this Article 7, Buyer may be entitled to immediate temporary injunctive and other equitable relief, without bond and without the necessity of showing actual monetary damages, subject to hearing as soon thereafter as possible. Nothing contained herein shall be construed as prohibiting Buyer from pursuing any other remedies available to it for such breach or threatened breach, including

the recovery of any damages which it is able to prove. Owner further recognizes and acknowledges that the ascertainment of damages in the event of a breach of Section 7.7 or 7.8 would be difficult, and agree that Buyer, in addition to all other remedies it may have, shall have the right to injunctive relief if there is such a breach.

7.12. **Assignment.** Seller and Owner agree that the rights granted in this Article 7 to Buyer may be assigned by Buyer solely to an affiliated entity with common ownership with the Buyerat its sole and absolute discretion. All of the provisions of this Article 7 shall inure to any successors of Buyer, all of which are specifically third party beneficiaries of this Article 7 with full rights hereunder. In addition, the parties hereto agree that an assignee of the rights hereunder is an intended, direct third party beneficiary of Article 7 and may enforce such rights in its own name in addition to or in lieu of Buyer.

7.13. Intentionally deleted.

7.14. **Patient Freedom.** The parties hereto agree that the benefits afforded either party hereunder are not payment for, and are not in any way contingent upon the referral, admission or any other arrangement for, the provision of any item or service offered by any party hereto. Nothing in this Agreement shall be construed to limit the freedom of any patient of Seller or Owner to choose the facility or physician from whom any patient shall receive health care services or limit or interfere with either Seller's or Owner's ability to exercise professional judgment in treating patients or their ability to provide medical services to patients.

7.15. **Lease Terminations.** Owner and Seller, as applicable, shall cause the landlord at the Premises to enter into a Lease Termination related to such Premises, to be effective as of the Closing, in a form reasonably agreeable to Buyer at least thirty (30) days prior to Closing.

7.16. Intentionally deleted.

7.17. **Post-Closing A/R Collection.** Following the Closing, neither Seller nor any of Seller's employees or agents, nor Owner will utilize any Buyer resources for the purpose of winding-down the affairs of Seller or collecting the accounts receivable of such Seller. Resources of the Buyer include, but are not limited to, any real property leased by Buyer, any computer equipment owned by Buyer, and any employees of Buyer. Notwithstanding the foregoing, Seller and/or Owner may utilize the services of Sarah Espino outside of Ms. Espino's regular work hours to assist in processing payments received for services provided by Seller and/or Owner prior to Closing. All checks or other payments received by the Buyer in payment of accounts receivable due to the Seller as of the date of Closing shall be immediately turned over to the Seller in the form in which they are received. The Seller shall have the right to endorse the name "Lyon Foot & Ankle Clinic" on all such checks and other proceeds and deposit such payments in a bank account maintained in Seller's own name. Any payments received by the Buyer after the Closing Date from or on behalf of patients who are indebted to the Seller for services provided prior to the Closing Date shall first be applied in satisfaction of such debts to the Seller, even though such patients are also indebted to Purchaser for services rendered after the Closing Date. Each party shall have the right to audit such collections for a period of six months after the Closing Date by being granted reasonable access to the other's books and records solely for such purpose.

8. COVENANTS AND AGREEMENTS OF BUYER

Buyer further covenants and agrees that from the Execution Date until the Closing, unless otherwise consented to by Seller in writing, it will fulfill the following covenants and agreements:

8.1. **Confidentiality.**

(a) In the event the transactions contemplated by this Agreement are not consummated for any reason, Buyer shall destroy or promptly will return to Seller all records and information provided to Buyer from such Seller, and Buyer will treat all such records and information as confidential.

(b) Except as otherwise required by law, Buyer will not disclose at any time to any other person not an employee of Buyer or Seller (or a person otherwise involved in the carrying out of the transactions contemplated by this Agreement), nor make any public announcement of, the transactions or terms of the transactions contemplated by this Agreement.

8.2. **Employee Benefits.** Buyer shall not assume any responsibility with regard to any Benefit Plan of Seller.

8.3. **Letters to Patients.** On the date of Closing, Buyer agrees to deliver to patients a letter signed by Seller addressed to all patients of the Lombard Practice and the Elgin Practice for whom Seller has provided treatment during the past twelve (12) months in a form attached hereto as Exhibit 8.3.

8.4. **Bulk Sales Notice.** Buyer will provide to Seller a completed CBS-1 Notice of Sale, Purchase, or Transfer of Business Assets no later than twenty-one (21) days prior to the Closing Date to enable Seller to submit such form to the Illinois Department of Revenue.

9. CONDITIONS TO BUYER'S OBLIGATIONS

Buyer shall not be obligated to consummate the transactions contemplated hereby, unless each of the following conditions is fulfilled or performed (unless expressly waived in writing by Buyer) prior to or at the Closing:

9.1. **Compliance.** The representations and warranties made by Seller and Owner in this Agreement and the statements contained in the Schedules attached hereto or in any instrument, list, certificate or writing delivered by Seller or Owner pursuant to this Agreement shall be true and accurate in all material respects (except where qualified by materiality, in which case they shall be true and accurate in all respects) when made and at and as of the time of the Closing as though such representations and warranties were made at and as of the Closing.

9.2. **Performance by Sellers and Owner.** Seller and Owner shall have performed and complied with all covenants, agreements, obligations and conditions required by this Agreement to be so complied with or performed by each of them.

9.3. **Delivery of Documents.** Seller and Owner shall have delivered to Buyer the certificates, instruments and other documents required to be delivered by each of them pursuant to Section 3.2(b).

9.4. **No Material Adverse Change.** No material adverse change in Seller, the Purchased Assets or the business or operations of the Business shall have occurred since the date of this Agreement.

9.5. **Litigation.** No Litigation shall be pending or threatened which challenges or seeks to challenge, or which could prevent or cause the rescission of, the consummation of the transactions contemplated hereby.

9.6. **Due Diligence.** Buyer shall have completed to Buyer's satisfaction a customary due diligence review including, but not limited to, a billing and coding audit, the Inventory Valuation and other operational, compliance and regulatory issues, on or before April 31, 2014, or this condition shall be waived.

10. CONDITIONS TO SELLERS' AND OWNER'S OBLIGATIONS

Seller shall not be obligated to consummate the transactions contemplated hereby unless each of the following conditions is fulfilled or performed (unless expressly waived in writing by Seller) prior to or at the Closing:

10.1. **Compliance.** The representations and warranties made by Buyer in this Agreement and the statements contained in the Schedules attached hereto or in any instrument, list, certificate or writing delivered by Buyer pursuant to this Agreement shall be true and accurate in all material respects (except where qualified by a materiality qualifier, in which case they shall be true and accurate in all respects) when made and at and as of the time of the Closing as though such representations and warranties were made at and as of the Closing.

10.2. **Performance by Buyer.** Buyer shall have performed and complied with all agreements, obligations and conditions required by this Agreement to be so complied with or performed by Buyer.

10.3. **Delivery of Documents**. Buyer shall have delivered to Seller and Owner the certificates, instruments and other documents required to be delivered by Buyer pursuant to Section 3.2(a).

10.4. **Litigation.** No Litigation shall be pending or threatened which challenges or seeks to challenge, or which could prevent or cause the rescission of, the consummation of the transactions contemplated hereby.

10.5. **Sale of Surgical Center.** Seller and Buyer shall have executed a binding agreement for the purchase and sale of the EMSC Practice and the real property at 340 W. Butterfield Road, Elmhurst, Illinois.

11. INDEMNIFICATION

11.1. **Indemnification by Seller and Owner.** Seller and Owner, jointly and severally, hereby agree to defend, indemnify and hold harmless Buyer and shall reimburse Buyer for, from and against each claim, loss, liability, cost and expense (including without limitation interest, penalties, costs of preparation and investigation, and the reasonable fees, disbursements and expenses of attorneys, accountants and other professional advisors) (collectively, "Losses"), directly or indirectly relating to, resulting from, arising out of or incidental to:

(a) any untrue representation, misrepresentation, breach of warranty or non-fulfillment of any covenant, agreement or other obligation by or of any Seller or Owner contained herein, any Schedule hereto or in any certificate, document or instrument delivered to Buyer pursuant hereto;

(b) the Excluded Liabilities;

(c) the Excluded Assets;

(d) any tax liability of Seller or the Business not previously paid, which may at any time be asserted or assessed against Seller or the Business for any event or period prior to the Effective Time (regardless of whether the possibility of the assertion or assessment of any such tax liability shall have been disclosed to Buyer at or prior to the Closing);

(e) any liability for any amounts owed by Seller or the Business to any governmental third party or private payors because of overpayments to Seller or the Business prior to the Closing for services rendered to patients, which liability is due to a recomputation of rates, field audit adjustments, overpayments, improper billing practices or otherwise;

(f) any liability associated with the operation of the Business prior to the Closing Date;

(g) the qualification, maintenance, administration, funding or termination of any Benefit Plan before and after the Closing Date, including the obligation to comply with the requirements of any applicable law, including but not limited to ERISA, the Code and HIPAA;

(h) any claims, suits, actions or proceedings against or involving any Benefit Plan or the benefits provided thereunder; and

(i) any tax liabilities and/or penalties concerning any Benefit Plan, including but not limited to adjustments of amounts claimed as deductions for any taxable years.

Without limiting the generality of the foregoing provisions of this Section 11.1, with respect to the measurement of damages, Buyer shall have the right to be put in the same financial position as it would have been in had the representations and warranties of the Seller and Owner been true and correct, had each of the covenants of the Seller and Owner been performed in full, and had Seller and Owner paid, discharged and performed all of its liabilities and obligations.

11.2. **Indemnification by Buyer.** Buyer hereby agrees to defend, indemnify and hold harmless Seller, and shall reimburse Seller for, from and against each claim, loss, liability, cost and expense (including without limitation interest, penalties, costs of preparation and investigation, and the reasonable fees, disbursements and expenses of attorneys, accountants and other professional advisors) (collectively, "***Losses***"), directly or indirectly relating to, resulting from, arising out of or incidental to:

(a) any untrue representation, misrepresentation, breach of warranty of nonfulfillment of any covenant, agreement or other obligation by or of any Seller or owner contained herein, any Schedule hereto or in any certificate, document or instrument delivered to Buyer pursuant hereto.

(b) the Assumed Liabilities;

(c) the Purchased Assets;

(d) any tax liability of Buyer or the Lombard Business, which may at any time be asserted or assessed against Seller or the Lombard Business for any event or period after the Effective Time;

(e) any liability for any amounts owed by Buyer or the Lombard Business to any governmental third party or private payors because of overpayments to Seller or the Lombard Business after the Closing for services rendered to patients, which liability is due to a recomputation or rates, field audit adjustments, overpayments, improper billing practices or otherwise;

(f) any liability associated with the operation of the Lombard Business after the Effective Time;

(g) any liability associated with the acquisition and/or use of patient records (including any claim for failure to maintain the confidentiality of such records), or otherwise arising out of the Buyer's practice of medicine at the Lombard Business from the Closing Date forward.

Without limiting the generality of the foregoing provisions of this Section 11.2, with respect to the measurement of damages, Seller and Owner shall have the right to be put in the same financial position as it would have been in had the representations and warranties of the Buyer been true and correct, had each of the covenants of the Buyer been performed in full, and had Buyer paid, discharged and performed all of its liabilities and obligations.

11.3. **Procedure.** The indemnified party shall promptly notify the indemnifying party of any claim, demand, action or proceeding for which indemnification will be sought under Sections 11.1 or 11.2 of this Agreement, and, if such claim, demand, action or proceeding is a third party claim, demand, action or proceeding, the indemnifying party will have the right at its expense to assume the defense thereof using counsel reasonably acceptable to the indemnified party. If the indemnifying party does not affirmatively, and in writing, assume the defense, the indemnified shall be free to defend and bill costs if such defense shall be borne by the indemnifying party. The indemnified party shall have the right to participate, at its own expense, with respect to any such third party claim, demand, action or proceeding for which the indemnifying party assumes the defense. In connection with any such third party claim, demand, action or proceeding, Buyer and Seller and Owner shall cooperate with each other and provide each other with access to relevant books and records in their possession. No such third party claim, demand, action or proceeding shall be settled without the prior written consent of the indemnified party. If a firm written offer is made to settle any such third party claim, demand, action or proceeding and the indemnifying party proposes to accept such settlement and the indemnified party refuses to consent to such settlement, then: (i) the indemnifying party shall be excused from, and the indemnified party shall be solely responsible for, all further defense of such third party claim, demand, action or proceeding; and (ii) the maximum liability of the indemnifying party relating to such third party claim, demand, action or proceeding shall be the amount of the proposed settlement if the amount thereafter recovered from the indemnified party

on such third party claim, demand, action or proceeding is greater than the amount of the proposed settlement, which consent shall not be unreasonably delayed.

12. SURVIVAL OF REPRESENTATIONS AND WARRANTIES

12.1. **Survival of Representations and Warranties.** The representations and warranties contained herein shall survive the Closing Date and any investigation made by or on behalf of any party hereto, and shall survive for a period of thirty-six (36) months after the Closing Date, except that losses resulting from fraud or intentional misrepresentation or omission of material fact or breaches of representations and warranties contained in Sections 4.1, 4.2(b), 4.3, 4.4, 4.7, 4.9, 4.10, 4.11, 4.15, 4.17 and 4.19 shall survive for the longer of (i) thirty-six (36) months after the Closing Date or (ii) until the expiration of the applicable statute of limitations.

12.2. **Remedies Cumulative.** The remedies provided herein shall be cumulative and shall not preclude the assertion by any party hereto of any other rights or the seeking of any other remedies against the other party hereto.

13. TERMINATION OF AGREEMENT

13.1. **Termination.** This Agreement may be terminated at any time prior to the Closing:

(a) by mutual agreement of Seller and Buyer;

(b) by Buyer, if there has been a material violation or breach by Seller or Owner of any of the agreements, representations or warranties contained in this Agreement which has not been waived in writing;

(c) by Seller, if there has been a material violation or breach by Buyer of any of the agreements, representations or warranties contained in this Agreement which has not been waived in writing;

(d) by Buyer by giving written notice to Seller if the Closing shall not have occurred on or before August 1, 2014 by reason of the failure of any condition precedent under Article 9 hereof (unless the failure results primarily from Buyer itself breaching any representation, warranty, or covenant contained in this Agreement);

(e) by Seller by giving written notice to Buyer if the Closing shall not have occurred on or before August 1, 2014 by reason of the failure of any condition precedent under Article 10 hereof (unless the failure results primarily from Seller or Owner breaching any representation, warranty, or covenant contained in this Agreement);or

(f) by either Buyer, on the one hand, or Seller, on the other hand, if the other makes an assignment for the benefit of creditors, files a voluntary petition in bankruptcy or seeks or consents to any reorganization or similar relief under any present or future bankruptcy act or similar law, or is adjudicated a bankrupt or insolvent, or if a third party commences any bankruptcy, insolvency, reorganization or similar proceeding involving the other.

14. MISCELLANEOUS

14.1. **Expenses.** All fees and expenses incurred by Seller and Owner, including without limitation legal fees and expenses, in connection with this Agreement, will be borne by Seller and Owner and all fees and expenses incurred by Buyer, including without limitation legal fees and expenses, in connection with this Agreement will be borne by Buyer.

14.2. **Assignability; Parties in Interest.**

(a) Buyer may assign any or all of its rights hereunder to any affiliate or any direct or indirect subsidiary of Buyer, and Buyer shall advise Seller of any such assignment and shall designate such party as the assignee and transferee of the Purchased Assets. Any such assignee shall assume all of Buyer's duties, obligations and undertakings hereunder.

(b) Seller and Owner may not assign, transfer or otherwise dispose of any of their respective rights hereunder without the prior written consent of Buyer.

(c) All the terms and provisions of this Agreement shall be binding upon, shall inure to the benefit of and shall be enforceable by the respective heirs, successors, assigns and legal or personal representatives of the parties hereto.

14.3. **Consented Assignment.** Anything contained herein to the contrary notwithstanding, this Agreement shall not constitute an agreement to assign any claim, right, contract, license, lease, commitment, sales order or purchase order if an attempted assignment thereof without the consent of the other Party thereto would constitute a breach thereof or in any material way affect the rights of Seller, as appropriate, thereunder, unless such consent is obtained. If such consent is not obtained, or if an attempted assignment would be ineffective or would materially affect the rights of Seller thereunder so that Buyer would not in fact receive all such rights, the parties shall cooperate in any reasonable arrangement designed to provide for the parties the benefits under any such claim, right, contract, license, lease, commitment, sales order or purchase order, including, without limitation, enforcement of any and all rights of Seller, against the other party or parties thereto arising out of the breach or cancellation by such other party or otherwise.

14.4. **Entire Agreement; Amendments; Waiver.** This Agreement, including the exhibits, Schedules, lists and other documents and writings referred to herein or delivered pursuant hereto, which form a part hereof, contains the entire understanding of the parties with respect to its subject matter. There are no restrictions, agreements, promises, warranties, covenants or undertakings other than those expressly set forth herein or therein. This Agreement supersedes all prior agreements and understandings between the parties with respect to its subject matter. This Agreement may be amended only by a written instrument duly executed by all parties or their respective heirs, successors, assigns or legal personal representatives. Any condition to a party's obligations hereunder may be waived but only by a written instrument signed by the party entitled to the benefits thereof. The failure or delay of any party at any time or times to require performance of any provision or to exercise its rights with respect to any provision hereof, shall in no manner operate as a waiver of or affect such party's right at a later time to enforce the same.

14.5. **Severability.** The invalidity of any term or terms of this Agreement shall not affect any other term of this Agreement, which shall remain in full force and effect.

14.6. **Notices.** All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered or mailed (registered or certified mail, postage prepaid, return receipt requested, by overnight courier service or by facsimile) as follows:

If to Seller:

Lyon Foot and Ankle Clinic, P.C.
6 East St. Charles Road, Suite 100
Lombard, IL 60148

With a copy to:

Matthew P. Barrette
Sullivan Hincks & Conway
120 W. 22nd Street, Suite 100
Oak Brook, IL 60523

If to Buyer:

Chicago Podiatric Surgeons, P.C.
467 W. Erie Street
Chicago, IL 60610
Dr. Thomas Carr

With a copy to:

Robbins, Salomon & Patt, Ltd.
180 N. LaSalle Street, Suite 3300
Chicago, IL 60601
Attn: Alan J. Wolf

or to such other address as any party may have furnished to the others in writing in accordance herewith, except that notices of change of address shall only be effective upon receipt.

14.7. **Section and Other Headings.** The section and other headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

14.8. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement. Delivery of an executed counterpart by facsimile or other electronic imaging means shall be effective as an original.

14.9. **Parties in Interest.** This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns. The parties acknowledge that they have independently negotiated the provisions of this Agreement, that they have relied upon their own counsel as to matters of law and application and that neither

party has relied on the other party with regard to such matters. The parties expressly agree that there shall be no presumption created as a result of either party having prepared in whole or in part any provisions of this Agreement.

14.10. **Waiver of Jury Trial.** EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHTS IT MAY HAVE TO DEMAND THAT ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT OR THE RELATIONSHIPS OF THE PARTIES HERETO BE TRIED BY JURY. THIS WAIVER EXTENDS TO ANY AND ALL RIGHTS TO DEMAND A TRIAL BY JURY ARISING FROM ANY SOURCE INCLUDING, BUT NOT LIMITED TO, THE CONSTITUTION OF THE UNITED STATES OR ANY STATE THEREIN, COMMON LAW OR ANY APPLICABLE STATUTE OR REGULATIONS. EACH PARTY HERETO ACKNOWLEDGES THAT IT IS KNOWINGLY AND VOLUNTARILY WAIVING ITS RIGHTS TO DEMAND TRIAL BY JURY.

14.11. **Applicable Law and Venue.** This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Illinois without regard to its conflict of laws rules. The parties consent that all disputes arising under the terms of this Agreement shall be brought in the state and federal courts located in Cook or DuPage County, Illinois.

IN WITNESS WHEREOF, the parties have duly executed this Asset Purchase Agreement as of the date first above written.

BUYER:

CHICAGO PODIATRIC SURGEONS, P.C.

By: _____
Dr. Thomas Carr
Title: President

SELLER:

LYON FOOT AND ANKLE CLINIC, S.C.

By: _____
Esther Lyon, D.P.M.
Title: President

OWNER:

_____
Esther Lyon, D.P.M.

ATTACHMENT 7

14.10. **Waiver of Jury Trial.** EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHTS IT MAY HAVE TO DEMAND THAT ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT OR THE RELATIONSHIPS OF THE PARTIES HERETO BE TRIED BY JURY. THIS WAIVER EXTENDS TO ANY AND ALL RIGHTS TO DEMAND A TRIAL BY JURY ARISING FROM ANY SOURCE INCLUDING, BUT NOT LIMITED TO, THE CONSTITUTION OF THE UNITED STATES OR ANY STATE THEREIN, COMMON LAW OR ANY APPLICABLE STATUTE OR REGULATIONS. EACH PARTY HERETO ACKNOWLEDGES THAT IT IS KNOWINGLY AND VOLUNTARILY WAIVING ITS RIGHTS TO DEMAND TRIAL BY JURY.

14.11. **Applicable Law and Venue.** This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Illinois without regard to its conflict of laws rules. The parties consent that all disputes arising under the terms of this Agreement shall be brought in the state and federal courts located in Cook or DuPage County, Illinois.

IN WITNESS WHEREOF, the parties have duly executed this Asset Purchase Agreement as of the date first above written.

BUYER:

CHICAGO PODIATRIC SURGEONS, P.C.

By: _____
Dr. Thomas Carr
Title: President

SELLER:

LYON FOOT AND ANKLE CLINIC, S.C.

By: _____
Esther Lyon, D.P.M.
Title: President

OWNER:

_____
Esther Lyon, D.P.M.

EXHIBIT A

ATTACHMENT 7

OFFICE LEASE

THIS LEASE made this _____ day of _____, 2014, between Lyon Foot & Ankle Clinic, P.C. ("Landlord"), and Chicago Podiatric Surgeons, P.C. ("Tenant") for space in the building known as 1590 Weatherstone Lane, #1, Elgin, IL 60123 (the "Premises"). The following sets forth certain base terms of the Lease:

1.	Premises:	approximately 1,089 sf
2.	Term:	1 year
3.	Rent:	$1,950/month
4.	Security Deposit:	$1,950.00
5.	Commencement Date:	_____
6.	Expiration Date:	_____

1. DEMISE AND TERM. Landlord leases to Tenant and Tenant leases from Landlord the Premises (the "Premises") described in item 1 above subject to the terms and conditions set forth in this Lease. The lease term and the commencement of rent payments (as may be extended, the "Lease Term") shall commence on the commencement date (the "Commencement Date") and shall continue until expiration on the fifth (5th) anniversary of the date thereof, unless extended or sooner terminated as provided herein.

2. Rent.

A. Definition. For purposes of this Lease, the following terms shall have the following meanings:

"Rent" shall mean Base Rent as hereinafter defined.

B. Components of Rent. Tenant agrees to pay the following amounts to Landlord at the office of the Building or at such other place as Landlord designates without demand, deduction, set off or abatement:

(i) Rent ("Base Rent") to be paid in monthly installments in the amount set forth in Item 3 above payable in advance on or before the first day of each month of the Term.

(ii) Pro rata percentage increase of taxes using 2014 as the base year.

(iii) Operating expenses and electricity to be paid by tenant.

C. **Payment of Rent.** The following provisions shall govern the payment of Rent: (i) if this Lease commences or ends on a day other than the first or last day of a calendar month, respectively, the Rent for the month in which this Lease so begins or ends shall be prorated and the monthly installments shall be adjusted accordingly; (ii) Tenant shall pay Landlord a late charge for any Rent payment which is paid more than ten days after its due date equal to five percent of such payment.

3. **USE.** Tenant agrees that it shall use the Premises for general office purposes, including but not limited to an office providing medical services. Tenant will comply with federal, state and municipal laws, ordinances and regulations and all covenants, conditions and restrictions of record applicable to Tenant's use or occupancy of the Premises. Without limiting the foregoing, Tenant shall not cause, nor permit, any hazardous or toxic substances to be brought upon, produced, stored, used, discharged or disposed of in, on or about the Premises without the prior written consent of Landlord and then only in compliance with all applicable environmental laws, except for hazardous or toxic substances contained in products used by Tenant in *de minimis* quantities for ordinary cleaning and office purposes and medical waste.

4. **CONDITION OF PREMISES.** Tenant's taking possession of the Premises shall be conclusive evidence that the Premises were in good order and satisfactory condition when Tenant took possession, excepting latent defects, if any. No agreement of Landlord to alter, remodel, decorate, clean or improve the Premises or the Building (or to provide Tenant with any credit or allowance for the same), and no representation regarding the condition of the Premises or the Building, have been made by or on behalf of Landlord or relied upon by Tenant.

5. **BUILDING SERVICES.**

A. Telephones. Tenant shall arrange for telephone service directly with one or more of the public telephone companies servicing the Premises and shall be solely responsible for paying for such telephone service. In no event does Landlord make any representation or warranty with respect to telephone service in the Building, and Landlord shall have no liability with respect thereto.

B. **Utilities**. Tenant shall be responsible for paying for all gas, electric, water and other utilities for the Premises.

6. **RULES AND REGULATIONS.** Tenant shall observe and comply, and shall cause its subtenants, assignees, invitees, employees, contractors and agents to observe and comply, with the reasonable rules and regulations of Landlord consistent with the Tenant's occupancy of the Premises and with such reasonable modifications and additions thereto as Landlord may make from time to time in writing to Tenant. Landlord shall not be liable for failure of any person to obey such rules and regulations against any person, and failure of Landlord to enforce any such rules and regulations shall not constitute a waiver thereof or relieve Tenant from compliance therewith.

7. **CERTAIN RIGHTS RESERVED TO LANDLORD.** Landlord reserves the following rights, each of which Landlord may exercise with notice to Tenant when reasonably possible and without liability to Tenant, and the exercise of any such rights shall not be deemed to constitute an eviction or disturbance of Tenant's use or possession of the Premises and shall not give rise to any claim for set-off or abatement of Rent or any other claim: (a) to change the name or street address of the Premises upon providing 90 day notice to Tenant thereof; (b) to enter upon the Premises for purposes of maintenance, security or any other purpose that does not interfere with Tenant's operations in the Premises; (c) to retain at all times, and to use in appropriate instances, keys to all doors within and into the Premises; (d) to show or inspect the Premises at reasonable times and, if abandoned, to prepare the Premises for reoccupancy without such being a recapture of Premises or termination of this Lease; (e) to install, use and maintain in and through the Premises pipes, conduits, wires and ducts serving the Premises, provided that such installation, use and maintenance does not unreasonably interfere with Tenant's use of the Premises; and (f) to take any other action which Landlord deems reasonable in connection with the operation, maintenance or preservation of the Premises.

8. **MAINTENANCE AND REPAIRS.** Tenant, at its expenses, shall maintain and keep the Premises in good order and repair at all times during the Term. In addition, Tenant shall reimburse Landlord upon demand for the cost of any repairs (including, but not limited to labor and materials) to the Premises necessitated by the acts or omissions of Tenant, its subtenants, assignees, invitee, employees, contractors and agents, to the extent Landlord is not reimbursed for such costs under its insurance policies. Subject to the proceeding sentence, Landlord shall perform any maintenance or make any repairs to the Premises as Landlord shall desire or deem necessary for the safety, operation or preservation of the Premises or as Landlord may be required or requested to do by the municipality or by the order or decree of any court or by any other proper authority (the "Operating Expenses"). Landlord shall be solely responsible for the roof and exterior portions of the Premises and all major systems including HVAC, plumbing and electrical.

9. **ALTERATIONS.**

A. **Requirements.** Tenant shall not make any replacement, alteration, improvement or addition to or removal from the Premises (collectively an "alteration") without the prior written consent of Landlord. In the event Tenant proposes to make any alteration, Tenant shall submit to Landlord in writing for prior written approval: (i) detailed plans and specifications; (ii) sworn statements, including the names, addresses and copies of contracts for all contractors; (iii) all necessary permits evidencing compliance with all applicable governmental rules, regulations and requirements; (iv) certificates of insurance in form and amounts required by Landlord, naming Landlord and any other parties designated by Landlord as additional insureds; and (v) all other documents and information as Landlord may reasonably request in connection with such alteration. Neither approval of the plans and specifications nor supervision, if any, of the alteration by Landlord shall constitute a representation or warranty by Landlord as to the accuracy, adequacy,

sufficiency or propriety of such plans and specifications or the quality of workmanship or the compliance of such alteration with applicable law. Tenant shall pay the entire cost of the alteration. Each alteration shall be performed in a good and workmanlike manner, in accordance with the plans and specifications approved by Landlord, and shall meet or exceed the standards for construction and quality of materials established for the Building. In addition, each alteration shall be performed in compliance with all applicable governmental and insurance company laws, regulations and requirements. Each alteration, made by Tenant in or upon the Premises (excepting Tenant's furniture, equipment and moveable trade fixtures) shall become Landlord's property and shall remain upon the Premises at the expiration or termination of this Lease without compensation to Tenant; provided, however, that Landlord shall have the right to require Tenant to remove such alteration at Tenant's sole cost and expense in accordance with the provisions of section 15 of this Lease, provided that Landlord notifies Tenant of the removal requirement at the time of landlord's consent to said installation.

B. Liens. Upon completion of an alteration, performed by Tenant, Tenant shall promptly furnish Landlord with sworn owner's and contractors' statements and full and final waivers of lien covering all labor and materials included in such alteration. Tenant shall not permit any mechanic's lien to be filed against the Building or Premises, or any part thereof, arising out of any alteration performed, or alleged to have been performed, by or on behalf of Tenant. If any such lien is filed, Tenant shall within ten days thereafter have such lien released of record or deliver to Landlord a bond in form, amount, and issued by a surety satisfactory to Landlord, indemnifying Landlord against all costs and liabilities resulting from such lien and the foreclosure or attempted foreclosure thereof. If Tenant fails to have such lien so released or to deliver such bond to Landlord, Landlord, without the obligation to investigate the validity of such lien, may pay or discharge the same; and Tenant shall reimburse Landlord upon demand for the amount so paid by Landlord, including Landlord's expenses and attorneys' fees.

10. INSURANCE. Tenant, at its expense, shall maintain at all times during the Term the following insurance policies; (a) fire insurance, including extended coverage, vandalism, malicious mischief, sprinkler leakage and water damage coverage and demolition and debris removal, insuring the full replacement cost of all improvements, alterations or additions to the Premises, and all other property owned or used by Tenant and located it the Premises; (b) commercial general liability insurance, contractual liability insurance and property damage insurance with respect to the Premises, with limits of $1,000,000 combined single limit for personal injury, sickness or death or for damage to or destruction of property for any one occurrence. The form of all such policies and deductibles thereunder shall be subject to Landlord's prior approval. All such policies shall be issued by insurers acceptable to Landlord and licensed to do business in the State of Illinois and shall contain a waiver of any rights of subrogation thereunder. In addition, the policies shall name Landlord as additional insured, and shall require at least thirty day's prior written notice to Landlord of termination or modification. Tenant shall, prior to the Commencement Date, and within thirty

days prior to the expiration of each such policy, deliver to Landlord certificates evidencing the foregoing insurance or renewal thereof, as the case may be. Landlord also agrees that in any insurance it obtains pursuant to this lease shall also contain a waiver of any rights of subrogation.

11. FIRE AND CASUALTY. In case the Premises shall be rendered untenantable by fire, explosion or other casualty and such damage cannot be repaired with 45 days, Landlord may terminate this Lease as of the date of such casualty by notice to Tenant within 30 days after the occurrence of the casualty. If it is agreed or determined that such damage can be repaired within such 45 day period, or if such is not the case but Landlord does not elect to terminate this Lease pursuant to this paragraph, this Lease shall not terminate and Landlord shall proceed to repair and restore the Premises with reasonable promptness. In the event of Landlord's failure to perform its obligations under the preceding sentence within said forty-five day period after the casualty, Tenant's exclusive remedy will be to terminate this Lease as of the date of the casualty. If any such damage renders all or a substantial portion of the Premises untenantable and the casualty resulting in such damage renders all or a substantial portion of the Premises and the casualty resulting in such damage was not caused by the act or neglect of Tenant, the Rent and other payments required to be paid by Tenant hereunder shall equitably and ratably abate as to the portion rendered untenantable during the period beginning with such casualty and ending when the untenantable portion of the Premises is rendered Tenantable.

12. WAIVER. Tenant releases Landlord, Landlord's beneficiaries and their respective agents, directors, officers, partners, shareholders and employees from, and waives all claims for, damage or injury to person or property and loss of business sustained by Tenant and resulting from the Building or the Premises or any part thereof or any equipment therein becoming in disrepair, or resulting from any accident in or about the Building or the Premises. This paragraph shall apply particularly, but not exclusively, to flooding, damage caused by Building equipment and apparatus, water, snow, frost, steam, excessive heat or cold, broken glass, sewage, gas, odors, excessive noise or vibration or the bursting or leading of pipes, plumbing fixtures or sprinkler devices. Without limiting the generality of the foregoing, Tenant waives all claims and rights of recovery against Landlord, Landlord's beneficiaries and their respective agents, directors, officers, partners, shareholders and employees for any loss or damage to any property of Tenant, whether or not such loss or damage is due to the fault or negligence of Landlord or Landlord's beneficiaries, agents, directors, officers, partners, shareholders, or employees, and regardless of the amount of insurance proceeds collected or collectible under any insurance policies in effect. Notwithstanding the foregoing, the waiver provisions of this Section shall not apply to claims related to Landlord's breaches of material obligations, instances of Landlord's negligence, or incidents that occur in areas that are not under Tenant's control (specifically, the common areas) that are also not caused by Tenant or Tenant's invitees.

13. CONDEMNATION. If the whole of the Leased Premises shall be taken by any public authority under the power of eminent domain, the term of this Lease shall cease as of the day possession shall be taken by such public authority, and Tenant shall pay Rent up to that date with an appropriate refund by Landlord of such Rent as shall be been paid in advance for a period subsequent

to the date of the taking. If less than 25 percent of the floor space of the leased Premises shall be so taken as of the day possession shall be taken by such public authority, and Tenant shall pay up to that date with an appropriate refund by Landlord of such Rent as may have been paid in advance for a period subsequent to the date of taking and thereafter the Rent shall be equitable adjusted. If more than 25 percent of the floor space of the Leased Premises shall be so taken, then the term of this Lease shall cease only on the part so taken from the day possession shall be taken by such public authority, and Tenant shall pay up to that day with an appropriate refund by the Landlord of such Rent as may have been paid in advance for a period subsequent to the date of the taking and either party shall have the right to terminate this Lease upon notice in writing within ten (10) days after such taking of possession. In the event Tenant remains in possession, and Landlord does not so terminate, all of the terms herein provided shall continue in effect except that the Rent shall be equitably abated, and Landlord shall make necessary repairs or alterations to the basic building and exterior work so as to constitute the remaining Premises a complete architectural unit.

14. **ASSIGNMENT AND SUBLETTING.**

A. Landlord's Consent. Tenant shall not, without the prior written consent of Landlord, which consent shall not be unreasonably withheld or delayed; (i) assign, convey, mortgage or otherwise transfer this Lease or any interest hereunder, or sublease the Premises, or any part thereof, whether voluntarily or by operation of law; or (ii) permit the use of the Premise by any person other than Tenant and its employees. Any such transfer, sublease or use described in this proceeding sentence (a "Transfer") occurring without the prior written consent of Landlord shall be void and of no effect. Landlord's consent to any Transfer shall not constitute a waiver of Landlord's right to withhold its consent to any future Transfer. Landlord's consent to any Transfer or acceptance of Rent from any party other than Tenant shall not release Tenant from the obligation to pay Rent under this Lease or any other covenant or obligation under this Lease.

B. Recapture. Landlord shall have the right to terminate this Lease as to the Premises covered by a Transfer. If Landlord exercises such right to terminate, Landlord shall be entitled to recover possession of the Premises, the Tenant shall surrender the Premises on the later of (i) the effective date of the proposed Transfer, or (ii) sixty days after the date of Landlord's notice of termination. In the event Landlord exercises such right to terminate, Landlord shall have the right to enter into a lease with the proposed transferee without incurring any liability to Tenant on account thereof. If Landlord consents to any Transfer, Tenant shall pay to Landlord fifty percent (50%) of all Rent and other consideration received by Tenant in excess of the Rent paid by Tenant hereunder for the portion of the Premises so transferred. Such Rent shall be paid as and when received by Tenant. In addition, Tenant shall pay to Landlord any reasonable attorneys' fees and expenses incurred by Landlord in connection with any proposed Transfer, whether or not Landlord consents to such Transfer.

15. SURRENDER. Upon termination of the Term or Tenant's right to possession of the Premises, Tenant shall return the Premises to Landlord in good order and condition, ordinary wear excepted. If Landlord requires Tenant to remove any alterations pursuant to Section 9, then such

removal shall be done in a good and workmanlike manner; and upon such removal Tenant shall restore the Premises to its condition prior to the installation of such alterations. If Tenant does not remove such alterations after request to do so by Landlord, on or before the expiration or earlier termination of this Lease, Landlord may remove the same and restore the Premises; and Tenant shall pay the cost of such removal and restoration to Landlord upon demand. Tenant shall also remove its furniture, equipment, moveable trade fixtures and all other items of personal property from the Premises prior to termination of the Term or Tenant's right to possession of the Premises. If Tenant does not remove such items, Tenant shall be conclusively presumed to have conveyed the same to Landlord without further payment or credit by Landlord to Tenant; or at Landlord's sole option such items shall be deemed abandoned, in which event Landlord may cause such items to be removed and disposed of at Tenant's expense with written notice to Tenant and without obligation to compensate Tenant.

16. DEFAULTS AND REMEDIES.

A. Default. The occurrence of any of the following shall constitute a default (a "Default") by Tenant under this Lease: (i) Tenant fails to pay any Rent within 10 days of when due; (ii) Tenant fails to perform or comply with any of the terms, conditions, agreements or covenants in this Lease (other than those referred to in (i) above); (iii) the leasehold interest of Tenant is levied upon or attached under process of law; (iv) Tenant becomes insolvent or dissolves or becomes subject to an assignment for the benefit of creditors; (v) Tenant abandons or vacates the Premises; or (vi) any voluntary or involuntary proceedings are filed by or against Tenant or any guarantor of this Lease under any bankruptcy, insolvency or similar laws and, in the case of any involuntary proceedings, are not dismissed within sixty days after filing.

B. Right of Re-Entry. Upon the occurrence of a Default, Landlord may elect to terminate this Lease or, without terminating this Lease, terminate Tenant's right to possession of the Premises. Upon any such termination, Tenant shall immediately surrender and vacate the Premises and deliver possession thereof to Landlord. Tenant grants to Landlord the right to enter and repossess the Premises and to expel Tenant and any others who may be occupying the Premises and to remove any and all property therefrom, without being deemed in any manner guilty of trespass and without relinquishing Landlord's rights to Rent or any other right given to Landlord hereunder or by operation of law.

C. Reletting. If Landlord terminates Tenant's right to possession of the Premises without terminating this Lease, Landlord may relet the Premises or any part thereof. In such case, Landlord shall use reasonable efforts to relet the Premises on such terms as Landlord shall reasonably deem appropriate; provided, however, Landlord may first lease Landlord's other available space and shall not be required to accept any Tenant offered by Tenant or to observe any instructions given by Tenant about such reletting. Tenant shall reimburse Landlord for the costs and expenses of reletting the Premises including, but not limited to, all brokerage, advertising, legal, alteration, and other expenses incurred to secure a new Tenant for the Premises. In addition, if the consideration collected by Landlord upon any such reletting, after payment of the

expenses of reletting the Premises which have not been reimbursed by Tenant, is insufficient to pay monthly the full amount of the Rent, Landlord shall have the right to accelerate the deficiency for the remainder of the term. If such consideration is greater than the amount necessary to pay the full amount of the Rent, the full amount of such excess shall be retained by Landlord and shall in no event be payable to Tenant.

D. Bankruptcy. If Tenant becomes bankrupt, the bankruptcy trustee shall not have the right to assume or assign this Lease unless the trustee complies with all requirements of the United States Bankruptcy Code; and Landlord expressly reserves all of its rights, claims, and remedies thereunder.

E. Venue. If either Landlord or Tenant desires to bring an action against the other in connection with this Lease, such action shall be brought in the federal or state courts located in Chicago, Illinois. Landlord and Tenant consent to the jurisdiction of such courts and waive any right to have such action transferred from such courts on the grounds of improper venue or inconvenient forum.

F. **Acceleration**. Upon Default, the Landlord at its option may declare all amounts due under the Lease through the end of the Lease Term immediately due and payable.

17. HOLDING OVER. If Tenant retains possession of the Premises after the expiration or termination of the Term or Tenant's right to possession of the Premises, Tenant shall pay Rent during such holding over at 150% of the Rent in effect immediately preceding such holding over computed on a daily basis for each day that Tenant remains in possession. Tenant shall also pay, indemnify and defend Landlord from and against all claims and damages, consequential as well as direct, sustained by reason of Tenant's holding over. At any time while Tenant remains in possession, Landlord may elect instead, by written notice to Tenant and not otherwise, to have such retention of possession constitute a renewal of this Lease on a month to month tenancy at 150% of the Rent in effect immediately proceeding such election by Landlord. The provisions of this Section do not waive Landlord's right of re-entry or right to regain possession by actions at law or in equity or any other rights hereunder, and any receipt of payment by Landlord shall not be deemed a consent by Landlord to Tenants remaining in possession or be construed as creating or renewing the Lease or right of tenancy between Landlord and Tenant.

18. ESTOPPEL CERTIFICATE. Tenant agrees that, from time to time upon not less than twenty days' prior written request by Landlord, Tenant shall execute and deliver to Landlord a written certificate certifying: (i) that this Lease is unmodified and in full force and effect (or if there have been modifications, a description of such modifications and that this Lease as modified is in full force and effect); (ii) the date to which Rent has been paid; (iii) that Tenant is in possession of the Premises, if that is the case; (iv) that Landlord is not in default under this Lease, or if Tenant believes Landlord is in default, the nature thereof in detail; (v) that Tenant has no off-sets or defenses to the performance of its obligations under this Lease; and, (vi) such additional matters as may be requested by Landlord, it being agreed that such certificate may be relied upon by any

prospective purchaser, mortgagee, or other person having or acquiring an interest in the Building or Premises. If Tenant fails to execute and deliver any such certificate within ten days after written request, Tenant shall be deemed in default hereunder.

19. **SUBORDINATION.** This Lease is and shall be expressly subject and subordinate at all times to the lien of any mortgage or trust deed now or hereafter encumbering fee title to the Premises and/or the leasehold estate under any such lease. If any such mortgage or trust deed is foreclosed, or if any such lease is terminated, upon request of the mortgagee, holder or lessor, as the case may be, Tenant will attorn to the purchase at the foreclosure sale or to the lessor under such lease, as the case may be. The foregoing provisions are declared to be self-operative and no further instruments shall be required to effect such subordination and/or attornment; provided, however, that Tenant agrees upon request by any such mortgagee, holder, lessor or purchaser at foreclosure, to execute and deliver such subordination and/or attornment instruments as may be required by such person to confirm such subordination and/or attornment.

20. **QUIET ENJOYMENT.** As long as no Default exists, Tenant shall peacefully and quietly have and enjoy the Premises, free from interference by Landlord, subject, however, to the provisions of this Lease.

21. **BROKER.** Intentionally Deleted.

22. **INDEMNIFICATION**. Tenant covenants and agrees to exonerate, indemnify, defend, protect and save Landlord, its representatives and Landlord's managing agent, if any, harmless from and against any and all claims, demands, expenses, losses, suits and damages as may be occasioned by reason of (i) any accident or matter occurring on or about the Demised Premises, causing injury to persons or damage to property (including, without limitation, the Demised Premises), unless such accident or other matter resulted in whole or in part from the negligence or otherwise tortious act of Landlord or Landlord's agents, servants, invitees or employees, (ii) the failure of Tenant fully and faithfully to perform the obligations and observe the conditions of this Lease, and/or (iii) the negligence or otherwise tortious act of Tenant, its agents, servants, invitees or employees.

23. **MISCELLANEOUS.**

A. **Successors and Assigns.** Each provision of this Lease shall extend to, bind and inure to the benefit of Landlord and Tenant and their respective legal representatives, successors and assigns; and all references herein to Landlord and Tenant shall be deemed to include all such parties.

B. **Entire Agreement.** This Lease represents the complete agreement between Landlord and Tenant for the lease of the premises and Landlord has made no representations or warranties except as expressly set forth in this Lease. No modifications or amendment of or waiver under this Lease shall be binding upon Landlord or Tenant unless in writing signed by Landlord and Tenant.

C. **Time of Essence.** Time is of the essence of this Lease and each and all of its provisions.

D. **Execution and Delivery.** Submission of this instrument for examination or signature by Tenant does not constitute a reservation of space or an option for lease, and it is not effective until execution and delivery by both Landlord and Tenant. Execution and delivery of this Lease by Tenant to Landlord shall constitute an offer by Tenant to lease the Premises on the terms and conditions set forth herein.

E. **Severability.** The invalidity or unenforceability of any provisions of this Lease shall not affect or impair any other provisions.

F. **Governing Law.** This Lease shall be governed by and constructed in accordance with the laws of the State of Illinois.

G. **Attorneys' Fees.** Each party shall pay all costs and expenses, including reasonable attorneys' fees, incurred by the other party in enforcing this Lease or incurred by a party as a result of any litigation to which is initiated by either party herein as a result of this Lease.

H. **Joint and Several Liability.** If Tenant is comprised of more than one party, each such party shall be jointly and severally liable for Tenant's obligations under this Lease.

I. **Captions.** The headings and titles in this Lease are for convenience only and shall have no effect upon the construction or interpretation of this Lease.

J. **No Waiver.** No receipt of money by Landlord from Tenant after termination of this Lease or after the service of any notice after the commencing of any suit of after final judgment for possession of the Premises shall renew, reinstate, continue or extend the Term or affect any such notice or suite. No waiver of any default of Tenant shall be implied from any omission by Landlord to take any action on account of such default if such default persists or be repeated, and no express waiver shall affect any default other than the default specified in the express waiver and then only for the time and to the extent therein stated.

K. If any damage whether to the Premises or to the Building, or any part thereof, or whether to the Landlord or to other Tenants in the Building, results from any act or neglect of the Tenant, or of the Tenant's agents or employees, the Landlord may, at the Landlord's option, repair such damage and the Tenant shall, upon demand by the Landlord, reimburse the Landlord forthwith for the total cost of such repairs. Neither the Landlord nor the Tenant shall be liable for any damages caused by either party's

act or negligence if the Landlord or Tenant or a tenant has recovered the full amount of the damages from insurance. All property belonging to the Tenant or any occupant in the Building shall be at risk of the Tenant and such other person only and the Landlord shall not be liable for damage thereto or theft or misappropriation thereof.

L. In every instance where Landlord chooses to serve any notice or demand upon the Tenant, it shall be sufficient (a) to deliver or cause to be delivered to the Tenant a written or printed copy thereof, and (b) to send a written or printed copy thereof by United States certified or registered mail, postage prepaid, addressed to the Tenant at the demised Premises, with a copy to Alan Wolf, Robbins, Salomon & Patt, Ltd., 180 N. LaSalle Street, Suite 3300, Chicago, Illinois 60601, in which event the notice or demand shall be deemed to have been served at the time copy is postmarked.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the day and year first above written.

TENANT:

CHICAGO PODIATRIC SURGEONS PC

Dated: 7-7-14

LANDLORD:

ESTHER LYON

E. Esther Lyon DPM

Dated: 7.7.2014

SCHEDULE 1.1(a)

Equipment Inventory

Elgin/Lombard

ATTACHMENT 7

LYON FOOT & ANKLE CLINIC, ELGIN ROOM BY ROOM EQUIPMENT LIST

WAITING ROOM:	
8 SEATING CHAIRS	$800.00
1 MAGAZINE TABLE	$300.00
RECEPTION:	
2 DELL VOSTRO 410 COMPUTER	$180.00
2 DELL MONITORS	$160.00
2 KEYBOARDS	$30.00
2 MICE	$10.00
1 BROTHER MFC COPIER/FAX/SCANNER	$250.00
X-RAY HUB	
1 XCELL X-RAY MACHINE	$9,995.00
1 EXTREME 1012 COMPUTED RADIOGRAPHY	$38,000.00
1 DELL MONITOR	$80.00
1 KEYBOARD	$15.00
1 MOUSE	$10.00
1 EPSON STYLUS PRINTER	$450.00
2 DRAWERS	
8 SLOT WALL MOUNTED CABINET	
1 SYSTEMAX VENTURE COMPUTER	$90.00
1 BELKIN SURGE PROTECTOR	$40.00
4 FILMS	
1 ROLLING CART	
ROOM 1	
1 RITTER 317 PATIENT CHAIR	$4,000.00
1 DOCTOR ROLLING CHAIR	$200.00
1 PATIENT SIDE CHAIR	$150.00
1 RITTER BY MIDMARK EXAM LIGHT	$300.00
1 SUPPLY CABINET	
1 KENDALL SHARPS CONTAINER/GLOVE BOX HOLDE	$40.00
1 MAYO STAND	$90.00
1 DELL HARD DRIVE	$90.00
1 HP COMPUTER SCREEN	$80.00
1 KEYBOARD	$15.00
1 MOUSE	$10.00
1 WOLF X-RAY VIEW BOX	$120.00
ROOM 2	
1 RITTER 317 PATIENT CHAIR	$4,000.00
1 DOCTOR ROLLING CHAIR	$200.00
1 PATIENT SIDE CHAIR	$150.00
1 RITTER BY MIDMARK EXAM LIGHT	$300.00
1 SUPPLY CABINET	
1 KENDALL SHARPS CONTAINER/GLOVE BOX HOLDE	$40.00
1 MAYO STAND	$90.00
1 DELL HARD DRIVE	$90.00
1 HP COMPUTER SCREEN	$80.00
1 KEYBOARD	$15.00
1 MOUSE	$10.00
1 WOLF X-RAY VIEW BOX	$120.00

ROOM 3	
1 RITTER 317 PATIENT CHAIR	$4,000.00
1 DOCTOR ROLLING CHAIR	$200.00
1 PATIENT SIDE CHAIR	$150.00
1 RITTER BY MIDMARK EXAM LIGHT	$300.00
1 SUPPLY CABINET	
1 KENDALL SHARPS CONTAINER/GLOVE BOX HOLDI	$40.00
1 MAYO STAND	$90.00
1 DELL HARD DRIVE	$90.00
1 DELL COMPUTER SCREEN	$80.00
1 KEYBOARD	$15.00
1 MOUSE	$10.00
1 WOLF X-RAY VIEW BOX	$120.00
ROOM 4	
1 RITTER 317 PATIENT CHAIR	$4,000.00
1 DOCTOR ROLLING CHAIR	$200.00
1 PATIENT SIDE CHAIR	$150.00
1 RITTER BY MIDMARK EXAM LIGHT	$300.00
1 SUPPLY CABINET	
1 KENDALL SHARPS CONTAINER/GLOVE BOX HOLDI	$40.00
1 MAYO STAND	$90.00
1 DELL HARD DRIVE	$90.00
1 HP COMPUTER SCREEN	$80.00
1 KEYBOARD	$15.00
1 DOCTOR ROLLING CHAIR	$200.00
1 SMALL DESK	
1 METAL FILE CABINET	
ROOM 5	
1 RITTER 317 PATIENT CHAIR	$4,000.00
1 DOCTOR ROLLING CHAIR	$200.00
1 PATIENT SIDE CHAIR	$150.00
1 RITTER BY MIDMARK EXAM LIGHT	$300.00
1 SUPPLY CABINET	
1 KENDALL SHARPS CONTAINER/GLOVE BOX HOLDI	$40.00
1 MAYO STAND	$90.00
1 DELL HARD DRIVE	$90.00
1 DELL COMPUTER SCREEN	$80.00
1 KEYBOARD	$15.00
1 MOUSE	$10.00
MISCELLANEOUS	
2 INTELLECT LEGEND US	$4,000.00
QUEST DIAGNOSTIC BLOOD SPINNER	$150.00
EYE WASH SAFETY STATION	
X-CEL XRAY MODEL MB 700 F324	$9,995.00
ALARA MODER CRYSTAL VIEW T110 XRAY DEVELOF	$2,871.00
SHIMADZU DIAGNOSTI ULTRASOUND MACHINE	$2,000.00
TOTAL EQUIPMENT	**$94,851.00**

ATTACHMENT 7

LYON FOOT & ANKLE CLINIC, LOMBARD ROOM BY ROOM EQUIPMENT LIST

RECEPTION SUITE 100 ENTRANCE

11 SEATING CHAIRS	$1,100.00
2 COFFEE TABLES	$400.00
1 MAGAZINE TABLE	$300.00
2 DESK CHAIRS	$120.00
2 DELL MONITORS	$160.00
2 KEY BOARDS	$30.00
2 MICE	$20.00
1 DELL VOSTRO COMPUTER	$90.00
1 DELL VOSTRO 410 COMPUTER	$90.00
1 SCAN SHELL ID SCANNER	$150.00
1 FUJITSU FI 5220C SCANNER	$450.00
1 HP LASER JET P2015DN PRINTER	$100.00
1 BROTHER MFC 7420 SCAN FAX COPY	$150.00
1 FIRST DATA FD300 TI CREDIT CARD TERMINAL	
2 AVAYA PHONES	$200.00
12 DRAWER CABINET	
4 SLOT WALL MOUNTED CABINETS	

RECEPTION SUITE 200 ENTRANCE

6 SEATING CHAIRS	$600.00
1 COFFEE TABLE	$75.00
1 MAGAZINE TABLE	$150.00
4 DESK CHAIRS	$240.00
2 DELL MONITORS	$160.00
1 HP MONITOR	$80.00
3 KEYBOARDS	$45.00
3 MICE	$30.00
2 AVAYA PHONES	$200.00
1 DELL VOSTRO 410 COMPUTER	$90.00
1 DELL OPTIPLEX GX5820 COMPUTER	$90.00
1 DELL VOSTRO COMPUTER	$90.00
9 DRAWER DESK STORAGE	
8 DEEP DRAWER STORAGE	
6 SLOT WALL MOUNTED CABINETS	
1 BROTHER DCP 7040 COPY PRINTER SCANNER	$300.00
1 PHONE TREE SYSTEM	
1 PITNEY BOWES MAIL STAMPING	
1 CHASE CHECK SCANNER	

LOCKER ROOM

14 LOCKERS	$910.00
2 SEATING CHAIRS	$200.00
1 BENCH	
1 ROLLING CART	
1 MEDICINE REFRIGERATOR	$100.00
2 QUEST DIAGNOSTIC BLOOD SPINNERS	$300.00

KITCHEN

1 3 CHAIR KITCHENETTE	
1 BROTHER INTELIFAX 2820 FAX MACHINE	$100.00

ATTACHMENT 7

1 REFRIGERATOR	$350.00
1 TOASTER OVEN	
1 MICROWAVE	$100.00
10 SLOT CABINETRY WITH 2 DRAWERS	
OFFICE	
1 BOOKSHELVES	
1 OFFICE DESK	
1 OFFICE CHAIR	
1 KEYBOARD	$15.00
1 MOUSE	$10.00
1 DELL OPTIPEX 755 COMPUTER	$90.00
1 DELL MONITOR	$80.00
X-RAY HUB	
1 XCELL X-RAY MACHINE	$9,995.00
1 EXTREME 1012 COMPUTED RADIOGRAPHY	$38,000.00
1 DELL MONITOR	$80.00
1 KEYBOARD	$15.00
1 MOUSE	$10.00
1 EPSON STYLUS PRINTER	$450.00
2 DRAWERS	
8 SLOT WALL MOUNTED CABINET	
1 SYSTEMAX VENTURE COMPUTER	$90.00
1 BELKIN SURGE PROTECTOR	$40.00
4 FILMS	
1 ROLLING CART	
ROOM 1	
1 RITTER 317 PATIENT CHAIR	$4,000.00
1 WAITING CHAIR	$150.00
1 STOOL	$200.00
1 HP MONITOR	$80.00
1 MOUSE	$10.00
1 KEYBOARD	$15.00
1 HP COMPAQ COMPUTER	$80.00
4 DRAWER ROLLING CABINET	
4 SLOT WALL MOUNTED CABINET	
1 MAYO STAND	$90.00
1 LAMP	$300.00
1 X-RAY VIEW BOX	$120.00
ROOM 2	
1 RITTER 317 PATIENT CHAIR	$4,000.00
1 WAITING CHAIR	$150.00
1 STOOL	$200.00
1 HP MONITOR	$80.00
1 MOUSE	$10.00
1 KEYBOARD	$15.00
1 HP COMPAQ COMPUTER	$90.00
4 DRAWER ROLLING CABINET	
4 SLOT WALL MOUNTED CABINET	

ATTACHMENT 7

1 MAYO STAND	$90.00
1 LAMP	$300.00
1 X-RAY VIEW BOX	$120.00
ROOM 3	
1 RITTER 317 PATIENT CHAIR	$4,000.00
2 WAITING CHAIR	$300.00
1 STOOL	$200.00
1 HP MONITOR	$80.00
1 MOUSE	$10.00
1 KEYBOARD	$15.00
1 HP COMPAQ COMPUTER	$90.00
4 DRAWER ROLLING CABINET	
4 SLOT WALL MOUNTED CABINET	
1 MAYO STAND	$90.00
1 LAMP	$300.00
1 X-RAY VIEW BOX	$120.00
ROOM 4	
1 RITTER 317 PATIENT CHAIR	$4,000.00
2 WAITING CHAIR	$300.00
1 STOOL	$200.00
1 DELL MONITOR	$80.00
1 MOUSE	$10.00
1 KEYBOARD	$15.00
1 DELL VOSTRO 410 COMPUTER	$90.00
4 DRAWER ROLLING CABINET	
4 SLOT WALL MOUNTED CABINET	
1 MAYO STAND	$90.00
1 LAMP	$300.00
1 X-RAY VIEW BOX	$120.00
ROOM 6	
1 RITTER 317 PATIENT CHAIR	$4,000.00
1 WAITING CHAIR	$150.00
1 STOOL	$200.00
1 DELL MONITOR	$80.00
1 MOUSE	$10.00
1 KEYBOARD	$15.00
1 DELL VOSTRO 200 COMPUTER	$90.00
4 DRAWER ROLLING CABINET	
4 SLOT WALL MOUNTED CABINET	
1 MAYO STAND	$90.00
1 LAMP	$300.00
ROOM 7	
1 RITTER 317 PATIENT CHAIR	$4,000.00
1 WAITING CHAIR	$150.00
1 STOOL	$200.00
1 DELL MONITOR	$80.00
1 MOUSE	$10.00
4 DRAWER ROLLING CABINET	

ATTACHMENT 7

4 SLOT WALL MOUNTED CABINET	
1 MAYO STAND	$90.00
1 LAMP	$300.00
ROOM 8	
1 RITTER 317 PATIENT CHAIR	$4,000.00
1 WAITING CHAIR	$150.00
1 STOOL	$200.00
4 DRAWER ROLLING CABINET	
4 SLOT WALL MOUNTED CABINET	
1 LAMP	$300.00
ROOM 9	
1 RITTER 317 PATIENT CHAIR	$4,000.00
1 DELL MONITOR	$80.00
1 KEYBOARD	$15.00
1 MOUSE	$10.00
1 DELL POWEREDGE 700 SERVER	$400.00
1 DELL POWEREDGE 1900 SERVER	$650.00
1 STOOL	$200.00
1 CHAIR	$150.00
4 DRAWER ROLLING CABINET	
4 SLOT WALL MOUNTED CABINET	
1 ORTHO SCANNER	
1 LAPTOP	
ROOM 5	
13 SLOT WALL MOUNTED CABINETS	
4 DRAWERS	
2 DELL MONITORS	$160.00
2 KEYBOARDS	$30.00
2 MICE	$20.00
1 DELL VOSTRO 410 COMPUTER	$90.00
1 DELL OPTIPLEX 755 COMPUTER	$90.00
1 HP LASER JET PI006 PRINTER	$500.00
1 DELL 3100CN PRINTER	$350.00
3 STOOLS	$600.00
1 AVAYA PHONE	
1 MINDRAY ULTRASOUND MONITOR	$6,000.00
1 TUTTNAUER VALVEKLAVE AUTO CLAVE	$2,500.00
1 EYE WASH STATION	
1 SAMARITAN PAD DEFIBRILLATOR	
THERAPY	
2 ROLLING CARTS	
2 INTELECT LEGEND US MACHINES	$4,000.00
1 WHEELCHAIR	$100.00
OR ROOM 1	
MID MARK PODIATRY 417 CHAIR	$3,650.00
1 STOOL	$200.00
1 MAYO STAND	$90.00

ATTACHMENT 7

12 SLOT WALL MOUNTED CABINET	
8 DRAWER CABINET	
OR ROOM 2	
MIDMARK CHAIR	$4,000.00
2 MAYO STAND	$180.00
2 SLOT WALL MOUNTED CABINET	
8 DRAWER CABINET	
1 RITTER 104 CHAIR	$600.00
OR ROOM 3	
MIDMARK 104	$2,500.00
MIDMARK CHAIR	$4,000.00
1 MAYO STAND	$90.00
1 ROLLING CART	
4 SLOT WALL MOUNTED CABINET	
8 DRAWER CABINET	
OR AREA	
14 SLOT WALL MOUNTED CABINET	
6 DRAWER CABINET	
1 SINK	
1 HANDS FREE SINK	
1 EYE WASH STATION	
TUTTNAUER 3870 EA	$14,500.00

TOTAL EQUIPMENT $126,625.00

SCHEDULE 1.2

Elgin/Lombard

Excluded Assets

Wood Dale Practice

Cary Practice

Warrenville Practice

ATTACHMENT 7

SCHEDULE 1.3(a)

Elgin/Lombard

Assumed Liabilities

None

SCHEDULE 1.7

Elgin/Lombard

Satisfaction of Indebtedness

None

ATTACHMENT 7

SCHEDULE 2.2

Allocation of Purchase Price For The Elgin Practice And Lombard Practice

Furniture and Equipment:	$225,000
Patient Charts and Records:	$60,000
Non-Compete:	$60,000
Pre-Closing Consultation Fee:	$530,000
	$875,000.00

ATTACHMENT 7

SCHEDULE 3.2(b)(ix)

Bill of Sale

ATTACHMENT 7

BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS, that Lyon Foot and Ankle Clinic, P.C., an Illinois corporation with its principal place of business at 6 East St. Charles Road, Lombard, IL 60148 ("Seller"), for and in consideration of the sum of Ten and no/100 Dollars ($10.00), and other good and valuable consideration, to it paid by Chicago Podiatric Surgeons, P.C., an Illinois corporation ("Buyer"), the receipt whereof is hereby acknowledged, does hereby bargain, sell, transfer, set over, and convey to Buyer, Seller's right, title and interest in and to the following described items of personal property (collectively, "Personal Property"):

All of the tangible personal property owned by Seller with respect to the operation of the podiatry practice with an office at 6 East St. Charles Road, Lombard, Illinois, 60148 (the "***Lombard Practice***") and the operation of the podiatry practice with an office at 1590 Weatherstone Lane, #1, Elgin, Illinois 60123 ("***Elgin Practice***"), including all equipment, furniture, fixtures, machinery, office furnishings, leasehold improvements and inventories of supplies, drugs and other disposables and consumables related to the operation of the Business as set forth on the attached Schedule; each contract set forth on Schedule 4.16(b) to the Asset Purchase Agreement entered into by and between Seller and Buyer on _____, 2014; all documents, including all patient files and records and documents related to such patient files and records, medical charts, operating manuals, files and computer software with respect to the operation of the Lombard Practice and the Elgin Practice; all of Seller's rights, to the extent assignable or transferable, to all licenses, provider numbers, permits, approvals, certificates of need, certificates of exemption, franchises, accreditations and registrations and other governmental licenses, permits or approvals issued to Seller with respect to the operation of the Lombard Practice and Elgin Practice; all patient, customer and/or referral lists; the names, symbols and telephone number 630-495-1240 used with respect to the operation of the Elgin Practice and the Lombard Practice; and the website www.lyonfootandankleclinic.net and the assumed name "Lyon Foot and Ankle Clinic" *provided*, however, the personal property conveyed to Buyer as reflected in this Bill of Sale shall not include accounts receivable of Seller, any cash, cash equivalents or bank accounts of Seller, such Personal Property appurtenant to and with respect to the operation of a podiatry practice in Wood Dale, Illinois, Cary, Illinois, and Warrenville, Illinois, and such Personal Property appurtenant to and with respect to the operation of a surgical center at 340 W. Butterfield Road, Elmhurst, Illinois.

Buyer acknowledges by executing this Bill of Sale that it has made its own investigation as to the nature and extent and has inspected the physical condition of the Personal Property.

Seller has free and clear title to the Personal Property. The Personal Property is not subject to any mortgage, pledge, lien (including tax liens), charge, security interest, encumbrance or restriction, lease, liability or claim of any nature whatsoever. THE SALE OF PERSONAL PROPERTY IS MADE BY SELLER WITHOUT REPRESENTATION OR WARRANTY OF ANY KIND, EITHER EXPRESS OR IMPLIED, AS TO THE CONDITION OF THE PERSONAL PROPERTY, OR ITS MERCHANTABILITY. THE PERSONAL PROPERTY IS SOLD ON AN AS-IS, WHERE-IS BASIS, AND BY ITS ACCEPTANCE OF THE

INVENTORY AND PERSONAL PROPERTY, BUYER EXPRESSLY RELIEVES AND EXONERATES SELLER OF ANY RESPONSIBILITY FOR ITS PHYSICAL CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PURPOSE. SELLER'S WARRANTIES SET FORTH HEREIN ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES AND GUARANTEES OF ANY KIND (INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR PURCHASER'S INTENDED USE), WHETHER WRITTEN OR ORAL OR IMPLIED IN FACT OR IN LAW.

Buyer expressly assumes, as of the date hereof, all risk of loss, damage, or injury occurring after the date hereof in connection with the Personal Property and Buyer expressly releases the Seller from all claims of every kind or nature arising by reason of or in connection with the ownership, possession, handling or use of the Personal Property on or after the date hereof.

Buyer hereby covenants and agrees to protect, defend and indemnify and hold harmless Seller from and against any and all claims, damages, liability and causes of action arising out of the present or future condition of the Personal Property or the use or existence of the Personal Property, whether for injury or death to persons or damage or destruction of property.

To have and to hold unto Buyer, its personal representatives, successors and assigns

IN WITNESS WHEREOF, the Seller has hereunto set its hand and hereto this _____day of _____, 2014.

WITNESS:

Lyon Foot and Ankle Clinic, P.C.
An Illinois corporation

_____
_____

By:_____
Esther H. Lyon
President

CERTIFICATION OF INSPECTION

The undersigned certifies that all of the items which are purchased by the undersigned will be accepted on the terms set forth above, and on an "as is" basis, without warranties, express or implied, or guarantees as to its merchantability or fitness for any use whatsoever.

Certified to this _____day of_____, 2014.

By:_____
Name:_____
Title:_____

ATTACHMENT 7

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LYON FOOT & ANKLE CLINIC, ELGIN ROOM BY ROOM EQUIPMENT LIST

WAITING ROOM:

8 SEATING CHAIRS	$800.00
1 MAGAZINE TABLE	$300.00

RECEPTION:

2 DELL VOSTRO 410 COMPUTER	$180.00
2 DELL MONITORS	$160.00
2 KEYBOARDS	$30.00
2 MICE	$10.00
1 BROTHER MFC COPIER/FAX/SCANNER	$250.00

X-RAY HUB

1 XCELL X-RAY MACHINE	$9,995.00
1 EXTREME 1012 COMPUTED RADIOGRAPHY	$38,000.00
1 DELL MONITOR	$80.00
1 KEYBOARD	$15.00
1 MOUSE	$10.00
1 EPSON STYLUS PRINTER	$450.00
2 DRAWERS	
8 SLOT WALL MOUNTED CABINET	
1 SYSTEMAX VENTURE COMPUTER	$90.00
1 BELKIN SURGE PROTECTOR	$40.00
4 FILMS	
1 ROLLING CART	

ROOM 1

1 RITTER 317 PATIENT CHAIR	$4,000.00
1 DOCTOR ROLLING CHAIR	$200.00
1 PATIENT SIDE CHAIR	$150.00
1 RITTER BY MIDMARK EXAM LIGHT	$300.00
1 SUPPLY CABINET	
1 KENDALL SHARPS CONTAINER/GLOVE BOX HOLDE	$40.00
1 MAYO STAND	$90.00
1 DELL HARD DRIVE	$90.00
1 HP COMPUTER SCREEN	$80.00
1 KEYBOARD	$15.00
1 MOUSE	$10.00
1 WOLF X-RAY VIEW BOX	$120.00

ROOM 2

1 RITTER 317 PATIENT CHAIR	$4,000.00
1 DOCTOR ROLLING CHAIR	$200.00
1 PATIENT SIDE CHAIR	$150.00
1 RITTER BY MIDMARK EXAM LIGHT	$300.00
1 SUPPLY CABINET	
1 KENDALL SHARPS CONTAINER/GLOVE BOX HOLDE	$40.00
1 MAYO STAND	$90.00
1 DELL HARD DRIVE	$90.00
1 HP COMPUTER SCREEN	$80.00
1 KEYBOARD	$15.00
1 MOUSE	$10.00
1 WOLF X-RAY VIEW BOX	$120.00

ATTACHMENT 7

ROOM 3	
1 RITTER 317 PATIENT CHAIR	$4,000.00
1 DOCTOR ROLLING CHAIR	$200.00
1 PATIENT SIDE CHAIR	$150.00
1 RITTER BY MIDMARK EXAM LIGHT	$300.00
1 SUPPLY CABINET	
1 KENDALL SHARPS CONTAINER/GLOVE BOX HOLDI	$40.00
1 MAYO STAND	$90.00
1 DELL HARD DRIVE	$90.00
1 DELL COMPUTER SCREEN	$80.00
1 KEYBOARD	$15.00
1 MOUSE	$10.00
1 WOLF X-RAY VIEW BOX	$120.00
ROOM 4	
1 RITTER 317 PATIENT CHAIR	$4,000.00
1 DOCTOR ROLLING CHAIR	$200.00
1 PATIENT SIDE CHAIR	$150.00
1 RITTER BY MIDMARK EXAM LIGHT	$300.00
1 SUPPLY CABINET	
1 KENDALL SHARPS CONTAINER/GLOVE BOX HOLDI	$40.00
1 MAYO STAND	$90.00
1 DELL HARD DRIVE	$90.00
1 HP COMPUTER SCREEN	$80.00
1 KEYBOARD	$15.00
1 DOCTOR ROLLING CHAIR	$200.00
1 SMALL DESK	
1 METAL FILE CABINET	
ROOM 5	
1 RITTER 317 PATIENT CHAIR	$4,000.00
1 DOCTOR ROLLING CHAIR	$200.00
1 PATIENT SIDE CHAIR	$150.00
1 RITTER BY MIDMARK EXAM LIGHT	$300.00
1 SUPPLY CABINET	
1 KENDALL SHARPS CONTAINER/GLOVE BOX HOLDI	$40.00
1 MAYO STAND	$90.00
1 DELL HARD DRIVE	$90.00
1 DELL COMPUTER SCREEN	$80.00
1 KEYBOARD	$15.00
1 MOUSE	$10.00
MISCELLANEOUS	
2 INTELLECT LEGEND US	$4,000.00
QUEST DIAGNOSTIC BLOOD SPINNER	$150.00
EYE WASH SAFETY STATION	
X-CEL XRAY MODEL MB 700 F324	$9,995.00
ALARA MODER CRYSTAL VIEW T110 XRAY DEVELOF	$2,871.00
SHIMADZU DIAGNOSTI ULTRASOUND MACHINE	$2,000.00
TOTAL EQUIPMENT	**$94,851.00**

ATTACHMENT 7

LYON FOOT & ANKLE CLINIC, LOMBARD ROOM BY ROOM EQUIPMENT LIST

RECEPTION SUITE 100 ENTRANCE

11 SEATING CHAIRS	$1,100.00
2 COFFEE TABLES	$400.00
1 MAGAZINE TABLE	$300.00
2 DESK CHAIRS	$120.00
2 DELL MONITORS	$160.00
2 KEY BOARDS	$30.00
2 MICE	$20.00
1 DELL VOSTRO COMPUTER	$90.00
1 DELL VOSTRO 410 COMPUTER	$90.00
1 SCAN SHELL ID SCANNER	$150.00
1 FUJITSU FI 5220C SCANNER	$450.00
1 HP LASER JET P2015DN PRINTER	$100.00
1 BROTHER MFC 7420 SCAN FAX COPY	$150.00
1 FIRST DATA FD300 TI CREDIT CARD TERMINAL	
2 AVAYA PHONES	$200.00
12 DRAWER CABINET	
4 SLOT WALL MOUNTED CABINETS	

RECEPTION SUITE 200 ENTRANCE

6 SEATING CHAIRS	$600.00
1 COFFEE TABLE	$75.00
1 MAGAZINE TABLE	$150.00
4 DESK CHAIRS	$240.00
2 DELL MONITORS	$160.00
1 HP MONITOR	$80.00
3 KEYBOARDS	$45.00
3 MICE	$30.00
2 AVAYA PHONES	$200.00
1 DELL VOSTRO 410 COMPUTER	$90.00
1 DELL OPTIPLEX GX5820 COMPUTER	$90.00
1 DELL VOSTRO COMPUTER	$90.00
9 DRAWER DESK STORAGE	
8 DEEP DRAWER STORAGE	
6 SLOT WALL MOUNTED CABINETS	
1 BROTHER DCP 7040 COPY PRINTER SCANNER	$300.00
1 PHONE TREE SYSTEM	
1 PITNEY BOWES MAIL STAMPING	
1 CHASE CHECK SCANNER	

LOCKER ROOM

14 LOCKERS	$910.00
2 SEATING CHAIRS	$200.00
1 BENCH	
1 ROLLING CART	
1 MEDICINE REFRIGERATOR	$100.00
2 QUEST DIAGNOSTIC BLOOD SPINNERS	$300.00

KITCHEN

1 3 CHAIR KITCHENETTE	
1 BROTHER INTELIFAX 2820 FAX MACHINE	$100.00

1 REFRIGERATOR	$350.00
1 TOASTER OVEN	
1 MICROWAVE	$100.00
10 SLOT CABINETRY WITH 2 DRAWERS	
OFFICE	
1 BOOKSHELVES	
1 OFFICE DESK	
1 OFFICE CHAIR	
1 KEYBOARD	$15.00
1 MOUSE	$10.00
1 DELL OPTIPEX 755 COMPUTER	$90.00
1 DELL MONITOR	$80.00
X-RAY HUB	
1 XCELL X-RAY MACHINE	$9,995.00
1 EXTREME 1012 COMPUTED RADIOGRAPHY	$38,000.00
1 DELL MONITOR	$80.00
1 KEYBOARD	$15.00
1 MOUSE	$10.00
1 EPSON STYLUS PRINTER	$450.00
2 DRAWERS	
8 SLOT WALL MOUNTED CABINET	
1 SYSTEMAX VENTURE COMPUTER	$90.00
1 BELKIN SURGE PROTECTOR	$40.00
4 FILMS	
1 ROLLING CART	
ROOM 1	
1 RITTER 317 PATIENT CHAIR	$4,000.00
1 WAITING CHAIR	$150.00
1 STOOL	$200.00
1 HP MONITOR	$80.00
1 MOUSE	$10.00
1 KEYBOARD	$15.00
1 HP COMPAQ COMPUTER	$80.00
4 DRAWER ROLLING CABINET	
4 SLOT WALL MOUNTED CABINET	
1 MAYO STAND	$90.00
1 LAMP	$300.00
1 X-RAY VIEW BOX	$120.00
ROOM 2	
1 RITTER 317 PATIENT CHAIR	$4,000.00
1 WAITING CHAIR	$150.00
1 STOOL	$200.00
1 HP MONITOR	$80.00
1 MOUSE	$10.00
1 KEYBOARD	$15.00
1 HP COMPAQ COMPUTER	$90.00
4 DRAWER ROLLING CABINET	
4 SLOT WALL MOUNTED CABINET	

1 MAYO STAND	$90.00
1 LAMP	$300.00
1 X-RAY VIEW BOX	$120.00
ROOM 3	
1 RITTER 317 PATIENT CHAIR	$4,000.00
2 WAITING CHAIR	$300.00
1 STOOL	$200.00
1 HP MONITOR	$80.00
1 MOUSE	$10.00
1 KEYBOARD	$15.00
1 HP COMPAQ COMPUTER	$90.00
4 DRAWER ROLLING CABINET	
4 SLOT WALL MOUNTED CABINET	
1 MAYO STAND	$90.00
1 LAMP	$300.00
1 X-RAY VIEW BOX	$120.00
ROOM 4	
1 RITTER 317 PATIENT CHAIR	$4,000.00
2 WAITING CHAIR	$300.00
1 STOOL	$200.00
1 DELL MONITOR	$80.00
1 MOUSE	$10.00
1 KEYBOARD	$15.00
1 DELL VOSTRO 410 COMPUTER	$90.00
4 DRAWER ROLLING CABINET	
4 SLOT WALL MOUNTED CABINET	
1 MAYO STAND	$90.00
1 LAMP	$300.00
1 X-RAY VIEW BOX	$120.00
ROOM 6	
1 RITTER 317 PATIENT CHAIR	$4,000.00
1 WAITING CHAIR	$150.00
1 STOOL	$200.00
1 DELL MONITOR	$80.00
1 MOUSE	$10.00
1 KEYBOARD	$15.00
1 DELL VOSTRO 200 COMPUTER	$90.00
4 DRAWER ROLLING CABINET	
4 SLOT WALL MOUNTED CABINET	
1 MAYO STAND	$90.00
1 LAMP	$300.00
ROOM 7	
1 RITTER 317 PATIENT CHAIR	$4,000.00
1 WAITING CHAIR	$150.00
1 STOOL	$200.00
1 DELL MONITOR	$80.00
1 MOUSE	$10.00
4 DRAWER ROLLING CABINET	

4 SLOT WALL MOUNTED CABINET	
1 MAYO STAND	$90.00
1 LAMP	$300.00
ROOM 8	
1 RITTER 317 PATIENT CHAIR	$4,000.00
1 WAITING CHAIR	$150.00
1 STOOL	$200.00
4 DRAWER ROLLING CABINET	
4 SLOT WALL MOUNTED CABINET	
1 LAMP	$300.00
ROOM 9	
1 RITTER 317 PATIENT CHAIR	$4,000.00
1 DELL MONITOR	$80.00
1 KEYBOARD	$15.00
1 MOUSE	$10.00
1 DELL POWEREDGE 700 SERVER	$400.00
1 DELL POWEREDGE 1900 SERVER	$650.00
1 STOOL	$200.00
1 CHAIR	$150.00
4 DRAWER ROLLING CABINET	
4 SLOT WALL MOUNTED CABINET	
1 ORTHO SCANNER	
1 LAPTOP	
ROOM 5	
13 SLOT WALL MOUNTED CABINETS	
4 DRAWERS	
2 DELL MONITORS	$160.00
2 KEYBOARDS	$30.00
2 MICE	$20.00
1 DELL VOSTRO 410 COMPUTER	$90.00
1 DELL OPTIPLEX 755 COMPUTER	$90.00
1 HP LASER JET PI006 PRINTER	$500.00
1 DELL 3100CN PRINTER	$350.00
3 STOOLS	$600.00
1 AVAYA PHONE	
1 MINDRAY ULTRASOUND MONITOR	$6,000.00
1 TUTTNAUER VALVEKLAVE AUTO CLAVE	$2,500.00
1 EYE WASH STATION	
1 SAMARITAN PAD DEFIBRILLATOR	
THERAPY	
2 ROLLING CARTS	
2 INTELECT LEGEND US MACHINES	$4,000.00
1 WHEELCHAIR	$100.00
OR ROOM 1	
MID MARK PODIATRY 417 CHAIR	$3,650.00
1 STOOL	$200.00
1 MAYO STAND	$90.00

ATTACHMENT 7

12 SLOT WALL MOUNTED CABINET	
8 DRAWER CABINET	
OR ROOM 2	
MIDMARK CHAIR	$4,000.00
2 MAYO STAND	$180.00
2 SLOT WALL MOUNTED CABINET	
8 DRAWER CABINET	
1 RITTER 104 CHAIR	$600.00
OR ROOM 3	
MIDMARK 104	$2,500.00
MIDMARK CHAIR	$4,000.00
1 MAYO STAND	$90.00
1 ROLLING CART	
4 SLOT WALL MOUNTED CABINET	
8 DRAWER CABINET	
OR AREA	
14 SLOT WALL MOUNTED CABINET	
6 DRAWER CABINET	
1 SINK	
1 HANDS FREE SINK	
1 EYE WASH STATION	
TUTTNAUER 3870 EA	$14,500.00

TOTAL EQUIPMENT $126,625.00

ATTACHMENT 7

SCHEDULE 4.6

Elgin/Lombard

Material Changes Since Interim Financial Statements

None

SCHEDULE 4.8

Elgin/Lombard

Litigation and Claims History

See attached.

ATTACHMENT 7

200

PICA - 3000 Meridian Blvd. Suite 400, Franklin, TN 37067

Claims History as of 3/21/2014

Insured Name: **Lyon, Esther DPM**

For claims reported from: 03/21/2004 to 03/21/2014

Policy Number: **1PD0010859**

laim#	Status	Claim Type	Coverage Type	Report Date	Loss Date	Closed Date	Total Paid Expenses + Loss Closed Files	Total Incurred Expenses + Loss Open Files
576-01	OPEN	SUIT	MPL	04/27/2010	04/04/2008			$391,567.26
782-01	OPEN	SUIT	MPL	04/06/2011	11/16/2009			$333,277.04
'05-01	CLOSED	SUIT	MPL	01/27/2012	12/18/2009	04/23/2012	$3,862.39	
Subtotal for: **1PD0010859**							**$3,862.39**	**$724,844.30**

Policy Number: **1PD0010859**

Term	Claim#	Status	Claim Type	Coverage Type	Report Date	Loss Date	Closed Date	Total Paid Expenses + Loss Closed Files	Total Incurred Expenses + Loss Open Files
04/01/2009-04/01/2010	14771-01	OPEN	SUIT	MPL	09/16/2009	08/24/2007			$480,917.62
04/01/2008-04/01/2009	13614-01	CLOSED	SUIT	MPL	11/14/2008	10/13/2006	10/27/2009	$6,656.39	
	13615-01	CLOSED	SUIT	MPL	11/14/2008	05/09/2007	05/06/2010	$39,742.43	
04/01/2007-04/01/2008	No Claims								
04/01/2006-04/01/2007	No Claims								
04/01/2005-04/01/2006	10327-01	CLOSED	SUIT	MPL	01/19/2006	01/13/2004	10/14/2009	$64,044.49	
04/01/2004-04/01/2005	9622-01	CLOSED	SUIT	MPL	12/15/2004	11/22/2002	05/18/2005	$1,457.00	
Subtotal for: **1PD0010859**								**$111,900.31**	**$480,917.62**
Grand Total:								**$115,762.70**	**$1,205,761.92**

MPL = Medical Professional Liability, OPL = Office Premises Liability, BPPL = Business Premises Personal Liability

*TOTAL PAID AND INCURRED AMOUNTS INCLUDE LOSS AND LEGAL EXPENSES. Effective January 28, 2013, you will notice this is a change in how we show total paid which now includes expenses and loss reserves in addition to indemnity payments.

*The information contained in this loss run is proprietary. It is to be used by the insured and his or her insurance agent for the purpose of obtaining insurance coverage or for facility credentialing only. It is not to be given to any other party for any other purpose.

ATTACHMENT 7

201

SCHEDULE 4.10

Licenses

Lombard Practice

1. **Certificate of Occupancy**

ATTACHMENT 7

Date: 10/02/01

Parcel No. 06-08-100-011
Permit No. 00-1279

VILLAGE OF LOMBARD

CERTIFICATE OF OCCUPANCY

We hereby certify that Dr. Esther Lyon, actual property owner or its managing agent for the premises commonly known as 6 E. St. Charles Road, Suite 100, has complied with all requirements of the Building, Health, and Zoning laws and ordinances set forth in Ordinance 3274 and Ordinance 2561 and all its amendments thereto and that said building and use is hereby qualified for occupancy by the Lombard Foot & Ankle Clinic, the named property tenant/owner, for usage as a medical clinic building under Zoning Classification B5 subject to the following:

It is required by ordinance that an application for water service and garbage collection be made at the time of occupancy and zoning.

Planning Services Division

Bureau of Fire Prevention

Private Engineering Services Division

Bureau of Inspectional Services (Seal)

ATTACHMENT 7

SCHEDULE 4.10

Licenses

Elgin Practice

1. **Business License**
2. **Certificate of Occupancy**

ATTACHMENT 7

SCHEDULE 4.13

Elgin/Lombard

Employees

See attached.

ATTACHMENT 7

Staff

Name	Duties	Total Work Hours	$ per hour	How long with practice
Jackie Williams	Medical Assistant	30hrs/week	$21	8 years
• Medical Health Reimbursement				
Chantel Velez	Medical Assistant	28hrs/week	$14	1 year
Bernice Araiza	Receptionist/MA	8hrs/week	$16	2 years
• Medical Health Reimbursement				
• Profit Sharing Plan				
Sarahi Espino	Office Manager	40hrs/week	$25	4 years
• Medical Health Reimbursement				
• Profit Sharing Plan				
Andrea Walker	Medical Assistant	20hrs/week	$25	9 years
• Profit Sharing Plan				
Laura Molina	Billing Dept	40hrs/week	$20	<1 year
• Medical Health Reimbursement				

ATTACHMENT 7

SCHEDULE 4.15

Elgin/Lombard

Disclosure of Pension and Benefit Plans

See attached.

ATTACHMENT 7

Farmer, Poklop, Hoppa & Company
Certified Public Accountants
Integrity. Experience. Results.

1100 S Old Rand Road
Lake Zurich , IL 60047
847-550-0516
847-550-1614 fax
www.fph-cpa.com

LETTER SENT TO ESTHER
TO EXPLAIN THE PARAMETERS
OF THE PROFIT SHARING AND
PENSION PLANS

MARCH 29, 2014

Dear Esther & Andrew:

I wanted to follow up on our discussion on the retirement accounts as it's difficult to explain all the numbers without the information in front of you, so I've enclosed the investment summaries and Participants' Equity Accounts. The markets have been very strong in 2013 and the total income for both plans comes to $107,100 for 2013. The accrued Profit Sharing contributions owed is $194,000 after a distribution made in 2013. The Profit Sharing Plan has assets held in the Oppenheimer Accounts of $502,000 and with the $194,000 added in, there is a total of $696,000 of which your balance is $676,000 with an amount of $20,000 owed to the other participants that is subject to vesting and would be $5,000 less if the distribution were made in 2014 and added to your total. The Pension Plan has assets in the Oppenheimer Accounts of $152,000 that is entirely yours. Between the two plans you would be entitled to a total of $833,000. You do not have to pay the $194,000 at one time and could pay it in installments. When you are ready to make a payment, call me so we can direct the funds to the accounts with the highest return on investment. As discussed with Andrew, you have the option of not paying the $194,000 for the Profit Sharing contribution and reporting the amount as Other Income through the corporation and paying the tax on it next year which would come to about $87,000 for the state and federal taxes. Please feel free to call me to discuss this further. I'm trying to simplify this as much as possible, but I know sometimes it can be confusing.

Thanks,

Carey Dolitsky

Carey B. Dolitsky C.P.A.

ATTACHMENT 7

LYON FOOT & ANKLE CLINIC
PROFIT SHARING PLAN
2013

DESCRIPTION	BALANCE '12-31-12	INCREASE (DECREASE) IN VALUE	BALANCE 12-31-13	RETURN ON INVSTMT
GLOBAL FUND CLASS A	132,179.72	35,387.78	167,567.50	26.77%
GLOBAL STRATEGIC INCOME FUND A	79,145.65	-287.57	78,858.08	-0.36%
LIMITED TERM GOVERNMENT FUND A	62,938.89	50.13	62,989.02	0.08%
RISING DIVIDENDS FUND A	59,245.99	16,210.74	75,456.73	27.36%
MAIN STREET FUND A	36,846.77	11,623.70	48,470.47	31.54%
DISCOVERY FUND A	26,883.67	12,397.25	39,280.92	46.11%
LIMITED TERM GOVERNMENT FUND C	9,846.94	-71.09	9,775.85	-0.72%
COMMODITY STRATEGY FUND	8,307.44	-835.97	7,471.47	-10.06%
CAPITAL APPRECIATION FUND C	7,787.91	2,199.71	9,987.62	28.25%
DISCOVERY FUND C	1,444.82	649.52	2,094.34	44.97%
TOTAL MARKET VALUE	424,627.80	77,324.20	501,952.00	18.21%
ADD: 2009 CONTRIBUTION			53,171.00	
ADD: 2010 CONTRIBUTION			53,192.00	
ADD: 2011 CONTRIBUTION			62,085.00	
ADD: 2012 CONTRIBUTION ($57,158 - $31,606)			25,552.00	
TOTAL MARKET VALUE + CONTRIBUTIONS			695,952.00	

ATTACHMENT 7

LYON FOOT & ANKLE CLINIC
PROFIT SHARING PLAN
2013

PARTICIPANT	BALANCE 12/31/2012	ALLOCATED INCOME	ALLOCATED FORFEITURES	BALANCE 12/31/2013	VESTED DISTRIBUTION
DR. ESTHER LYON	599,075	75,179	1,746	676,000	676,000
ANDREA WALKER	10,014	1,255	29	11,298	10,014
SARAHI ESPITA	6,253	784	19	7,056	4,234
BERNICE ARAIZA	1,535	59	4	1,598	639
JACKIE WILLIAMS	1,798	-0-	(1,798)	-0-	-0-
TOTAL	618,675	77,277	-0-	695,952	690,887

012

ATTACHMENT 7

LYON FOOT & ANKLE CLINIC
PENSION PLAN
2013

DESCRIPTION	BALANCE '12-31-12	INCREASE (DECREASE) IN VALUE	BALANCE 12-31-13	RETURN ON INVSTMT
GLOBAL FUND CLASS A	29,587.25	7,921.25	37,508.50	26.77%
RISING DIVIDENDS FUND A	26,059.84	7,130.42	33,190.26	27.36%
MAIN STREET FUND A	17,103.41	5,395.45	22,498.86	31.55%
LIMITED TERM GOVERNMENT FUND A	16,998.19	13.54	17,011.73	0.07%
DISCOVERY FUND CLASS A	16,247.11	7,492.26	23,739.37	46.12%
GLOBAL STRATEGIC INCOME FUND A	11,897.69	-43.18	11,854.51	-0.36%
DISCOVERY FUND CLASS A	2,802.81	1,260.51	4,063.32	44.97%
CAPITAL APPRECIATION FUND C	2,147.14	606.31	2,753.45	28.23%
TOTAL MARKET VALUE	122,843.44	29,776.56	152,620.00	24.24%

ATTACHMENT 7

SCHEDULE 4.16(a)

Elgin/Lombard

Contracts

1. OFFICITE, LLC Service Agreement for development, maintenance and hosting of Seller's website
2. Comcast Business Class Services Business Class Internet
3. Pitney Bowes Equipment Agreement
4. PNC Merchant Services Agreement

Terms and Conditions

By entering into an OFFICITE Service Agreement ("Service Agreement") and obtaining the right to use the Services (as hereinafter defined) provided by OFFICITE, LLC ("OFFICITE") the Customer executing the Service Agreement ("Customer") agrees to be bound by the following Terms and Conditions of Service ("Terms and Conditions"). For the purposes of these Terms and Conditions, "Services" means all services in connection with the design, development, maintenance and hosting by OFFICITE of a web site on the World Wide Web in accordance with the information provided, e-mail and other Service Options selected by Customer in the Service Agreement ("Customer's Web Site").

1. Applicability, Modification

1.1 These Terms and Conditions shall apply to Services provided by OFFICITE to Customer under the Service Agreement or any other agreement between OFFICITE and Customer, to the exclusion of any terms and conditions specified by Customer on a purchase order, acknowledgement, payment, or other document or form.

1.2 No modification of these Terms and Conditions shall be effective unless agreed in writing by OFFICITE. These Terms and Conditions may be amended by OFFICITE by giving at least 30 days advance notice to Customer by e-mail or regular mail. By using the Services following the effective date of the modification, Customer shall be deemed to have accepted the amendment. A copy of the most current Terms and Conditions will also be available at www.officite.com/satc.

2. Services, License

2.1 OFFICITE will design, develop, maintain and host Customer's Web Site in accordance with the information provided in the Service Agreement and the Service Options selected by Customer. Unless otherwise requested by Customer and to the extent permitted by the domain name registrar, Officite will register the Customer's domain names (URLs) in the name of the Customer as the registrant (or such other name as the Customer shall specify), with Officite as the contact for billing, technical and administrative matters.

2.2 Customer will be offered upgrades, enhancements, technical assistance or other support services when and as they are offered by OFFICITE to its customers generally, provided the scope, type, availability, fees and other terms applicable thereto will be at the sole discretion of OFFICITE. OFFICITE may provide and Customer agrees to receive notification of additional OFFICITE offered products and services via email communication. CUSTOMER may elect to discontinue email notifications at any time through the opt-out facility provided on each email notification.

2.3 OFFICITE hereby grants Customer a personal, non-transferable nonexclusive, limited license to use Customer's Web Site for Customer's internal business purposes in accordance with these Terms and Conditions (the "License").

2.4 Customer may not sublicense, assign, or transfer the License, and any attempt to do so shall be void and with no effect.

3. Fees

3.1 Fees for Services, including without limitation setup fees for Customer's Web Site, recurring fees for maintenance and hosting of Customer's Web Site and other fees for Service Options, are set forth in the Service Agreement. All maintenance fees, hosting fees and other recurring fees are subject to change from time to time by OFFICITE giving at least 30 days advance notice to Customer by e-mail or regular mail. If Customer does not accept a fee adjustment, Customer may terminate the Service Agreement by giving written notice to OFFICITE prior to the effective date of the change.

3.2 Fees for set-up of Customer's Web Site and other one-time fees for Service Options selected on the Service Agreement will be due upon acceptance of the Service Agreement by OFFICITE unless otherwise agreed by OFFICITE.

3.3 All recurring fees, including without limitation fees for maintenance and hosting of Customer's Web Site and other Service Options, will commence and be due and payable on the first day of the applicable billing cycle (i.e. monthly, quarterly or annually). The first day of a billing cycle shall be either: (i) the start date indicated on the Service Agreement for a particular Service if the start date is the first day of a month; or (ii) the first day of the month immediately following the start date if the start date is any day other than the first day of a month. OFFICITE may, at its option, bill for a partial month from the date OFFICITE first publishes Customer's Web Site on the World Wide Web until the first day of the applicable billing cycle, based on a daily pro-ration of the applicable fee for the number of days the Service is provided. A quarterly billing cycle shall be a three month period beginning the first day of the first billing cycle and the first day of every three month period thereafter. An annual billing cycle be a one year period beginning the first day of the first billing cycle and every anniversary thereafter.

3.4 Fees for Services are to be paid by Customer's credit card identified in the Payment Options section of the Service Agreement, except annual recurring fees and set-up or other one-time fees may be paid in advance by check, at OFFICITE's option.

3.5 Customer represents, warrants and covenants that: (i) Customer will pay all fees incurred by Customer as set forth in the Service Agreement or these Terms and Conditions, including any applicable taxes; (ii) the credit card information supplied by Customer is true, correct and complete; and (iii) the fees incurred by Customer will be honored by the credit card company identified by Customer. If any charges to Customer's credit card made by OFFICITE are rejected, charged back or otherwise not processed by Customer's credit card company, or if Customer's credit card is cancelled for any reason,

Customer will provide to OFFICITE information for a substitute credit card which may be used from that point forward under the Service Agreement. If any charge for Services is more than thirty (30) days delinquent from the applicable due date, OFFICITE may, at its option, discontinue the Services including the maintenance and hosting of Customer's Web site and e-mail in accordance with OFFICITE's policies and procedures. Customer may reactivate its account and reestablish the delivery of Services within thirty (30) days after any such discontinuation by payment of all unpaid amounts owed to OFFICITE plus a $200.00 reinstatement fee.

4. Intellectual Property Rights, Ownership and Use

4.1 Except as provided in Section 4.2, all intellectual property rights in and with respect to the Services, including without limitation the rights in the libraries, photos, data, designs, forms, documents or information or other content supplied by OFFICITE (collectively the "OFFICITE Content"), as between OFFICITE and Customer, are and shall remain the property of OFFICITE. Customer's rights to use the Services and OFFICITE Content are limited to the rights granted to Customer under these Terms and Conditions. Customer does not acquire ownership rights to the OFFICITE Content or any other document or materials accessed through Customer's Web Site. The posting or availability of OFFICITE Content on Customer's Web Site does not constitute a waiver of any right of OFFICITE in such information and materials. The Services, including Customer's Web Site and the OFFICITE Content, are solely intended for the personal use of Customer in connection with its practice. As such, the License is personal and may not be sublicensed, assigned, conveyed or otherwise transferred to a third party by Customer.

4.2 Customer will own the Customer Web Site File (as hereafter defined) developed for Customer by OFFICITE under the Platinum Service Option. For the purposes of these Terms and Conditions, the "Customer Web Site File" shall mean the computer file containing executable code that, when loaded and operating on a web server utilizing a hosting environment specified by OFFICITE, produces the Web Site specifically developed by OFFICITE for Customer in conformity with the requirements and specifications supplied by Customer, provided the Customer Web Site File specifically excludes: (i) any OFFICITE Content; or (ii) any code that executes functions specific to the OFFICITE hosting environment that may be included in such file. Upon expiration or termination of this Agreement for any reason under Section 6.1, OFFICITE shall provide the Customer Web Site File to Customer. Customer acknowledges that third party software may be necessary for Customer or another service provider to host and maintain a fully functional site on the World Wide Web using the Customer Web Site File. OFFICITE shall have a non-exclusive limited license to use the Customer Web Site File in connection with the delivery of Services.

4.3 Without limiting the generality of the foregoing, the OFFICITE Content, and the organization, graphics, design, compilation, magnetic translation, digital conversion and other matters related to the OFFICITE Content and other materials used by OFFICITE in connection with the delivery of Services are protected under applicable copyright, trade secret and other intellectual property laws. In connection with its practice, Customer may

provide to Customer's patients excerpts from the OFFICITE Content. Otherwise, except as expressly permitted in these Terms and Conditions, Customer may not reproduce, publish, create derivative works from, distribute, transmit, sublicense, participate in the transfer or sale of, modify, or in any way exploit, the OFFICITE Content or other materials used in connection with the delivery of Services.

4.4 All intellectual property rights in and with respect to the photos, data, information and other content supplied by Customer for posting on Customer's Web Site ("collectively Customer Content"), as between OFFICITE and Customer, are and shall remain the property of Customer. OFFICITE shall have a non-exclusive limited license to use the Customer Content on Customer's Web Site and otherwise in connection with the delivery of Services.

4.5 OFFICITE reserves the right in its sole discretion to edit, add or delete the OFFICITE Content or any other photographs, graphics, designs or other materials appearing on Customer's Web Site.

4.6 With respect to the computer software used to deliver the Services and/or provided to Customer in connection with the Services ("Software"), the owners or licensors of the Software retain all right, title and interest, including any intellectual property rights, in and to the Software and all portions thereof, and no title to the Software, or any intellectual property rights in the Software, is transferred to Customer. Neither Customer nor any third party to is permitted to: (i) sublicense, rent, lease, sell, offer to sell, distribute, or otherwise transfer rights to any Software; (ii) copy the Software (other than as expressly provided herein); (iii) remove any proprietary markings, copyright, notices, logos, trademarks, trade names or labels on the Software and/or documentation for the Software; (iv) use any database software embedded in the Software as a general SQL server, as a stand-alone database or with applications other than the Software; (v) use any Software on any computer not controlled by Customer; or (vi) allow any third party, other than Customer's employees, agents and consultants ("Internal Users") to use the Software.

5. Hosting Requirements & Services

5.1 All information infrastructure, including servers, software and network devices shall be physically located at a data center or other site selected by OFFICITE.

5.2 A copy of the source materials for Customer's Web Site will be held in escrow by the Certified Public Accounting firm Mowery & Schoenfeld, Vernon Hills, Illinois. In the case of a Customer with the Platinum Service Option, the source materials shall consist of the Customer Web Site File. In the event Customer is not in breach of this Agreement and OFFICITE ceases to do business as a going concern for any reason, upon written request to OFFICITE and Mowery and Schoenfeld, the source materials will be made available to Customer for hosting of Customer's Web Site by Customer or another service provider. Customer acknowledges that third party software may be necessary for

Customer or another service provider to host and maintain a fully functional site on the World Wide Web using the source materials for Customer's Web Site.

5.3 OFFICITE will use reasonable commercial efforts to maintain its information technology systems, facilities and services used to deliver Services in an operational and accessible condition. OFFICITE reserves each Sunday from 12:01 AM until 6:00 AM, or other reasonable period of time selected by OFFICITE ("Maintenance Window") for maintenance activities on the systems, network or data center used to provide Services. Services provided by OFFICITE may be interrupted during some or all of the Maintenance Window. If a disruption in Services should occur (other than as a result of a force majeure event under Section 5.4), OFFICITE will use reasonable commercial efforts to remedy the situation. OFFICITE shall not be deemed to be in breach of this Agreement and Customer shall not be permitted to claim damages due to non-accessibility or disruption in Services during a Maintenance Window or as a result of a force majeure event under Section 5.4.

5.4 Any delays in or failures of delivery of Services by OFFICITE shall not be considered a breach of the Service Agreement or these Terms and Conditions if and to the extent caused by occurrences beyond the reasonable control of OFFICITE, including, but not limited to acts of God, acts, regulations or laws of any government, strikes or other concerted acts of workers, failures or delays by third parties not under the direct control of a party, fires, floods, explosions, riots, wars, rebellion and sabotage. Any time for performance hereunder shall be extended by the actual time of delay caused by such occurrence. OFFICITE shall promptly give notice to Customer of such occurrences and their cessation.

5.5 Customer agrees that it will use the Services in a lawful manner for lawful purposes and in accordance with the Service Agreement and these Terms and Conditions. Customer will comply at all times with all applicable laws and regulations. Customer is responsible for knowing what constitutes unlawful acts. Customer hereby indemnifies and holds OFFICITE harmless for any losses, claims, damages or liabilities arising out the unlawful use of the Services by Customer or any customer of Customer.

5.6 OFFICITE has the right to refuse to provide further Services for Customer if at any time it becomes apparent to OFFICITE that the Services are being utilized by Customer or a customer of Customer in a manner deemed by OFFICITE, in its sole discretion, to be unlawful, inappropriate or damaging to OFFICITE's image or reputation. Customer acknowledges and agrees that such unlawful, inappropriate or damaging use of the Services shall be a breach of this Agreement.

6. Term and Termination

6.1 The term of the Service Agreement shall be month to month. The Service Agreement may be terminated by either party giving thirty (30) days written notice to the other party. The effective date of termination shall be the last day of the calendar month in which such 30th day occurs. The prorated portion of any quarterly or annual fees previously

paid for unused Services through the date of termination shall be refunded to Customer by OFFICITE.

6.2 If requested by Customer prior to the expiration or termination of the Service Agreement, upon such expiration or termination and payment of the applicable transfer fee, OFFICITE will transfer to Customer the Universal Record Locator(s) registered in OFFICITE's name for the benefit of Customer and identified on the Service Agreement.

7. Search Engine Registration

OFFICITE will submit information concerning Customer's Web Site to one or more search engine services selected by OFFICITE. OFFICITE provides no representation or warranty, either express or implied, that Customer's Web Site will be accepted by any search engine service.

8. Customer Satisfaction

If for any reason whatsoever Customer is not completely satisfied with the Services, Customer may notify OFFICITE in writing within thirty (30) days of the execution of the Service Agreement and OFFICITE will refund any amount paid by Customer prior to the date of notification in excess of fifty percent (50%) of the set-up fees specified in the Service Agreement. Upon payment of the refund, the Services shall be discontinued and the Service Agreement terminated.

9. Trademarks

OFFICITE, OFFICITE, LLC and the OFFICITE, LLC logo are trademarks of OFFICITE. Customer's use of the Services shall not be deemed to be a grant of any right, title, license or interest in or to these trademarks.

10. Links to Other Web Sites

Customer's Web Site may contain links to, or may be accessible from, links within related or unrelated web sites and resources. OFFICITE shall not be liable for any loss, injury, claim, liability or damages of any kind arising out of or in connection with such links.

11. Disclaimers

11.1 CUSTOMER AGREES THAT OFFICITE, ITS SERVICE PROVIDERS, SUBCONTRACTORS AND THIRD PARTY LICENSORS OF SOFTWARE WILL NOT BE HELD LIABLE FOR ANY DELAYS, INACCURACIES, ERRORS OR OMISSIONS IN THE DELIVERY OF SERVICES OR THE SOFTWARE, INCLUDING WITHOUT LIMITATION FOR ANY DIRECT DAMAGES ARISING OUT OF ANY OF THE FOREGOING.

11.2 OFFICITE does not represent or endorse the accuracy or reliability of any OFFICITE Content. THE SERVICES AND SOFTWARE ARE PROVIDED ON AN "AS IS" BASIS WITHOUT WARRANTIES OF ANY KIND, WHETHER EXPRESSED, IMPLIED, STATUTORY OR OTHERWISE, INCLUDING, WITHOUT LIMITATION, THE WARRANTIES OF TITLE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS, OR THE IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. OFFICITE FURTHER MAKES NO WARRANTIES RESPECTING ANY HARM THAT MAY BE CAUSED BY THE TRANSMISSION OF A COMPUTER VIRUS, WORM, TIME BOMB, LOGIC BOMB OR OTHER SUCH COMPUTER PROGRAM. OFFICITE, ITS SERVICE PROVIDERS, SUBCONTRACTORS AND THIRD PARTY LICENSORS OF SOFTWARE DO NOT WARRANT THAT THE SOFTWARE WILL MEET ANY OR ALL OF BUYER'S OR ITS INTERNAL USERS' NEEDS OR REQUIREMENTS, THAT THE SOFTWARE WILL BE ERROR-FREE OR THAT ALL ERRORS IN THE SOFTWARE WILL BE CORRECTED OR THAT THE FUNCTIONALITY OF THE SOFTWARE WILL BE UNINTERRUPTED. CUSTOMER HEREBY ACKNOWLEDGES THAT USE OF THE SERVICES IS AT ITS SOLE RISK.

11.3 OFFICITE does not and cannot control the flow of data to or from OFFICITE'S network, the Internet or Customer's systems which are dependent upon the performance of the Internet, and/or telecommunications or other service providers. OFFICITE does not guarantee that failures of the Internet, and/or providers of telecommunications or other services will not occur. The conduct of third parties can affect Customer's access to the Internet or other telecommunications services used by Customer. Customer acknowledges that telecommunications services, circuits or associated interface equipment can be disrupted or blocked by viruses, worms or other attacks. Accordingly, there may be periods of time when Customer's access to or utilization of the Internet, telecommunications, or other services will be disrupted or blocked, or OFFICITE may be required to disable Customer's connections to the Internet or other services in order to isolate problems or defeat attacks by third parties. Furthermore, Customer acknowledges that: (i) the Internet, telecommunications and other services are not totally secure, and communications on the Internet or through telecommunications or other services may be intercepted, copied, read and/or altered without detection by anyone who gains access thereto; (ii) OFFICITE cannot guarantee the delivery or nondisclosure of such communications; and (iii) OFFICITE is a distributor of Internet services and does not have editorial control over the content of any Customer communications. For the purposes of these Terms and Conditions, the term "telecommunications" shall be deemed to include the communication of information of all forms (including without limitation voice and data) via any wired (whether metallic, fiber optic or other form of cable connection) or wireless means.

12. Liability

12.1 If for any reason OFFICITE, its service providers, subcontractors, or licensors of third party Software are held to be liable to Customer for any default or breach howsoever arising, such liability to Customer shall in no case exceed the prorated

monthly hosting fee charged by OFFICITE during the Service disruption to which the default or breach relates.

12.2 IN NO EVENT, WHETHER BASED ON CONTRACT, INDEMNITY, WARRANTY, TORT, STRICT LIABILITY OR OTHERWISE, SHALL OFFICITE, ITS SERVICE PROVIDERS, SUBCONTRACTORS AND THIRD PARTY LICENSORS OF SOFTWARE, OR ANY OF THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES OR AGENTS, BE LIABLE TO CUSTOMER OR TO ANY THIRD PARTY FOR ANY REASON, INCLUDING WITHOUT LIMITATION FOR: (I) THE SUSPENSION OR TERMINATION OF THE DELIVERY OF SERVICES BY OFFICITE UNDER SECTION 3.5, SECTION 5.3, SECTION 5.4 OR SECTION 5.6; OR (II) SPECIAL, INCIDENTAL, EXEMPLARY, INDIRECT OR CONSEQUENTIAL DAMAGES OF ANY KIND, INCLUDING WITHOUT LIMITATION INTERRUPTED BUSINESS OPERATIONS, LOST PROFITS, LOST SAVINGS, DAMAGES ARISING FROM LOSS OF CONTENT, LOSS OF USE, LOSS OF DATA OR LOST SALES, DAMAGE TO OR LOSS OF USE OF EQUIPMENT OR FACILITIES, LOSS OF SERVICES, DOWNTIME COSTS, OFFSITE STORAGE OF DATA, OR CLAIMS OF CUSTOMERS OF CUSTOMER FOR SUCH DAMAGES. CUSTOMER SHALL INDEMNIFY OFFICITE, ITS SERVICE PROVIDERS, SUBCONTRACTORS AND THIRD PARTY LICENSORS OF SOFTWARE AGAINST ANY SUCH CLAIMS FROM CUSTOMER'S CUSTOMERS. THE FOREGOING LIMITATIONS AND DISCLAIMERS SHALL APPLY WHETHER OR NOT THE POSSIBILITY OF SUCH SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES HAS BEEN DISCLOSED IN ADVANCE TO OR COULD HAVE BEEN FORESEEN BY OFFICITE, ITS SERVICE PROVIDERS AND THIRD PARTY LICENSORS OF SOFTWARE AND REGARDLESS OF WHETHER ANY REMEDY AVAILABLE TO CUSTOMER FAILS OF ITS ESSENTIAL PURPOSE.

12.3 THE CONSIDERATION TO BE RECEIVED BY OFFICITE HEREUNDER DOES NOT INCLUDE COMPENSATION FOR THE COST OF INSURING THE RISKS AND LIABILITIES DISCLAIMED BY OFFICITE. THE LIMITATIONS AND DISCLAIMERS OF OFFICITE'S OBLIGATIONS AND LIABILITIES ARE INTENDED TO APPLY TO THE FULLEST EXTENT PERMITTED BY LAW, AND THE INVALIDITY OF APPLICATION THEREOF TO ANY GIVEN CIRCUMSTANCE SHALL NOT AFFECT SUCH APPLICATION TO ANY OTHER CIRCUMSTANCE. SUCH LIMITATIONS AND DISCLAIMERS ARE INTENDED TO PREVAIL OVER ANY PROVISION IN THIS AGREEMENT TO THE CONTRARY.

12.4 Customer's Internal Users shall either: (i) be given notice of terms substantially similar to provisions of Section 11.1, Section 11.2 and Section 12.2 and be required to agree to the same by a click through procedure prior to utilizing any Services; or (ii) be required by Customer to comply with such terms as a condition of utilizing any Services.

13. Indemnification

13.1 Customer hereby agrees to indemnify, defend and hold OFFICITE, and its officers, directors, agents, vendors, licensors and subcontractors (collectively, the "Indemnified Parties") harmless from and against any and all claims, liability and costs and expenses, including, without limitation, reasonable attorneys' fees, incurred by the Indemnified Parties in connection with any claim arising out of: (i) any breach by Customer of the Service Agreement, these Terms and Conditions or any other contract between OFFICITE and Customer; (ii) claims based upon representations made by Customer; (iii) any use of the Customer's Web Site or Services; (iv) information and services provided by Customer, and (v) any and all actions, conduct or acts of omission of Customer.

13.2 Customer shall cooperate as fully and as reasonably required in the defense of any claim. OFFICITE reserves the right, at its own expense, to assume the exclusive defense and control of any matter subject to indemnification by Customer.

14. Privacy

Customer's use of the Services indicates Customer's acceptance of OFFICITE's Privacy Policy. OFFICITE's Privacy Policy provides in part that OFFICITE may disclose information about usage of Customer's Web Site and demographics pertaining thereto so long as such disclosure does not reveal users' personal identities, unless such disclosure is required to protect against violations of the Service Agreement or these Terms and Conditions, or to protect and defend OFFICITE's rights or property or the rights or property of third parties.

15. No Waiver

The failure by OFFICITE at any time or for any period to enforce any one or more of these Terms and Conditions shall not be a waiver of them or a waiver of the right to enforce the Terms and Conditions on a future occasion.

16. Law

16.1 Each of the Terms and Conditions shall be read and construed independently of each other so that if one or more is held to be unlawful it shall not affect the validity or enforceability of the remainder of the Terms and Conditions.

16.2 The Service Agreement and these Terms and Conditions shall be construed in accordance with Illinois Law without reference to choice of law provisions. Any action brought by Customer or OFFICITE to enforce the Service Agreement and these Terms and Conditions shall be brought in the Circuit Court of DuPage County, Illinois or the United States District Court for the Northern District of Illinois, Eastern Division, and the parties hereby consent to the jurisdiction of those courts for these purposes.

17. Subcontractors

OFFICITE may, in its reasonable discretion, engage one or more subcontractors in connection with the delivery of Services under the Service Agreement or to perform its obligations under these Terms and Conditions. These Terms and Conditions shall inure to the benefit of OFFICITE's subcontractors and third party licensors of Software, who shall, at all times and for all purposes to the fullest extent permitted by law, be deemed to be third party beneficiaries of the Service Agreement and these Terms and Conditions.

Primary Contact Name	Sarah Espino	ZIP Code	60148
Business Phone	(630) 802-5527	County	
Cell Phone		Email Address	esarah28@gmail.com
Pager Number		Primary Fax Number	
Technical Contact Name		Tech Contact On-Site?	No
Technical Contact Business Phone		Technical Contact Email	
Property Manager Contact Name		Property Mgr. Phone	

COMCAST BUSINESS CLASS SERVICES

	Selection (X)
Business Class Voice	
Business Class Internet	X
Business Class TV	

Service Term (Months)	36

COMCAST BUSINESS CLASS SERVICES DETAILS

Business Class Voice*

VOICE SELECTIONS	Quantity	Unit Cost	Total Cost
Full Feature Voice Lines			
Adtl. F.F. Voice Lines w/ pkg.			
4+ Lines			
Basic Lines			
Fax Lines			
Toll Free Numbers			
Equipment Fee			

VOICE OPTIONS	Selection(X)	Total Cost
Voicemail		
Directory Listing Suppression Fee		
Auto-Attendant		

* Voice offers & options not available in all markets.

Business Class Internet*

INTERNET SELECTIONS	Selection(X)	Total Cost
Starter		
Preferred		
Other Premium	X	$99.95
Equipment Fee	X	$7.00

INTERNET OPTIONS	Selection(X)	Total Cost
Microsoft Outlook Office Email	X	Included
Web Hosting - Starter	X	Included
Web Hosting - Business		
Web Hosting - Commerce		
Web Hosting - Professional		
Static IP - 1	X	$14.95
Static IP - 5		
Static IP - 13		

* Internet selections & options not available in all markets.

Business Class Packages

Package Name:
PACKAGE DESCRIPTION

Business Class TV*

TV SELECTIONS	Selection(X)	Total Cost
Basic		
Information & Entertainment		
Standard		
Preferred		
Music Choice Standalone		

TV OPTIONS	Selection	Total Cost
Sports Pack**		
Music Choice W/Business Class		
Canales Selecto		
Other Programming		
Other Programming		
Other Programming		

TV OUTLETS	Quantity	Unit Cost	Total Cost
Additional Outlets			
HD TV Box Charges			

* Not available in home offices or public view establishments. TV selections & options not available in all markets.

** Available for Information & Entertainment, Standard & Preferred TV offers only.

COMCAST BUSINESS CLASS TOTAL SERVICE CHARGES

Business Class	Selection(X)	Unit Cost	Total Cost
Installation Fee	X	$49.00	$49.00
Voice Activation Fee*			
Auto-Attendant Setup Fee			
Voice Jack Fee			
Toll Free Activation Fee			

* Per line activation fee, up to four (4) line maximum charge.

Total Installation Charges:*	$49.00

* Does not include Custom Installation Fees referenced below.

Total Monthly Service Charge	$121.90
Promotional Code (if applicable)	
Less Discount (if applicable)	$0.00
Total Recurring Monthly Bill:*	$121.90

* Applicable federal, state, and local taxes and fees may apply.

GENERAL SPECIAL INSTRUCTIONS

ATTACHMENT 7

Business Class Internet: Starter	2 Full Access	Transfer Existing Comcast.net Email	No
Business Class Internet: Preferred	4 Full Access	Number of Static IPs*	1
Other: Premium	8 Email boxes included		

* If 5 or 13 Static IPs are requested a STATIC IP JUSTIFICATION FORM is required.

COMCAST BUSINESS CLASS TV CONFIGURATION DETAILS

Outlet Details	Location	Outlet Type
Outlet 1 - Primary		
Outlet 2 - Additional		
Outlet 3 - Additional		
Outlet 4 - Additional		
Outlet 5 - Additional		
Outlet 6 - Additional		
Outlet 7 - Additional		
Outlet 8 - Additional		

Additional Comments:

OUTLETS 9 & UP	QUANTITY
Analog	
Digital	
HDTV	
DTA	

COMCAST BUSINESS CLASS VOICE CONFIGURATION DETAILS

Phone #	Type	Voicemail

Customer Equipment

Phone System Type (Key System, PBX, Other)

Phone System Manufacturer

Fax Machine Manufacturer

Alarm System Vendor

Point of Sale Device

Telco Closet Location

Hunt Group Configuration Details

Hunt Group Features Requested (Yes/No)

Hunt Group Configuration Type

Hunt Group Pilot Number

Toll Free #	Calling Origination Area	Associated TN

Directory Listing Details

Directory (Published, Non-Published, Unlisted)	
Directory Listing Phone Number	
Directory Listing Display Name	
DA/DL Header Text Information	

Additional Voice Details

Caller ID (Yes/No)	
Caller ID Display Name (max 15 char.)	

ATTACHMENT 7

Billing Name (3rd Party Accounts)		State	IL
Address 1	6 E SAINT CHARLES RD	ZIP Code	60148
Address 2		Billing Contact Email	esarah28@gmail.com
Billing Contact Name	Sarah Espino	Billing Contact Phone	(630) 802-5527
Tax Exempt?*	No	Billing Fax Number	

** If yes, please provide and attach tax exemption certificate.*

AGREEMENT

1. This Comcast Business Class Service Order Agreement sets forth the terms and conditions under which Comcast Cable Communications Management, LLC and its operating affiliates ("Comcast") will provide the Services to Customer. This Comcast Business Class Service Order Agreement consists of this document ("SOA"), the standard Comcast Business Class Terms and Conditions ("Terms and Conditions"), and any jointly executed amendments ("Amendments"), collectively referred to as the "Agreement". In the event of inconsistency among these documents, precedence will be as follows: (1) Amendments, (2) Terms and Conditions, and (3) this SOA. This Agreement shall commence and become a legally binding agreement upon Customer's execution of the SOA. The Agreement shall terminate as set forth in the Terms and Conditions (http://business.comcast.com/terms-conditions/index.aspx). All capitalized terms not defined in this SOA shall reflect the definitions given to them in the Terms and Conditions. Use of the Services is also subject to the then current High-Speed Internet for Business Acceptable Use Policy located at http://business.comcast.com/terms-conditions/index.aspx (or any successor URL), and the then current High -Speed Internet for Business Privacy Policy located at http://business.comcast.com/terms-conditions/index.aspx (or any successor URL), both of which Comcast may update from time to time.

2. Each Comcast Business Class Service ("Service") carries a 30 day money back guarantee. If within the first thirty days following Service activation Customer is not completely satisfied, Customer may cancel Service and Comcast will issue a refund for Service charges actually paid by Customer, custom installation, voice usage charges, and optional service fees excluded. In order to be eligible for the refund, Customer must cancel Service within thirty days of activation and return any Comcast-provided equipment in good working order. In no event shall the refund exceed $500.00.

3. IF CUSTOMER IS SUBSCRIBING TO COMCAST'S BUSINESS CLASS VOICE SERVICE, I ACKNOWLEDGE RECEIPT AND UNDERSTANDING OF THE E911 NOTICE:

E911 NOTICE

Comcast Business Class Voice service ("Voice") may have the E911 limitations specified below:

- In order for 911 calls to be properly directed to emergency services using Voice, Comcast must have the correct service address for the Voice Customer. If Voice is moved to a different location without Comcast's approval, 911 calls may be directed to the wrong emergency authority, may transmit the wrong address, and/or Voice (including 911) may fail altogether.

- Voice uses electrical power in the Customer's premises. If there is an electrical power outage, 911 calling may be interrupted if the battery back-up in the associated multimedia terminal adapter is not installed, fails, or is exhausted after several hours.

- Voice calls, including calls to 911, may not be completed if there is a problem with network facilities, including network congestion, network/equipment/power failure, or another technical problem.

- Comcast will need several business days to update a Customer service address in the E911 system. All change requests and questions should be directed to 1-800-391-3000. USE OF VOICE AFTER DELIVERY OF THIS DOCUMENT CONSTITUTES CUSTOMER ACKNOWLEDGEMENT OF THE E911 NOTICE ABOVE.

4. To complete a Voice order, Customer must execute a Comcast Letter or Authorization ("LOA") and submit it to Comcast, or Comcast's third party order entry integrator, as directed by Comcast.

5. New telephone numbers are subject to change prior to the install. Customers should not print their new number on stationery or cards until after the install is complete.

6. Modifications: All modifications to the Agreement, if any, must be captured in a written Amendment, executed by an authorized Comcast Senior Vice President and the Customer. All other attempts to modify the Agreement shall be void and non-binding on Comcast. Customer by signing below, agrees and accepts the Terms and Conditions of this Agreement.

CUSTOMER SIGNATURE	
By signing below, Customer agrees and accepts the Terms and Conditions of this Agreement. General Terms and Conditions can be found at http://business.comcast.com/terms-conditions/index.aspx.	
Signature:	DocuSigned by: Sarah Espino 4006547014094 00...
Print:	Sarah Espino
Title:	
Date:	2/15/2012

FOR COMCAST USE ONLY	
Sales Representative:	Christopher Hargraves
Sales Representative Code:	
Sales Manager/Director	Erin Kaighn
Sales Manager/Director	
Division:	Central
Lead ID:	4841122

ATTACHMENT 7

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PITNEY BOWES GLOBAL FINANCIAL SERVICES LEASE AGREEMENT

Customer Privilege Add On

7371082 004

Your Business Information

Customer Name LOMBARD FOOT & ANKLE Tax ID # (FEIN/TIN)

Address 6 E SAINT CHARLES RD Email Address

City LOMBARD State IL Zip 60148-2302

Sales Information

Rep Name 1 Richard Howard Rep # 118851 Rep Name 2 Rep #

District Office Mid America (36) District # 036

Customer Privilege -- Maintain your current Pitney Bowes Equipment

Term : 51 months Billed : Quarterly

Except as otherwise provided in this lease, all of the terms and conditions of your existing lease # 7371082/003 and all other related agreements, including the PERIODIC TOTAL payment as currently invoiced, are fully incorporated in this lease by reference, and Pitney Bowes Global Financial Services LLC, as LESSOR, agrees to lease the equipment to you under such terms and conditions. This lease shall commence on the day following the expiration date of your existing lease if this lease is entered into during your initial Lease Term or on the first day of the next billing period if this lease is entered into during your monthly renewal term. You have the right to upgrade, buyout or maintain your current position in your existing equipment if your needs change prior to five months before the commencement of this lease.

Lease Information -- Add one of these 4 options to your existing lease for additional payment

☐ Binder with Supply Pak (BD50 & BDP1)	☐ Office Shredder (SH5A)	☐ Medium Duty Office Shredder (SH6A)	☐ Folder / Inserter (DI22)
List price $55/mo	List price $78/mo	List price $124/mo	List price $165/mo
YOUR PRICE $41/mo	YOUR PRICE $59/mo	YOUR PRICE $89/mo	YOUR PRICE $119/mo

Price is effective upon installation and for a period of _____months.
This is in addition to your current lease payment and is subject to the attached terms and conditions. The Solution selected above includes a Standard Service Level Agreement.

☒ I decline all of the discounted offers above and would like to keep my payment the same

Your Signature

You agree to be bound by all the terms and conditions of this Agreement, including this Order page, your existing lease terms and conditions and, for any Customer Privilege Add-on selected by checking the boxes above, those terms and conditions contained on page 2 and those located in the Pitney Bowes Terms (Version 01/11), which are available at www.pb.com/terms and are incorporated by reference. The Lease will be binding on PBGFS only after PBGFS has completed its credit and documentation approval process and an authorized PBGFS employee signs below. The Lease requires you either to provide proof of insurance or instead participate in PBGFS's equipment protection program called ValueMAX® (see paragraph L9 on page 2) for an additional fee.

Customer Signature Date 7-7-2011

Print Name Esther Uyen Title Owner

PBGFS (Lessor) Approval Salvatore Porretta Date

Equipment Vendor Pitney Bowes, Inc. for Sales and Service Call 1-800-322-8000

ABOUT MERCHANT'S BUSINESS

PNC MERCHANT SERVICES

Bank Code: 227 Merchant ID: _____ BuyPass Merchant #: _____

☐TR ☐TU ☐New Merchant ☐Franchise/Association ☐Additional Outlet (Tie To #: _____

DBA Name: Main Road Antiques (24 characters)

BANKING INFORMATION

First/Last Contact Name: _____ Phone Number: ( ) _____

(ATTACH A COPY OF FUNDING CHECK OR BANK LETTERHEAD/LOGO SIGNED BY A BANK OFFICER WITH TYPED ABA/DDA. MUST INCLUDE BANK NAME AND ADDRESS.

Sales Lead Tracking #: _____

ABA/DDA #: 071921891/1126066618 City _____ State _____ Zip _____

CHECKLIST INFORMATION

Regional Office Received Date: / / MCC: 8049 Merchant Type: ☐☐☐☐ FEIN: PNC or Other _____

Pricing Grid #: _____ ☐Special Pricing Model ☐Association Grid ☒Interchange #: 128000004 IRPT _____ NCPT _____

Sales Support ID: CC20 Rep. #: 2152 Print Sales Rep. Name: Mike Vigg Initial: MV Office Address: _____

HIERARCHY: Bank: _____ Agent: _____

Corp: _____ Chain: _____ BuyPass HQID: _____

CLIENT VISITATION

☐ Visit Not Required (i.e. Professional)

1. Zone: ☐Primary Street ☐Industrial ☐Residential
2. Location: ☐Mall ☐Shopping Area ☐Mixed Use ☐Office ☐Apartment ☐Home ☐Other: _____
3. Seasonal Biz: ☐Yes, Months in Operation: _____ Months Open Per Year: _____ to _____
4. External Facility Description of Lessor/Goods: ☐1-5 ☐6-10 ☐11 yrs
5. Merchant Occupancy: ☐Owned ☐Rent ☐Other: _____
6. Remaining Roof(s) Occupied by: ☐N/A ☐Restaurant ☐Car Dealership ☐Condominium
7. Advertising Signs Displayed: ☐Window ☐Door ☐Store Front
8. Approximate Square Footage: ☐0-250 ☐251-500 ☐501-2,000 ☒2,001 plus
9. # of Registers: 1
10. Return Policy: ☐Refunds ☐Exchange Only ☒None
11. Do you have a refund policy for your MC/Visa/Discover sales? ☐Yes ☒No
    If yes, check all ☐Exchange ☐Store Credit ☐MC/Visa/Discover Credit. Within how many days do you allow an MC/Visa/Discover Credit? ☐0-3 ☐4-7 ☐8-14 ☐Other 15 days
12. Merchant's Mail Address: (required for B or S profile)
13. Proper Licenses Visible (Liquor, Tax ID, etc): ☒Yes ☐No explain: _____
14. Your Previous Processor: _____
15. Your Previous Merchant Number: _____
16. Check Reason for Changing: ☐Rate ☐Service ☐Terminated ☐Other: _____
17. Do You Have Previous Processor MC/Visa/Discover Statements? ☐Yes ☐No
18. Are statements required to have a deposit? ☐No ☐Yes, % of deposit required: _____%

Time Frame for Delivery: _____ Days

Comments to Credit Officer, Other Depository/Primary Services Account Number and Additional Information: _____

(40 Characters)

MAIL STATEMENTS / DOCUMENTS

Statement Report Information (Call 6) 01 = Detail, or (blank out) 04 = Mail to Bill To/No Recap 07 = Suppress Blank (No Stmt) 08 = Produce Recap, No Stmt
09 = Mail to Address/Stmt and Recap 10 = Recap to Chain Bill To/Statement to Outlet Bill To

Statement Type: (check one) ☒Detail ☐Summary Statement Delivery Method: (check one) ☐E-Mail ☐Online ☐Print and Mail

Statement E-Mail Address: _____

ON YOUR BUSINESS ACCOUNT
CHECKING STATEMENT ROLLUP: (check one) ☐2 = Cash Transfer 1 = Debit/Credit Combined (By Category) 2 = Net Transfer Amount Only

PROCESSING INFORMATION

PROFILE

1. Process Entry Mode: EDC
2. Funding will be processed DAILY via: ☒ACH ☐Other
3. Bank will fund: ☐Outlet ☐Head Office
4. # of Plates: ____ Long ____ Short
5. Fire Safety Act: ☐Yes ☐No
6. Imprinter Equipment (and Welcome Packet) (check one): ☒Outlet ☐Head Office ☐Other, give mailing information below

Name: _____ First/Last Contact Name: _____

Address: _____ City: _____ State: _____ Zip: _____

7. Debit Bill Payment Transaction Type: ☐Internet ☐VRU ☐Recurring ☐Call Center Supported Debit Network: ☐NYCE ☐Pulse ☐Star

8. Additional Terminal Features: (Check all that apply to ensure timely terminal programming)

☐Auto Settle Time: 19 hh ET (military)	☐IIP (List Current Features)	☐Remove Room # Prompt	☐Amex Prepaid Program Preference (Check One)	Terminal Features (cont'd)	Key Pressed Prompt / Prompt
☐BIN Tab	☐OSR-DRIVE-IT (Commercial Card Reader)	☐Remove Ticket # Prompt	☐Partial Auth	Credits	☐ ☐
☐Client Server Entry	☐OSR Print Option	☐Retail Gas	☐Balance Back	Voids	☐ ☐
☐Debit Cash Back		☐Retail Pizza Tip	☐Other	Forces	☐ ☐
Delayed Ship Date: / /		☐Ship Method (Overnight)		Reversal	☐ ☐
☐Dial Prefix ☐Dial 9 ☐Other:	☐Vehicle Number	☐Tip % Option	PINPad:	Bal/Settle	☐ ☐
☐Dial Suffix:	☐Multi-Trans (Prompt/Validate/Store only)	☐Verify Amount Prompt	☐DES Encryption	Auth Only	☐ ☐
☐E-Commerce	☐No Server/Ticket ID	☐Partial Approval	☐DUKPT	Reports	☐ ☐
		☐Purchase w/Balance Return	☐Access Code	Tip Adjustment	☐ ☐
		☐Standalone Balance Inquiry	#: _____		

Comments: _____
(NOTE: Completing the Comments field will result in a 48 hour terminal programming delay)

ATTACHMENT 7

MERCHANT PROCESSING APPLICATION AND AGREEMENT (Page 1 of 2)

PNC MERCHANT SERVICES

Merchant #: _____ Loc. 1 of 1

PNC1505 — (1) TELL US ABOUT YOUR BUSINESS — PNC1508

Client (Your Business LEGAL Name): Lyon Foot And Ankle Clinic, PC — Client #:

DBA (Doing as Legal Name of Provide DBA/Outlet Name): — First/Last Contact Name: Esther Lyon, DPM

(The P.O. Box) Address: 6E. Saint Charles Rd — Suite #: 100 — City: Lombard — State: IL — Zip Code: 60148

Your Business Phone: 630-495-1240 ☐ Same as Business Phone or Merchant's Customer Service Phone: — Your Fax #:

Your Email, Pro. E-mail Address: — Select One for Merchant Response: ☐ (FX) On Contract 24 Hour Fax ☐ (EC) Fax to my e-mail ☐ (US) Mail

(2) MASTERCARD / VISA / DISCOVER / AMERICAN EXPRESS / ONEPOINT

Your Total Cash and Credit Sales: (For All Outlets)	$ 1,000,000	Estimated MC/Visa Average Ticket / Sales Amount:	$ 70
Total Annual MC/Visa Volume: (For All Outlets)	$ 75,000	Estimated Discover® Average Ticket for this Outlet:	$ 20
Total Annual Discover® Volume: (For All Outlets)	$ 25,000	Estimated American Express Average Ticket for this Outlet:	$ 20
Total Annual American Express Volume: (For All Outlets)	$ 1,000	Annual MC/Visa Volume for this Outlet: (For Multiple Outlets Only)	$,000
Highest Ticket Amount:	$ 300	Est. Discover® Annual Sales Vol. for this Outlet: (For Multiple Outlets Only)	$,000
		Est. American Express Annual Sales Vol. for this Outlet: (For Non-Owner Only)	$,000

(3) PROVIDE MORE BUSINESS DATA

State Incorp.: IL Month/Year Started: 06/97 ☐ Sole Ownership ☐ Partnership ☐ Non Profit/Tax Exempt ☐ Public Corp. ☐ Private Corp. ☐ LLC. ☐ Govt.

Check one: TIN Type: ☐ EIN (Fed Tax ID #) ☐ SSN — No. of Employees: 5

NOTE: Failure to provide accurate information may result in a withholding of merchant funding per IRS regulations. (See Part II, Section A.4 of your Program Guide for further information.)

Name: (As it appears on your license for above)	Federal Tax ID: (This # must appear on your federal tax return)	☐ I certify that I am a Foreign Entity/Individual/Sole Proprietor. If checked, provide proof per Part II A.4
Lyon Foot And Ankle Clinic, PC	36-4166842	

Mail Swipe: 80 % + Keyed (Manual): 20 % = 100% Product/Service You Sell: Podiatry

POS Card Present: (Face-to-face/Point of Sale) 80 % + Mail Order/Direct Marketing ____ % + Phone Order: 20 % + Internet: ____ % = 100%

Do you use any third party to store, process or transmit cardholder data? ☐ Yes ☐ No (Examples include, but are not limited to, web hosting companies, Electronic Data Capture, Loyalty programs)

If yes, give name/address: N/A

Please identify any Software used for storing, transmitting, or processing Card Transactions or Authorization Requests: _____

(4) OTHER AFFILIATIONS

Traditional Paper Checks ☐ ECA Warranty (ECP) ☐ Paper Warranty (CHP)

Annual Annual CHECK Sales Volume: $,000 Avg. Check Ticket: $ ☐ License # or MCR #:

☐ Voyager Fleet or Existing Voyager Acct #: Annual Voyager Vol.: $ ☐ RC Fleet ☐ Wright Express or Existing WEX Acct #:

Tax-exempt Voyager Cards accepted: ☐ Yes ☐ No

Discover Data Processing ☐ Discover (EDC) 6011 Existing Acct #:

American Express Card Acceptance (EDC) ☐ American Express or ☐ SEA

☐ DINR Pilot 4445830442 ☐ JCB (Japan) Pilot # (Other): Check one: ☐ EDC ☐ Single Seller

☐ Fleet (Gift Card) (Separate Gift Card Setup Form is required) ☐ (1005) CARDtest ☐ (1002) Restaurant ☐ (1003) Retail ☐ Other Specify Monthly Cost: $ ( )

(5) DESCRIBE EQUIPMENT DETAILS

Rental / Purchase / Capital / Owned / Lease (circle one)	QTY	IF	Equipment Type (i.e., Terminal/VAR/Internet)	Model # and Features (NOTE: Include Cordless / Car Charger / Quick Recharge Treatment / Pads)	Software Name / Terminal Model Code and Name	Unit Price w/o Tax	Customer Owned Software Vendor #
R P C L	1	☒	Terminal	Hypercom M4230 L S C QSR P	ES3004i	$26.85	
R P C L		☐		R Hx M4230 L S C QSR P		$	
R P C L		☐		R Hx M4230 L S C QSR P		$	

LEASE COMPANY: (06) First Data Global Leasing — Lease Term: 48 Months — Annual Tax Handling Fee: $10.20

Monthly Lease Charge for This Location: $ 26.85 w/o taxes, late fees, or other charges that may apply.

*See Multiple Location form for the Monthly Lease charge for each individual location. See Part II, Section 7 of the Program Guide for details.

This is a NON-CANCELABLE lease for the full term indicated. (Client's Initials: _____)

TRAINING (For reseller training use phone, dial 1-800-659-7101 Opt. #1, M-F 8:00 am - 10:00 pm EST & Sat. 10:00 am - 2:00 pm EST)

☒ Select Rep. to Train: ☐ Installer to Train: ☐ No Merchant Training — Best Time To Call: ____ ☐ am ☐ pm

Supplies Purchase: ☐ Yes ☐ No If Yes: $ ____ x Qty: ____ = $ ____ (w/o Tax) — Wireless Provider: ☐ GPRS Cingular/AT&T ☐ CDMA Sprint

Fleet Data Global Gateway (FDGG) E-mail address: ☐ ID Verify Setup #:

VAR/Internet/Software: Name: ____ (Nashville Only: Product ID #: ____ Vendor ID #: ____)

Promo (A price quote is required for Promo) ☐ Host/Lease Line Solutions ☐ DSL Solutions

NOTE: Any Special Instructions must be included on Merchant's Business Page.

See Section 3E of the Program Guide for Equipment Purchase or Rental details.

Complete Credit Addendum for Software Compliance: ☐ PABP Compliant ☐ POI/DSS Compliant

(6) PROVIDE YOUR OWNER INFORMATION

Owner/Partner/Officer Name: Esther Lyon, DPM	D.O.B.: 07-31-69	Social Security #: 511-60-7988	Home Phone: 630-832-1200	Yrs. Ownership:			
Home Address: 8 Saville Rd	City: Barrington	State: IL	Zip: 60010	Country: USA			
Owner/Partner/Officer Name:	D.O.B.:	Social Security #:	Home Phone:	Yrs. Ownership:			
Home Address:	City:	State:	Zip:	Country:			

Client's Initials: _____

ATTACHMENT 7

MERCHANT PROCESSING APPLICATION AND AGREEMENT (Page 2 of 3) © PNC MERCHANT SERVICES

Interchange Schedule Version: 1.001 Loc. 1 of 1

DBA Name: Lyon Foot And Ankle Clinic Pricing Type: 101 PHCFee1608

PHC1605

(2) SERVICE FEE SCHEDULE

Start-Up Fees (One-Time Charge)

Non-Taxable Fees:
- Application Fee (Non-Refundable) (247) $ 150 / 175.00
- Site Visitation Fee (316) $
- Programming Fee (314) $ 195.00
- Deployment Fee (324) $
- FDGG Set-up Fee (F-325) $
- FD Mobile Pay Setup Fee (31H) $
- PAYware Mobile Setup Fee (L78) $
- Global Gateway E4 Setup Fee (408) $
- Wireless Activation Fee (316) $
- Internet Set-up Fee (308)

Fee Per TID: $ ____ × # of TIDs: ____ = Total: $

Other: $

Taxable Items:
- State: ____ Sales Tax ____ %
- City/Locality Tax ____ %
- Equipment Purchase (ACH) $
- Total Sales Tax $
- Total Amount $

Billed Monthly Fees

- Monthly Svc Fee: Statement Other (724) $
- Monthly Maintenance Fee (350) $ 14.95
- Minimum Processing Fee (357) $ 20.00/50
- Wireless Access Fee (309) $
- FD Mobile Pay Monthly Svc Fee (398, 399) $
- PAYware Mobile Monthly Svc Fee (L77) $
- Global Gateway E4 Monthly Fee (408) $
- FDGG (F-326) $
- Internet Fee (328) $
- Statement Fee (240) $ 1.00/9.99
  - Paper Statement
  - E-Mail Statement (260) $ 4.99
  - Suppress Statement
- Internet Service Fee (854)

Fee Per TID: $ ____ × # of TIDs: ____ = Total: $

Other: $

Equipment Rental Fee (ACH) $

Credit & Non-PIN Debit Authorization & Credit/Refund

- MasterCard (10A, 032, 131) $ .20
- Visa (150, 005, 135) $ .20
- Discover (103, 016, 758) $ .20
- American Express (109, 014) $ .20

☐ Interchange Pass-Through, plus the following fees:
- MC/Visa/Discover TCH Fee (001, 002, 005, 008, 015, 018) $
- MC/Visa/Discover Interchange Fee (550, 650, 529) $
- MC/Visa/Discover Basis Point Fee (515, 456, 604) %

Bundled Debit

- Debit Sales Discount Rate (120) %
- Debit Auth Fee VMC/Disc (DCI) $
- Debit Auth Fee MC (DCO) $

Discount Fees (Based On Gross Transaction Volume)

Accept all MasterCard, Visa and Discover* transactions (presumed, unless any selections below are checked)

MasterCard Acceptance	Visa Acceptance	Discover Acceptance
☐ Accept MC Credit transactions only	☐ Accept Visa Credit transactions only	☐ Accept Discover Credit transactions only
☐ Accept MC Non-PIN Debit Debit transactions only	☐ Accept Visa Non-PIN Debit transactions only	☐ Accept Discover Non-PIN Debit transactions only

Fee section 1.2 of the Program Guide for details regarding limited acceptance. You are responsible for distinguishing Credit from Non-PIN Debit Cards. Even if you have agreed to limit your acceptance of certain cards as outlined above, you must continue to accept all foreign issued cards, whether Credit or Non-PIN Debit. If you agree to limit your acceptance to a particular type of card and, whether intentionally or in error, accept another type of transaction, the resulting transaction will downgrade to the highest cost interchange plus the applicable Non-Qualified Surcharge. (See Section 11.3 of the Program Guide).

QUALIFIED DISCOUNT RATES

MasterCard Credit Discount Rate	(500)	1.69 %
Visa Credit Discount Rate	(504)	1.69 %
Discover* Credit Discount Rate	(170)	1.69 %
American Express OnePoint** Credit Discount Rate	(Key 0:570)	2.69 %
MasterCard Non-PIN Debit Discount Rate	(520)	1.35 %
Visa Non-PIN Debit Discount Rate	(464)	1.35 %
Discover* Non-PIN Debit Discount Rate	(084)	1.35 %

MID-QUALIFIED DISCOUNT RATES

MasterCard Credit Discount Rate	(510)	2.50 %
Visa Credit Discount Rate	(514)	2.50 %
Discover* Credit Discount Rate	(520)	2.50 %
MasterCard Non-PIN Debit Discount Rate	(870)	2.50 %
Visa Non-PIN Debit Discount Rate	(474)	2.50 %
Discover* Non-PIN Debit Discount Rate	(668)	2.50 %

NON-QUALIFIED DISCOUNT RATES

MasterCard Credit Discount Rate	(520)	3.25 %
Visa Credit Discount Rate	(514)	3.25 %
Discover* Credit Discount Rate	(520)	3.25 %
MasterCard Non-PIN Debit Discount Rate	(864)	3.25 %
Visa Non-PIN Debit Discount Rate	(478)	3.25 %
Discover* Non-PIN Debit Discount Rate		

Non-Qualified Surcharge Fee: (excluding Interchange pass-through fees, see §11.1) Applies to Non-Qualified MasterCard, Visa and Discover* Credit and/or Non-PIN Debit Transactions. (000) 2.00 % or ☐ ____ (Regional Special Pricing)

*Retail and Restaurant merchants will be charged an additional 0.05% for non-swiped American Express Transactions. Also, an additional fee of 0.45% will be applied by American Express to any Charge made by an American Express Cardmember using a Card issued by an American Express Issuer located outside of the United States.

Transaction / Other Fees:

American Express OnePoint Trans Fee		$ .15
American Express Capture	(066)	$
MC/Visa Foreign Handling	(250, 251)	0.80 %
MC Network Access Fee	(603, 604)	$ 0.0185
Visa Acquirer Processing Fee – Credit	(04H)	$ 0.0195
Visa Acquirer Processing Fee – Debit	(04J)	$ 0.0165
Visa Fixed Acquirer Network Fee CP*	(IIF1)	Pass-Thru of Cost
Visa Fixed Acq Network Fee CNP*	(IIF2)	Pass-Thru of Cost
Visa Transaction Integrity Fee	(218)	$ 0.10
Discover Usage	(226)	$ 0.0185
MasterCard Assessment Fee	(273)	0.1100 %
MC Assessment Trans Amt > = $1k	(237)	0.0200 %
Visa Assessment Fee	(274)	0.1100 %
Discover* Assessment Fee	(SAC)	0.105 %

PIN Debit Fee (Key 0 to access Interac fee)	(018, Key 0 to 568)	$ 0.35
MC/Visa, Amex, Discover VRU	(035, 046, 066, 078)	$ 0.49
MC/Visa, Amex, Discover VRU/Voice	(037, 047, 067, 077)	$ 0.69
Visa Misuse of Auth Fee	(040)	$ 0.045
MC Processing Integrity Fee	(04F)	$ 0.045
MD U.S. Acct Status Inquiry Service Interregional	(110)	$
MC U.S. Acct Status Inquiry Service Interregional	(11H)	$
MC License Fee	( )	$
EBT	(185, 181, 022, 18H)	$
AVS Fee (POS Mag Swipe)	(005, 006, 008, 07B, 79)	$ 0.035
Batch Settlement Fee	(027)	$ 0.30
PAYware Mobile Trans Fee	(L76)	$

*See Interchange Qualification Matrix ("QM") for pricing tables.

Client's Initials: ____

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MERCHANT PROCESSING APPLICATION AND AGREEMENT (Page 3 of 7)

PNC Merchant Services

DBA Name: Lyon Foot And Ankle Clinic, PC Loc 1 of 1

PNC1505: 7 (7) SERVICE FEE SCHEDULE (Cont'd) PNCFee1505

Other Payment Fees

Chargeback Fee	(205, 225, 01A)	$ 25.00
Discover Int'l Service Fee	(22H)	0.55 %
Discover Int'l Process Fee	(22G)	0.40 %
TransArmor Fee	(5G1)	$
TransArmor Token & Encrypt/VF	(12E, 12G)	$
TransArmor Token Only	(12G)	$
TransArmor Token Registration	(12G)	$
TransArmor Monthly Fee	(20L)	$
Other:		$

American Express ESA/Pass Through Fees*

- ☐ Amex Discount Rate** ____ %
- ☐ Amex Transaction Fee $ ____
- ☐ Amex Monthly Fee (Flat Fee) $ ____

*Billed Separately by AMEX

**Retail and Restaurant merchants will be charged an additional 0.30% for any Covered American Express transaction. Also, an inbound fee of 0.05% will be applied by American Express to any Charge made by an American Express Cardmember using a Card issued by an American Express issuer located outside of the United States.

Internet Service/Transaction Fees

		Per Auth
MC/Visa/Amex/Discover Internet QIT	(03R, 04R, 05I, 07I)	$
Global Gateway E4 Per Trans Fee	(GFC)	$
PayPal Auth Fee	(45U, 47U)	$
PayPal Sales/Return Trans Fee	(45V, 47V, 47Y)	$
Internet AVS	(435)	$

Buypass Fees

Voyager Sales/Credit Discount Rate	(844, 845)	%
Voyager Auth Fee	(800, 801, 80V)	$
WEX Sales/Refund Discount Rate	(840, 841)	%
WEX Auth Fee	(850, 851, 85V, 804)	$
WEX Chargeback Discount Fee	(842, 847)	%
WEX Chargeback Fee	(29H)	$
WEX Retrieval Fee	(29I)	$

TeleCheck Fees*	☐ Traditional TeleCheck* (20)	
	☐ Paper Warranty (28P)	☐ ECA Warranty (28E)
Inquiry Rate	%	%
Transaction Fee	$	$
Monthly Minimum Fee	$	$
Customer Request Operator Call/Voice Auth Fee	$ 2.50	$ 2.50
Monthly Processing/Statement Fee	$	$
December Risk Surcharge	0.10 %	0.10 %
Other	$	$
Funding Report Fee Format / Frequency	[redacted]	No Charge Mail/Monthly

*Billed Separately by TeleCheck

Annual Fee:

We reserve the right to assess, on a annual basis and with at least 30 days advance written notice, a reasonable fee to defray the cost of monitoring systems technology upgrades, governmental compliance, fraud and reporting.

See Agreement for definitions and any additional fees.
Refer to Part IV, Section A2 of the Program Guide for early termination fees.

(6) AGREEMENT APPROVAL

The statements made in this Merchant Processing Application and Agreement are true. Client acknowledges having received and read a copy of this Merchant Processing Application and Agreement, including the Terms and Conditions, the Operating Procedures, Third Party Agreements and Confirmation Page, all of which are incorporated herein by reference. Client agrees to be bound by the Terms and Conditions, as modified from time to time in accordance with the provisions of this Agreement, and agrees to be bound by all provisions as printed therein. Client hereby consents to receiving commercial electronic mail messages from us from time to time. Client further agrees that Client will not accept more than 20% of its card transactions through telephone or internet order. However, if your Application is approved based upon certain information listed in the Program Guide Business Data section above, you are authorized to accept transactions in excess of 20% for the preceding industries listed in that section. Your signature below also serves as the signature page to the Equipment Lease Agreement and the American Express Card Acceptance Agreement appearing in the Third Party Section of the Program Guide, if selected. The undersigned Client hereby (the "Client" for purposes of such Equipment Lease Agreement and the "You" and "Your" for the purposes of the American Express Card Acceptance Agreement).

If I have elected American Express OptBlue® in Section 4 above and such service is available to me, by signing below, I represent that I have read and understand and agree to enter and submit this application for the above Card which accepts to be bound by the American Express® Card Acceptance Agreement ("Agreement") and that all information provided herein is true, complete, and accurate. I authorize PNC Merchant Services Company and American Express Travel Related Services Company, Inc. ("AXP") and AXP's agents and Affiliates to verify the information in this application and receive and exchange information about me personally, including my consumer reporting agencies, and creditworthy and information in their agent, representatives, Affiliates or other parties for any purposes permitted by law. I authorize and direct PNC Merchant Services Company and AXP and AXP's agents and Affiliates to keep me directly or through the Client above, all reports about me that they have requested from consumer reporting agencies. Such information will include the name and address of the agency furnishing the report. I also authorize AXP to use the reports from consumer reporting agencies for marketing and administrative purposes. I understand that upon AXP's approval of this application, the Client will be a Client of AXP's Agreement and authorize processing by, subject to AXP's program for PNC Merchant Services Company to perform services for AXP, or to AXP's designated Card acceptance partners, which may have different servicing terms (e.g., different speeds of pay). I understand that if the Client does not qualify for the PNC Merchant Services Company servicing program, which the Client may be accepted in AXP's standard Card acceptance program, and the Client shall be bound by the AXP Agreement by accepting the American Express Card for the purchase of goods and/or services, or otherwise indicating its intention to be bound, the Client agrees to be bound by the AXP Agreement.

AOR Debit and Check: Any authorization/acceptance authorizes the financial institution to pay and charge to my account(s) any TeleCheck debit (by Agreement) and to accept all returns and debits made to my account by TeleCheck or its customer(s) under this Agreement. This authorization will remain in effect up to 30 days after received in writing.

By signing below, each of the undersigned authorizes us and our Affiliates to request and obtain from a consumer reporting agency personal and business consumer reports. If this Application is approved, each of the undersigned authorizes us and our Affiliates to obtain subsequent consumer reports in connection with the maintenance, updating, renewal or extension of this Application. Each of the undersigned authorizes agrees that all references included in this and successive reporting agencies may respond any and all questions and provide credit financial information to us and our Affiliates. Each of the undersigned authorizes us and our Affiliates to provide amongst each other the information contained in this Merchant Processing Application and Agreement and any information received from all references, credit bureaus and consumer reporting agencies. It is our policy to obtain certain information in order to verify your identity when processing your account application.

You further acknowledge and agree that you will not use your merchant account and/or the Services for illegal transactions, for example, those prohibited by the Unlawful Internet Gambling Enforcement Act, 31 U.S.C. Section 5361 et seq., as may be amended from time to time, or processing and acceptance of transactions in violation of sanctions pursuant to 31 CFR Part 501 et seq. and other rules enforced by the Office of Foreign Assets Control (OFAC).

Client certifies under penalties of perjury, that the federal taxpayer identification number and corresponding and filing status provided herein are correct.

THIS MERCHANT PROCESSING APPLICATION AND AGREEMENT HAS BEEN EXECUTED ON BEHALF OF AND BY THE AUTHORIZED REPRESENTATIVE OF CLIENT AS OF THE EFFECTIVE DATE.

Client's Business Principal: (Please sign below)

For PNC Bank, N.A. and PNC Merchant Services Company:
JOHN COLLINS

X Signature _____ Date 03-19-13 X Signature "USE LIMITED TO CONTRACT ACCEPTANCE"

Title: ☐ President ☐ Vice President ☐ Member L.L.C. ☐ Owner ☐ Partner

☐ Other: _____ Esther Lyon, DPM
Print Name

X Signature _____ Date _____

Title: ☐ President ☐ Vice President ☐ Member L.L.C. ☐ Owner ☐ Partner ☐ Other: _____ Print Name: _____

(7) PERSONAL GUARANTY

In exchange for PNC Merchant Services Company, PNC Bank N.A.'s and American Express' acceptance of, as applicable, the Agreement and/or the Equipment Lease Agreement and/or American Express Card Acceptance Agreement, the undersigned unconditionally guarantees performance of the Client's obligations under the foregoing Agreements, and payment of all sums due thereunder, and in the event of default, hereby waives notice of default and agrees to indemnify the other parties for any and all amounts due from Client under any of the foregoing Agreements. I understand that this is a Guaranty of payment and not of collection and that PNC Bank N.A.'s, PNC Merchant Services Company and American Express, as relying upon this Guaranty in entering into, as applicable, the Agreement, the Equipment Lease Agreement and American Express Card Acceptance Agreement.

Signature (Please sign below): Signature (Please sign below):

X _____, an individual X _____, an individual

ATTACHMENT 7

PART I: CONFIRMATION PAGE

Please read the Merchant Processing Program Guide in its entirety. It describes the terms under which we will provide merchant processing Services to you.

From time to time you may have questions regarding the contents of your Agreement with Bank and/or Processor or the contents of your Agreement with a third party. The following information summarizes portions of your Agreement in order to assist you in answering some of the questions we are most commonly asked.

1. Your Discount Rates are assessed on transactions that qualify for certain reduced interchange rates imposed by MasterCard and Visa. Any transactions that fail to qualify for these reduced rates will be charged an additional fee (see Section 11 of the Card Processing Program Guide).
2. We may debit your bank account from time to time for amounts owed to us under the Agreement.
3. There are many reasons why a Chargeback may occur. When Chargebacks occur we will debit your settlement funds or settlement account. For a more detailed discussion regarding Chargebacks, see Section 10 of the Operating Procedures Guide, which will be sent to you when your account is approved, or see the applicable provisions of the TeleCheck Services Agreement.
4. If you dispute any charge or funding, you must notify us within 45 days of the date of the statement where the charge or funding appears for Card Processing or within sixty (60) days of the date of a TeleCheck transaction.
5. The Agreement limits our liability to you. For a detailed description of the limitation of liability see Section 15 of the Merchant Processing Program Guide or Section 3.14 of the TeleCheck Services Agreement.
6. We have assumed certain risks by agreeing to provide you with Card processing or check services. Accordingly, we may take certain actions to mitigate our risk, including termination of the Agreement, and/or hold monies otherwise payable to you (see Card Processing General Terms in Section 16, Term; Events of Default and Section 17, Reserve Account; Security Interest), (see TeleCheck Services Agreement in Sections 3.1, 3.3.2, 3.3.9, 3.5 and 3.6), under certain circumstances.
7. By executing this Agreement with us you are authorizing us to obtain financial and credit information regarding your business and the personal credit and financial information of the signer (even if the signer is executing this Agreement in his/her business capacity) and guarantors of the Agreement until all your obligations to us are satisfied.
8. The Agreement contains a provision that in the event you terminate the Agreement early, you may be responsible for the payment of early termination fees as set forth in Part IV, 13 under "Additional Fee Information" and Section 27 of the TeleCheck Services Agreement.
9. If you are leasing equipment, it is important that you review in full the Equipment Lease Agreement in Part IV, Section 3 of the Third Party Agreements. Please note, you may NOT cancel the lease during the initial term of the Merchant Processing Agreement.

10. Visa and MasterCard Disclosure

Member Bank Information: PNC Bank, N.A.

The Bank's mailing address is: Two PNC Plaza, 620 Liberty Avenue, Pittsburgh, PA, 15222, and its phone number is 1-877-287-2654.

Important Member Bank Responsibilities:

a) The Bank is the only entity approved to extend acceptance of Card Organization products directly to a Merchant.

b) The Bank must be a principal (signer) to the Merchant Agreement.

c) The Bank is responsible for educating Merchants on pertinent Visa, MasterCard and Discover Rules with which Merchants must comply; but this information may be provided to you by Processor.

d) The Bank is responsible for and must provide settlement funds to the Merchant.

e) The Bank is responsible for all funds held in reserve that are derived from settlement.

Important Merchant Responsibilities:

a) Ensure compliance with Cardholder data security and storage requirements.

b) Maintain fraud and Chargebacks below Association thresholds.

c) Review and understand the terms of the Merchant Agreement.

d) Comply with Card Organization Rules.

e) Retain a signed copy of this Disclosure Page.

f) You may download "Visa Regulations" from Visa's website at: https://usa.visa.com/merchants/operations/op_regulations.html

g) You may download "MasterCard Regulations" from MasterCard's website at: http://www.mastercard.com/us/merchant/pdf/BM-Entire_Manual_public.pdf

Print Client's Business Legal Name: Lyon Foot And Ankle Clinic, PC

By its signature below, Client acknowledges that it received the Interchange Qualification Matrix (version IQM.512.1 or _____) and complete Program Guide (Version PNC1503) consisting of 39 pages (including this confirmation).

Client further acknowledges reading and agreeing to all terms in the Program Guide, which shall be incorporated into Client's Agreement. Upon receipt of a signed facsimile or original of this Confirmation Page by us, Client's Application will be processed.

NO ALTERATIONS OR STRIKE-OUTS TO THE PROGRAM GUIDE WILL BE ACCEPTED.

Client's Business Principal Signature (Please sign below)

X _____ President 03-19-13

Esther Lyon, DPM

Please Print Name of Signer Title Date

ATTACHMENT 7

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SCHEDULE 4.22

Leases and Sub-Leases

Lombard Practice

1. **Esther Lyon and Lyon Foot & Ankle Clinic PC**
   6 E. St. Charles Road, Lombard, IL 60148

ATTACHMENT 7

This Lease is made this __1___ day of _January__ (Month), _2000_ (Year) by and between _____Esther Lyon_____ _____ (hereinafter "Landlord") and _Lyon Foot & Ankle Clinic PC_____ _____ (hereinafter "Tenant"). In consideration for the mutual promises and covenants contained herein, and for other good and valuable consideration, the parties hereby agree as follows:

1. The Landlord leases to the Tenant, and the Tenant rents from the Landlord the following described premises: _6 E St Charles Rd Lombard IL 60148

_____

2. The term of the Lease shall be for __30 years____commencing __2000___ and ending __2030_.

3. The Tenant shall pay to Landlord as rent $_96,000.00__ per year in equal monthly installments of $ 8,000.00 payable in advance _at the beginning of each year.

4. This Lease is subject to all present or future mortgages affecting the premises.

5. Tenant shall use and occupy the premises only as a medical office (Tenant Rental Status) subject at all times to the approval of the Landlord.

6. The Tenant shall not make any alterations, additions or improvements to the premises without the prior written consent of the Landlord.

7. The Landlord, at his own expense, shall furnish the following utilities or amenities for the benefit of the Tenant:

_____

_____

_____ _____

_____

8. The Tenant, at his own expense, shall furnish the following: All utilities

_____

_____

_____

9. The Tenant shall purchase at his own expense public liability insurance in the amount of $ __0.00_____ as well as fire and hazard insurance in the amount of $ ___0.00_____ for the premises and shall provide satisfactory evidence thereof to the Landlord and shall continue same in force and effect throughout the Lease term hereof.

10. The Tenant shall not permit or commit waste to the premises.

11. The Tenant shall comply with all rules, regulations, ordinances codes and laws of all governmental authorities having jurisdiction over the premises.

12. The Tenant shall not permit or engage in any activity that will effect an increase in the rate of insurance for the Building in which the premises is contained nor shall the Tenant permit or commit any nuisance thereon.

13. The Tenant shall not sublet or assign the premises nor allow any other person or business to use or occupy the premises without the prior written consent of the Landlord, which consent may not be unreasonably withheld.

14. At the end of the term of this Lease, the Tenant shall surrender and deliver up the premises in the same condition (subject to any additions, alterations or improvements, if any) as presently exists, reasonable wear and tear excluded.

15. Upon default in any term or condition of this Lease, the Landlord shall have the right to undertake any or all other remedies permitted by Law.

16. This Lease shall be binding upon, and inure to the benefit of, the parties, their heirs, successors, and assigns.

Signed this _____ day of _____ (Month) _____ (Year).

Tenant Landlord

ATTACHMENT 7

SCHEDULE 8.3

Letters to Patients

Elgin/Lombard

ATTACHMENT 7

Dear Valued Patient:

In preparation for a significant career change, I have merged my practice with one of Chicago's premier podiatric practices; **Chicago Podiatric Surgeons.**

In doing so, I have assured that you will have access to the most up to date and comprehensive foot and ankle care available. Chicago Podiatric Surgeons has a reputation of excellence, with doctors that are recruited from around the country. I'm thrilled to be part of this caring team of physicians. I have known the President of Chicago Podiatric Surgeons, Dr. Thomas Carr, for over 20 years as both a professional mentor and friend and have no doubt this association will benefit my patients.

As for me, this merge will allow me to take an extended leave of absence to spend more time with my three young children: 2 ½ year old twins AJ and Jack, and my 2 month old Samantha. I will be transferring all of my patients to the experienced and caring hands of my new partners. In addition to the offices in Lombard and Elgin, CPS physicians will be available in Chicago, Tinley Park and Evanston offices.

I encourage you to visit our website **www.chicagopodiatry.com** to learn more about the Chicago Podiatric Surgeons reputation, services and physicians.

You can continue to make appointments by calling 630-495-1240, or online at www.chicagopodiatry.com.

Thank you for allowing me to be a part of your life and for your continued loyalty.

Sincerely,

Dr. Esther Lyon, DPM

ATTACHMENT 7

14.10. **Waiver of Jury Trial.** EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHTS IT MAY HAVE TO DEMAND THAT ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT OR THE RELATIONSHIPS OF THE PARTIES HERETO BE TRIED BY JURY. THIS WAIVER EXTENDS TO ANY AND ALL RIGHTS TO DEMAND A TRIAL BY JURY ARISING FROM ANY SOURCE INCLUDING, BUT NOT LIMITED TO, THE CONSTITUTION OF THE UNITED STATES OR ANY STATE THEREIN, COMMON LAW OR ANY APPLICABLE STATUTE OR REGULATIONS. EACH PARTY HERETO ACKNOWLEDGES THAT IT IS KNOWINGLY AND VOLUNTARILY WAIVING ITS RIGHTS TO DEMAND TRIAL BY JURY.

14.11. **Applicable Law and Venue.** This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Illinois without regard to its conflict of laws rules. The parties consent that all disputes arising under the terms of this Agreement shall be brought in the state and federal courts located in Cook or DuPage County, Illinois.

IN WITNESS WHEREOF, the parties have duly executed this Asset Purchase Agreement as of the date first above written.

BUYER:

CHICAGO PODIATRIC SURGEONS, P.C.

By: _____
Dr. Thomas Carr
Title: President

SELLER:

LYON FOOT AND ANKLE CLINIC, S.C.

By: _____
Esther Lyon, D.P.M.
Title: President

OWNER:

_____
Esther Lyon, D.P.M.

ATTACHMENT 7

PURCHASE AND SALE AGREEMENT

FOR

6 EAST ST. CHARLES ROAD
LOMBARD, ILLINOIS 60148

By and Between

ESTHER LYON, DPM

and

TEC WEST PROPERTIES, LLC,
an Illinois limited liability company

ATTACHMENT 7

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PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (this "**Agreement**") is made this _____ day of _____, 2014, by and among Chicago Title ("**Trustee**"), Esther Lyon, as beneficiary under a land trust (collectively "**Seller**") and **TEC WEST PROPERTIES, LLC**, an Illinois limited liability company ("**Purchaser**").

RECITALS:

A. Seller is the beneficiary of a land trust owning that certain parcel of land (and the improvements and buildings located thereon), containing approximately _____ acres, legally described on **Exhibit A** and commonly known as 6 East St. Charles Road, Lombard, Illinois 60148 ("**Property**").

B. Seller desires to sell the Property to Purchaser or its designee upon and subject to the terms and conditions hereinafter set forth.

AGREEMENTS:

NOW, THEREFORE, in consideration of the foregoing premises and the respective representations, warranties, agreements, covenants and conditions herein contained, and other good and valuable consideration, Seller and Purchaser agree as follows:

ARTICLE 1

DEFINITIONS

1.1 **Definitions**. As used herein, the following terms shall have the respective meanings indicated below:

Agreement: This Purchase and Sale Agreement, including the Exhibits, which are incorporated herein.

Building: The building located at 6 East St. Charles Road, Lombard, Illinois 60148.

Closing: As defined in Section 6.1

Closing Date: As defined in Section 6.1.

Closing Escrow Instructions: The escrow instructions which will govern the Closing and the LAFC Transaction Closing to be executed and delivered by the parties (or their respective attorneys who are hereby authorized by the parties to execute same) to such transactions and the Escrowee.

Contracts: All equipment leases, management, leasing, repair, maintenance, operating, supply, purchase, equipment, utility, concession, telephone, cable, and other contracts,

commitments and agreements (excluding the Existing Lease) relating to all or any portion of the Property, a schedule of which is attached hereto as **Exhibit B**,

Definitive Agreements. The term "Definitive Agreements" shall mean the Asset Purchase Agreement between Lyon Food and Ankle Clinic, P.C., as Seller and Chicago Podiatric Surgeons, P.C. dated the same date of this Agreement, as well as any and all other agreements related thereto.

Deposit: The sum of Twenty-Five Thousand and No/100 Dollars ($25,000.00), which shall be deposited by Purchaser with Escrowee, as escrowee, to be held as earnest money subject to the terms of this Agreement, the Earnest Money Escrow Instructions and the Closing Escrow Instructions.

Earnest Money Escrow Instructions: The earnest money escrow instructions to be executed and delivered by the parties concurrently with the execution of this Agreement in the form attached hereto as **Exhibit F**.

Escrow: The escrow created for the purpose of facilitating the transactions contemplated hereby pursuant to the Earnest Money Escrow Instructions.

Escrowee: Professional National Title Network ("**PNTN**").

Existing Lease: Lease Agreement dated _____ by and between Seller and Lyon Foot and Ankle Clinic, P.C. ("**Tenant**").

Improvements: The Building, including, but not limited to, structures (surface and sub-surface) and other improvements, including all fixtures, systems, facilities, machinery, equipment and conduits to provide fire protection, security, heat, exhaust, ventilation, air-conditioning, electric power, light plumbing refrigeration, gas, sewer and water thereto.

Inspection Period. The period between the date hereof and 5:00 p.m. Chicago time on the date that is sixty (60) days after the full execution of this Agreement by the parties.

Land: The parcel of real estate described in **Exhibit A** hereto, together with all easements and appurtenances thereto, all oil, gas and mineral rights belonging to Seller, all rights, title and interest, if any, of Seller in and to all land lying in any street, alley, road or avenue, open or proposed, in front of or adjoining said Land, to the centerline thereof, and all right, title and interest of Seller in and to any award made or to be made in lieu thereof and in and to any unpaid award for the damage to said Land by reason of change of grade of any street.

Legal Requirements: (i) All laws, statutes, codes, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, certificates (including the certificate of occupancy issued for the Property), directions and requirements, including any applicable environmental, zoning, building, housing or similar law, ordinance, code, order or regulation of all governments and governmental authorities having jurisdiction of the Property (including, for purposes hereof, any local Board of Fire Underwriters), which now or hereafter may be applicable to the Property, and the operation thereof, and (ii) all covenants, easements and restrictions affecting the Property.

Obligations: All payments required to be made and all representations, warranties, covenants, agreements and commitments required to be performed under the provisions of this Agreement by Seller or Purchaser, as applicable.

Permitted Exceptions: Those exceptions to title to the Real Property approved or deemed approved by Purchaser pursuant to Article 4 hereof.

Property: (i) The Real Property, (ii) the Tangible Personal Property and (iii) the Intangible Personal Property, collectively.

Proration Date: The day immediately preceding the Closing Date.

Purchase Price: Seven Hundred Fifty Thousand Dollars and No/00 ($750,000.00).

Real Property: The Land together with the Improvements located on the Land.

Records: All books and records maintained by Seller or its agents relating to receipts and expenditures pertaining to the Property during Seller's ownership thereof.

Survey: The survey for the Property prepared in accordance with Section 4.2(a).

Tangible Personal Property: and all machinery, equipment, fixtures, furnishings and other tangible personal property of every kind and character owned by Seller and used in connection with the operation, ownership and/or maintenance of the Land and Improvements (or any part thereof), and all replacements, additions or accessories thereto.

Title Commitment: The commitment for title insurance issued by the Title Company in accordance with Section 4.2 (b).

Title Company: PNTN.

1.2 **References**. Except as otherwise specifically indicated, all references to Section and Subsection numbers refer to Sections and Subsections of this Agreement, and all references to Exhibits refer to the Exhibits attached hereto. The words "hereby," "hereof," "herein," "hereof," "hereto," "hereunder," "hereinafter," and words of similar import refer to this Agreement as a whole and not to any particular Section or Subsection hereof. The word "hereafter" shall mean after, and the term "heretofore" shall mean before, the date of this Agreement. Captions used herein are for convenience only and shall not be used to construe the meaning of any part of this Agreement.

ARTICLE 2

PURCHASE AND SALE

2.1 **Purchase and Sale**. Subject to the conditions and on the terms contained in this Agreement:

(a) Purchaser, and/or its designee, agrees to purchase and acquire from Seller, and Seller agrees to sell and convey to Purchaser and/or its designee the Real Property by the Deed (as defined in Section 6.3(a)), subject only to the Permitted Exceptions.

(b) Purchaser, and/or its designee, agrees to purchase and acquire from Seller and Seller agrees to sell, assign and transfer to Purchaser and/or its designee all of Seller's right, title and interest in the Tangible Personal Property, as applicable.

ARTICLE 3

PURCHASE PRICE

3.1 **Purchase Price; Allocation Thereof**. The purchase price ("**Purchase Price**") for the Property shall be Seven Hundred Fifty Thousand Dollars and No/00 ($750,000.00). Purchaser agrees to pay to Seller, and Seller agrees to accept payment of the Purchase Price as follows:

(a) The Deposit shall be (i) applied against the Purchase Price at Closing, (ii) refunded or returned to Purchaser in the event that this Agreement is terminated on or before the end of the Inspection Period, or (iii) forfeited to Seller in the event of Purchaser's default hereunder.

(b) At Closing, Purchaser shall pay to Seller the balance of the Purchase Price (after deduction of the Deposit applied against the Purchase Price as above provided), plus or minus prorations as hereinafter provided, in cash or by certified or cashier's check or by wire transfer of collected federal funds.

3.2 **Escrow; Deposit**. Concurrently with the execution of this Agreement, Seller and Purchaser shall execute the Earnest Money Escrow Instructions and within three (3) business days following the date hereof, the parties, through their respective attorneys, shall establish an escrow (the "**Escrow**") with the Escrowee through which the transaction contemplated hereby shall be closed. Upon opening of said escrow, Purchaser shall cause the Deposit to be deposited in said Escrow. Said Escrow shall be auxiliary to this Agreement, and this Agreement shall not be merged into nor in any manner superseded by said Escrow.

ARTICLE 4

FEASIBILITY; TITLE AND SURVEY REVIEW

4.1 **Review and Inspection**. At any time prior to Closing and at agreed upon times by the Seller, Purchaser shall have the right to enter upon the Real Property to inspect the Property and to conduct tests and investigations at its sole cost and expense. In addition, Seller shall allow Purchaser to review all books and records relating to the Property. Seller shall cooperate with Purchaser, or its agents, in arranging such inspections and reviews. Purchaser shall conduct all such inspections and reviews so as not to interfere unreasonably with the operation of the Building. Without limitation of the foregoing, Purchaser may cause a Phase I to be performed at the Property in order to obtain an environmental report, at Purchaser's sole cost and expense, to be conducted by an environmental engineering firm selected by Purchaser. Prior

to the date hereof, Seller shall have provided to Purchaser all information which Purchaser, or its attorneys or consultants deem necessary in connection with Purchaser's investigation of the Property including, without limitation, the items identified on **Exhibit D** attached hereto and made a part hereof (the "**Due Diligence Materials**") to the extent such items are in Seller's possession or reasonable control. Purchaser hereby agrees to treat the Due Diligence Materials as confidential materials pursuant to Section 15.7 hereof. The Purchaser agrees that the Due Diligence Materials are being provided to Purchaser as a convenience only, that such documents are for general information only and that they Purchaser shall not have any right to rely on the documents or information contained therein and shall rely, instead, on its own inspections and investigations of the Property. Purchaser may terminate this Agreement by delivering written notice thereof to Seller prior to the expiration of the Inspection Period if Purchaser is unsatisfied, in its sole and absolute discretion, with the results of its investigations or otherwise elects, in Purchaser's sole and absolute discretion, not to proceed with the transaction contemplated herein. If Purchaser timely terminates this Agreement in accordance with this Section 4.1, then the Deposit shall promptly be returned by Escrowee to Purchaser.

4.2 **Survey, Title Commitment and Searches**. Seller shall obtain, at Seller's sole cost and expense, the following (hereinafter referred to collectively as the "**Title Documents**") within thirty (30) business days after the date hereof.

(a) **Survey**. A current survey of the Property (i.e., dated no earlier than three (3) months prior to the date hereof) prepared by a surveyor licensed by the State of Illinois, in conformity with the "Minimum Standard Detail Requirements for ALTA/ACSM Land Title Surveys" jointly established and adopted by ALTA and NSPS in 2011, meeting the accuracy requirements of an Urban Survey, as defined therein, and including items 1, 2, 3, 4, 6(b), 7(a), 7(b)(1), 7(c), 8, 9, 10(a), 11(a), 13, 14, 16, 17, 18, 19, 20(a), 21 and 22 in Table A contained therein, and in conformity with such standards as are required by the Title Company as a condition to the removal of any survey exceptions from the Title Commitment, certified to Purchaser, the Title Company and such other parties as Purchaser shall reasonably require.

(b) **Title Commitment**. A Title Commitment dated after the date hereof for an ALTA Owner's Policy Form B-2006 issued by the Title Company in the amount of the Purchase Price showing title to the Real Property in the Seller, with deletion of all general or standard exceptions, a Zoning 3.1 endorsement (with parking), an access endorsement, a contiguity endorsement, if applicable, a restrictions endorsement, and such other endorsements as may be reasonably requested by Purchaser and available in the State of Illinois. Seller shall deliver full and legible copies of all documents ("**Title Exceptions**") referred to in the Title Commitment.

In addition, Purchaser shall have the right to order, at Purchaser's sole cost and expense, such UCC, judgment and tax lien searches on the name of Seller as Purchaser may elect (collectively, the "**Searches**").

4.3 **Title Evidence Review**. Prior to the expiration of the Inspection Period, Purchaser shall have the right to give Seller written notice ("**Purchaser's Title Notice**") of any matter shown on any of the Title Commitment, Title Exceptions, Survey or Searches (the "**Title**

Evidence") as to which Purchaser objects ("**Title Defects**"). If Purchaser fails to timely deliver Purchaser's Title Notice, then Purchaser shall be deemed to have approved all matters disclosed by the Title Evidence. Seller shall have a period of ten (10) business days ("**Seller's Notice Period**") following delivery of Purchaser's Title Notice to Seller to notify Purchaser in writing ("**Seller's Response Notice**") as to which Title Defects Seller shall cause prior to Closing to be cured and removed (and Seller shall provide Purchaser with adequate assurances as to Seller's ability to so cure or remove such objectionable matters) or insured over by the Title Company (provided that any such insurance over shall be subject to Purchaser's approval, not to be unreasonably withheld). If Seller fails to timely deliver Seller's Response Notice, then Seller shall be deemed to have elected to cause to be cured and removed all such Title Defects. If Seller does not agree to cure and remove or insure overall Title Defects in a manner reasonably satisfactory to Purchaser then Purchaser may elect, prior to the Closing Date, to (A) terminate this Agreement, in which event, the Deposit shall be refunded to Purchaser and the parties shall have no further obligations hereunder or (B) waive Purchaser's objections to the Title Defects as to which Seller has not agreed to cure and remove or insure over, in which event, such Title Defects shall be deemed to be Permitted Exceptions. Notwithstanding anything stated in the foregoing, the following shall be considered Permitted Exceptions: general real estate taxes not yet due and payable at the time of Closing; covenants, conditions and restrictions of record, and building lines and easements, if any, provided they do not interfere with the current use and enjoyment of the Property.

4.4 **Monetary Defects**. Notwithstanding anything contained herein to the contrary, Seller shall be obligated to remove mortgages, deeds of trust and other liens or encumbrances of a definite and ascertainable amount ("**Monetary Defects**"), which the parties agree may be removed by the use of the proceeds of sale at Closing. If the proceeds of sale are insufficient to remove all Monetary Defects, Seller shall deposit at Closing any additional amount required to remove such Monetary Defects, and should Seller fail to do so, Purchaser may exercise any remedy available to Purchaser at law or in equity against Seller.

ARTICLE 5

COVENANTS, REPRESENTATIONS AND WARRANTIES

5.1 **Covenants, Representations and Warranties of Seller**. To induce Purchaser to execute, deliver and perform this Agreement, Seller, covenants, represents and warrants to Purchaser on and as of the date hereof as follows:

(a) **Representations**. All representations and warranties of Seller appearing in this Section 5.1 and in other Sections of this Agreement are true and correct as of the date hereof.

(b) **Authority**. Seller has the power and authority to sell, transfer, convey and deliver the Property to be sold and purchased hereunder and all required action and approvals therefor have been duly taken and obtained. The individuals signing this Agreement and all other documents executed pursuant hereto on behalf of Seller are duly authorized to sign same on behalf of such Seller and to bind such Seller.

(c) **No Breach**. The execution and delivery of this Agreement, the consummation of the transactions provided for herein and the fulfillment of the terms hereof will not result in a breach of any of the terms or provisions of, or constitute a default under, any agreement of Seller or any instrument to which Seller is a party or by which Seller or the Property is bound, or any judgment, decree or order of any court or governmental body, or any applicable law, rule or regulation.

(d) **Leases**. Other than the Existing Lease, there are no leases, subleases, or other occupancy agreements affecting any part of the Property.

(e) **No Notice**. No written notice has been given to any Seller by any holder of any mortgage or deed of trust on the Property, by any insurance company which has issued a policy with respect to any of the Property, or by any board of fire underwriters (or other body exercising similar functions), any of which notices claim any defect or deficiency or request the performance of any repairs, alterations or other work to the Property; and Seller will comply with any such notice and complete all repairs, alterations or other work required in order to comply with such notice and to correct any such defect prior to Closing, at such Seller's cost and expense, if such notice is received by any Seller prior to Closing hereunder.

(f) **Condemnation**. There is no pending condemnation, expropriation, eminent domain, or similar proceeding affecting all or any portion of the Real Property, and each of Seller has not received any written notice of any of the same and each of Seller has no knowledge that any such proceeding is contemplated.

(g) **Contracts**. Attached hereto as **Exhibit B** is a complete list of all Contracts. There are no material defaults under any of the Contracts, and all of the Contracts are in good standing and in full force and effect. Seller shall, effective as of Closing, terminate any Contracts Purchaser may by written notice request Seller to terminate, and Seller shall pay at or prior to the Closing all amounts which are or may come due under such terminated contracts.

(h) **Due Diligence Materials**. Prior to fifteen (15) days of the execution hereof, Seller will provide Purchaser true, correct and complete copies of the Due Diligence Materials to the extent in Seller's possession or reasonable control.

(i) **Certificates of Occupancy**. Permanent certificates of occupancy and all other licenses, permits, authorizations, consents and approvals required by all governmental or quasi-governmental authorities having jurisdiction, and the requisite certificates of the Local board of fire underwriters (or other body exercising similar functions), if any, have been issued for the buildings, structures and other improvements which are a part of the Property, have been paid for in full, and are in full force and effect, and copies thereof to the extent available, will be delivered to purchaser within three (3) days from the date hereof.

(j) **Legal Requirements**. There are no existing violations of any Legal Requirements by the Property or due to the operation thereof. Seller shall cure, at its sole

cost and expense, prior to Closing or as soon thereafter as reasonably practical, any violation of which any Seller or Purchaser receives written notice prior to the Closing from any governmental or quasi-governmental authority having jurisdiction over the Property.

(k) **No Default**. No material default or breach exists under any of the covenants, conditions, restrictions, rights-of-way or easements, if any, affecting all or any portion of the Property which are to be performed or complied with by the owner of the Property.

(l) **Litigation**. There is no action, suit or proceeding pending or, to the knowledge of Seller, threatened against or affecting all or any portion of the Property or relating to or arising out of the ownership, management or operation of the Property, in any court or before or by any federal, state, county or municipal department, commission, board, bureau or agency or other governmental instrumentality.

(m) **Value**. Seller has no notice of any proposed change in the assessed valuation of all or any portion of the Property.

(n) **Personal Property**. All fixtures, articles of personal property and other Tangible Personal Property included in and which are a part of this sale are now, and at Closing will be, owned by Seller free and clear of any conditional bills of sale, chattel mortgages, security agreements or financing statements or other liens or security interests of any kind.

(o) **Improvements**. To the best of Seller's knowledge, the Improvements on the Land are structurally sound and weather-tight, free from termite, insect and all other vermin infestation, and said Improvements are in good condition and working order.

(p) **Insurance**. To the best of Seller's knowledge, there are no defects or inadequacies in the Property which would adversely affect the insurability of the same or cause the imposition of extraordinary premiums therefor or create or be likely to create a hazard, excessive maintenance cost or material operating deficiencies.

(q) **Utilities**. All water, sewer, gas, electric, telephone and drainage facilities and all other utilities and public or quasi-public improvements upon or adjacent to the Land required by law or for the normal operation of the Property are installed, are connected under valid permits, and are in good working order, are adequate to service the Property and are paid in full.

(r) **License and Permits**. The certificate(s) of occupancy, licenses and permits listed on **Exhibit E** are all of the licenses and permits held by Seller in connection with its ownership and operation of the Real Property and Personal Property. Each of the licenses and permits is in full force and effect and in good standing, and neither Seller, nor any agent or employees of Seller have received notice of any intention on the part of the issuing authority to cancel, suspend or modify any of the licenses or permits or to take any action or institute any proceedings to effect such a cancellation, suspension or modification. To the best of Seller's knowledge, the licenses and permits

ATTACHMENT 7

identified on **Exhibit E** comprise all licenses, franchises, certifications, authorizations, approvals and permits required by any governmental or quasi-governmental authority for the use and operation of the Property (including the business operations therein) as the same is presently used and operated, and the Property is operated and occupied in compliance with each of the licenses and permits. All of the licenses and permits are fully paid for, and each of has made, or will make, application for renewals of any such licenses and permits which will expire before the Closing Date. Seller shall have provided copies, to the extent in Seller's possession or reasonable control, to Purchaser as part of the Due Diligence Materials.

(s) **Recapture Agreements**. To Seller's knowledge, there are no obligations in connection with the Land of any so-called "recapture agreement" involving refund for sewer extension, oversizing utility, lighting or like expense or charge for work or services done upon or relating to the Real Property. No portion of the Property is subject to or is affected by any special assessment or special taxing district.

(t) **Zoning**. To Seller's knowledge, the zoning classification for the Real Property permits the present use of the Real Property for medical office purposes as currently constructed and operated, and the Property fully complies with all relevant zoning laws and ordinances affecting the Real Property; and the continued maintenance, operation and use of the buildings, structures or other improvements on the Property will not violate any Legal Requirements. To Seller's knowledge, there is no existing, pending, contemplated, threatened or anticipated (i) change in the zoning classification of the Real Property or (ii) widening, change of grade or limitation on use of streets abutting the Real Property.

(u) **Intentionally deleted**.

(v) **Environmental Matters**. To Seller's knowledge, prior to and during Seller's ownership of the Property, (i) no Hazardous Materials have been located on the Property or have migrated onto the Property or have been released into the environment, or discharged, placed or disposed of at, on or under the Property; (ii) no underground storage tanks have been located on the Property; (iii) the Property has never been used as a dump for waste material; and (iv) the Property and its prior uses comply with and at all times have complied with all Environmental Laws.

The term "**Hazardous Materials**" shall mean and include the following, including mixtures thereof: any hazardous substance, pollutant, contaminant, waste, by-product or constituent regulated under the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 et seq.; oil and petroleum products and natural gas, natural gas liquids, liquefied natural gas and synthetic gas usable for fuel; pesticides regulated under the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. Section 136 et seq.; asbestos and asbestos-containing materials, PCBs and other substances regulated under the Toxic Substances Control Act, 15 U.S.C. Section 2601 et seq.; source material, special nuclear material, by-product material and any other radioactive materials or radioactive wastes, however produced, regulated under the Atomic Energy Act or the Nuclear Waste Policy Act of 1982; chemicals subject to the

OSHA Hazard Communication Standard, 29 C.F.R. { 1910.1200 et seq.; and industrial process and pollution control wastes, whether or not hazardous within the meaning of the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq. The term "Environmental Laws" shall mean and include all federal, state and local statutes, ordinances, regulations and rules in effect and as amended from time to time relating to environmental quality, health, safety, contamination and clean-up, including, without limitation, the Clean Air Act, 42 U.S.C. Section 7401 et seq.; the Clean Water Act, 33 U.S.C. Section 1251 et seq., and the Water Quality Act of 1987; the Federal Insecticide, Fungicide, and Rodenticide Act 7 U.S.C. Section 136 et seq.; the Marine Protection, Research, and Sanctuaries Act, 33 U.S.C. Section 1401 et seq.; the National Environmental Policy Act, 42 U.S.C. Section 4321 et seq.; the Noise Control Act, 42 U.S.C. Section 4901 et seq.; the Occupational Safety and Health Act, 29 U.S.C. Section 651 et seq.; the Resource Conservation and Recovery Act 42 U.S.C. Section 6901 et seq., as amended by the Hazardous and Solid Waste Amendments of 1984; the Safe Drinking Water Act, 42 U.S.C. Section 300f et seq.; the Comprehensive Environmental Response, Compensation and Liability Act 42 U.S.C. Section 9601 et seq., as amended by the Superfund Amendments and Reauthorization Act, the Emergency Planning and Community Right-to-Know Act and the Radon Gas and Indoor Air Quality Research Act; the Toxic Substances Control Act 15 U.S.C. Section 2601 et seq.; the Atomic Energy Act, 42 U.S.C. Section 2011 et seq., and the Nuclear Waste Policy Act of 1982, 42 U.S.C. Section 10101 et seq.; and state and local environmental statutes and ordinances, with implementing regulations and rules, as any of the foregoing may be amended from time to time.

5.2 **Covenants, Representations and Warranties of Purchaser**. Purchaser covenants, represents and warrants to Seller as follows:

(a) **Authority**. Following Purchaser's receipt of the approval of its Board ("**Board Approval**"), Purchaser shall have the power and authority to purchase and accept the Property to be sold and purchased hereunder and all required action and approvals therefor will have been duly taken and obtained. Following Board Approval, the individuals signing this Agreement and all other documents executed heretofore and pursuant hereto on behalf of Purchaser shall be duly authorized to sign same on behalf of Purchaser and to bind Purchaser. Purchaser shall promptly notify Seller in writing at such time that Board Approval has been obtained.

(b) **No Breach**. The execution and delivery of this Agreement, the consummation of the transactions provided for herein and the fulfillment of the terms hereof will not result in a breach of any of the terms or provisions of, or constitute a default under, any agreement of Purchaser or any instrument to which Purchaser is a party or by which Purchaser is bound, or any judgment, decree or order of any court or governmental body, or any applicable law, rule or regulation.

ARTICLE 6

CLOSING MATTERS

6.1 **Closing**. The closing of the transaction contemplated hereby (the "**Closing**") shall take place on the same date of the closing of the Definitive Agreements (the "**Closing Date**"). The Closing shall be effected pursuant to the Closing Escrow Instructions.

6.2 **New York Style Closing**. The transaction shall be closed by means of a so-called New York Style Closing, with the concurrent delivery of the documents of title, transfer of interests, delivery of the title policy described in Section 4.2(b) and the payment of the Purchase Price. Seller shall provide any undertaking (the "**Gap Undertaking**") to the Title Company necessary for the New York Style Closing to occur or for the satisfaction of any other requirement for Closing.

6.3 **Seller's Deliveries**. On or before two (2) business days prior to the date of Closing, Seller shall deposit into escrow with the Escrowee pursuant to the Closing Escrow Instructions the following, each of which shall be in form and substance acceptable to counsel for Purchaser and, in the case of documents of transfer or conveyance, shall be accepted or consented to by all parties required to make such transfer or conveyance effective:

(a) a duly executed and acknowledged Trustee's Deed in the form customarily provided by Seller from time to time (the "**Deed**") conveying to Purchaser fee title to the Property subject to general real estate taxes not yet due and payable at the time of Closing, covenants, conditions and restrictions of record, and building lines and easements, if any, provided they do not interfere with the current use and enjoyment of the Property;

(b) an affidavit of title covering the Property executed by Seller in customary form;

(c) the Title Company shall issue a 2006 ALTA Form B Owner's Title Insurance Policy ("**Title Policy**"), in the full amount of the Purchase Price, insuring on Schedule A (i) the Property and (ii) all easements benefiting the Property, providing for full extended coverage over all general title exceptions contained in such policies and containing the following endorsements: deletion of arbitration; 3.1 zoning (with parking); location; access; contiguity; comprehensive; survey; tax parcel; and any other endorsement required by Purchaser during the Inspection Period, insuring that fee title to the Property is vested in Purchaser, subject only to the Permitted Exceptions;

(d) a valid assignment to Purchaser of all of Seller's right, title and interest in and to the Contracts, if any, that Purchaser has provided written notice to Seller of Purchaser's election to assume such Contracts at Closing;

(e) copies of Certificates of Occupancy, licenses, permits, authorizations, consents and approvals required by law and issued by any governmental or quasi-governmental authority having jurisdiction over the Property and copies of all

certificates, if any, issued by the local board of fire underwriters (or other body exercising similar functions);

(f) to the extent Seller has such documents in its possession, a complete set of as built architectural and engineering drawings, utilities layout plans, topographical plans and the like used in the construction of the buildings, structures and other improvements on the Real Property together with a certificate from Seller and its architect that the Improvements have been constructed as set forth therein;

(g) certified originals of all Records, certified originals of all Contracts, the originals of all other materials identified in the Exhibits hereto and then in Seller's possession, and all other records and files relating to the current operation and maintenance of the Property;

(h) a written certification ("**FIRPTA Certificate**") in form reasonably satisfactory to Purchaser and dated no earlier than ten (10) days prior to the date of Closing, which certification shall be in compliance with the Tax Reform Act of 1984 (the "**Act**") and the regulations thereunder that are imposed by the Foreign Investment in Real Property Tax Act ("**FIRPTA**") and certifying that Seller is not a person or entity subject to withholding under FIRPTA and the Act, and containing Seller's tax identification number and address. If Seller does not provide such written certification, Purchaser may withhold at Closing ten percent (10%) of the gross proceeds of the sale of the Property for remittance to the Internal Revenue Service in accordance with the provisions of the Act;

(i) evidence of the termination of the Existing Lease;

(j) such evidence as Purchaser's counsel or the Title Company may reasonably require as to the authority of the person executing documents on behalf of Seller;

(k) State of Illinois, DuPage County and any municipal transfer tax declarations, as applicable (collectively, the "**Transfer Declarations**");

(l) such additional documents as shall be reasonably required to consummate the transaction expressly contemplated by this Agreement, including, without limitation, the delivery of any necessary documentation for Seller to satisfy its obligations hereunder;

(m) a certificate remaking and updating through the Closing Date the representations and warranties made in Section 5.1 hereof.

6.4 **Purchaser's Deliveries**. Purchaser shall deposit into escrow with the Escrowee pursuant to the Closing Escrow Instructions the following:

(a) on or before the Closing Date, the Purchase Price required to be paid pursuant to Section 3.1 hereof;

(b) on or before Five Days prior to the Closing Date, 2014, Purchaser's counterparts of the Transfer Declarations; and

(c) on or before the Closing Date, a certificate remaking and updating through the Closing Date the representations and warranties made in Section 5.2 hereof.

6.5 **Closing Statement**. Seller and Purchaser shall cooperate to prepare no later than the date that is prior to the Closing Date, a closing statement for the transaction contemplated hereby in accordance with the provisions of Article 7 hereof and shall execute and deposit such closing statement in the Escrow pursuant to the Closing Escrow Instructions on or before Closing.

6.6 **Concurrent Transactions**. All documents or other deliveries required to be made by Purchaser or Seller at or prior to Closing, and all transactions required to be consummated concurrently with Closing, shall be deemed to have been delivered and to have been consummated simultaneously with all other transactions and all other deliveries, and no delivery shall be deemed to have been made, and no transaction shall be deemed to have been consummated, until all deliveries required by Purchaser and Seller shall have been made, and all concurrent or other transactions shall have been consummated.

6.7 **Further Assurances**. Seller and Purchaser, at the Closing, or at any time or from time to time thereafter, upon request of either party, will execute such additional instruments, documents or certificates as either party deems reasonably necessary in order to convey, assign and transfer the Property to Purchaser hereunder.

6.8 **Possession**. Possession of the Property, free and clear of all encumbrances and tenancies other than the Permitted Exceptions, shall be delivered to Purchaser at Closing.

6.9 **Contracts**. Seller acknowledges and agrees that unless Purchaser otherwise notifies Seller in writing, Purchaser is not assuming any of the Contracts and that Seller shall remain solely responsible therefor after Closing. Seller agrees to indemnify, defend (with Purchaser having the right to retain counsel for the purpose of participating in such defense, at Seller's sole cost and expense) and hold Purchaser harmless against and with respect to any loss or damage to Purchaser arising from or in connection with the Contracts. The provisions in this Section 6.9 shall survive Closing.

ARTICLE 7

APPORTIONMENTS; TAXES; UTILITIES

The following items shall be adjusted and apportioned between Seller and Purchaser as follows:

7.1 **Taxes**. All ad valorem real estate taxes, personal property taxes, charges and assessments affecting the Property and payable during the year in which Closing occurs shall be prorated on a per diem basis as of Twelve AM (12:00 AM) of the Closing Date. The proration of taxes shall be made on the basis of one hundred percent (100%) of the real estate taxes reflected on the then most recent final (i.e., second installment) tax bill. Such proration shall be calculated

based upon the actual number of days in such fiscal year, with Seller and Seller being responsible for that portion of such fiscal year occurring prior to and including Eleven Fifty-Nine PM of the Proration Date and Purchaser being responsible for that portion of such fiscal year occurring after Twelve AM (12:00 AM) on the Closing Date. Seller shall pay all installments of special assessments due and payable prior to the Closing Date and Purchaser shall pay all installments of special assessments due and payable on and after the Closing Date.

7.2 **Other Property Operating Expenses**. Operating expenses for the Property shall be prorated as of 12:00 AM on the Closing date. Seller shall pay all utility charges and other operating expenses attributable to the Property to, but not including the Closing date and Purchaser shall pay all utility charges and other operating expenses attributable to the Property on or after the Closing date.

7.3 **Delayed Adjustment**. To the extent that the amount of actual consumption of any utility services is not determined prior to the Closing date, a proration shall be made based on the last available reading and post-closing adjustments between Purchaser and Seller and shall be made within twenty (20) days of the date that actual consumption for such pre-closing period is determined, which obligation shall survive the Closing and not be merged therein. Seller shall not assign to Purchaser any deposits which Seller has with any of the utility services or companies servicing the Property. If at any time following the Closing date, the amount of an item listed in any section of this Article 7 shall prove to be incorrect (whether as a result in an error in calculation or a lack of complete and accurate information as of the Closing), the party in whose favor the error was made shall pay to the other party the sum necessary to correct such error within fifteen (15) days after receipt of proof of such error. The provisions of this Section 7.3 shall survive the Closing.

7.4 **Management Fees and Insurance Premiums**. At Closing, Seller shall terminate its contract with the current manager of the Property, if any, and cancel the existing insurance policies for the Property. Seller shall pay all management fees and all insurance premiums owed prior to the Closing Date and there shall be no proration of such items. Following Closing, Seller shall indemnify, defend and hold Purchaser harmless from and against any and all losses, claims, damages, liabilities, costs and expenses (including attorneys' fees and court costs) that Purchaser may incur due to Seller's failure to pay all such sums prior to Closing.

ARTICLE 8

CONDITIONS TO SELLER'S OBLIGATIONS

8.1 **Seller's Conditions Precedent**. The obligation of Seller to close the transaction contemplated hereby is, at Seller's option, subject to all representations and warranties of Purchaser contained in this Agreement being true and correct in all material respects at and as of the Closing Date and all covenants of Purchaser to have been performed on or before the Closing Date having been timely and duly performed in all material respects. Seller's obligation is also contingent on Seller or Owner and Purchaser having entered into contracts for the sale of the Real Estate and business of the ambulatory outpatient surgi-care facility located at 340 W. Butterfield Road, Elmhurst, Illinois 60126 ("**EMSC Practice**") with no contingencies for due diligence, financing or otherwise, provided that the contracts for the sale of the EMSC Practice

may be subject to the purchaser of the EMSC Practice obtaining approval of the Illinois Health Facilities Planning Board ("IHFPB") of a certificate of exemption transferring the Seller's Certificate of Need to Buyer, together with all necessary approvals from the Illinois Department of Public Health ("IDPH") to operate an Ambulatory Outpatient Surgery Center at the EMSC Practice site

ARTICLE 9

CONDITIONS TO PURCHASER'S OBLIGATIONS

9.1 **Purchaser's Conditions Precedent**. The obligation to Purchaser to close the transaction contemplated hereby is, at Purchaser's option, subject to the satisfaction of the following conditions:

(a) Seller shall have delivered to Purchaser all of the items required to be delivered to Purchaser pursuant to the terms of this Agreement.

(b) All of the representations and warranties of Seller contained in this Agreement shall be true and correct in all material respects as of the date of Closing.

(c) Seller shall have performed and observed, in all material respects, all covenants and agreements of this Agreement to be performed and observed by Seller as of the date of Closing.

(d) The Title Company shall be committed to provide Purchaser, subject only to the payment of the premium therefor, the Title Policy, insuring that fee title to the Property is vested in Purchaser subject only to the Permitted Exceptions.

(e) There shall have been no material change in the condition of the Property from the date of the waiver of the Inspection Period through the Closing Date.

(f) The Existing Lease shall have been terminated.

(g) Purchaser (or affiliates thereof) and Seller (or affiliates thereof) ("**LFAC**") shall have entered into and consummated the transactions contemplated under the Definitive Agreements (the "**LFAC Transaction**") concurrently with the Closing of the transactions contemplated hereunder, in accordance with the Closing Escrow Instructions.

(h) Seller shall have removed all old building material and doors in the basement together with patient paper files older than seven (7) years.

ARTICLE 10

ACTIONS AND OPERATIONS PENDING CLOSING

10.1 **Actions and Operations Pending Closing**. Seller agrees that from the date hereof through the Closing Date:

(a) Except as may be provided to the contrary herein, the Property will continue to be operated and maintained substantially in accordance with the present standards.

(b) Seller shall maintain the Property free from waste and neglect and in good order and repair and shall keep and perform or cause to be performed all obligations of Seller under the Contracts and all licenses and permits, all obligations of Seller under the Legal Requirements, and all obligations of the mortgagor under the any mortgage affecting the Property, to and including the Closing Date or termination of this Agreement. From the date hereof to the Closing Date or earlier termination of this Agreement, Seller shall operate and manage the Property in the same manner as it has been operated and managed heretofore, provided that during said period, without the prior written consent of Purchaser (except as indicated below), Seller shall not do, suffer or permit, or agree to do, any of the following:

(i) Enter into any transaction with respect to or affecting the Property out of the ordinary course of business;

(ii) Sell, encumber or grant any interest in the Property or any part thereof in any form or manner whatsoever;

(iii) Remove from the Real Property any of the fixtures thereon.

(c) Seller will not enter into any new Contracts, or cancel, modify or renew any existing Contracts, without the prior written consent of Purchaser, which consent shall not be unreasonably withheld. If Purchaser fails to respond to a request for consent within fifteen (15) business days after receipt of such request, such consent shall be deemed given. Seller shall comply with all applicable terms, provisions and obligations of Seller contained in the Contracts and any other contractual arrangements referred to in this Agreement.

(d) Seller shall pay as they become due any and all taxes and assessments levied against the Property, all utility charges incurred with respect to the Property, all debt service payments on loans secured by the Property and all other expenses incurred in the operation of the Property pursuant to the standards required by this Article 10.

(e) Seller shall notify Purchaser promptly if Seller becomes aware of any transaction or occurrence prior to the Closing Date which would make any of the representations or warranties of Seller contained in Section 5.1 untrue in any material respect.

(f) Seller will maintain in effect all policies of casualty and liability insurance, or similar policies of insurance, with the same limits of coverage which it now carries with respect to the Property.

10.2 **New Leases**. After the date hereof Seller shall not, without Purchaser's prior written consent in each instance, which consent may be withheld in Purchaser's sole and absolute discretion, enter into a new lease for space in the Property. Seller shall furnish

Purchaser with all information regarding any proposed new leases reasonable necessary to enable Purchaser to make informed decisions with respect to the advisability of the proposed action, and Purchaser shall advise Seller, within five (5) business days after receipt of such materials, whether Purchaser consents to such new lease. Seller shall be solely responsible for any leasing commissions or other fees or costs that may be due and owing in connection with any new lease and shall provide evidence satisfactory to Purchaser that such amounts have been paid prior to Closing or shall give Purchaser a credit therefore at Closing.

10.3 **Visits for Pre-leasing**. Seller agrees to allow Purchaser and its representatives access to the Property with prospective tenants at such times as may be reasonably convenient and non-disruptive to Seller.

ARTICLE 11

DAMAGE OR DESTRUCTION; CONDEMNATION; INSURANCE

11.1 **Termination of Agreement**. If at any time prior to the date of Closing, (i) all or any portion of the Property is destroyed or materially damaged as a result of fire or any other casualty whatsoever or (ii) if any proceeding relating to the proposed taking of all or any material portion of the Property by condemnation, eminent domain is instituted or threatened by any public authority, then, at the option of Purchaser, this Agreement shall terminate and shall be cancelled with no further liability of either party to the other. Seller shall give Purchaser written notice of any such casualty or instituted or threatened proceeding within three (3) days after the occurrence thereof.

11.2 **No Termination of Agreement**. If there is any partial or total damage or destruction or condemnation or taking, as above set forth, and if Purchaser is not entitled or otherwise elects not to terminate this Agreement as herein provided, then in any such case all condemnation and insurance proceeds paid or payable to Seller shall belong to Purchaser and shall be paid over and assigned to Purchaser at Closing, and Seller as Purchaser may reasonably request or as may be necessary to transfer all interest in all such proceeds to Purchaser or to whomever Purchaser shall direct and Seller shall deliver at Closing to Purchaser or credit Purchaser with an amount equal to the amount of the insurance policy deductible and/or self-insured amounts.

11.3 **Insurance**. A casualty insurance policy in the amount of the replacement cost of the Property shall be maintained and kept in full force and effect by Seller pending Closing.

ARTICLE 12

LIABILITIES; ASSIGNMENT AND ASSUMPTION OF CERTAIN CONTRACT OBLIGATIONS

12.1 **Assumption of Liabilities by Purchaser**. Subject to the terms and conditions of this Agreement, Seller will assign to Purchaser all of its right, title and interest in and to the Contracts, and Purchaser will assume and agree to perform Seller's duties and obligations thereunder accruing on and after the date of Closing. Notwithstanding the preceding sentence,

Purchaser shall not be required to adopt or assume any Contract which Purchaser has requested Seller to terminate effective as of the Closing.

ARTICLE 13

INDEMNITIES

13.1 **Seller's Indemnity**. Seller agrees to indemnify, defend (with Purchaser having the right to retain counsel for the purpose of participating in such defense, at its sole cost and expense) and hold Purchaser harmless against and with respect to the following:

(a) except to the extent that Purchaser receives a credit therefor on the Closing Statement, any and all obligations, liabilities, claims, accounts, demands, liens or encumbrances, whether direct or contingent and no matter how arising, in any way related to the Property and arising or accruing before the Closing Date or in any way related to or arising from any act, conduct, omission, contract or commitment of Seller or any predecessor in interest of Seller, at any time or times on or before the Closing Date;

(b) any loss or damage to Purchaser resulting from any inaccuracy in or breach of any representation or warranty of any Seller or resulting from any breach or default by Seller of any Obligation of Seller under this Agreement; and

(c) all costs and expenses, including reasonable attorneys' fees, related to any actions, suits or judgments incident to any of the foregoing;

(d) The foregoing indemnity obligation shall not extend to any claims, accounts, demands, liens, or encumbrances caused in whole or in part by any act, conduct, omission, contract or commitment of Purchaser.

13.2 **Purchaser's Indemnity**. Purchaser agrees to indemnify, defend (with Seller having the right to retain counsel for the purpose of participating in such defense, at its sole cost and expense) and hold Seller harmless against and with respect to the following:

(a) any and all obligations, liabilities, claims, accounts, demands, liens or encumbrances, whether direct or contingent and no matter how arising (collectively, "**Indemnified Losses**"), in any way related to the Property and first arising or accruing on or after the Closing Date or in any way related to or arising from any act, conduct, omission, contract or commitment of Purchaser, at any time or times on or after the Closing Date; provided, however, that the foregoing indemnity obligation shall not extend to any Indemnified Losses caused in whole or in part by any act, conduct, omission, contract or commitment of Seller or any of Seller's invitees or permittees;

(b) any loss or damage to Seller, subsequent to the Closing Date, resulting from any inaccuracy in or breach of any representation or warranty of Purchaser or resulting from any breach or default by Purchaser of any Obligation of Purchaser under this Agreement;

(c) any injury to person or property causing any loss or damage to a Seller resulting from or arising out of investigations performed by Purchaser pursuant to Section 4.1 hereof; provided, however, that this indemnity shall not apply to the extent such loss or damage arise in connection with such Seller's negligence or willful misconduct, and Purchaser shall have no liability to Seller or to any other person or entity by reason of, nor shall Purchaser have any duty to indemnify, defend or hold any person or entity harmless from or against, any loss or damage, including, without limitation, any claim for diminution in value of the Property or for environmental remediation or clean-up costs, arising out of or in connection with the mere fact of having discovered and/or reported (as Purchaser may believe upon advice of counsel is required by law) any adverse physical condition, title condition, environmental condition or other defect with respect to the Property; and

(d) all costs and expenses, including reasonable attorneys' fees, related to any actions, suits or judgments incident to any of the foregoing.

13.3 **Notice of Claims**. Seller and Purchaser shall promptly notify the other in the event any claim is made against any Seller or Purchaser as to which the other party has agreed to indemnify and the indemnitor shall thereupon undertake to defend and hold the indemnitee harmless therefrom.

ARTICLE 14

NOTICES

14.1 **Notices**. Any notice pursuant to this Agreement shall be given in writing by one of the following means sent to the intended addressee at the address set forth below, or to such other address or to the attention of such other person as the addressee shall have designated by written notice sent in accordance herewith: (a) personal delivery, or (b) reputable overnight delivery, or (c) United States Mail, postage prepaid, registered or certified mail, return receipt requested, or (d) facsimile transmission (provided that a copy of such notice shall also be sent by one of the means specified in clauses (a)-(c) of this sentence). Any such notice shall be deemed to have been given either at the time of personal delivery, or, in the case of expedited delivery service or mail, as of the date of first attempted delivery at the address and in the manner provided herein, or, in the case of facsimile transmission, as of the date of the facsimile transmission provided that an proof of such transmission shall be provided to the other party upon request. Unless changed in accordance with the preceding sentence, the addresses for notices given pursuant to this Agreement shall be as follows:

If intended for any Seller, to:

Esther Lyon, DPM
6 East St. Charles Road
Lombard, Illinois 60148

Copies to:

Matthew P. Barrette
Sullivan Hincks & Conway
120 W. 22nd Street, Suite 100
Oak Brook, Illinois 60523

ATTACHMENT 7

mattbarrette@shlawfirm.com
Fax: (630) 573-5021

If intended for Purchaser, to:

TEC West Properties, LLC
467 W. Erie
Chicago, Illinois 60654
Fax: _____

Copies to:

Robbins, Salomon & Patt, Ltd.
180 N. LaSalle Street
Suite 3300
Chicago, Illinois 60601
Attention: Alan J Wolf
Fax: (312) 782-6690

ARTICLE 15

MISCELLANEOUS

15.1 **Expenses**. Seller shall be responsible for the payment of all transfer taxes (State of Illinois, DuPage County and the Village of Lombard), one-half of the escrow fees, all title charges for the issuance of the Title Commitment, all title charges for the premium for the Title Policy, the costs of any extended coverage and any title insurance endorsements to the Title Policy required to cure any Title Defects (the "**Title Defects Endorsements**"), all costs of the Survey. Purchaser shall be responsible for the payment of all recording fees, one-half of the escrow fees, and the costs of any title endorsements to the Title Policy other than the Title Defects Endorsements. The fees and expenses of Seller's designated representatives, accountants and attorneys shall be borne by Seller, and the fees and expenses of Purchaser's designated representatives, accountants and attorneys shall be borne by Purchaser.

15.2 **Brokerage**. With respect to the transaction contemplated by this Agreement, Seller represents that it has engaged Terry Flanagan with Medical Practice Brokers and Troy Golden with SC Group Real Estate, and Purchaser represents that it has no broker ("**Broker**"). Seller shall pay any monies owed to Seller's Broker pursuant to a separate written agreement. The parties agree that should any claim be made for brokerage commissions or finder's fees by any broker or finder other than Seller's Broker by, through or on account of any acts of said party or its representatives, said party will indemnify and hold the other party free and harmless from and against any and all loss, liability, cost, damage and expense in connection therewith. The provisions of this paragraph shall survive Closing or earlier termination of this Agreement.

15.3 **Default**. If this Agreement is terminated by a default of Seller, the Deposit, and all interest earned thereon, shall be promptly returned to Purchaser, and Purchaser shall be entitled to pursue against Seller any and all remedies available to Purchaser, at law or in equity, including, but not limited to specific performance. In the event this Agreement is terminated by a default of Purchaser, Seller may receive and retain the entire Deposit and pursue any and all

remedies against Purchaser available to Seller at law or in equity. Neither Seller nor Purchaser shall avail itself of any remedy granted to it hereunder based upon an alleged default of the other party, unless and until written notice of the alleged default, in reasonable detail, has been delivered to the defaulting party by the non-defaulting party and the alleged default has not been cured on or before 5:00 p.m., Chicago time, on the fifth (5th) business day next following delivery of said notice of default

15.4 **Survival**. The representations, warranties, obligations, covenants, agreements, undertakings and indemnifications of Seller and Purchaser contained herein, and any right of a party to receive funds pursuant to this Agreement, shall survive the Closing.

15.5 **Purchaser's Investigation and Inspections**. Any investigation or inspection conducted by Purchaser, or any agent or representative of Purchaser, pursuant to this Agreement, in order to verify independently Seller's satisfaction of any conditions precedent to Purchaser's Obligations hereunder or to determine whether Seller's warranties are true and accurate, shall not affect (or constitute a waiver by Purchaser of) any of Seller's Obligations hereunder or Purchaser's reliance thereon.

15.6 **Construction**. This Agreement shall not be construed more strictly against one party than against the other, merely by virtue of the fact that it may have been prepared primarily by counsel for one of the parties, it being recognized that both Purchaser and Seller have contributed substantially and materially to the preparation of this Agreement.

15.7 **Confidential Information**. The parties acknowledge that the transaction described herein (including, without limitation, the Due Diligence Materials) is of a confidential nature and shall not disclosed except to consultants, lenders, advisors, and affiliates, or as required by law. Without limitation of the foregoing, no party will make any public disclosure of the specific terms of this agreement, including, without limitation, the identity of the Purchaser hereunder, without the written consent of the other party, except as required by law.

15.8 **General**. This Agreement may be executed in any number of counterparts, each of which shall constitute an original but all of which, taken together, shall constitute but one and the same instrument. This Agreement (including all Exhibits hereto) contains the entire agreement between the parties with respect to the subject matter hereof, supersedes all prior understandings, if any, with respect thereto and may not be amended, supplemented or terminated, nor shall any Obligation hereunder or condition hereof be deemed waived, except by a written instrument to such effect signed by the party to be charged. The warranties, representations, agreements and undertakings contained herein shall not be deemed to have been made for the benefit of any person or entity, other than the parties hereto and their permitted successors and assigns. Seller has no right to assign its rights or to delegate its duties hereunder. Captions used herein are for convenience only and shall not be used to construe the meaning of any part of this Agreement. If Seller is comprised of more than one person or entity, such persons and/or entities shall be jointly and severally liable for the obligations and liabilities of Seller hereunder.

15.9 **Headings**. The headings preceding the text of the paragraphs and subparagraphs hereof are inserted solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or effect.

15.10 **Governing Law; Parties at Interest**. This Agreement will be governed by the law of the State of Illinois, and will bind and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors, assigns and personal representatives. Notwithstanding the foregoing, Purchaser shall have no right to assign its rights or obligations under this Agreement without the prior written consent of Seller, and Seller shall have no right to assign its rights or obligations under this Agreement without the prior written consent of Purchaser. Seller hereby grants its consent to an assignment by Purchaser of this Agreement and Purchaser's rights hereunder at any time to any entity that controls, is controlled by or is under common control with, Purchaser. In no event shall Purchaser be relieved of any liability hereunder by reason of such assignment and Purchaser shall give Seller written notice of any such assignment not less than one (1) business day prior to Closing.

15.11 **Computation of Time**. In computing any period of time pursuant to this Agreement, the day of the act or event from which the designated period of time begins to run will not be included. The last day of the period so computed will be included, unless it is a Saturday, Sunday or legal holiday, in which event the period runs until the end of the next day which is not a Saturday, Sunday or such legal holiday.

15.12 **Recording**. A memorandum of this Agreement, at Purchaser's option, shall not be recorded in the Recorder's Office in the county where the Land is located.

15.13 **Time of the Essence**. All times, wherever specified herein for the performance by Seller or Purchaser of their respective obligations hereunder, are of the essence of this Agreement.

15.14 **WAIVER OF TRIAL BY JURY**. SELLER AND PURCHASER, TO THE EXTENT THEY MAY LEGALLY DO SO, HEREBY EXPRESSLY WAIVE ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION, CAUSE OF ACTION, OR PROCEEDING ARISING UNDER OR WITH RESPECT TO THIS AGREEMENT, OR IN ANY WAY CONNECTED WITH, OR RELATED TO, OR INCIDENTAL TO, THE DEALINGS OF THE PARTIES HERETO WITH RESPECT TO THIS AGREEMENT OR THE TRANSACTIONS RELATED HERETO OR THERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND IRRESPECTIVE OF WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE. TO THE EXTENT THEY MAY LEGALLY DO SO, SELLER AND PURCHASER HEREBY AGREE THAT ANY SUCH CLAIM, DEMAND, ACTION, CAUSE OF ACTION, OR PROCEEDING SHALL BE DECIDED BY A COURT TRIAL WITHOUT A JURY AND THAT ANY PARTY HERETO MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE OTHER PARTY OR PARTIES HERETO TO WAIVER OF ITS OR THEIR RIGHT TO TRIAL BY JURY. THE PROVISIONS OF THIS SECTION 14.15 SHALL SURVIVE THE CLOSING OR EARLIER TERMINATION OF THIS AGREEMENT.

15.15 **No Liability of Purchaser**. Except as expressly provided herein, Purchaser shall not assume or take subject to any liabilities or obligations of the Property, existing or accrued as of the date of Closing, and Seller shall pay the same as they mature and shall hold Purchaser harmless with respect to all thereof.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed or caused this Agreement to be executed, all as of the day and year first above written.

SELLER:

ESTHER LYON, DPM, as beneficiary under a Trust Agreement dated December 22, 1999 and known as Trust No. 11-3018.

PURCHASER:

TEC WEST PROPERTIES, LLC an Illinois limited liability company

By: _____
Name: THOMAS C. CARR, DPM
Title: MANAGER

EXHIBIT A

LAND LEGAL DESCRIPTION

EXHIBIT B

CONTRACTS

EXHIBIT C

LITIGATION/CLAIMS

EXHIBIT D

DUE DILIGENCE MATERIALS

1. Copies of real estate tax bills and special assessments (if any and payments status for the preceding two (2) full calendar years;

2. Copies of leases and all amendments if any; licenses or other agreements related to the use and occupancy of the Property;

3. All unrecorded covenants, conditions, restrictions and casements, and documents affecting title to or use of the Property as outlined in the Title Commitment in Seller's possession or reasonable control;

4. Statements of any and all expenses related to the Property for the preceding two (2) full calendar years;

5. All studies and reports in the possession or reasonable control of Seller, including those relating to environmental status, soil tests, and any other information regarding the environmental and sod conditions;

6. Copies of all written citations from any governmental entities including those pertaining to any uncured violations of any applicable laws, codes or compliance of same;

7. All building plans, including any architectural plans, studies and specifications that may have been developed for the Property;

8. Copies of all service contracts and management agreements, warranties or guarantees, licenses and permits;

9. A listing of all equipment and other personal property owned or leased by Seller located on or used in the operations or maintenance of the Property;

10. Surveys of the Property; and

11. All documents or descriptions of any pending or anticipated litigation.

12. To the extent title to the real property is being held in a trust, provide true and correct copies of the trust agreement and all amendments.

EXHIBIT E

LICENSES AND PERMITS

[To be inserted]

EXHIBIT F

FORM OF EARNEST MONEY ESCROW INSTRUCTIONS

[To be inserted]

EXHIBITS

Exhibit A	Land Legal Description
Exhibit B	Contracts
Exhibit C	Litigation/Claims
Exhibit D	Due Diligence Materials
Exhibit E	Licenses and Permits
Exhibit F	Form of Earnest Money Escrow Instructions

BJW
6/1/14

LOMBARD, ILLINOIS

EXHIBIT A

LAND LEGAL DESCRIPTION

J5445807

ATTACHMENT 7

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LEGAL DESCRIPTION

THAT PART OF LOTS 16 AND 17 IN BLOCK 12 IN TOWN OF LOMBARD IN THE NORTHWEST QUARTER OF SECITON 8, TOWNSHIP 39 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: BEGINNING AT A POINT 120.5 FEET SOUTH OF THE NORTH LINE AND 11.56 FEET EAST OF THE WEST LINE OF SAID LOT 16; THENCE EAST 66 HUNDREDTHS OF A FOOT; THENCE SOUTH PARALLEL WITH THE WEST LINE OF SAID LOT 16 TO THE SOUTH LINE THEREOF; THENCE SOUTHWESTERLY ALONG THE SOUTH LINE OF LOTS 16 AND 17 TO A POINT THEREON WHICH IS 4.215 FEET EAST OF THE SOUTHWEST CORNER OF SAID LOT 17 MEASURED ON THE SOUTH LINE OF SAID LOT; THENCE NORTH PARALLEL WITH THE EAST LINE OF SAID LOT 17 TO A POINT WHICH IS 120.5 FEET SOUTH OF THE NORTH LINE OF SAID LOT 17; THENCE EAST PARALLEL WITH THE NORTH LINE OF SAID LOTS 16 AND 17 TO THE POINT OF BEGINNING, IN DUPAGE COUNTY, ILLINOIS.

Permanent Index Number: 06-08-100-011-0000

Real Estate Address: 6 East St. Charles Road, Lombard, IL 60148

ATTACHMENT 7

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EXHIBIT B

CONTRACTS

J5445807

ATTACHMENT 7

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Primary Contact Name	Sarah Espino	ZIP Code	60148
Business Phone	(630) 802-5527	County	
Cell Phone		Email Address	esarah28@gmail.com
Pager Number		Primary Fax Number	
Technical Contact Name		Tech Contact On-Site?	No
Technical Contact Business Phone		Technical Contact Email	
Property Manager Contact Name		Property Mgr. Phone	

COMCAST BUSINESS CLASS SERVICES

	Selection (X)
Business Class Voice	
Business Class Internet	X
Business Class TV	

Service Term (Months)	36

COMCAST BUSINESS CLASS SERVICES DETAILS

Business Class Voice*

VOICE SELECTIONS	Quantity	Unit Cost	Total Cost
Full Feature Voice Lines			
Add. F.F. Voice Lines w/ pkg.			
4+ Lines			
Basic Lines			
Fax Lines			
Toll Free Numbers			
Equipment Fee			

VOICE OPTIONS	Selection(X)	Total Cost
Voicemail		
Directory Listing Suppression Fee		
Auto-Attendant		

* Voice offers & options not available in all markets.

Business Class Internet*

INTERNET SELECTIONS	Selection(X)	Total Cost
Starter		
Preferred		
Other Premium	X	$99.95
Equipment Fee	X	$7.00

INTERNET OPTIONS	Selection(X)	Total Cost
Microsoft Outlook Office Email	X	Included
Web Hosting - Starter	X	Included
Web Hosting - Business		
Web Hosting - Commerce		
Web Hosting - Professional		
Static IP - 1	X	$14.95
Static IP - 5		
Static IP - 13		

* Internet selections & options not available in all markets.

Business Class Packages

Package Name:
PACKAGE DESCRIPTION

Business Class TV*

TV SELECTIONS	Selection(X)	Total Cost
Basic		
Information & Entertainment		
Standard		
Preferred		
Music Choice Standalone		

TV OPTIONS	Selection	Total Cost
Sports Pack**		
Music Choice W/Business Class		
Canales Selecto		
Other Programming		
Other Programming		
Other Programming		

TV OUTLETS	Quantity	Unit Cost	Total Cost
Additional Outlets			
HD TV Box Charges			

* Not available in home offices or public view establishments. TV selections & options not available in all markets.

** Available for Information & Entertainment, Standard & Preferred TV offers only.

COMCAST BUSINESS CLASS TOTAL SERVICE CHARGES

Business Class	Selection(X)	Unit Cost	Total Cost
Installation Fee	X	$49.00	$49.00
Voice Activation Fee*			
Auto-Attendant Setup Fee			
Voice Jack Fee			
Toll Free Activation Fee			

* Per line activation fee, up to four (4) line maximum charge.

Total Installation Charges:*	$49.00

* Does not include Custom Installation Fees referenced below.

Total Monthly Service Charge	$121.90
Promotional Code (if applicable)	
Less Discount (if applicable)	$0.00
Total Recurring Monthly Bill:*	$121.90

* Applicable federal, state, and local taxes and fees may apply.

GENERAL SPECIAL INSTRUCTIONS

ATTACHMENT 7

Business Class Internet: Starter	2 Full Access	Transfer Existing Comcast.net Email	No
Business Class Internet: Preferred	4 Full Access	Number of Static IPs*	1
Other: Premium	8 Email boxes included		

* If 5 or 13 Static IPs are requested a STATIC IP JUSTIFICATION FORM is required.

COMCAST BUSINESS CLASS TV CONFIGURATION DETAILS

Outlet Details	Location	Outlet Type
Outlet 1 - Primary		
Outlet 2 - Additional		
Outlet 3 - Additional		
Outlet 4 - Additional		
Outlet 5 - Additional		
Outlet 6 - Additional		
Outlet 7 - Additional		
Outlet 8 - Additional		

Additional Comments:

OUTLETS 9 & UP	QUANTITY
Analog	
Digital	
HDTV	
DTA	

COMCAST BUSINESS CLASS VOICE CONFIGURATION DETAILS

Phone #	Type	Voicemail

Customer Equipment

Phone System Type (Key System, PBX, Other)

Phone System Manufacturer

Fax Machine Manufacturer

Alarm System Vendor

Point of Sale Device

Telco Closet Location

Hunt Group Configuration Details

Hunt Group Features Requested (Yes/No)

Hunt Group Configuration Type

Hunt Group Pilot Number

Toll Free #	Calling Origination Area	Associated TN

Directory Listing Details

Directory (Published, Non-Published, Unlisted)	
Directory Listing Phone Number	
Directory Listing Display Name	
DA/DL Header Text Information	

Additional Voice Details

Caller ID (Yes/No)	
Caller ID Display Name (max 15 char.)	

ATTACHMENT 7

Billing Name (3rd Party Accounts)		State	IL
Address 1	6 E SAINT CHARLES RD	ZIP Code	60148
Address 2		Billing Contact Email	esarah28@gmail.com
Billing Contact Name	Sarah Espino	Billing Contact Phone	(630) 602-5527
Tax Exempt?*	No	Billing Fax Number	

** If yes, please provide and attach tax exemption certificate.*

AGREEMENT

1. This Comcast Business Class Service Order Agreement sets forth the terms and conditions under which Comcast Cable Communications Management, LLC and its operating affiliates ("Comcast") will provide the Services to Customer. This Comcast Business Class Service Order Agreement consists of this document ("SOA"), the standard Comcast Business Class Terms and Conditions ("Terms and Conditions"), and any jointly executed amendments ("Amendments"), collectively referred to as the "Agreement". In the event of inconsistency among these documents, precedence will be as follows: (1) Amendments, (2) Terms and Conditions, and (3) this SOA. This Agreement shall commence and become a legally binding agreement upon Customer's execution of the SOA. The Agreement shall terminate as set forth in the Terms and Conditions (http://business.comcast.com/terms-conditions/index.aspx). All capitalized terms not defined in this SOA shall reflect the definitions given to them in the Terms and Conditions. Use of the Services is also subject to the then current High-Speed Internet for Business Acceptable Use Policy located at http://business.comcast.com/terms-conditions/index.aspx (or any successor URL), and the then current High-Speed Internet for Business Privacy Policy located at http://business.comcast.com/terms-conditions/index.aspx (or any successor URL), both of which Comcast may update from time to time.

2. Each Comcast Business Class Service ("Service") carries a 30 day money back guarantee. If within the first thirty days following Service activation Customer is not completely satisfied, Customer may cancel Service and Comcast will issue a refund for Service charges actually paid by Customer, custom installation, voice usage charges, and optional service fees excluded. In order to be eligible for the refund, Customer must cancel Service within thirty days of activation and return any Comcast-provided equipment in good working order. In no event shall the refund exceed $500.00.

3. IF CUSTOMER IS SUBSCRIBING TO COMCAST'S BUSINESS CLASS VOICE SERVICE, I ACKNOWLEDGE RECEIPT AND UNDERSTANDING OF THE E911 NOTICE:

E911 NOTICE

Comcast Business Class Voice service ("Voice") may have the E911 limitations specified below:

- In order for 911 calls to be properly directed to emergency services using Voice, Comcast must have the correct service address for the Voice Customer. If Voice is moved to a different location without Comcast's approval, 911 calls may be directed to the wrong emergency authority, may transmit the wrong address, and/or Voice (including 911) may fail altogether.

- Voice uses electrical power in the Customer's premises. If there is an electrical power outage, 911 calling may be interrupted if the battery back-up in the associated multimedia terminal adapter is not installed, fails, or is exhausted after several hours.

- Voice calls, including calls to 911, may not be completed if there is a problem with network facilities, including network congestion, network/equipment/power failure, or another technical problem.

- Comcast will need several business days to update a Customer service address in the E911 system. All change requests and questions should be directed to 1-800-391-3000. USE OF VOICE AFTER DELIVERY OF THIS DOCUMENT CONSTITUTES CUSTOMER ACKNOWLEDGEMENT OF THE E911 NOTICE ABOVE.

4. To complete a Voice order, Customer must execute a Comcast Letter or Authorization ("LOA") and submit it to Comcast, or Comcast's third party order entry integrator, as directed by Comcast.

5. New telephone numbers are subject to change prior to the install. Customers should not print their new number on stationery or cards until after the install is complete.

6. Modifications: All modifications to the Agreement, if any, must be captured in a written Amendment, executed by an authorized Comcast Senior Vice President and the Customer. All other attempts to modify the Agreement shall be void and non-binding on Comcast. Customer by signing below, agrees and accepts the Terms and Conditions of this Agreement.

CUSTOMER SIGNATURE	
By signing below, Customer agrees and accepts the Terms and Conditions of this Agreement. General Terms and Conditions can be found at http://business.comcast.com/terms-conditions/index.aspx.	
Signature:	Digitally signed by: Sarah Espino 4005187041 (USA)
Print:	Sarah Espino
Title:	
Date:	2/15/2012

FOR COMCAST USE ONLY	
Sales Representative:	Christopher Hargraves
Sales Representative Code:	
Sales Manager/Director	Erin Kaighn
Sales Manager/Director	
Division:	Central
Lead ID:	4841122

ATTACHMENT 7

EXHIBIT D

DUE DILIGENCE MATERIALS

1. Copies of real estate tax bills and special assessments (if any and payments status for the preceding two (2) full calendar years;

2. Copies of leases and all amendments if any; licenses or other agreements related to the use and occupancy of the Property;

3. All unrecorded covenants, conditions, restrictions and easements, and documents affecting title to or use of the Property as outlined in the Title Commitment in Seller's possession or reasonable control;

4. Statements of any and all expenses related to the Property for the preceding two (2) full calendar years;

5. All studies and reports in the possession or reasonable control of Seller, including those relating to environmental status, soil tests, and any other information regarding the environmental and sod conditions;

6. Copies of all written citations from any governmental entities including those pertaining to any uncured violations of any applicable laws, codes or compliance of same;

7. All building plans, including any architectural plans, studies and specifications that may have been developed for the Property;

8. Copies of all service contracts and management agreements, warranties or guarantees, licenses and permits;

9. A listing of all equipment and other personal property owned or leased by Seller located on or used in the operations or maintenance of the Property;

10. Surveys of the Property; and

11. All documents or descriptions of any pending or anticipated litigation.

12. To the extent title to the real property is being held in a trust, provide true and correct copies of the trust agreement and all amendments.

EXHIBIT E

LICENSES AND PERMITS

[To be inserted]

Date: 10/02/01

Parcel No. 06-08-100-011
Permit No. 00-1279

VILLAGE OF LOMBARD

CERTIFICATE OF OCCUPANCY

We hereby certify that Dr. Esther Lyon, actual property owner or its managing agent for the premises commonly known as 6 E. St. Charles Road. Suite 100, has complied with all requirements of the Building, Health, and Zoning laws and ordinances set forth in Ordinance 3274 and Ordinance 2561 and all its amendments thereto and that said building and use is hereby qualified for occupancy by the Lombard Foot & Ankle Clinic, the named property ~~tenant~~owner, for usage as a medical clinic building under Zoning Classification B5 subject to the following:

It is required by ordinance that an application for water service and garbage collection be made at the time of occupancy and zoning.

Planning Services Division

Bureau of Fire Prevention

Private Engineering Services Division

Bureau of Inspectional Services (Seal)

ATTACHMENT 7

EXHIBIT F

FORM OF EARNEST MONEY ESCROW INSTRUCTIONS

[To be inserted]

OFFICE LEASE

THIS LEASE made this _____ day of _____, 2014, between Esther Lyon, DPM ("Landlord"), and Chicago Podiatric Surgeons, P.C. ("Tenant") for space in the building known as 1590 Weatherstone Lane, #1, Elgin, IL 60123 (the "Premises"). The following sets forth certain base terms of the Lease:

1.	Premises:	approximately 1,089 sf
2.	Term:	1 year
3.	Rent:	$1,950/month
4.	Security Deposit:	$1,950.00
5.	Commencement Date:	_____
6.	Expiration Date:	_____

1. DEMISE AND TERM. Landlord leases to Tenant and Tenant leases from Landlord the Premises (the "Premises") described in item 1 above subject to the terms and conditions set forth in this Lease. The lease term and the commencement of rent payments (as may be extended, the "Lease Term") shall commence on the commencement date (the "Commencement Date") and shall continue until expiration on the fifth (5th) anniversary of the date thereof, unless extended or sooner terminated as provided herein.

2. Rent.

A. Definition. For purposes of this Lease, the following terms shall have the following meanings:

"Rent" shall mean Base Rent as hereinafter defined.

B. Components of Rent. Tenant agrees to pay the following amounts to Landlord at the office of the Building or at such other place as Landlord designates without demand, deduction, set off or abatement:

(i) Rent ("Base Rent") to be paid in monthly installments in the amount set forth in Item 3 above payable in advance on or before the first day of each month of the Term.

(ii) Pro rata percentage increase of taxes using 2014 as the base year.

(iii) Operating expenses and electricity to be paid by tenant.

C. **Payment of Rent.** The following provisions shall govern the payment of Rent: (i) if this Lease commences or ends on a day other than the first or last day of a calendar month, respectively, the Rent for the month in which this Lease so begins or ends shall be prorated and the monthly installments shall be adjusted accordingly; (ii) Tenant shall pay Landlord a late charge for any Rent payment which is paid more than ten days after its due date equal to five percent of such payment.

3. **USE.** Tenant agrees that it shall use the Premises for general office purposes, including but not limited to an office providing medical services. Tenant will comply with federal, state and municipal laws, ordinances and regulations and all covenants, conditions and restrictions of record applicable to Tenant's use or occupancy of the Premises. Without limiting the foregoing, Tenant shall not cause, nor permit, any hazardous or toxic substances to be brought upon, produced, stored, used, discharged or disposed of in, on or about the Premises without the prior written consent of Landlord and then only in compliance with all applicable environmental laws, except for hazardous or toxic substances contained in products used by Tenant in *de minimis* quantities for ordinary cleaning and office purposes and medical waste.

4. **CONDITION OF PREMISES.** Tenant's taking possession of the Premises shall be conclusive evidence that the Premises were in good order and satisfactory condition when Tenant took possession, excepting latent defects, if any. No agreement of Landlord to alter, remodel, decorate, clean or improve the Premises or the Building (or to provide Tenant with any credit or allowance for the same), and no representation regarding the condition of the Premises or the Building, have been made by or on behalf of Landlord or relied upon by Tenant.

5. **BUILDING SERVICES.**

A. **Telephones.** Tenant shall arrange for telephone service directly with one or more of the public telephone companies servicing the Premises and shall be solely responsible for paying for such telephone service. In no event does Landlord make any representation or warranty with respect to telephone service in the Building, and Landlord shall have no liability with respect thereto.

B. **Utilities**. Tenant shall be responsible for paying for all gas, electric, water and other utilities for the Premises.

6. **RULES AND REGULATIONS.** Tenant shall observe and comply, and shall cause its subtenants, assignees, invitees, employees, contractors and agents to observe and comply, with the reasonable rules and regulations of Landlord consistent with the Tenant's occupancy of the Premises and with such reasonable modifications and additions thereto as Landlord may make from time to time in writing to Tenant. Landlord shall not be liable for failure of any person to obey such rules and regulations against any person, and failure of Landlord to enforce any such rules and regulations shall not constitute a waiver thereof or relieve Tenant from compliance therewith.

7. **CERTAIN RIGHTS RESERVED TO LANDLORD.** Landlord reserves the following rights, each of which Landlord may exercise with notice to Tenant when reasonably possible and without liability to Tenant, and the exercise of any such rights shall not be deemed to constitute an eviction or disturbance of Tenant's use or possession of the Premises and shall not give rise to any claim for set-off or abatement of Rent or any other claim: (a) to change the name or street address of the Premises upon providing 90 day notice to Tenant thereof; (b) to enter upon the Premises for purposes of maintenance, security or any other purpose that does not interfere with Tenant's operations in the Premises; (c) to retain at all times, and to use in appropriate instances, keys to all doors within and into the Premises; (d) to show or inspect the Premises at reasonable times and, if abandoned, to prepare the Premises for reoccupancy without such being a recapture of Premises or termination of this Lease; (e) to install, use and maintain in and through the Premises pipes, conduits, wires and ducts serving the Premises, provided that such installation, use and maintenance does not unreasonably interfere with Tenant's use of the Premises; and (f) to take any other action which Landlord deems reasonable in connection with the operation, maintenance or preservation of the Premises.

8. **MAINTENANCE AND REPAIRS.** Tenant, at its expenses, shall maintain and keep the Premises in good order and repair at all times during the Term. In addition, Tenant shall reimburse Landlord upon demand for the cost of any repairs (including, but not limited to labor and materials) to the Premises necessitated by the acts or omissions of Tenant, its subtenants, assignees, invitee, employees, contractors and agents, to the extent Landlord is not reimbursed for such costs under its insurance policies. Subject to the proceeding sentence, Landlord shall perform any maintenance or make any repairs to the Premises as Landlord shall desire or deem necessary for the safety, operation or preservation of the Premises or as Landlord may be required or requested to do by the municipality or by the order or decree of any court or by any other proper authority (the "Operating Expenses"). Landlord shall be solely responsible for the roof and exterior portions of the Premises and all major systems including HVAC, plumbing and electrical.

9. **ALTERATIONS.**

A. **Requirements.** Tenant shall not make any replacement, alteration, improvement or addition to or removal from the Premises (collectively an "alteration") without the prior written consent of Landlord. In the event Tenant proposes to make any alteration, Tenant shall submit to Landlord in writing for prior written approval: (i) detailed plans and specifications; (ii) sworn statements, including the names, addresses and copies of contracts for all contractors; (iii) all necessary permits evidencing compliance with all applicable governmental rules, regulations and requirements; (iv) certificates of insurance in form and amounts required by Landlord, naming Landlord and any other parties designated by Landlord as additional insureds; and (v) all other documents and information as Landlord may reasonably request in connection with such alteration. Neither approval of the plans and specifications nor supervision, if any, of the alteration by Landlord shall constitute a representation or warranty by Landlord as to the accuracy, adequacy,

sufficiency or propriety of such plans and specifications or the quality of workmanship or the compliance of such alteration with applicable law. Tenant shall pay the entire cost of the alteration. Each alteration shall be performed in a good and workmanlike manner, in accordance with the plans and specifications approved by Landlord, and shall meet or exceed the standards for construction and quality of materials established for the Building. In addition, each alteration shall be performed in compliance with all applicable governmental and insurance company laws, regulations and requirements. Each alteration, made by Tenant in or upon the Premises (excepting Tenant's furniture, equipment and moveable trade fixtures) shall become Landlord's property and shall remain upon the Premises at the expiration or termination of this Lease without compensation to Tenant; provided, however, that Landlord shall have the right to require Tenant to remove such alteration at Tenant's sole cost and expense in accordance with the provisions of section 15 of this Lease, provided that Landlord notifies Tenant of the removal requirement at the time of landlord's consent to said installation.

B. Liens. Upon completion of an alteration, performed by Tenant, Tenant shall promptly furnish Landlord with sworn owner's and contractors' statements and full and final waivers of lien covering all labor and materials included in such alteration. Tenant shall not permit any mechanic's lien to be filed against the Building or Premises, or any part thereof, arising out of any alteration performed, or alleged to have been performed, by or on behalf of Tenant. If any such lien is filed, Tenant shall within ten days thereafter have such lien released of record or deliver to Landlord a bond in form, amount, and issued by a surety satisfactory to Landlord, indemnifying Landlord against all costs and liabilities resulting from such lien and the foreclosure or attempted foreclosure thereof. If Tenant fails to have such lien so released or to deliver such bond to Landlord, Landlord, without the obligation to investigate the validity of such lien, may pay or discharge the same; and Tenant shall reimburse Landlord upon demand for the amount so paid by Landlord, including Landlord's expenses and attorneys' fees.

10. INSURANCE. Tenant, at its expense, shall maintain at all times during the Term the following insurance policies; (a) fire insurance, including extended coverage, vandalism, malicious mischief, sprinkler leakage and water damage coverage and demolition and debris removal, insuring the full replacement cost of all improvements, alterations or additions to the Premises, and all other property owned or used by Tenant and located it the Premises; (b) commercial general liability insurance, contractual liability insurance and property damage insurance with respect to the Premises, with limits of $1,000,000 combined single limit for personal injury, sickness or death or for damage to or destruction of property for any one occurrence. The form of all such policies and deductibles thereunder shall be subject to Landlord's prior approval. All such policies shall be issued by insurers acceptable to Landlord and licensed to do business in the State of Illinois and shall contain a waiver of any rights of subrogation thereunder. In addition, the policies shall name Landlord as additional insured, and shall require at least thirty day's prior written notice to Landlord of termination or modification. Tenant shall, prior to the Commencement Date, and within thirty

days prior to the expiration of each such policy, deliver to Landlord certificates evidencing the foregoing insurance or renewal thereof, as the case may be. Landlord also agrees that in any insurance it obtains pursuant to this lease shall also contain a waiver of any rights of subrogation.

11. FIRE AND CASUALTY. In case the Premises shall be rendered untenantable by fire, explosion or other casualty and such damage cannot be repaired with 45 days, Landlord may terminate this Lease as of the date of such casualty by notice to Tenant within 30 days after the occurrence of the casualty. If it is agreed or determined that such damage can be repaired within such 45 day period, or if such is not the case but Landlord does not elect to terminate this Lease pursuant to this paragraph, this Lease shall not terminate and Landlord shall proceed to repair and restore the Premises with reasonable promptness. In the event of Landlord's failure to perform its obligations under the preceding sentence within said forty-five day period after the casualty, Tenant's exclusive remedy will be to terminate this Lease as of the date of the casualty. If any such damage renders all or a substantial portion of the Premises untenantable and the casualty resulting in such damage renders all or a substantial portion of the Premises and the casualty resulting in such damage was not caused by the act or neglect of Tenant, the Rent and other payments required to be paid by Tenant hereunder shall equitably and ratably abate as to the portion rendered untenantable during the period beginning with such casualty and ending when the untenantable portion of the Premises is rendered Tenantable.

12. WAIVER. Tenant releases Landlord, Landlord's beneficiaries and their respective agents, directors, officers, partners, shareholders and employees from, and waives all claims for, damage or injury to person or property and loss of business sustained by Tenant and resulting from the Building or the Premises or any part thereof or any equipment therein becoming in disrepair, or resulting from any accident in or about the Building or the Premises. This paragraph shall apply particularly, but not exclusively, to flooding, damage caused by Building equipment and apparatus, water, snow, frost, steam, excessive heat or cold, broken glass, sewage, gas, odors, excessive noise or vibration or the bursting or leading of pipes, plumbing fixtures or sprinkler devices. Without limiting the generality of the foregoing, Tenant waives all claims and rights of recovery against Landlord, Landlord's beneficiaries and their respective agents, directors, officers, partners, shareholders and employees for any loss or damage to any property of Tenant, whether or not such loss or damage is due to the fault or negligence of Landlord or Landlord's beneficiaries, agents, directors, officers, partners, shareholders, or employees, and regardless of the amount of insurance proceeds collected or collectible under any insurance policies in effect. Notwithstanding the foregoing, the waiver provisions of this Section shall not apply to claims related to Landlord's breaches of material obligations, instances of Landlord's negligence, or incidents that occur in areas that are not under Tenant's control (specifically, the common areas) that are also not caused by Tenant or Tenant's invitees.

13. CONDEMNATION. If the whole of the Leased Premises shall be taken by any public authority under the power of eminent domain, the term of this Lease shall cease as of the day possession shall be taken by such public authority, and Tenant shall pay Rent up to that date with an appropriate refund by Landlord of such Rent as shall be been paid in advance for a period subsequent

to the date of the taking. If less than 25 percent of the floor space of the leased Premises shall be so taken as of the day possession shall be taken by such public authority, and Tenant shall pay up to that date with an appropriate refund by Landlord of such Rent as may have been paid in advance for a period subsequent to the date of taking and thereafter the Rent shall be equitable adjusted. If more than 25 percent of the floor space of the Leased Premises shall be so taken, then the term of this Lease shall cease only on the part so taken from the day possession shall be taken by such public authority, and Tenant shall pay up to that day with an appropriate refund by the Landlord of such Rent as may have been paid in advance for a period subsequent to the date of the taking and either party shall have the right to terminate this Lease upon notice in writing within ten (10) days after such taking of possession. In the event Tenant remains in possession, and Landlord does not so terminate, all of the terms herein provided shall continue in effect except that the Rent shall be equitably abated, and Landlord shall make necessary repairs or alterations to the basic building and exterior work so as to constitute the remaining Premises a complete architectural unit.

14. **ASSIGNMENT AND SUBLETTING.**

A. Landlord's Consent. Tenant shall not, without the prior written consent of Landlord, which consent shall not be unreasonably withheld or delayed; (i) assign, convey, mortgage or otherwise transfer this Lease or any interest hereunder, or sublease the Premises, or any part thereof, whether voluntarily or by operation of law; or (ii) permit the use of the Premise by any person other than Tenant and its employees. Any such transfer, sublease or use described in this proceeding sentence (a "Transfer") occurring without the prior written consent of Landlord shall be void and of no effect. Landlord's consent to any Transfer shall not constitute a waiver of Landlord's right to withhold its consent to any future Transfer. Landlord's consent to any Transfer or acceptance of Rent from any party other than Tenant shall not release Tenant from the obligation to pay Rent under this Lease or any other covenant or obligation under this Lease.

B. Recapture. Landlord shall have the right to terminate this Lease as to the Premises covered by a Transfer. If Landlord exercises such right to terminate, Landlord shall be entitled to recover possession of the Premises, the Tenant shall surrender the Premises on the later of (i) the effective date of the proposed Transfer, or (ii) sixty days after the date of Landlord's notice of termination. In the event Landlord exercises such right to terminate, Landlord shall have the right to enter into a lease with the proposed transferee without incurring any liability to Tenant on account thereof. If Landlord consents to any Transfer, Tenant shall pay to Landlord fifty percent (50%) of all Rent and other consideration received by Tenant in excess of the Rent paid by Tenant hereunder for the portion of the Premises so transferred. Such Rent shall be paid as and when received by Tenant. In addition, Tenant shall pay to Landlord any reasonable attorneys' fees and expenses incurred by Landlord in connection with any proposed Transfer, whether or not Landlord consents to such Transfer.

15. SURRENDER. Upon termination of the Term or Tenant's right to possession of the Premises, Tenant shall return the Premises to Landlord in good order and condition, ordinary wear excepted. If Landlord requires Tenant to remove any alterations pursuant to Section 9, then such

removal shall be done in a good and workmanlike manner; and upon such removal Tenant shall restore the Premises to its condition prior to the installation of such alterations. If Tenant does not remove such alterations after request to do so by Landlord, on or before the expiration or earlier termination of this Lease, Landlord may remove the same and restore the Premises; and Tenant shall pay the cost of such removal and restoration to Landlord upon demand. Tenant shall also remove its furniture, equipment, moveable trade fixtures and all other items of personal property from the Premises prior to termination of the Term or Tenant's right to possession of the Premises. If Tenant does not remove such items, Tenant shall be conclusively presumed to have conveyed the same to Landlord without further payment or credit by Landlord to Tenant; or at Landlord's sole option such items shall be deemed abandoned, in which event Landlord may cause such items to be removed and disposed of at Tenant's expense with written notice to Tenant and without obligation to compensate Tenant.

16. DEFAULTS AND REMEDIES.

A. Default. The occurrence of any of the following shall constitute a default (a "Default") by Tenant under this Lease: (i) Tenant fails to pay any Rent within 10 days of when due; (ii) Tenant fails to perform or comply with any of the terms, conditions, agreements or covenants in this Lease (other than those referred to in (i) above); (iii) the leasehold interest of Tenant is levied upon or attached under process of law; (iv) Tenant becomes insolvent or dissolves or becomes subject to an assignment for the benefit of creditors; (v) Tenant abandons or vacates the Premises; or (vi) any voluntary or involuntary proceedings are filed by or against Tenant or any guarantor of this Lease under any bankruptcy, insolvency or similar laws and, in the case of any involuntary proceedings, are not dismissed within sixty days after filing.

B. Right of Re-Entry. Upon the occurrence of a Default, Landlord may elect to terminate this Lease or, without terminating this Lease, terminate Tenant's right to possession of the Premises. Upon any such termination, Tenant shall immediately surrender and vacate the Premises and deliver possession thereof to Landlord. Tenant grants to Landlord the right to enter and repossess the Premises and to expel Tenant and any others who may be occupying the Premises and to remove any and all property therefrom, without being deemed in any manner guilty of trespass and without relinquishing Landlord's rights to Rent or any other right given to Landlord hereunder or by operation of law.

C. Reletting. If Landlord terminates Tenant's right to possession of the Premises without terminating this Lease, Landlord may relet the Premises or any part thereof. In such case, Landlord shall use reasonable efforts to relet the Premises on such terms as Landlord shall reasonably deem appropriate; provided, however, Landlord may first lease Landlord's other available space and shall not be required to accept any Tenant offered by Tenant or to observe any instructions given by Tenant about such reletting. Tenant shall reimburse Landlord for the costs and expenses of reletting the Premises including, but not limited to, all brokerage, advertising, legal, alteration, and other expenses incurred to secure a new Tenant for the Premises. In addition, if the consideration collected by Landlord upon any such reletting, after payment of the

expenses of reletting the Premises which have not been reimbursed by Tenant, is insufficient to pay monthly the full amount of the Rent, Landlord shall have the right to accelerate the deficiency for the remainder of the term. If such consideration is greater than the amount necessary to pay the full amount of the Rent, the full amount of such excess shall be retained by Landlord and shall in no event be payable to Tenant.

D. Bankruptcy. If Tenant becomes bankrupt, the bankruptcy trustee shall not have the right to assume or assign this Lease unless the trustee complies with all requirements of the United States Bankruptcy Code; and Landlord expressly reserves all of its rights, claims, and remedies thereunder.

E. Venue. If either Landlord or Tenant desires to bring an action against the other in connection with this Lease, such action shall be brought in the federal or state courts located in Chicago, Illinois. Landlord and Tenant consent to the jurisdiction of such courts and waive any right to have such action transferred from such courts on the grounds of improper venue or inconvenient forum.

F. **Acceleration.** Upon Default, the Landlord at its option may declare all amounts due under the Lease through the end of the Lease Term immediately due and payable.

17. HOLDING OVER. If Tenant retains possession of the Premises after the expiration or termination of the Term or Tenant's right to possession of the Premises, Tenant shall pay Rent during such holding over at 150% of the Rent in effect immediately preceding such holding over computed on a daily basis for each day that Tenant remains in possession. Tenant shall also pay, indemnify and defend Landlord from and against all claims and damages, consequential as well as direct, sustained by reason of Tenant's holding over. At any time while Tenant remains in possession, Landlord may elect instead, by written notice to Tenant and not otherwise, to have such retention of possession constitute a renewal of this Lease on a month to month tenancy at 150% of the Rent in effect immediately proceeding such election by Landlord. The provisions of this Section do not waive Landlord's right of re-entry or right to regain possession by actions at law or in equity or any other rights hereunder, and any receipt of payment by Landlord shall not be deemed a consent by Landlord to Tenants remaining in possession or be construed as creating or renewing the Lease or right of tenancy between Landlord and Tenant.

18. ESTOPPEL CERTIFICATE. Tenant agrees that, from time to time upon not less than twenty days' prior written request by Landlord, Tenant shall execute and deliver to Landlord a written certificate certifying: (i) that this Lease is unmodified and in full force and effect (or if there have been modifications, a description of such modifications and that this Lease as modified is in full force and effect); (ii) the date to which Rent has been paid; (iii) that Tenant is in possession of the Premises, if that is the case; (iv) that Landlord is not in default under this Lease, or if Tenant believes Landlord is in default, the nature thereof in detail; (v) that Tenant has no off-sets or defenses to the performance of its obligations under this Lease; and, (vi) such additional matters as may be requested by Landlord, it being agreed that such certificate may be relied upon by any

prospective purchaser, mortgagee, or other person having or acquiring an interest in the Building or Premises. If Tenant fails to execute and deliver any such certificate within ten days after written request, Tenant shall be deemed in default hereunder.

19. SUBORDINATION. This Lease is and shall be expressly subject and subordinate at all times to the lien of any mortgage or trust deed now or hereafter encumbering fee title to the Premises and/or the leasehold estate under any such lease. If any such mortgage or trust deed is foreclosed, or if any such lease is terminated, upon request of the mortgagee, holder or lessor, as the case may be, Tenant will attorn to the purchase at the foreclosure sale or to the lessor under such lease, as the case may be. The foregoing provisions are declared to be self-operative and no further instruments shall be required to effect such subordination and/or attornment; provided, however, that Tenant agrees upon request by any such mortgagee, holder, lessor or purchaser at foreclosure, to execute and deliver such subordination and/or attornment instruments as may be required by such person to confirm such subordination and/or attornment.

20. QUIET ENJOYMENT. As long as no Default exists, Tenant shall peacefully and quietly have and enjoy the Premises, free from interference by Landlord, subject, however, to the provisions of this Lease.

21. BROKER. Intentionally Deleted.

22. **INDEMNIFICATION**. Tenant covenants and agrees to exonerate, indemnify, defend, protect and save Landlord, its representatives and Landlord's managing agent, if any, harmless from and against any and all claims, demands, expenses, losses, suits and damages as may be occasioned by reason of (i) any accident or matter occurring on or about the Demised Premises, causing injury to persons or damage to property (including, without limitation, the Demised Premises), unless such accident or other matter resulted in whole or in part from the negligence or otherwise tortious act of Landlord or Landlord's agents, servants, invitees or employees, (ii) the failure of Tenant fully and faithfully to perform the obligations and observe the conditions of this Lease, and/or (iii) the negligence or otherwise tortious act of Tenant, its agents, servants, invitees or employees.

23. MISCELLANEOUS.

A. Successors and Assigns. Each provision of this Lease shall extend to, bind and inure to the benefit of Landlord and Tenant and their respective legal representatives, successors and assigns; and all references herein to Landlord and Tenant shall be deemed to include all such parties.

B. Entire Agreement. This Lease represents the complete agreement between Landlord and Tenant for the lease of the premises and Landlord has made no representations or warranties except as expressly set forth in this Lease. No modifications or

amendment of or waiver under this Lease shall be binding upon Landlord or Tenant unless in writing signed by Landlord and Tenant.

C. **Time of Essence.** Time is of the essence of this Lease and each and all of its provisions.

D. **Execution and Delivery.** Submission of this instrument for examination or signature by Tenant does not constitute a reservation of space or an option for lease, and it is not effective until execution and delivery by both Landlord and Tenant. Execution and delivery of this Lease by Tenant to Landlord shall constitute an offer by Tenant to lease the Premises on the terms and conditions set forth herein.

E. **Severability.** The invalidity or unenforceability of any provisions of this Lease shall not affect or impair any other provisions.

F. **Governing Law.** This Lease shall be governed by and constructed in accordance with the laws of the State of Illinois.

G. **Attorneys' Fees**. Each party shall pay all costs and expenses, including reasonable attorneys' fees, incurred by the other party in enforcing this Lease or incurred by a party as a result of any litigation to which is initiated by either party herein as a result of this Lease.

H. **Joint and Several Liability.** If Tenant is comprised of more than one party, each such party shall be jointly and severally liable for Tenant's obligations under this Lease.

I. **Captions.** The headings and titles in this Lease are for convenience only and shall have no effect upon the construction or interpretation of this Lease.

J. **No Waiver.** No receipt of money by Landlord from Tenant after termination of this Lease or after the service of any notice after the commencing of any suit of after final judgment for possession of the Premises shall renew, reinstate, continue or extend the Term or affect any such notice or suite. No waiver of any default of Tenant shall be implied from any omission by Landlord to take any action on account of such default if such default persists or be repeated, and no express waiver shall affect any default other than the default specified in the express waiver and then only for the time and to the extent therein stated.

K. If any damage whether to the Premises or to the Building, or any part thereof, or whether to the Landlord or to other Tenants in the Building, results from any act or neglect of the Tenant, or of the Tenant's agents or employees, the Landlord may, at

act or negligence if the Landlord or Tenant or a tenant has recovered the full amount of the damages from insurance. All property belonging to the Tenant or any occupant in the Building shall be at risk of the Tenant and such other person only and the Landlord shall not be liable for damage thereto or theft or misappropriation thereof.

L. In every instance where Landlord chooses to serve any notice or demand upon the Tenant, it shall be sufficient (a) to deliver or cause to be delivered to the Tenant a written or printed copy thereof, and (b) to send a written or printed copy thereof by United States certified or registered mail, postage prepaid, addressed to the Tenant at the demised Premises, with a copy to Alan Wolf, Robbins, Salomon & Patt, Ltd., 180 N. LaSalle Street, Suite 3300, Chicago, Illinois 60601, in which event the notice or demand shall be deemed to have been served at the time copy is postmarked.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the day and year first above written.

TENANT:	LANDLORD:
CHICAGO PODIATRIC SURGEONS PC	ESTHER LYON
	By: Esther Lyon
Dated: 7-7-14	Dated: 7-7-2014

BACKGROUND

Elmhurst Medical & Surgical Center, Corporation does not own or operate any licensed health care facility, other than the ASTC addressed in this Certificate of Need application. The remaining applicants do not own or operate any licensed health care facilities, nor do any related entities.

CHICAGO
PODIATRIC SURGEONS
467 W. ERIE CHICAGO, IL 60654 P 312-337-9900 F 312-337-9902 CHICAGOPODIATRY.COM

Ms. Courtney Avery
Administrator
Illinois Health Facilities
and Services Review Board
525 West Jefferson
Springfield, IL 62761

Dear Ms. Avery:

In accordance with Review Criterion 1110.230.b, Background of Applicant, we are submitting this letter assuring the Illinois Health Facilities and Services Review Board that:

1. River North Surgical Suites, Inc., Chicago Podiatric Surgeons, P.C., TEC West Properties, LLC, nor TEC Surgical Properties, LLC, each an applicant, have not had any adverse actions against any facility owned and operated by any of the applicants named above during the three (3) year period prior to the filing of this application, and

2. The applicants named above authorize the State Board and Agency access to information to verify documentation or information submitted in response to the requirements of Review Criterion 1110.230.b or to obtain any documentation or information which the State Board or Agency finds pertinent to this application.

If we can in any way provide assistance to your staff regarding these assurances or any other issue relative to this application, please do not hesitate to call.

Sincerely,

Thomas Carr, DPM

Notarization:

July 15, 2014

OFFICIAL SEAL
HEATHER MULDER
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:01/10/17

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ATTACHMENT 11

Elmhurst Medical & Surgical Center, Corp.

340 W Butterfield Rd Elmhurst IL, 60126

July 10, 2014

Ms. Courtney Avery
Administrator
Illinois Health Facilities
and Services Review Board
525 West Jefferson
Springfield, IL 62761

Dear Ms. Avery:

In accordance with Review Criterion 1110.230.b, Background of Applicant, we are submitting this letter assuring the Illinois Health Facilities and Services Review Board that:

1. Elmhurst Medical & Surgical center, Corporation has not had any adverse actions against any facility owned and operated by it during the three (3) year period prior to the filing of this application, and

2. The applicant named above authorizes the State Board and Agency access to information to verify documentation or information submitted in response to the requirements of Review Criterion 1110.230.b or to obtain any documentation or information which the State Board or Agency finds pertinent to this application.

If we can in any way provide assistance to your staff regarding these assurances or any other issue relative to this application, please do not hesitate to call.

Sincerely,

Esther Lyon, DPM

Notarization:

NOTARY PUBLIC OFFICIAL SEAL STATE OF ILLINOIS
JOSEPH R WOJCIECHOWSKI
MY COMMISSION EXPIRES
AUGUST 2, 2014

ATTACHMENT 11

PURPOSE OF THE PROJECT

The proposed project is limited to the change of ownership of an existing limited specialty ASTC located in Elmhurst, Illinois. Podiatric surgery services will continue to be the single specialty provided through the ASTC following the change of ownership. As a result of the provision of those services, the well-being of the market area population will continue to be served. As discussed in other attachments to this Certificate of Need application, the podiatric practice of the ASTC's current owner will be acquired, including a primary office in Lombard, Illinois. The acquiring applicants will operate that office, which is located approximately 4.7 miles to the west of ASTC. Both Elmhurst and Lombard are located in DuPage County, and it is anticipated that 60-70% of the patients using the ASTC following the change of ownership will be DuPage County residents, initially seen in the Lombard office.

Those portions of Review Criterion 1110.230a) not addressed above are not applicable to a project that is limited to a change of ownership.

IMPACT STATEMENT

The proposed change of ownership will not have any impact on the services provided through Elmhurst Medical & Surgical Center ("the ASTC"). The ASTC will continue to operate as a limited specialty ASTC, providing only podiatric surgery services. The operating entity/licensee will be River North Surgical Suites, Inc. d/b/a Elmhurst Medical & Surgical Center.

The change of ownership is the result of the seller desiring to reduce the scope of her surgical practice, the buyer desiring to acquire an ASTC, and the transaction agreements of the two parties.

In response to anticipated increases in utilization of the ASTC, it is anticipated that approximately four additional FTEs will be added during the first two years following the change of ownership.

The costs associated with the change of ownership are limited to those capitalized costs addressed in ATTACHMENT 7 plus non-capitalized costs associated with the transaction. Those costs are anticipated to be less than $200,000. The benefits of the change of ownership are that a low cost alternative to hospital-based podiatric surgery services will remain accessible, and that utilization of the ASTC will increase as a result of an expanded Medical Staff.

ATTACHMENT 19A

ACCESS

Attached is the ASTC's charity care policy/financial assistance policy. The ASTC will continue to operate under the current policy until such time that the policy is revised. There is no current intent to revise the policy. The applicants attest that any future revisions to the current policy will not result in access to the ASTC becoming more restrictive for financial or any other reasons.

ATTACHMENT 19B

CHICAGO
PODIATRIC SURGEONS
467 W. ERIE CHICAGO, IL 60654 P 312-337-9900 F 312-337-9902 CHICAGOPODIATRY.COM

Illinois Health Facilities and
Services Review Board
Springfield, IL

RE: Elmhurst Medical & Surgical Center

To Whom It May Concern:

I hereby certify that, consistent with the provisions of Section 1110.240(c), the admissions and charity care policies of the above-identified ASTC will not become more restrictive following the proposed change of ownership.

Sincerely,

Thomas Carr, DPM
President
River North Surgical Suites, Inc.

OFFICIAL SEAL
HEATHER MULDER
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:01/10/17

July 15, 2014

ATTACHMENT 19B

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Clinical Policies and Procedures Manual

SECTION: IM/ Information Management
TITLE: CHARITY CARE POLICY
PAGE: 1 of 4
EFFECTIVE DATE:
REVISION DATE:

Purpose:

This policy is established to provide the framework within which the center will provide indigent care and financial assistance.

Policy:

Elmhurst Medical and Surgical Center (EMSC) is committed to providing charity care to persons for medically necessary services to those patients who have healthcare needs, are uninsured, underinsured, ineligible for any government healthcare benefit program, and who are unable to pay for their care based on their individual financial situation and within EMSC's established guidelines for eligibility and availability of resources. When eligible, either all, or a portion, of the patient's debt is forgiven and written-off to charity care. Certain exclusions may apply, which include, but are not limited to elective services, balances covered by other funding sources including primary coverage such Liability insurance, and failure to cooperate in securing alternative funding sources.

Charity care may be available for patients who generally meet Medicaid family income and eligibility criteria and Federal Poverty Income guidelines. The granting of charity shall be based on an individualized determination of financial need, and shall not take into account age, gender, race, social or immigrant status, sexual orientation or religious affiliation. Other factors may be considered, which include, but are not limited to hardship cases and catastrophic medical expenses for an occurrence or over a period of time.

Financial Assistance Guidelines:

EMSC's values of human dignity and stewardship shall be reflected in the application process, financial need determination and granting of charity. Requests for charity shall be processed after EMSC receives the information used for processing the application. EMSC will use its best efforts to notify the patient or applicant in writing after the determination is made.

Eligibility is generally determined by measuring the gross family income against the Federal Poverty Income Guidelines. In addition other relevant non-income resources, including but not limited to real estate, savings, life insurance, motor vehicles, etc., will be considered in reaching a determination of eligibility.

Eligibility guidelines will also take into consideration catastrophic events for patients whose income falls outside the guidelines. Patients whose gross income is less than three times the Federal Poverty Income Guidelines may be eligible for reduced monthly payments or uncompensated services in part or in full.

Documentation from various sources may be needed or required in order to determine eligibility for charity care or financial assistance. If such documentation is not available, the center must be

ATTACHMENT 19B

able to reasonably verify any information through sources such as employer, tax and property records, etc. to support a determination of eligibility. Alternative sources of financial assistance must be explored and determined to be unavailable before a patient is approved for financial assistance.

Charity is not considered to be a substitute for personal responsibility. Patients are expected to cooperate with EMSC's procedures for obtaining charity or other forms of payment or financial assistance, and to contribute to the cost of their care based on their individual ability to pay. Individuals with the financial capacity to purchase health insurance shall be encouraged to do so, as a means of assuring access to health care services, for their overall personal health, and for the protection of their individual assets.

Patients eligible for financial assistance under the Elmhurst Medical and Surgical Center Financial Assistance Program may be approved for uncompensated services in full or in part and/or reduced monthly payments.

Determinations for approval of assistance shall be made exclusively by EMSC and according to the following general guidelines:

1. The patient, guarantor, power of attorney, other responsible party, or EMSC representative acting on behalf of the patient must complete an "Application for Financial Assistance Program" form. Information needed to complete a "Financial Statement" form will be requested as well as written proof of income (if not available or not applicable, the form will be completed to the extent possible). These forms should be updated at least annually for all patients who qualify for financial assistance. (Sample forms are attached)

2. The center will review eligibility criteria for alternative financial assistance such as Medicaid, or alternate programs etc. and assist the patient in obtaining such assistance before determining final approval of assistance through the EMSC Financial Assistance Program. Patients must satisfactorily cooperate with Medicaid eligibility or applicable third party payment sources in order to qualify for charity care under EMSC's policy. If the patient and/or guarantor fails to cooperate, they may be denied approval for uncompensated services or financial assistance.

3. Income and resources owned by any member of the patient's family living in the household (budget unit) will generally be considered for determining eligibility for charity care or financial assistance.

4. Patients with annual income for the "budget unit" in excess of 300% (three-hundred percent) of the Federal Poverty Income Guidelines will generally not be considered as indigent. Income for seasonal employment (e.g. farm work, business ownership, etc,) may be determined using the previous 12 full months of income or income from the last tax return. Income from other means will be determined using the previous 12 months or the previous three months multiplied by four quarters, whichever is less.

5. Income refers to total cash receipts before taxes from all sources. Income includes, but is not limited to, regular payments from social security, railroad retirement, unemployment compensation, workers' compensation, veteran's benefits, public assistance, alimony, child support, pensions, regular insurance or annuity payments, and income from interest, rents, estates, or trusts. Non-tangible deductions from income such as depreciation, will generally not be considered for the purpose of arriving at business income.

6. Non-income resources available are considered in any determination of financial assistance. Resources may be personal assets or from a business. A determination will be made regarding the liquidity of assets and could result in reduced monthly payments.

7. Patients whose family income is 200% (two-hundred percent) or less, of the Federal Poverty Income Guidelines, may be considered indigent depending on the nature, extent, and availability of non-income resources such as real estate, savings, life insurance, motor vehicles, etc. The center may require verification of such information or be able to reasonably ascertain that such information is valid. Verification can be made through available resources such as tax and property records, W-2's and paycheck remittances. If the patient qualifies, a portion of the debt or 100% of the debt will be written off as charity.

8. Because patients are normally expected to utilize or "spend down" non-essential assets to meet their medical expenses, patients will generally not be considered indigent when the value of non-essential assets exceeds a level deemed reasonable under all the circumstances. The center legal counsel may be consulted as necessary to confirm the extent, nature, and availability of resources, as well as to evaluate the suitability of securing payment from such resources through formal legal processes (e.g. promissory note, security agreement, deed of trust, confession of judgment, institution of civil action).

10. Patients whose income for the "budget unit" is greater than 200% (two-hundred percent) but less than 300% (three-hundred percent) of the Federal Poverty Income Guidelines may be considered as partially indigent. These patients may be eligible for reduced payments and/or part of the bill may be applied toward uncompensated or charity care as outlined in this policy.

11. Assistance may be approved if Medicaid eligibility is met and it can be reasonably ascertained that the stated income is within the EMSC Financial Assistance Program. All other guidelines must be met. Patients who have Medicaid QMB or MQB coverage (Qualified Medicare Beneficiaries) are deemed Indigent because Medicaid is paying the Medicare premium. These patients qualify as categorically or medically needy Medicaid and can be deemed indigent for Medicare purposes.

12. Patients who are not eligible for financial assistance within the general guidelines of this policy, but have unusual circumstances (e.g. income is in excess of Federal Poverty Income Guidelines and the patient has sizeable or catastrophic medical bills but does not possess the ability to pay) may be considered for an alternative payment schedule or financial assistance depending on the nature, extent, and availability of resources, income and non-income. Any determinations made will be documented and used as guidance for consistency in making future determinations.

13. Applications for Financial Assistance that have been returned by the patient are reviewed by the center to ensure all information is attached. Determinations of eligibility for financial assistance will be approved by the owner.

14. Information from a charity application may be used for up to 12 (twelve) months, except if changes have occurred. If the family income changes, family size changes or other non-income information changes, a new application must be made for approval. If an application has been denied, then a new application may be made for re-evaluation.

15. Accounts written-off to Bad Debt may be ineligible to make an application.

16. Payments made prior to approval of an application will not be refunded. Nothing prohibits a patient and/or guarantor from making a payment after the application has been approved. Payments made after approval will not be refunded.

17. Patient who have residual balances left after a primary, secondary, or tertiary insurance pays or balances left due to being underinsured may be apply for charity care.

Presumptive Financial Assistance Eligibility:

All funding sources must be exhausted or paid first (if a determination is made that a payment will not be realized from a possible funding source, it may be considered exhausted) for the categories below prior to approval of Indigent Care. There are instances when a patient may appear eligible for charity care discounts, but there is no financial assistance form on file due to a lack of supporting documentation. Often there is adequate information provided by the patient or through other sources, which could provide sufficient evidence to provide the patient with charity care assistance. In the event there is no evidence to support a patient's eligibility for charity care, EMSC could use outside agencies in determining estimate income amounts for the basis of determining charity care eligibility and potential discount amounts. Due to the inherent nature of the presumptive circumstances, an account may be approved for charity care. Presumptive eligibility may be determined on the basis of individual life circumstances that may include:

State-funded prescription programs;
Participation in Women, Infants and Children programs (WIC);
Food stamp eligibility;
Eligibility for other state or local assistance programs that are unfunded (e.g., Medicaid Eligible with spend-down);
Low income/subsidized housing is provided as a valid address

Discounts For Uninsured Patients:

Persons who have no health insurance coverage or who obtain medically necessary services not covered by their health insurance will be eligible for up to a 25% (twenty-five percent) discount off charges when payment in full is made.

ELMHURST MEDICAL AND SURGICAL CENTER

Application for Financial Assistance and Charity Care

EMSC is here to help in the event that you need assistance or charity care to help pay your bill for outpatient care. Under these programs, the center can provide either free or reduced-price care based on your eligibility and income. If you have questions or need help completing this application, please call the center at the number listed below.

Personal Information
Applicant Name:

_____

Mailing Address:

_____

Telephone Number(s): Home: _____
Work: _____
List below the people in your household. Please list the dollar amount of the total monthly income that supports the household. Include money that is earned (paychecks, profits, interest, savings) as well as income that is not earned (welfare, unemployment, child support, gifts, grants).

Name	Birth Date	Relationship	Monthly Income
1			
2			
3			
4			
5			
6			
7			
8			

Health Insurance Information
Medical Insurance? Yes _____ No _____
If "yes" print name of insurance company:_____
Policy Number:

_____

Other Coverage? Yes _____ No _____ Please identify other coverage:

_____

Medicare _____ Medicaid _____
Is the medical treatment because of a care accident or other third party injury?
Yes_____ No_____
Is the medical treatment because of an on-the-job injury or accident? Yes_____
No_____

Financial Assistance Application
Form 2
Financial Information
Has your family had any seasonal or temporary increases or decreases in income? Or, do you expect your income to change in the next three months?
Yes _____ No _____ If yes, please describe:

_____

_____

Have you recently suffered severe financial hardship or personal loss (for example, other medical expenses, death of a loved one, loss of job or wages, loss of home, auto, or other property?
Yes _____ No _____ If yes, please explain:

_____

_____

Do the documents that you are including with this application show your current financial situation correctly?
Yes _____ No _____ If no, why not?

_____

_____

If you are asking for financial assistance or charity care for services already provided by the center, please list dates of services and what services you received:

_____

_____

_____

_____

Patient Worksheet:
Net Monthly Income: Please indicate all sources of income.
Patient/Guarantor: $_____
Spouse: $_____
Other Income: $_____
Total Net Monthly Income $_____
Monthly Expenses: Please indicate your average monthly expenses for the following items.
Food: $_____
Utilities: $_____
Auto/Gas: $_____
Telephone: $_____
Childcare: $_____
Other: _____ $_____
Other: _____ $_____
Total: $_____
Creditors: Please indicate the amount of all monthly payments and to whom the payment is made.
Rent/Mortgage: _____ $_____
Insurance (Auto): _____ $_____

Insurance (Other): _____ $_____
Other Payment: _____ $_____
Other Payment: _____ $_____
Other Payment: _____ $_____
Other Payment: _____ $_____
Total: $_____

I understand that the information I am giving will be verified by the center and reviewed by state and/or federal enforcement agencies and others as required. I certify that the above information is true and accurate to the best of my knowledge.

Applicant's Signature _____

Date _____

Mail this application with all documentation to:

340 W. Butterfield Rd, Suite 1B

Elmhurst, IL 60126

630-495-1240 Fax 630-674-2361

INFORMATION

Be sure to include with your application documents that give the income amounts you list. For example:

☐ Pay stubs from all employment or
☐ A W-2 withholding statement or
☐ Last year's income tax return or
☐ Letters approving or denying Medicaid, medical assistance, other benefits or
☐ Letters approving or denying unemployment compensation or
☐ Written statements from employers or welfare agents.

Financial assistance and charity care are generally secondary to ALL other financial resources available
to the patient. This may include:

☐ Group or individual medical plans
☐ Worker's compensation
☐ Medicare
☐ Medicaid
☐ Medical assistance programs
☐ Other state, federal, or military programs
☐ Third party liability situations (auto accidents or personal injuries

Financial assistance and charity care shall be limited to those who qualify and at the discretion of the center owners.

HEALTH CARE SYSTEM

The proposed change of ownership will not have any impact on area providers.

The ASTC will continue to provide only podiatric surgery services, and the surgeons anticipated to refer patients to the ASTC do not currently practice at any facility in the area. In addition, and associated with the acquisition of the ASTC, the podiatric practice of Dr. Esther Lyon will be acquired. Dr. Lyon is currently the only podiatric surgeon referring patients to the ASTC, and as a result of the proposed practice acquisition, Dr. Lyon's patients will continue to have access to the ASTC.

None of the applicants own or operate any other licensed health care facilities.

The ASTC does not currently have a transfer/referral agreement with a hospital. There is, however, a hospital located within 1.1mile/two minutes (Elmhurst Memorial Hospital) and another located within 5.9 miles/eleven minutes (Adventist Hinsdale Hospital) of the ASTC. It is the intent of applicant River North Surgical Suites, Inc. ("RNSS") to enter into a formal transfer/referral agreement with one of these hospitals, prior to the change of the ASTC's licensure.

Because of the nature of an ASTC, interaction with the community is typically somewhat limited. It is RNSS's intent of, however, to participate in community activities such as health fairs and screenings.

CHICAGO
PODIATRIC SURGEONS
467 W. ERIE CHICAGO, IL 60654 P 312-337-9900 F 312-337-9902 CHICAGOPODIATRY.COM

Illinois Health Facilities and
Services Review Board
Springfield, Illinois

To Whom It May Concern:

This letter is being provided as part of the Certificate of Need application addressing the change of ownership of Elmhurst Medical & Surgical Center; and in response to the applicable review criteria associated with Section 1120.130 and 1120.140.

The proposed change of ownership and associated transactions will be funded through three sources: cash/liquid securities, bank loans, and a lease.

I and my wife, Ellen Carr, will be directly responsible for providing the cash identified as a "source of funds", and I hereby certify that the cash/liquid assets to be used are readily available.

The debt will be provided through two loans from Lorain National Bank, and appropriate letters of commitment are provided in the Certificate of Need application. It is my belief that, of the alternative forms of financing available, the identified bank loans will result in the lowest net cost to the applicants, and that the use of debt to fund a portion of the project is more prudent than funding the project entirely through cash/liquid assets.

Last, I believe that the negotiated lease rate for the Elgin property to be a reasonable rate.

Sincerely,

Thomas Carr, DPM

Notarized:

OFFICIAL SEAL
HEATHER MULDER
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES:01/10/17

July 15, 2014

ATTACHMENTS 36 & 39

LORAIN NATIONAL BANK Member FDIC

March 18, 2014

ETBF – Carr Holding Company
Chicago Podiatric Surgeons, PC
Attn: Dr. Thomas Carr
6 East Street Charles Road
Chicago, IL 60148

Dear Dr. Carr:

Lorain National Bank is pleased to commit to extend a loan in the amount of **$1,700,000** (the "Loan") to **ETBF – Carr Holding Company and Chicago Podiatric Surgeons, PC** ("Co-Borrowers") in the form of a **term** loan based upon, and subject to, the terms and conditions set forth or referred to in this commitment letter (the "Letter") and in the attached Exhibits. The proceeds of the Loan will be used to **finance the acquisition of the practices and Commercial Real Estate for Lyons Foot & Ankle Clinic** (the "Transaction"), as more fully set forth on Exhibit A. The Loan will be structured under the U.S. Small Business Administration ("SBA") 7(a) loan guaranty program, and is subject to the SBA's regulations, approval and authorization for a 75% guarantee.

The terms upon which the Loan will be offered are summarized below. Certain other customary terms and conditions found in transactions similar in size and nature to the Loan, but not set forth below, may be required by Lorain National Bank as a condition to closing and funding the Loan.

Interest Rate: **Variable - Wall Street Journal ("WSJ") U.S. Prime plus 1.50%; adjusted quarterly.**

Maturity: **25** years from closing

Repayment Terms:

Equal monthly payments of principal and interest based upon a 25 year amortization will be due and payable on the first day of each month with interest payable in arrears and with any outstanding principal plus accrued interest and costs due and payable at maturity. The first payment of principal and interest will be due on the first calendar day of the second month following loan closing (example: Loan closes on any day in January, your first payment of principal and interest is due on March 1st). Since this is a variable interest rate loan, the amount of the monthly payments may periodically change based upon changes in the interest rate.

Collateral: The Loan will be secured by: (1) a **first** priority security interest in all business assets of Lyon Foot & Ankle Clinic P.C.; (2) a **First** priority mortgage on the property located at 6 East St. Charles Road, Lombard, IL; (3) an assignment of leases and rentals on the mortgaged property.

Equity Contribution: This Loan will **be made available to you subject to an equity contribution of $162,500.00 (8.72% of the project cost).** Evidence of this equity contribution will be required prior to closing.

Closing Costs / Fees: See Exhibit A

Guarantor(s): The unconditional personal/corporate guarantee of **Thomas & Ellen Carr and Chicago Podiatric Surgeons, PC.**

Packaging Fee: **$2,500**

SBA Guarantee Fee: **$45,313.00** as applicable for SBA loans. Such guarantee fees can be included in the total financing package.

Prepayment Fees:

In any one of the first three years from the date of initial disbursement under the Loan, if the Borrower voluntarily prepays more than 25% of the outstanding principal balance, the Borrower must pay a prepayment fee as follows: 5% of the total prepayment amount during the first year after the date of initial disbursement; 3% of the total prepayment amount during the second year after the date of initial disbursement; and 1 % of the total prepayment amount during the third year after the date of initial disbursement. Notwithstanding the foregoing, at all times during the term of the Loan, the Borrower must provide Lorain National Bank with 21 days prior written notice of any prepayment of more than 20% of the unpaid principal balance. If the prepayment is received less than 21 days from the date Lorain National Bank receives such notice, the Borrower must pay an amount equal to 21 days interest from the date Lorain National Bank receives such notice less any interest accrued during such period and paid.

Other Terms and Conditions

The Lender's commitment to extend the Loan hereunder and its other agreements herein are subject to (a) all of the conditions recited or referred to in this Letter; (b) completion of business, credit and legal due diligence satisfactory to the Lender and its counsel; (c) the Lender's receipt of the guaranty Authorization by the SBA and satisfaction of the conditions of the Authorization; (d) the negotiation and execution of formal loan documentation, fully acceptable to Lorain National Bank and its counsel; and (e) closing and funding of the Loan no later than **April 30, 2014** or this commitment will expire. The loan documentation will contain such terms, conditions, representations, warranties, affirmative covenants, negative covenants, financial covenants, reporting and events of default customary for credit accommodations of this type as Lorain National Bank may require. The failure of Borrower or any guarantor and Lender to reach agreement on the loan documents shall not be deemed a breach by Lender of this commitment.

Lender reserves the right to amend this commitment after review and approval of the SBA Authorization, if necessary, to conform to the terms and conditions of the SBA Authorization and/or SBA regulations.

Other Conditions:

1. **Assignment of Life Insurance on the life of Thomas Carr in the amount of $400,000.**
2. **Collateral Assignment of E-Trade Account. This collateral and assignment are subject to E-Trade agreeing and executing a collateral assignment in favor of Lorain National Bank.**
3. **Third party appraisal of commercial real estate located at 6 East St. Charles Road, Lombard, IL reflecting a minimum fair market value of $1,100,000.**
4. **Business valuation on Lyon Foot & Ankle Clinic P.C. reflecting a minimum fair market value of $525,000.**
5. **Phase 1 Site Assessment on property pledged as collateral.**

6. **IRS tax transcripts of Lyon Foot & Ankle Clinic P.C., Chicago Podiatric Surgeons and Elmhurst Medical & Surgical Center for 2010, 2011 and 2012.**

Termination by Lender

Lender may terminate its commitment in its sole discretion if (a) any law or regulation affecting the financing transaction contemplated herein (the "Financing") shall impose upon Lender any potential obligation, fee, liability, loss, claim, cost, expense, or damage which is not contemplated by this Letter or (b) there are any material adverse changes in the business, principals or guarantors, collateral, or other proposed terms from the information previously represented to Lender.

Borrower Covenants, Representations and Warranties; Authorization to Pre-File UCC Financing Statements

By signing this Letter Borrower agrees not to enter into any other loan agreements prior to closing without Lender's prior written consent. Borrower further agrees to assemble and provide the information necessary for the closing of the Loan in a timely manner.

Borrower represents and warrants that (a) all information that has been or will hereafter be made available to Lender or any of its representatives in connection with the Financing is and will be complete and correct in all material respects and does not and will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not misleading in light of the circumstances under which such statements were or are made and (b) no promise, agreement or representation not specifically stated or set forth in this Letter has been made to Borrower to induce Borrower to sign this Letter.

To facilitate the closing of the Loan, Lender has requested that Borrower give its authorization and consent to Lender's filing of one or more UCC financing statements, as hereinafter described, in each jurisdiction deemed necessary or appropriate by Lender to perfect the contemplated security interest in all of the personal property of Borrower. Borrower hereby authorizes Lender (or Lender's counsel) to file, in each jurisdiction deemed necessary or appropriate by Lender, one or more UCC financing statements naming Borrower as debtor and Lender as secured party, and describing the collateral as "All assets" or "All personal property" of Borrower or otherwise describing the collateral by item or type, which may include all of Borrower's accounts receivable, inventory, equipment, farm products, documents, instruments, chattel paper, investment property, letter-of-credit rights, deposit accounts, commercial tort claims, and general intangibles (including, without limitation, intellectual property, software and payment intangibles), whether now existing or hereafter created or acquired and wherever located. Upon its receipt of Borrower's written request to do so, Lender will terminate any financing statement filed pursuant to the foregoing authorization and consent from Borrower provided that, at the time of Lender's receipt of such written request, (i) Borrower does not owe any indebtedness, liabilities, or other obligations to Lender, whether direct or indirect, absolute or contingent, or due or to become due, and (ii) Lender has no commitments or other undertakings to extend the Loan or any other credit or other financial accommodations to or for the benefit of Borrower.

Indemnification

Borrower agrees to indemnify Lender and each of the Indemnified Parties (as defined in Exhibit C) pursuant to the terms set forth on Exhibit C hereto.

Confidentiality

Borrower agrees the contents of this Letter are confidential and shall not be disclosed other than to Borrower's CPA, attorney, employees, or agents directly involved in the financing contemplated by this Letter.

Governing Law; Jury Trial Waiver

This Letter shall be governed by, and construed and interpreted in accordance with, the laws of the State of Ohio (but not its conflicts of law provisions). The parties hereto expressly submit and consent in advance to the exclusive jurisdiction of the Courts of the State of Ohio or the United States District Court for the District of the State of Ohio to hear and determine any claims or disputes arising out of or pertaining to this Letter, whether in tort or contract, in

law or at equity. Each party hereto irrevocably waives trial by jury in any action, proceeding or counterclaim relating to this Letter or the transactions contemplated hereby.

Miscellaneous Provisions

This Letter may be executed in any number of counterparts, each of which shall be an original and all of which, taken together, shall constitute one Letter. Delivery of an executed counterpart of a signature page to this Letter by facsimile shall be as effective as delivery of an original executed counterpart of this Letter. This Letter may not be amended or any provision hereof waived or modified except by a written instrument signed by an authorized officer of Lender. This Letter supersedes all prior approvals and proposals with respect to the Financing, whether written or oral. This Letter is not assignable by Borrower without Lender's prior written consent. Lender may assign this commitment or the Loan without notice to or the consent of the Borrower.

No Reliance

The agreements of Lender hereunder are made solely for the benefit of the Borrower and may not be relied upon or enforced by any other person.

Survival

The Borrower's confidentiality and indemnification obligations and jury trial waiver shall survive the termination of this Letter and/or Lorain National Bank commitment hereunder.

Fees and Expenses

Borrower understands that whether or not the Financing is completed, all costs, fees, and expenses of any kind or nature incurred in connection with the Financing, including but not limited to appraisal, environmental, title searches, title insurance, UCC searches, recording fees and all other out of pocket expenses and legal fees incurred by Lorain National Bank in connection with the Loan will be paid by Borrower.

****

If you are satisfied with the information detailed above, please acknowledge your acceptance of the terms and conditions described in this Letter by returning a signed copy to **Spencer Twyford** at the address listed above, no later than **March 21, 2014**, or this Letter and Lorain National Bank's commitment shall be considered null and void.

Shortly after you return a signed copy of this Letter, you will receive a letter from the assigned closer listing the closing deliverables and the additional information that you will need to provide.

We appreciate the opportunity to fulfill your financing needs, and we look forward to a long and mutually satisfactory relationship.

Sincerely,

Spencer Twyford
Vice President – Small Business Lending

ACKNOWLEDGED AND ACCEPTED

Borrower and Guarantor acknowledge, agree to and understand the terms and conditions contained in this commitment letter, including their fee reimbursement obligations and the expense deposit. Borrower and Guarantor further acknowledge and understand that Lorain National Bank's commitment is contingent upon final approval from the SBA and the other conditions described in this commitment letter.

Borrower and Guarantor acknowledge and understand that (i) Lender recommends they obtain independent legal counsel to represent their interests in the Transaction and (ii) Lender will conduct its own due diligence which is intended for Lender's benefit only and is not conducted for the benefit or protection of Borrower or the Guarantor in the Transaction. In the course of the Lender's due diligence, the Lender may obtain various reports or opinions regarding the title and value of any personal property acquired or financed with loan proceeds, the value of any business or business assets acquired or financed with loan proceeds, the title to any real property acquired or financed with loan proceeds and any zoning, land use, survey or environmental matters pertinent thereto, among other things (the "Lender's Due Diligence").

THE BORROWER AND GUARANTOR ACKNOWLEDGE AND AGREE THAT THE LENDER'S INTERESTS IN CONNECTION WITH THE LOAN AND WITH THE LENDER'S DUE DILIGENCE ARE DIFFERENT FROM THOSE OF THE BORROWER AND THE GUARANTOR. THE BORROWER AND GUARANTOR MAY NOT RELY UPON LENDER'S DUE DILIGENCE FOR ANY PURPOSE WHATSOEVER AND HEREBY UNEQUIVOCABLY DISCLAIM ANY SUCH RELIANCE THEREON. THE BORROWER AND GUARANTOR FURTHER DENY RECEIVING, AND HEREBY UNEQUIVOCABLY DISCLAIM ANY RELIANCE UPON, ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, WRITTEN OR ORAL BY OR ON BEHALF OF THE LENDER, ITS AGENTS OR EMPLOYEES. FURTHER, THE BORROWER AND GUARANTOR ACKNOWLEDGE THAT NO BUSINESS, REAL ESTATE OR LOAN BROKER THAT MAY HAVE PARTICIPATED IN THE TRANSACTION, IF ANY, IS AN AGENT, REPRESENTATIVE OR EMPLOYEE OF THE LENDER AND HAS NO ACTUAL, IMPLIED OR APPARENT AUTHORITY TO MAKE REPRESENTATIONS, PROMISES OR WARRANTIES ON BEHALF OF THE LENDER IN CONNECTION WITH THE LOAN OR THE LENDER'S DUE DILIGENCE.

Borrower acknowledges, warrants and represents that it has or is in the process of conducting its own due diligence prior to the completion of the Transaction

Borrower: **ETBF – Carr Holding Company**

By: Signer/Title _____ Date 7-7-14

Guarantor: **Dr. Thomas Carr**

_____ Date 7-7-14

Guarantor: **Ellen Carr**

_____ Date 7-7-14

Guarantor: **Chicago Podiatric Surgeons, PC**

_____ Date 7-7-14

EXHIBIT A
USE OF PROCEEDS
AND CLOSING COSTS*

Use of Proceeds	Lorain National Bank	Borrower	Total
Purchase Land and Buildings	$1,100,000	$0	$1,100,000
Acquisition of Practice	$362,500	$162,500	$525,000
Working Capital	$175,000	$0	$175,000
Closing Costs	$ 62,500	$0	$ 62,500
Total	**$1,700,000**	**$162,500**	**$1,862,500**
	91.28%	**8.72%**	**100.00%**

Equity Injection: A minimum equity injection of ***$162,500.00*** will be required. Evidence of injection must be in the form of paid invoices, paid receipts, cancelled checks, account statements and/or certified escrow closing documents

* Closing costs are estimates only. Actual closing costs may vary.

LORAIN NATIONAL BANK Member FDIC

March 18, 2014

ETBF – Elmhurst Medical and Surgery Center
Attn: Dr. Thomas Carr
6 East Street Charles Road
Chicago, IL 60148

Dear Dr. Carr:

Lorain National Bank is pleased to commit to extend a loan in the amount of **$1,375,000.00** (the "Loan") to **ETBF – Elmhurst Medical and Surgery Center** ("Borrower") in the form of a **term** loan based upon, and subject to, the terms and conditions set forth or referred to in this commitment letter (the "Letter") and in the attached Exhibits. The proceeds of the Loan will be used to **finance the acquisition of the practice and Commercial Real Estate for Elmhurst Medical & Surgical Center** (the "Transaction"), as more fully set forth on Exhibit A. The Loan will be structured under the U.S. Small Business Administration ("SBA") 7(a) loan guaranty program, and is subject to the SBA's regulations, approval and authorization for a 75% guarantee.

The terms upon which the Loan will be offered are summarized below. Certain other customary terms and conditions found in transactions similar in size and nature to the Loan, but not set forth below, may be required by Lorain National Bank as a condition to closing and funding the Loan.

Interest Rate: **Variable - Wall Street Journal ("WSJ") U.S. Prime plus 1.50%; adjusted quarterly.**

Maturity: 25 years from closing

Repayment Terms:

Equal monthly payments of principal and interest based upon a 25 year amortization will be due and payable on the first day of each month with interest payable in arrears and with any outstanding principal plus accrued interest and costs due and payable at maturity. The first payment of principal and interest will be due on the first calendar day of the second month following loan closing (example: Loan closes on any day in January, your first payment of principal and interest is due on March 1st). Since this is a variable interest rate loan, the amount of the monthly payments may periodically change based upon changes in the interest rate.

Collateral: The Loan will be secured by: (1) a **first** priority security interest in all business assets of Elmhurst Medical & Surgical Center; (2) a **First** priority mortgage on the property located at 340 W. Butterfield Rd., Unit 1B, Elmhurst, IL subject to existing liens in the approximate amount of [if applicable]; (3) an assignment of leases and rentals on the mortgaged property.

Equity Contribution: This Loan will be made available to you subject to an equity contribution of **$147,500.00 (9.68% of the project cost).** Evidence of this equity contribution will be required prior to closing.

Closing Costs / Fees: See Exhibit A

Guarantor(s): The unconditional personal/corporate guarantee of **Thomas & Ellen Carr and Chicago Podiatric Surgeons, PC.**

Packaging Fee: **$2,500**

SBA Guarantee Fee: **$36,172** as applicable for SBA loans. Such guarantee fees can be included in the total financing package.

Prepayment Fees:

In any one of the first three years from the date of initial disbursement under the Loan, if the Borrower voluntarily prepays more than 25% of the outstanding principal balance, the Borrower must pay a prepayment fee as follows: 5% of the total prepayment amount during the first year after the date of initial disbursement; 3% of the total prepayment amount during the second year after the date of initial disbursement; and 1 % of the total prepayment amount during the third year after the date of initial disbursement. Notwithstanding the foregoing, at all times during the term of the Loan, the Borrower must provide Lorain National Bank with 21 days prior written notice of any prepayment of more than 20% of the unpaid principal balance. If the prepayment is received less than 21 days from the date Lorain National Bank receives such notice, the Borrower must pay an amount equal to 21 days interest from the date Lorain National Bank receives such notice less any interest accrued during such period and paid.

Other Terms and Conditions

The Lender's commitment to extend the Loan hereunder and its other agreements herein are subject to (a) all of the conditions recited or referred to in this Letter; (b) completion of business, credit and legal due diligence satisfactory to the Lender and its counsel; (c) the Lender's receipt of the guaranty Authorization by the SBA and satisfaction of the conditions of the Authorization; (d) the negotiation and execution of formal loan documentation, fully acceptable to Lorain National Bank and its counsel; and (e) closing and funding of the Loan no later than **April 30, 2014** or this commitment will expire. The loan documentation will contain such terms, conditions, representations, warranties, affirmative covenants, negative covenants, financial covenants, reporting and events of default customary for credit accommodations of this type as Lorain National Bank may require. The failure of Borrower or any guarantor and Lender to reach agreement on the loan documents shall not be deemed a breach by Lender of this commitment.

Lender reserves the right to amend this commitment after review and approval of the SBA Authorization, if necessary, to conform to the terms and conditions of the SBA Authorization and/or SBA regulations.

Other Conditions:

1. **Third party appraisal of commercial real estate located at 340 W. Butterfield Road, Elmhurst, IL reflecting a minimum fair market value of $750,000.**
2. **Business valuation on Elmhurst Medical & Surgical Center reflecting a minimum fair market value of $725,000.**
3. **Phase 1 Site Assessment on property pledged as collateral.**
4. **IRS tax transcripts of Elmhurst Medical & Surgical Center for 2010, 2011 and 2012.**

Termination by Lender

Lender may terminate its commitment in its sole discretion if (a) any law or regulation affecting the financing transaction contemplated herein (the "Financing") shall impose upon Lender any potential obligation, fee, liability, loss, claim, cost, expense, or damage which is not contemplated by this Letter or (b) there are any material adverse changes in the business, principals or guarantors, collateral, or other proposed terms from the information previously represented to Lender.

Borrower Covenants, Representations and Warranties; Authorization to Pre-File UCC Financing Statements

By signing this Letter Borrower agrees not to enter into any other loan agreements prior to closing without Lender's prior written consent. Borrower further agrees to assemble and provide the information necessary for the closing of the Loan in a timely manner.

Borrower represents and warrants that (a) all information that has been or will hereafter be made available to Lender or any of its representatives in connection with the Financing is and will be complete and correct in all material respects and does not and will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not misleading in light of the circumstances under which such statements were or are made and (b) no promise, agreement or representation not specifically stated or set forth in this Letter has been made to Borrower to induce Borrower to sign this Letter.

To facilitate the closing of the Loan, Lender has requested that Borrower give its authorization and consent to Lender's filing of one or more UCC financing statements, as hereinafter described, in each jurisdiction deemed necessary or appropriate by Lender to perfect the contemplated security interest in all of the personal property of Borrower. Borrower hereby authorizes Lender (or Lender's counsel) to file, in each jurisdiction deemed necessary or appropriate by Lender, one or more UCC financing statements naming Borrower as debtor and Lender as secured party, and describing the collateral as "All assets" or "All personal property" of Borrower or otherwise describing the collateral by item or type, which may include all of Borrower's accounts receivable, inventory, equipment, farm products, documents, instruments, chattel paper, investment property, letter-of-credit rights, deposit accounts, commercial tort claims, and general intangibles (including, without limitation, intellectual property, software and payment intangibles), whether now existing or hereafter created or acquired and wherever located. Upon its receipt of Borrower's written request to do so, Lender will terminate any financing statement filed pursuant to the foregoing authorization and consent from Borrower provided that, at the time of Lender's receipt of such written request, (i) Borrower does not owe any indebtedness, liabilities, or other obligations to Lender, whether direct or indirect, absolute or contingent, or due or to become due, and (ii) Lender has no commitments or other undertakings to extend the Loan or any other credit or other financial accommodations to or for the benefit of Borrower.

Indemnification

Borrower agrees to indemnify Lender and each of the Indemnified Parties (as defined in Exhibit C) pursuant to the terms set forth on Exhibit C hereto.

Confidentiality

Borrower agrees the contents of this Letter are confidential and shall not be disclosed other than to Borrower's CPA, attorney, employees, or agents directly involved in the financing contemplated by this Letter.

Governing Law; Jury Trial Waiver

This Letter shall be governed by, and construed and interpreted in accordance with, the laws of the State of Ohio (but not its conflicts of law provisions). The parties hereto expressly submit and consent in advance to the exclusive jurisdiction of the Courts of the State of Ohio or the United States District Court for the District of the State of Ohio to hear and determine any claims or disputes arising out of or pertaining to this Letter, whether in tort or contract, in law or at equity. Each party hereto irrevocably waives trial by jury in any action, proceeding or counterclaim relating to this Letter or the transactions contemplated hereby.

Miscellaneous Provisions

This Letter may be executed in any number of counterparts, each of which shall be an original and all of which, taken together, shall constitute one Letter. Delivery of an executed counterpart of a signature page to this Letter by facsimile shall be as effective as delivery of an original executed counterpart of this Letter. This Letter may not be amended or any provision hereof waived or modified except by a written instrument signed by an authorized officer of Lender. This Letter supersedes all prior approvals and proposals with respect to the Financing, whether written or oral. This Letter is not assignable by Borrower without Lender's prior written consent. Lender may assign this commitment or the Loan without notice to or the consent of the Borrower.

No Reliance

The agreements of Lender hereunder are made solely for the benefit of the Borrower and may not be relied upon or enforced by any other person.

Survival

The Borrower's confidentiality and indemnification obligations and jury trial waiver shall survive the termination of this Letter and/or Lorain National Bank commitment hereunder.

Fees and Expenses

Borrower understands that whether or not the Financing is completed, all costs, fees, and expenses of any kind or nature incurred in connection with the Financing, including but not limited to appraisal, environmental, title searches, title insurance, UCC searches, recording fees and all other out of pocket expenses and legal fees incurred by Lorain National Bank in connection with the Loan will be paid by Borrower.

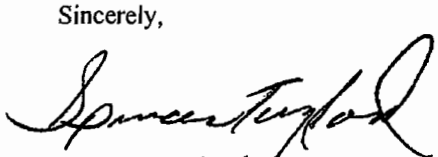
****

If you are satisfied with the information detailed above, please acknowledge your acceptance of the terms and conditions described in this Letter by returning a signed copy to **Spencer Twyford** at the address listed above, no later than **March 21, 2014**, or this Letter and Lorain National Bank's commitment shall be considered null and void.

Shortly after you return a signed copy of this Letter, you will receive a letter from the assigned closer listing the closing deliverables and the additional information that you will need to provide.

We appreciate the opportunity to fulfill your financing needs, and we look forward to a long and mutually satisfactory relationship.

Sincerely,



Spencer Twyford
Vice President – Small Business Lending

ACKNOWLEDGED AND ACCEPTED

Borrower and Guarantor acknowledge, agree to and understand the terms and conditions contained in this commitment letter, including their fee reimbursement obligations and the expense deposit. Borrower and Guarantor further acknowledge and understand that Lorain National Bank's commitment is contingent upon final approval from the SBA and the other conditions described in this commitment letter.

Borrower and Guarantor acknowledge and understand that (i) Lender recommends they obtain independent legal counsel to represent their interests in the Transaction and (ii) Lender will conduct its own due diligence which is intended for Lender's benefit only and is not conducted for the benefit or protection of Borrower or the Guarantor in the Transaction. In the course of the Lender's due diligence, the Lender may obtain various reports or opinions regarding the title and value of any personal property acquired or financed with loan proceeds, the value of any business or business assets acquired or financed with loan proceeds, the title to any real property acquired or financed with loan proceeds and any zoning, land use, survey or environmental matters pertinent thereto, among other things (the "Lender's Due Diligence").

THE BORROWER AND GUARANTOR ACKNOWLEDGE AND AGREE THAT THE LENDER'S INTERESTS IN CONNECTION WITH THE LOAN AND WITH THE LENDER'S DUE DILIGENCE ARE DIFFERENT FROM THOSE OF THE BORROWER AND THE GUARANTOR. THE BORROWER AND GUARANTOR MAY NOT RELY UPON LENDER'S DUE DILIGENCE FOR ANY PURPOSE WHATSOEVER AND HEREBY UNEQUIVOCABLY DISCLAIM ANY SUCH RELIANCE THEREON. THE BORROWER AND GUARANTOR FURTHER DENY RECEIVING, AND HEREBY UNEQUIVOCABLY DISCLAIM ANY RELIANCE UPON, ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, WRITTEN OR ORAL BY OR ON BEHALF OF THE LENDER, ITS AGENTS OR EMPLOYEES. FURTHER, THE BORROWER AND GUARANTOR ACKNOWLEDGE THAT NO BUSINESS, REAL ESTATE OR LOAN BROKER THAT MAY HAVE PARTICIPATED IN THE TRANSACTION, IF ANY, IS AN AGENT, REPRESENTATIVE OR EMPLOYEE OF THE LENDER AND HAS NO ACTUAL, IMPLIED OR APPARENT AUTHORITY TO MAKE REPRESENTATIONS, PROMISES OR WARRANTIES ON BEHALF OF THE LENDER IN CONNECTION WITH THE LOAN OR THE LENDER'S DUE DILIGENCE.

Borrower acknowledges, warrants and represents that it has or is in the process of conducting its own due diligence prior to the completion of the Transaction

Borrower: **ETBF – Carr Holding Company**

_____ 3-20-14

By: Signor/Title Date

Guarantor: **Dr. Thomas Carr**

_____ 3-20-14

Date

Guarantor: **Ellen Carr**

Ellen Carr 3/20/14

Date

Guarantor: **Chicago Podiatric Surgeons, PC**

_____ 3-20-14

Date

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ATTACHMENT 36

EXHIBIT A
USE OF PROCEEDS
AND CLOSING COSTS*

Use of Proceeds	Lorain National Bank	Borrower	Total
Purchase Land and Buildings	$750,000		$750,000
Acquisition of Practice	$577,500	$147,500	$725,000
Working Capital			
Closing Costs	$ 47,500		$47,500
Total	**$1,375,000**	**$147,500**	**$1,522,500**
	90.32%	**9.68%**	**100.00%**

Equity Injection: A minimum equity injection of ***$147,500*** will be required. Evidence of injection must be in the form of paid invoices, paid receipts, cancelled checks, account statements and/or certified escrow closing documents

* Closing costs are estimates only. Actual closing costs may vary.

Fair Market Value of Selected Assets

of

Elmhurst Medical & Surgical Center LTD

as of

Valuation Date: December 31, 2013

Report Date: March 12, 2014

PREPARED BY

Nationwide VALUATIONS

5445 DTC Parkway
Penthouse 4
Greenwood Village, CO 80111

www.nationwidevaluations.com | 888.750.5259

March 12, 2014

Lorain National Bank
1890 Northwest Boulevard
Columbus, OH 43212

Dear Lorain National Bank:

The enclosed valuation report has been developed for your exclusive and confidential use. Nationwide Valuations ("NWV") has been retained to determine the fair market value of selected assets of Elmhurst Medical & Surgical Center LTD as of December 31, 2013 for use in conjunction with the potential sale and financing of the subject business.

> The definition of fair market value is the price at which the property would change hands between a willing buyer and a willing seller, neither being under a compulsion to buy or to sell and both having reasonable knowledge of all relevant facts. [IRS Revenue Ruling 59-60]

The appraiser's analysis, opinions, and conclusions were developed and this report has been prepared in conformity with the National Association of Certified Valuators and Analysts Professional Standards for conducting and reporting on business valuations. The estimate of value that results from this valuation engagement is expressed as a conclusion of value.

In preparing our business valuation report, we have relied upon historical financial information provided to us by Lorain National Bank (Client) and management of Elmhurst Medical & Surgical Center LTD (Company). This financial information has not been audited, reviewed, or compiled by us and we do not express an opinion or any form of assurance on this financial information.

Our report is based on historical and prospective financial information provided to us by management and/or other third parties. Users of this valuation report should be aware that business valuations are based on future earnings potential that may or may not materialize. Therefore, the actual results achieved during the projection period will vary from the projections used in this valuation, and the variations may be material. The accompanying report discusses the assumptions and limiting conditions that apply to this opinion of value and are integral to the understanding of the opinion.

The opinion of value is divided between tangible assets and goodwill. The tangible asset value represents the current estimated value of the furniture, fixtures, equipment, vehicles, leasehold improvements, and supplies for internal consumption. The intangible asset value or *goodwill* represents the current estimated value of the established customer base, management systems, operating systems, technology systems, and physical location, proprietary rights such as patents and trademarks, training upon sale.

Nationwide Valuations was not engaged to conduct an appraisal of the Company's tangible asset nor were we given any appraisals of the market value of the Company's tangible assets. An appraisal of the tangible assets may result in a market value that is materially different than the book value of the tangible assets, which may have a material impact upon the calculation of the total residual value of the Company's intangible assets.

The accompanying report discusses the assumptions and limiting conditions that apply to this opinion of value and are integral to the understanding of the opinion.

Based on our study and analytical review procedures outlined in the following summary conclusion of value report, it is our opinion that the fair market value of the selected assets of Elmhurst Medical & Surgical Center LTD in an asset sale is Eight Hundred Forty Thousand dollars ($840,000).

Fair Market Business Value
$840,000.

Cash (from Sch 4)	$0
Accounts Receivable (from Sch 4)	$0
Inventory (from Sch 4)	$0
Other Current Assets (from Sch 4)	$0
Net Fixed Assets (from Sch 4)	$0
Other Assets (from Sch 4)	$0
Subtotal	$0
Add: Value of Goodwill and Other Intangible Assets	$840,000
Estimated Fair Market Value of Selected Assets	$840,000

Marsha Golgart

Marsha Golgart, AIBA, CMEA, CEPA, ISBA
President
Nationwide Valuations

Valuation Report Summary

Report Summarized:	The valuation report summarized here contains exhibits and appendices and was issued on March 12, 2014 by Nationwide Valuations. This valuation report is subject to the Statement of Assumptions and Limiting Conditions included in the appendices.
Subject of Valuation:	Elmhurst Medical & Surgical Center LTD
Business Activity:	Elmhurst Medical & Surgical Center LTD is an Illinois based S-Corporation that operates a surgical center. The Company was most recently incorporated in January of 2012, and it serves the greater Elmhurst, IL area.
Purpose of Valuation:	The valuation is for the exclusive purpose of determining the fair market value of the selected assets of Elmhurst Medical & Surgical Center LTD in an asset sale.
Valuation Date:	December 31, 2013
Report Date:	March 12, 2014
Ownership Characteristics:	Value of a controlling interest, closely held
Standard of Value:	Fair Market Value
Premise of Value:	As a going concern
Value Conclusion:	$840,000 for selected assets of Elmhurst Medical & Surgical Center LTD as of December 31, 2013.

Opinion of Value Conclusion

In the opinion of the undersigned appraiser, using accepted valuation methods and subject to the assumptions and limiting conditions defined herein, the fair market value of the selected assets of Elmhurst Medical & Surgical Center LTD in an asset sale is Eight Hundred Forty Thousand dollars ($840,000).

Fair Market Business Value
$840,000.

Certification of Appraiser

We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, estimates, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and is our personal, unbiased professional analyses, estimates, opinions, and conclusions.
3. We have no present or prospective interest in the entity that is the subject of this report nor do we have any personal interest or bias with respect to any of the parties involved.
4. We have not previously provided valuation services to the Company in any regard within the past three years.
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. No one provided significant business appraisal assistance to the person signing this report.

7. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of the appraisal.

8. The appraiser's analysis, opinions, and conclusions were developed and this report has been prepared in conformity with the National Association of Certified Valuators and Analysts Professional Standards for conducting and reporting on business valuations.

9. The appraiser has not made a personal inspection of the business.

Authorized reports will be signed in black. Copies not bearing such authentication are unauthorized, invalid and incomplete.

Nationwide
VALUATIONS

Michael Size, MBA, CVA
Senior Appraiser
Nationwide Valuations

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Description of the Assignment

SUBJECT OF THE APPRAISAL

Nationwide Valuations was retained by Lorain National Bank to determine the fair market value of selected assets of Elmhurst Medical & Surgical Center LTD ("the Company") as of December 31, 2013.

SUMMARY DESCRIPTION OF THE COMPANY

Elmhurst Medical & Surgical Center LTD is an Illinois based S-Corporation that operates a surgical center. The Company was most recently incorporated in January of 2012, and it serves the greater Elmhurst, IL area.

PURPOSE AND USE OF THE APPRAISAL

The purpose of this appraisal is to determine the fair market value of selected assets of the Company for commercial lending purposes. Use of this valuation should be restricted to and consistent with this purpose only. This report is intended for use by Lorain National Bank. All others possessing this report are not intended users. We do not authorize and are not responsible for use of this report by any other party other than the intended users or for any reason other than the intended purpose.

Our valuation is intended to determine fair market value. However, the value resulting from an actual sale or exchange can only be determined by bona fide negotiations between a willing buyer and seller. We assume no responsibility for the inability of a seller or buyer to obtain a purchase price in the amount of our appraised value.

LEVEL OF REPORTING

Our valuation is being presented in the form of a *Summary Conclusion of Value* as defined by the National Association of Certified Valuators and Analysts. Such report is also classified as a *Restricted Use Appraisal Report,* pursuant to Standards Rule 10-2 of the 2012 – 2013 Uniform Standards of Appraisal Practice (USPAP). A summary conclusion of value report consists of valuation schedules and an abbreviated report narrative that summarizes key elements of the Company valued and describes the valuation methodologies utilized to determine our opinion of value conclusion. The scope of the valuation analysis for a summary conclusion of value is identical to the scope for a self-contained (or comprehensive) appraisal report. However, the written content and level of information communicated through the summary conclusion of value is abbreviated compared to a self-contained appraisal report. Communicating our opinion of value for the Company through a summary conclusion of value report allows us to more cost effectively provide you with our opinion of value without incurring the additional time and costs associated with preparation of a detailed or self-contained report.

STANDARD OF VALUE

Fair market value is defined as: The price, expressed in terms of cash equivalents, at which property would change hands between a hypothetical willing and able buyer and a hypothetical willing and able seller, acting at arm's length in an open and unrestricted market, when neither is under compulsion to buy or sell and both have reasonable knowledge of the relevant facts [International Glossary of Business Valuation Terms].

The definition of fair market value for this appraisal includes the following assumptions:

1. the parties are ready and able as well as willing; and
2. the hypothetical buyer is prudent but without synergistic benefit; and
3. the business will continue as a going concern and not be liquidated.

Hypothetical Buyer

The buyer under fair market value is, except under rare circumstances, considered to be a "financial" buyer and not the "strategic" buyer inherent in the investment value standard. This excludes the buyer who, because of other business activities, brings some "value-adding" benefits to the company that will enhance the company being valued and/or the buyer's other business activities. This also excludes buyers who are already a shareholder, creditor, or related or controlled entity which might be willing to acquire the interest at artificially high or low prices due to considerations not typical of the motivation of the arms-length financial buyer.

Hypothetical Seller

The seller in the fair market value appraisal process is also hypothetical and is, therefore, imbued with knowledge of the relevant facts. The influences on value exerted by the market, the risk and value drivers specific to the entity valued, and the investment characteristics applicable to the subject interest's degree of control, degree of marketability, and other investment characteristics are facts that must be considered.

FAIR MARKET VALUE VS. INVESTMENT VALUE

For the reasons stated above, this appraisal will proceed only with respect to fair market value. Nothing in this report should be considered as opinion of an investment value reflecting the synergies applicable to any specific prospective strategic acquirer.

DATE OF VALUATION

The effective date of this appraisal is December 31, 2013 ("the valuation date"). Per *Revenue Ruling 59-60, Section 3.03* only information available (known or knowable) as of the valuation date is to be considered. The report date is March 12, 2014.

CONTROL AND MARKETABILITY OF INTEREST VALUED

Discounts for lack of control (minority interest discount) and illiquidity (lack of marketability) are important to consider when determining the fair market value of an equity interest in a closely-held company.

The purpose of this engagement is to determine the fair market value of selected assets of the Company (as opposed to an equity interest in the Company). Adjustments to account for lack of control and illiquidity are not warranted when valuing selected assets of a Company for transactional purposes.

SCOPE OF THE ENGAGEMENT

You have represented and warranted to Nationwide Valuations that all information and documentation provided to us, whether written or spoken, is true, correct and complete to the best of your knowledge and belief. You have represented that you have disclosed all issues related to litigation, regulatory compliance, environmental hazards, and limitations on articles, bylaws, or agreements, pending or in place among the parties or involving any third parties, which would have a material impact on the value or transferability of the interest being valued. We are authorized to rely on such information and documentation without independent investigation or corroborative procedure as being a materially accurate and fair representation of the financial status and activities of the Company.

Analysis of the Subject Company

HISTORY AND OPERATIONS[1]

Elmhurst Medical & Surgical Center LTD is an Illinois based S-Corporation that operates a surgical center. The Company was most recently incorporated in January of 2012, and it serves the greater Elmhurst, IL area.

The surgical center specializes in foot and ankle surgery procedures. The surgical center has established a certificate of need with the state of Illinois. The Health Facilities Planning Act (the Act) (20 ILCS 3960), established Illinois' certificate of need (CON) program. CON is designed to restrain rising health care costs by preventing unnecessary construction or modification of health care facilities. The Act promotes the development of a comprehensive health care delivery system that assures the availability of quality facilities, related services, and equipment to the public, while simultaneously addressing the issues of community need, accessibility, and financing. In addition, CON promotes cost containment, better management and improved planning by health care providers.

COMPANY OWNERSHIP

The Company is owned exclusively by Esther Lyon as an S-Corporation.

Owner	% Interest
Esther Lyon	100.00%
Total	100.0%

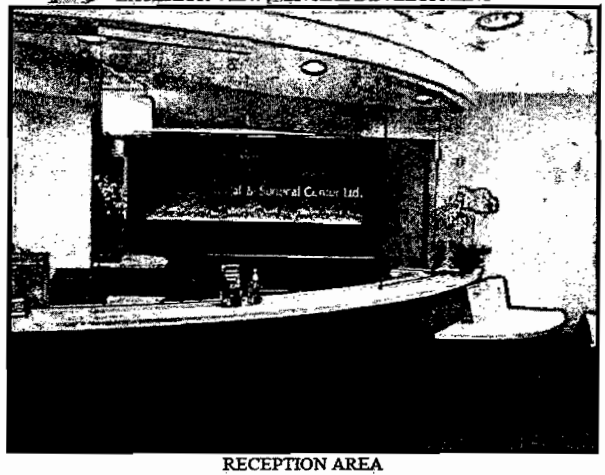
The Owner is willing to sell the Company to an unaffiliated Buyer, a practicing podiatrist. The proposed Buyer is atternpting to secure long-term, SBA-guaranteed debt through Lorain National Bank to finance the acquisition.

We have not independently verified the ownership structure of the Company and have not conducted an examination of corporate structural documents. The ownership information is based on representations made by management of the Company or the Client or was obtained from tax return data. Furthermore, we make no representations and offer no assurances of the ability of the Company to offer any assets or equity interest free and clear of encumbrances.

[1] Source: www.hfrsb.illinois.gov

FACILITY

EXTERIOR VIEW – ENTIRE DEVELOPMENT



RECEPTION AREA

According to Management, the Company is being operated from a rented facility in Elmhurst, IL. The 3,855 square-foot facility is being rented from an affiliated landlord; the Seller owns the commercial real estate in a separate entity. The rent is not considered fair market value (FMV) and an adjustment to the net income has been applied. This is seen in Schedules 5 and 9.

MANAGEMENT AND EMPLOYEES

The Company employs 3 full-time and part-time employees. Management states that the core workforce is stable, and is paid fair market wages. An adjustment to the owner's salary was made to include an estimated Fair Market officer salary. This is seen in Schedules 5 and 9.

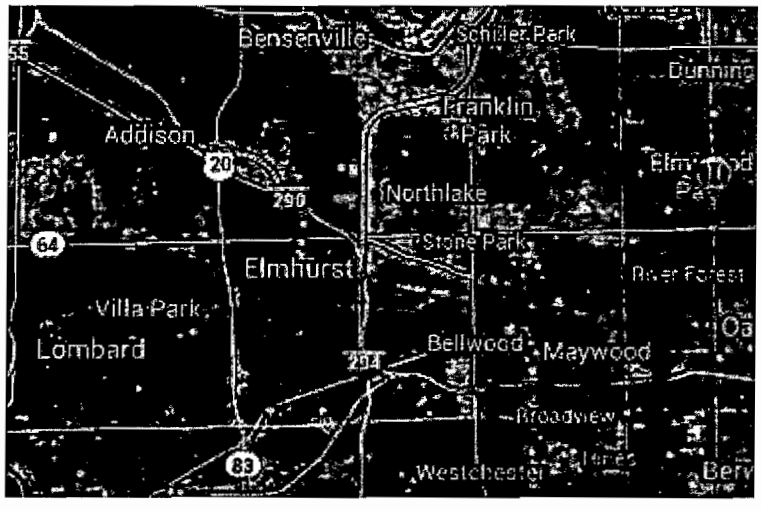
SALES AND MARKETING

The Company is below the industry in terms of its advertising budget. According to IRS ratios for the industry, the average advertising expense is 0.58% of revenue, while the Company did not spend any money on advertising over the last two fiscal years, focusing on referrals and direct marketing.

LOCATION[2]

Elmhurst is a city in DuPage and Cook counties in the state of Illinois. The city is a western suburb of Chicago. As of the 2010 census, the city had a total population of 44,121, which was estimated to have increased to 45,171 by July 2012.

COMPETITION



According to Management, there have been no substantial changes amongst the Company's competitors over the past two years. Management does not identify any direct competitors. A search engine query resulted in less than ten competitors in the extended area.

ENVIRONMENTAL, REGULATORY, AND OTHER CONFLICTS

Company management has represented that it does not have any current problems with environmental, tax, licensing or other regulatory matters. Company management represents that there are no personnel issues or other litigious problems.

[2] *Source*: www.wikipedia.org

COMPANY EXPECTATIONS AND OUTLOOK

The Company's gross revenue has declined -33.1% since fiscal year 2012. We were provided with projected financial statements with a Compounded Annual Growth Rate (CAGR) of 4.6% over the next three years.

The industry analysis is forecasting revenue growth over the next five years of 5% to 7% with a CAGR of 7%. Based on the activities of the business and the industry analysis provided in this report, we forecast the annual growth rate of the Company to be 3.0%, which is the floor growth rate for sustainable, perpetual growth according to Jim Hitchner's book, Financial Valuation: *Applications and Models*.

Financial Performance of the Subject Company

FINANCIAL STATEMENTS

The balance sheet is a statement of the status of the business as of a specific date. The income statement is a statement of the financial activities of the business over a period of time. A historical summary of the financial performance of the Company is presented and analyzed in this section.

FINANCIAL STATEMENT ANALYSIS

Generally speaking, the analyses of the balance sheet and the income statement includes an analysis of the most recent years performance to ascertain trends and obtain additional information regarding any specific assets, liabilities, revenues or expenses. In addition, companies are sometimes compared with other firms in the same industry (when relevant data is available). The goal of financial statement analysis is to help the valuator understand and communicate a company's risks and value drivers.

In performing the financial statement analysis of the Company, we analyzed the tax returns and/or financial statements for the Company for the years ended December 31, 2012 through December 31, 2013. A summarization of the historical income statements and balance sheets are illustrated on the following pages.

Schedule 1
Elmhurst Medical & Surgical Center LTD
Historic Income Statements

	12/31/2012		12/31/2013	
Revenue	**1120S**		**Compiled**	
Gross Receipts	$865,705	100.0%	$578,903	100.0%
Interest	$0	0.0%	$0	0.0%
Net Income/Loss from Form 4797	$0	0.0%	$0	0.0%
Other Income	$0	0.0%	$0	0.0%
Total Revenue	$865,705	100.0%	$578,903	100.0%
Cost of Goods Sold				
COGS	$0	0.0%	$0	0.0%
Other Cost of Goods Sold	$0	0.0%	$0	0.0%
Total Cost of Goods Sold	$0	0.0%	$0	0.0%
Gross Profit	$865,705	100.0%	$578,903	100.0%
Operating Expenses				
Compensation of Officers	$0	0.0%	$0	0.0%
Salaries and Wages	$76,577	8.8%	$67,876	11.7%
Repairs and Maintenance	$8,609	1.0%	$7,288	1.3%
Rents	$96,000	11.1%	$96,000	16.6%
Taxes and Licenses	$7,632	0.9%	$13,567	2.3%
Interest Expense	$4,271	0.5%	$1,955	0.3%
Depreciation	$16,325	1.9%	$16,375	2.8%
Assessments	$11,534	1.3%	$3,805	0.7%
Consulting	$17,734	2.0%	$34,320	5.9%
Data Processing	$1,099	0.1%	$1,774	0.3%
Insurance	$0	0.0%	$1,800	0.3%
Janitorial	$1,640	0.2%	$2,460	0.4%
Laundry	$4,787	0.6%	$2,107	0.4%
Licenses and fees	$6,376	0.7%	$0	0.0%
Merchant Fees	$0	0.0%	$3,207	0.6%
Office Expense	$331	0.0%	$4,870	0.8%
Professional fees	$2,637	0.3%	$26,817	4.6%
Scavenger	$485	0.1%	$368	0.1%
Supplies	$81,153	9.4%	$21,276	3.7%
Total Operating Expenses	$337,190	38.9%	$305,865	52.8%
Operating Income (Loss)	$528,515	61.1%	$273,038	47.2%
Other Income				
Other Income (Expense)	$0	0.0%	$0	0.0%
Income (Loss) Before Taxes	$528,515	61.1%	$273,038	47.2%

Schedule 2
Elmhurst Medical & Surgical Center LTD
Historic Balance Sheets

	12/31/2012		12/31/2013	
Assets	**1120S**		**Compiled**	
Current Assets:				
Cash	$139,190	17.9%	$36,153	5.5%
Accounts Receivable	$0	0.0%	$0	0.0%
Inventory	$0	0.0%	$0	0.0%
Other Current Assets	$0	0.0%	$0	0.0%
Total Current Assets	$139,190	17.9%	$36,153	5.5%
Fixed Assets:				
Buildings	$0	0.0%	$653,000	99.5%
Land	$0	0.0%	($32,700)	(5.0%)
Other Depreciable Assets	$709,100	91.4%	$56,100	8.5%
Less: Accumulated Depreciation	($72,425)	(9.3%)	($56,100)	(8.5%)
Net Fixed Assets	$636,675	82.1%	$620,300	94.5%
OtherAssets:				
IntangibleAssets	$0	0.0%	$0	0.0%
Less: Accumulated Amortization	$0	0.0%	$0	0.0%
Loans to Shareholders	$0	0.0%	$0	0.0%
Other Assets	$0	0.0%	$0	0.0%
Total Other Assets	$0	0.0%	$0	0.0%
Total Assets	$775,865	100.0%	$656,453	100.0%
Liabilities				
Current Liabilities:				
Accounts Payable	$0	0.0%	$0	0.0%
Mortgages less than 1 year	$212,450	27.4%	$0	0.0%
Other Current Liabilities	$0	0.0%	$0	0.0%
Loans from Shareholders	$90,000	11.6%	$0	0.0%
Total Current Liabilities	$302,450	39.0%	$0	0.0%
Long-term Liabilities:				
Note Payable	$0	0.0%	$0	0.0%
Other Long-term Liabilities	$0	0.0%	$0	0.0%
Total Long-term Liabilities	$0	0.0%	$0	0.0%
Total Liabilities	$302,450	39.0%	$0	0.0%
Shareholder Equity				
Capital Stock	$1,000	0.1%	$1,000	0.2%
Additional Paid-In Capital	$0	0.0%	$0	0.0%
Retained Earnings	$472,415	60.9%	$472,415	72.0%
Distributions	$0	0.0%	($90,000)	(13.7%)
Current Income (Loss)	$0	0.0%	$273,038	41.6%
Total Shareholder Equity	$473,415	61.0%	$656,453	100.0%
Total Liabilities and Shareholder Equity	$775,865	100.0%	$656,453	100.0%

COMPARATIVE RATIO ANALYSIS

A comparative ratio analysis is often a good tool to utilize in determining how a company "compares" to similarly sized businesses operating in the same industry. We have performed a comparative ratio for the Company by utilizing industry average data contained in *First Research*[3]. Such industry data represents average results for 1276 different companies classified in NAICS 621493 – Outpatient Surgical Centers. The data collected is a 12-month rolling data period last updated in January of 2014.

Please be advised that the Company's profitability measures are prior to any adjustments and that such profitability may be somewhat distorted by the owner's tax minimization strategies. A discussion regarding adjustments to the income and/or expenses is discussed in a subsequent section of this report.

The industry classification information is based on representations made by management of the Company or the Client or was obtained from tax return data. We have selected industry data that most closely aligns with the information provided by the Company or Client.

Profitability Ratios
The comparison analysis shows that the subject company compares more favorably to its peers (aggregate) in terms of gross profit to revenue, and more favorably in operating income to revenue.

Liquidity Ratios
The Company has lower levels of cash, accounts receivable, and inventory on its balance sheet compared to the industry. The quick ratio and current ratio cannot be measured in 2013. The Company has no current liabilities

Coverage Ratios
Interest coverage of the Company is above the aggregate. The Company can meet its long-term obligations each year with cash flow.

Leverage Ratios
The Company is less leveraged than its competitors in the market. Leverage is a risk indicator. This company is less risky than its peers in the industry, by having higher debt to net worth ratio than the industry average.

[3]Source: First Research; Copyright 2014, Hoover's, Inc., All Rights Reserved. This data cannot be copied, sold, or distributed in any manner without the written permission of First Research Inc. *"NAICS Code 621493 – Outpatient Surgical Centers"*

The industry comparative ratio analysis allows us to consider the strengths and weaknesses of the Company by assessing management's effectiveness and identifying areas where the Company is outperforming or underperforming the industry. We use these ratios when determining the Company Specific Risk Premium in the Income Approach and the multiples chosen in the Market Approach.

A chart on the next page analyzes key metrics to compare the Company to its peer group. Appendix B explains how the ratios were calculated and their definition.

Schedule 3
Elmhurst Medical & Surgical Center LTD
Company and Industry Ratio Comparisons

Company Size	All	Large	Medium	Small	Elmhurst Medical & Surgical Center LTD	Elmhurst Medical & Surgical Center LTD
Size by Revenue		Over $50M	$5M - $50M	Under $5M		
Company Count	1276	3	12	1261	**12/31/2012**	**12/31/2013**
Income Statement						
Net Sales	100%	100%	100%	100%	100.0%	100.0%
Gross Margin	83.10%	81.80%	80.80%	84.70%	100.0%	100.0%
Officer Compensation	1.80%	0.50%	1.00%	3.10%	0.0%	0.0%
Advertising & Sales	0.50%	0.40%	0.50%	0.50%	0.0%	0.0%
Other Operating Expenses	78.00%	78.10%	77.40%	77.90%	38.9%	52.8%
Operating Expenses	80.30%	79.10%	78.90%	81.50%	38.9%	52.8%
Operating Income	2.90%	2.70%	2.00%	3.20%	61.1%	47.2%
Net Income	1.60%	1.50%	1.10%	1.80%	61.1%	47.2%
Balance Sheet						
Cash	17.60%	17.30%	18.00%	17.80%	17.9%	5.5%
Accounts Receivable	10.40%	11.80%	7.40%	9.70%	0.0%	0.0%
Inventory	0.40%	0.50%	0.50%	0.40%	0.0%	0.0%
Total Current Assets	40.90%	40.80%	42.40%	40.90%	17.9%	5.5%
Property, Plant & Equipment	24.10%	28.10%	26.70%	20.80%	82.1%	94.5%
Other Non-Current Assets	35.00%	31.20%	31.00%	38.40%	0.0%	0.0%
Total Assets	100.00%	100.00%	100.00%	100.00%	100.0%	100.0%
Accounts Payable	1.10%	1.80%	0.60%	0.70%	0.0%	0.0%
Total Current Liabilities	32.90%	31.80%	33.70%	33.70%	39.0%	0.0%
Total Long Term Liabilities	27.30%	27.50%	25.80%	27.20%	0.0%	0.0%
Net Worth	39.80%	40.70%	40.50%	39.10%	61.0%	100.0%
Financial Ratios						
Quick Ratio	1.03	1.1	1.01	0.98	0.5	0.0
Current Ratio	1.24	1.28	1.26	1.21	0.5	0.0
Current Liabilities to Net Worth	82.60%	78.00%	83.20%	86.20%	63.9%	0.0%
Current Liabilities to Inventory	x78.35	x67.61	x73.21	x88.65	0.0	0.0
Total Debt to Net Worth	x1.51	x1.46	x1.47	x1.56	0.6	0.0
Fixed Assets to Net Worth	x0.60	x0.69	x0.66	x0.53	1.3	0.9
Days Accounts Receivable	23	25	10	23	0.0	0.0
Inventory Turnover	x67.25	x66.35	x112.18	x62.11	0.0	0.0
Total Assets to Sales	60.80%	59.50%	38.20%	66.10%	89.6%	113.4%
Working Capital to Sales	4.90%	5.30%	3.30%	4.70%	(18.9%)	6.2%
Accounts Payable to Sales	0.70%	1.00%	0.20%	0.40%	0.0%	0.0%
Pre-Tax Return on Sales	2.60%	2.40%	1.80%	3.00%	61.1%	47.2%
Pre-Tax Return on Assets	4.30%	4.00%	4.60%	4.50%	68.1%	41.6%
Pre-Tax Return on Net Worth	10.80%	9.90%	11.50%	11.40%	111.6%	41.6%
Interest Coverage	x11.40	x10.60	x10.26	x12.80	124.7	140.7

Adjustments to Financial Statements

The business appraisal process commonly requires the appraiser to make various adjustments to the financial statements. These adjustments are typically required because of choices made in the accounting elections and treatments in order to minimize taxable income. This is particularly true regarding closely-held businesses where there are generally few, if any, passive investors to impress through the financial statements. The objective of these adjustments is to convert earnings and values from those established based upon historical costs and tax accounting regulations to amounts that better estimate fair market value.

The primary types of adjustments are usually related to either adjusting balance sheet items to fair market value, adjusting nonrecurring or extraordinary items of income or expense, or adjusting discretionary expenses that a buyer would deem to be excess, unnecessary or non-operating. The primary objective in adjusting the income statement is to "normalize" historical earnings so that a proper assessment of historical earnings and an estimation of future expected earnings can be made. Adjustments made to the subject Company's balance sheets and income statements are discussed below:

Balance Sheet Adjustments:
We analyzed the Company's Balance Sheet from FYE 2013, and discussed all assets and liabilities with Company management. Changes to the balance sheet were made based on the language in the purchase agreement and/or discussion with parties involved in the transaction. A description of the adjustment(s) made and illustration of the Company's adjusted balance sheet is shown on the next page.

Schedule 4
Elmhurst Medical & Surgical Center LTD
Adjusted Balance Sheet

	Balance Sheet from FYE 2013	Ref.	Adjustments	Adjusted Balance Sheet from FYE 2013
Assets				
Current Assets:				
Cash	$36,153	1	($36,153)	$0
Accounts Receivable	$0			$0
Inventory	$0			$0
Other Current Assets	$0			$0
Total Current Assets	$36,153			$0
Fixed Assets:				
Buildings	$653,000	2	($653,000)	$0
Land	($32,700)	2	$32,700	$0
Other Depreciable Assets	$56,100			$56,100
Less: Accumulated Depreciation	($56,100)			($56,100)
Net Fixed Assets	$620,300			$0
OtherAssets:				
IntangibleAssets	$0			$0
Less: Accumulated Amortization	$0			$0
Loans to Shareholders	$0			$0
Other Assets	$0			$0
Total Other Assets	$0			$0
Total Assets (to Sch 6)	$656,453			$0
Liabilities				
Current Liabilities:				
Accounts Payable	$0			$0
Mortgages less than 1 year	$0			$0
Other Current Liabilities	$0			$0
Loans from Shareholders	$0			$0
Total Current Liabilities	$0			$0
Long-term Liabilities:				
Note Payable	$0			$0
Other Long-term Liabilities	$0			$0
Total Long-Term Liabilities	$0			$0
Total Liabilities (to Sch 6)	$0			$0
Shareholder Equity				
Capital Stock	$1,000			$1,000
Additional Paid-In Capital	$0			$0
Retained Earnings	$472,415			$472,415
Distributions	($90,000)			($90,000)
Current Income (Loss)	$273,038			$273,038
Sum of Valuation Adjustments				($656,453)
Total Shareholder Equity	$656,453			$0
Total Liabilities and Shareholder Equity	$656,453			$0

reference 1: Adjustment to Balance Sheet per Purchase Agreement

reference 2: Commercial Real Estate (CRE) deemed a non-operating asset. The value is excluded from the valuation to determine the operating entity value. The CRE is excluded from this analysis, and the book value of the CRE will not be added back to the operating entity value.

Income Statement Adjustments:

We analyzed the Company's historical income statements and discussed all revenues and expenses with Company management. A description of the normalizing adjustment(s) made and illustration of the computation of the Company's normalized earnings is provided below.

Schedule 5
Elmhurst Medical & Surgical Center LTD
Adjustments to Income Statement

Income Statement Adjustments			
		12/31/2012	**12/31/2013**
Historic Income Before Taxes		$528,515	$273,038
Adjustments to Expense; (Increase) Decrease	**Ref.**		
Interest Expense	1	$4,271	$1,955
Depreciation	2	$16,325	$16,375
CAPEX or Economic Depreciation	3	($16,325)	($16,375)
Owner's Salary	4	$0	$0
FMV of Owner's Replacement Salary	4	($90,181)	($60,305)
Rent	5	$96,000	$96,000
Replacement Rent at Fair Market Value	5	($84,400)	($84,400)
Net Decrease (Increase) in Expense		($74,310)	($46,750)
Adjusted Net Discretionary Cash Flow		$454,205	$226,288
Effective Tax Rate		40.9%	40.9%
Tax Effect of the Net Decrease (Increase) in Expense		$30,428	$19,143
Estimated Historic Tax Expense		($219,998)	($109,952)
Adjusted Net Discretionary Cash Flow		$264,635	$135,479

Reference 1: Adjustment to Interest Expense to determine Net Discretionary Cash Flow.
Reference 2: Adjustment to Depreciation to eliminate non-cash charges affecting net income.
Reference 3: Adjustment to include Capital Expenditures (CAPEX). Used historic depreciation as proxy.
Reference 4: Adjustment to include estimated owner salaries. Adjustment based on IRS Officer Compensation ratios for similar sized companies in the industry.
Reference 5: Adjustment to Rent; Per Management, rent is not FMV. Adjustment based on independent Commercial Real Estate Appraisal completed by Argianas & Associates as of November 22, 2013.

Exhibit
Elmhurst Medical & Surgical Center LTD
Tax Calculations

State Tax Schedule for Illinois

Entity type	Tax rate
All Corporations	9.500%

Federal Tax Schedule

Taxable income over	*Not over*	*Tax rate*	*Of the amount over*
$0	$50,000	15%	$0
$50,000	$75,000	$7,500 + 25%	$50,000
$75,000	$100,000	$13,750 + 34%	$75,000
$100,000	$335,000	$22,250 + 39%	$100,000
$335,000	$10,000,000	$113,900 + 34%	$335,000
$10,000,000	$15,000,000	$3,400,000 + 35%	$10,000,000
$15,000,000	$18,333,333	$5,150,000 + 38%	$15,000,000
$18,333,333	.....	35%	

Source: IRS.gov

	12/31/2012		12/31/2013	
Company Income	$528,515		$273,038	
State Tax	($50,209)	9.5%	($25,939)	9.5%
Federal Taxable Income	$478,306		$247,099	
Federal Tax	($169,789)	35.5%	($84,014)	34.0%
Net Income/Loss after tax	$308,517		$163,086	
Total Tax	($219,998)	41.6%	($109,952)	40.3%

Effective Tax Rate: 40.9%

2012 through 2013 total tax amount / 2012 through 2013 Company Income

Valuation of the Subject Company

BUSINESS VALUATION METHODOLOGY

General Background

The economic value of a business is derived from the entity's ability to produce economic benefits for its owners. In theory, the value of an ownership interest in a business is dependent upon the future economic benefits that will accrue to that interest. This concept emphasizes the fact that the value of a business interest is not based directly on the past or even present performance, but is based on expected future performance. This is known as the Principle of Future Benefits, which states, "economic value reflects anticipated future benefits."

Another concept that underlies the valuation process is the fact that in the open market, each potential buyer and seller has alternatives to consummating a transaction involving a given company. This guideline is known as the Principle of Substitution, which states, "the value of something tends to be determined by the cost of acquiring an equally desirable substitute."

In application of these principles, business valuation methodology is generally categorized into three broad approaches:

1. Asset-based
2. Income-based
3. Market-based

Within each of these three approaches, there are different methods for determining value. The choice of valuation approaches and methods to be used in a given appraisal assignment is a judgment made by the appraiser. The appraiser's choice of methods is determined by the characteristics of the business to be valued, applicable statutory law, case law, and administrative rulings. The methods selected are described in the following sections.

Highest and Best Use

It is an axiom of business valuation that business value is estimated in anticipation of its being deployed in its highest and best use. This can be defined further as "the legally permissible and reasonably feasible present use, or series of future uses, that will result in the greatest economic benefit to the owner of the property." In many cases, the highest and best use of property corresponds to its existing use. However, this is not always true.

In the subject valuation we have given due consideration to the issue of highest and best use of the assets and have concluded that a continuation of their present use best meets that definition. Our value conclusion is based on that premise.

Revenue Ruling 59-60

It is particularly important in the valuation of closely held entities to incorporate directives given under Internal Revenue Service Ruling 59-60. The purpose of Revenue Ruling 59-60 is to help outline and review, in general, the approach, methods, and factors to be considered in valuing shares of capital stock of closely held corporations for estate and gift tax purposes. While the purpose of our report is different, we feel that it is important to review and consider the following factors in our valuation analysis of the Company:

1. The nature of the business and the history of the enterprise from inception.
2. The economic outlook, in general, and the condition and outlook of the specific industry in particular.
3. The book value of equity and the financial condition of the business.
4. The earnings capacity of the business.
5. The dividend paying capacity of the business.
6. Whether or not the enterprise has goodwill or other intangible value.
7. Prior sales of business equity and the size of the block to be valued.
8. The market price of equity of enterprises engaged in the same or similar lines of business whose equity is actively traded in a free and open market, either on an exchange or over-the-counter.

DETERMINATION OF APPLICABLE VALUATION METHODS

The chart on the next page illustrates the primary valuation methods considered under each valuation approach and our conclusion regarding the applicability of that method to the valuation of the Company.

Exhibit Elmhurst Medical & Surgical Center LTD Applicable Valuation Method		
	Utilized (Yes/No)	**Reason Rejected**
Asset-based Approaches:		
Book Value Method	No	Book Value Method is based on the financial accounting concept that owner's equity is determined by subtracting the book value of the company's liabilities from book value of the assets. Since GAAP doesn't permit the recognition of goodwill, owner's equity will not normally yield a valid measure of the value for the company. Accordingly, we have not utilized the book value method and Schedule 6 is eliminated from this valuation.
Adjusted Net Asset Method	No	The Adjusted Net Asset Method is a sound method for estimating the value of a non-operating business (e.g., holding or investment company). It is also a good method for estimating the value of a business that generates losses or which is to be liquidated in the near future. Since this Company matches neither of those statements, the Adjusted Net Asset Method won't be considered and Schedule 6 is eliminated from this valuation.
Income-based Approaches:		
Capitalization of Earnings Method	No	The Capitalization of Earnings method is used to value a business based on the future estimated benefits, normally using some measure of earnings or cash flow. The critical component of this method is that there is adequate historic data. The subject company has two full fiscal years, which is deemed less reliable than the projected financial statements.
Discounted Future Earnings Method	Yes	
Market-based Approaches:		
Guideline Public Company Method	No	Due to the Company's small size and the lack of competitors, we could not identify any publicly traded companies which were similar enough to be used to estimate the value of the Company. Accordingly, we have not utilized the guideline publicly-traded method.
Comparable Private Transaction Method	No	Due to a lack of comparable sale data for the surgical center industry, we have eliminated the Comparable Private Transaction Method as a reliable method to determine the value of the subject company.
Prior Sales of Interest in Subject Company	No	There have been no sales of the Company or its shares as provided by Management.

Valuation Methods Utilized

Discounted Cash Flow Method

The Discounted Cash Flow method is based on the theory that the total value of a business is the present value of its projected future earnings, plus the present value of the terminal value. This method requires that a terminal value assumption be made. The amounts of projected cash flow and the terminal value are discounted to the present using an appropriate discount rate rather than a capitalization rate.

The Discounted Cash Flow method of valuing a closely held business uses the following steps:

1. Determine the estimated future earnings of the business
2. A terminal value is often determined at the end of the projections. The terminal value used is the final year projected into perpetuity.
3. The discount rate determined incorporates an appropriate safe rate of return.
4. The estimated future earnings and the terminal value are then discounted to the present using the discount rate determined in step 3, and summed.

Computation of Equity Discount Rate and the Build-Up Approach

The Build-Up Approach provides a model that uses both historical data and current inputs to estimate the cost of equity capital for a company. The cost of capital is sometimes referred to as the expected or required rate of return. The equity discount rate for the Company was determined using the build-up approach. The build-up approach is based on the principle that a company's discount rate is composed of a number of identifiable risk factors that, when added together, result in a total return that a prudent investor would demand from the purchase of the company. The model for the build-up approach used is shown on the next page.

Schedule 7
Elmhurst Medical & Surgical Center LTD
Capitalization Rate Calculation

	Ref.		
Risk-free long-term US Government bond rate	1		3.72%
Add: Size Specific Equity Risk Premium	2	12.44%	
Add: Industry Risk Premium	3	-0.12%	
Return in excess of risk free rate			12.32%
Total risk premium for company specific risk	4		12.00%
After-tax net cash flow discount rate			28.04%
Add: Increment to Convert From Net Cash Flow to Net Earnings Discount Rate	5		0.00%
After-tax net cash flow discount rate for next year (to Sch 8)			28.04%
Company Specific Risk Premium Calculation	4		12.00%
Additional Size Premium			+
Depth of Management			
Importance of Key Personnel			+
Stability of Industry			+
Diversification of Product Line			+
Diversification of Customer Base			
Diversification/Stability of Suppliers			
Competition			+
Geographic Location			
Stability of Earnings			+
Earnings Margin			
Financial Structure			+

Reference 1: Federal Reserve Bank. Data as of December 31, 2013. 20-year yield to maturity on US Govenrment bonds.

Reference 2: Duff & Phelps, LLC Risk Premium Report 2012, distributed by Business Valuation Resources. Based on the median of the 25th decile of the smoothed average ERP across all measures of size.

Reference 3: 2012 Ibbotson SBBI Valuation Yearbook. Based on the closest associated SIC for the subject interest.

Reference 4: Nationwide Valuations analyst's expectation based on the size and ownership of the company in relation to the industry analysis conducted earlier in the valuation.

Reference 5: Nationwide Valuations analyst's expectation is that future cash flows will be consistent with future earnings. No increment to convert cash to earnings required.

The risk-free rate is the rate of return available in the market for investments that are essentially free of risk. The most appropriate proxy for the risk-free rate is the yield on 20-year U.S. Treasury bonds, which was 3.72%, as of December 31, 2013.

The equity risk premium of 12.44% is based on data from *Duff & Phelps, LLC Risk Premium Report 2013.* It takes the mean of the "smoothed" average premium of the 25th (smallest) decile of information gathered across all measures of size.

The industry risk premium of -0.12% is based on an analysis which considers data from the 2012 Ibbotson SBBI Valuation Yearbook.

Combining the equity risk premium and the size premium with the risk-free rate indicates a 16.04% equity return relating to risks associated with equities in companies classified in the smallest size-ranked portfolio traded on the public stock exchanges. This rate of return, referred to as the *return in excess of the risk-free rate,* is then adjusted for Company specific attributes such as an additional size premium (to account for the additional risk associated with companies even smaller than the smallest publicly traded companies), industry risk and competition in arriving at an after-tax net cash flow discount rate of 28.04%.

A company's net cash flow may be less than its net earnings (assuming such company has debt). Therefore, a company's net cash flow discount rate may be less than its net earnings discount rate. A net cash flow discount rate is converted to a net earnings discount rate by multiplying the cash flow discount rate by a ratio of net earnings to cash flow. The difference between the cash flow discount rate and the net earnings discount rate so determined is the *net earnings over cash flow increment.* Our analysis assumes that net earnings and net cash flow bear a constant relationship to one another over time. We believe that cash flow and net income will be approximately equal over the Company's operating cycle. No adjustment is necessary to convert the Company's net cash flow discount rate to a net income discount rate. The discount rate calculation indicates net income discount rate of 28.04%.

The Company's cost of debt capital (after-tax) was estimated to be 4.72% by using a pretax debt cost of 6.00% and applying an effective tax rate of 40.95% (8.00% x (1-40.95%) = 4.72%).

The WACC approach provides a model that uses both historical data and current inputs to estimate the cost of equity capital for a company. Computation of the WACC is illustrated on the next page.

Schedule 8
Elmhurst Medical & Surgical Center LTD
Computation of WACC

	Ref.	Cost of Capital	Industry Average Capital Structure	WACC
After-tax Equity Cost of Capital (from Sch 7)	1	28.04%	62.25%	17.45%
After-tax Debt Cost of Capital	1,2	4.72%	37.75%	1.78%
Subtotal: Weighted Average Cost of Capital				19.24%
Less: Growth Rate				(3.0%)
Total: Weighted Average Cost of Capital less growth rate				16.24%
		(rounded) (to Sch 9)		16.20%

reference 1: Industry Average Capital Structure Source - IRS Corporate Ratios
reference 2: Estimated using a pretax debt cost of 6.00% plus a 2% premium for a personal guarantee and applying an effective tax rate of 40.95% (8.00% x (1-40.95%) = 4.72%)

The next adjustment required is to account for expected growth. The discount rate is the cost of capital or rate of return used to convert a monetary sum into present value. The capitalization rate is a divisor (expressed as a percentage) that is used to convert income into value. The difference between the two is the annually compounded rate of growth in the economic variable that is being capitalized over the life of the investment. The critical assumption underlying this simple adjustment is that the economic income variable is expected to have a constant average annual compounded rate of growth into perpetuity. We have utilized a long-term expected growth rate of 3.0% to account for expected short-term growth, general inflation, industry growth and Company long-term growth.

Application of the WACC approach of 16.20% to the Company's average normalized net income (excluding interest expense) for the years ended December 31, 2012 through December 31, 2013, results in a value of 100% of the Company's operating invested capital. Computation of the fair market value of the Company's selected assets is illustrated on the next page.

Schedule 9
Elmhurst Medical & Surgical Center LTD
Discounted Cash Flow

	reference	2014	2015	2016
Revenues		$608,000	$637,000	$665,000
COGS		$0	$0	$0
Gross Profit		$608,000	$637,000	$665,000
Operating Expenses		$331,275	$343,885	$354,885
Operating Income		$276,725	$293,115	$310,115
Officer Compensation	1	($63,336)	($66,357)	($69,274)
Rent	2	$96,000	$96,000	$96,000
Replacement Rent at Fair Market	2	($84,400)	($84,400)	($84,400)
Income before taxes		$224,989	$238,358	$252,441
Provision for Taxes	40.95%	($92,128)	($97,603)	($103,369)
Net Income		$132,861	$140,756	$149,072
Depreciation	3	$16,375	$16,375	$16,375
Capital Expenditures	3	($16,375)	($16,375)	($16,375)
Net Cash Flow		$132,861	$140,756	$149,072

Discount Rate (from Sch 6)	19.24%
Capitalization Rate (from Sch 6)	16.24%

Calculation of present value factors and present value

Year	Formula	Present Value Factors	Present Value
1	1/(1+Discount Rate)^1	83.87%	$111,426
2	1/(1+Discount Rate)^2	70.34%	$99,002
3	1/(1+Discount Rate)^3	58.99%	$87,935
			$298,362

Calculation of Terminal Value

Formula	Present Value
(Yr 3 CF/capitalization rate)x(1/(1+Discount Rate)^3)	$541,563

PV of annual cash flows	$298,362
PV of terminal value	$541,563
Estimated Company's Operating Invested Capital	$839,925
Less: Interest Bearing Debt (from Sch 4)	None
Estimated Fair Market Value of Inventory, Fixed Assets and Goodwill (rounded)	$839,900

reference 1: Adjustment to include estimated Fair Market Officer Compensation. Adjustment based on IRS compensation ratios for similar sized companies in the industry.
reference 2: Adjustment to Rent; Per Management, rent is not FMV. Adjustment based on independent Commercial Real Estate Appraisal completed by Argianas & Associates as of November 22, 2013.
reference 3: Capital Expenditures expected to mirror Depreciation based on historic data.

The fair market value of the Company's selected assets, as of the valuation date, using the discounted cash flow method, is $839,900.

Purchase Price Reasonableness Test and ROI Model

A final step in the valuation process is to assess the "reasonableness" of the values indicated by the various valuation methods. Two tools used to assess the reasonableness of the valuation conclusions are the purchase price reasonableness test and the pre-tax return on investment model.

PURCHASE PRICE REASONABLENESS TEST

The purchase price reasonableness test is a tool used to see if the buyer can purchase the business at the estimated value, receive a reasonable salary and payback the debt associated with acquiring the business from the Company's current and future expected earnings. Our debt assumptions are provided by Management, and assume an SBA loan with 30% down, a 10-year loan amortization at a 6.0% interest rate. If a business is overpriced, the owner will have to infuse a significant amount of additional capital each year to service the debt and finance current operations. If a business is undervalued, the owner will have a significant amount of cash flow left over after paying the debt service and receiving a reasonable salary. Based on the assumptions above, we believe that the purchase price reasonableness test supports the value indicated in the valuation when placing reliance on the methods chosen. The purchase price reasonableness test for the business value as indicated by the placing equal reliance on the discounted cash flow method and comparable transaction methods is illustrated on the next page.

Schedule 10
Elmhurst Medical & Surgical Center LTD
Purchase Price Reasonableness Test

Assumptions	***reference***						
Appraised Value (down plus note)		$840,000					
Percentage Financed by SBA	1	70.0%					
Amount Financed		$588,000					
Number of Years Amortized	1	10					
Interest Rate on Loan Balance	1	6.0%					
Adjusted Net Discretionary Cash Flow		$238,596	(Average next three years projected)				
Estimated Annual Growth Rate	2	3.0%					
Effective Tax Rate (rounded)		40.9%					
Principal Balance at Beginning of Year		$588,000	$543,390	$496,103	$445,978	$392,847	$336,527
Less: Principal Payment		($44,610)	($47,287)	($50,124)	($53,132)	($56,320)	($59,699)
Principal Balance at End of Year		$543,390	$496,103	$445,978	$392,847	$336,527	$276,829
Adjusted Net Discretionary Cash Flow		$238,596	$245,754	$253,127	$260,721	$268,542	$276,599
Less: Interest Payments		($35,280)	($32,603)	($29,766)	($26,759)	($23,571)	($20,192)
Pre-TaxIncome		$203,316	$213,151	$223,361	$233,962	$244,971	$256,407
Less: Estimated Taxes		($83,254)	($87,281)	($91,461)	($95,802)	($100,311)	($104,993)
Net Income		$120,063	$125,870	$131,899	$138,160	$144,661	$151,414
Less: Principal Payments		($44,610)	($47,287)	($50,124)	($53,132)	($56,320)	($59,699)
Owner's Residual Earnings		$75,452	$78,583	$81,775	$85,028	$88,341	$91,715

reference 1: Loan Terms estimated by Nationwide Valuations' analyst.
reference 2: Nationwide Valuations' analyst estimate based on information provided by Management and Industry data

The data shown is limited to six years due to space restrictions.

PRE-TAX RETURN ON INVESTMENT MODEL

The pre-tax return on investment (ROI) model computes a buyer's total pre-tax return and average annual pre-tax return on their initial investment (30% down payment) over the debt amortization period of 10 years at a 6.0% interest rate. This model allows a prospective purchaser to compare the future potential rate of return from the investment to other alternative investments (e.g. one would expect the return from purchasing a closely-held business to be much greater than the return from investing in publicly traded stocks because of the increased risk associated with the investment).

Given the various assumptions indicated in the ROI model, the total pre-tax return (using EBIT) on investment over the 10-year period is 1376.7% and the average annual pre-tax rate of return is 137.7%.

We believe the pre-tax rate of return on the initial investment over the estimated loan period supports the value indicated in this valuation when placing reliance on the methods chosen. The ROI model is illustrated below.

Schedule 11 Elmhurst Medical & Surgical Center LTD Return on Investment Model	
Valuation Amount	$840,000
Buyer's Estimated Down Payment	$168,000
Estimated Loan Amount	$672,000
Average Adjusted NDCF (next three years projected)	$238,596
Less: Buyer's Annual Loan Payments	($91,303)
Buyer's Annual Net Owner Benefits After Debt Service	$147,293
Multiply by: Loan Term	10
Subtotal	$1,472,931
Add: Value of the business as determined in this report	$840,000
Total Financial Benefits to Company	$2,312,931
Total Return on Investment (ROI) Over Loan Term	1376.7%
Annual Return on Investment (ROI)	137.7%

Conclusion of Value

The first step in the conclusion process is for the appraiser to review the factors that would indicate which method should have the greater influence on the final opinion of value. It is important to note that in the valuation of a closely-held business, no single method is an absolute. To produce a sound conclusion, the professional valuator must use as many or as few of the different methods that are appropriate under the given circumstances of the situation and for which the necessary information is available. Each method can then serve as a reasonableness check on the results of the other methods. Due to the fact that valuation is not an exact science, it is expected that estimates of value determined by the various methods will not be in exact agreement, but instead will differ from each other to a greater or lesser extent. The valuator uses the objectivity, informed judgment, and reasonableness in determining the aggregate significance of the individual methodologies considered.

Revenue Ruling 59-60 and generally accepted business valuation theory provide primary consideration should be given to the earnings when valuing stocks of companies which sell products or services to the public, whereas the greatest weight should be accorded to the value of the underlying assets when valuing stocks of investment or holding type companies. As mentioned earlier, due to the nature of the Company, the adjusted net assets method is only relevant when used as the floor value of the business. In addition, the discounted cash flow method and comparable private transaction methods are considered relevant to our valuation conclusion. The purchase price reasonableness test and ROI model support the value indicated in this valuation when placing reliance on the methods chosen. Our reconciliation of value is shown in Schedule 12. In addition, the estimated fair market value of the Company is allocated among the assets being purchased as shown in Schedule 13.

Schedule 12 Elmhurst Medical & Surgical Center LTD Conclusion of Value					
	ref	Schedule	Indicated Value	Weight	Wtd.Avg. Value
Valuation Methods Utilized:					
Discounted Cash Flow Method		9	$839,900	100%	$839,900
Estimated Fair Market Value of Selected Assets					$839,900
			(rounded)		$840,000

The conclusion of value requires a weighted average of the approaches calculated. This valuation is weighted exclusively toward the Income Approach (discounted cash flow).

In our opinion, using accepted valuation methods and subject to the assumptions and limiting conditions defined herein, the fair market value of the fixed assets, goodwill, and inventory of Elmhurst Medical & Surgical Center LTD, as of the valuation date, in an asset sale, is Eight Hundred Forty Thousand dollars ($840,000).

The estimated fair market value is allocated among the Company's assets being purchased as shown in the schedule below.

Schedule 13 Elmhurst Medical & Surgical Center LTD Conclusion of Value	
Cash (from Sch 4)	$0
Accounts Receivable (from Sch 4)	$0
Inventory (from Sch 4)	$0
Other Current Assets (from Sch 4)	$0
Net Fixed Assets (from Sch 4)	$0
Other Assets (from Sch 4)	$0
Subtotal	$0
Add: Value of Goodwill and Other Intangible Assets	$840,000
Estimated Fair Market Value of Selected Assets	$840,000

Appendix A: Statement of Assumptions and Limiting Conditions

Our valuation report is subject to the following assumptions and limiting conditions:

1. No investigation has been made of, and no responsibility is assumed for, the legal description or for legal matters including title or encumbrances. Title to all property is assumed to be good and marketable unless otherwise stated. All property is further assumed to be free and clear of any liens, easements or encumbrances unless otherwise stated.

2. Information furnished by Company management, its advisors and others, upon which all or portions of this report are based, is believed to be reliable; however, no warranty is given as to the accuracy of such information.

3. The Company and its representatives warranted to us that the information supplied to us was complete and accurate to the best of their knowledge and that the financial statement information reflects the Company's results of operations and financial condition in accordance with generally accepted accounting principles, unless otherwise noted. Information provided by management has been accepted as correct without further verification. It has been assumed that all facts and circumstances that would significantly affect the valuation results have been disclosed to us. Any significant errors in, or omissions from, the information supplied to us may have a material effect on our analysis and conclusions.

4. This report has been prepared only for the purpose stated and shall not be used for any other purpose. Neither this report nor any portion thereof shall be disseminated to third parties by any means without the prior written consent and approval of Nationwide Valuations.

5. Our valuation is intended to determine fair market value. However, the value resulting from an actual sale or exchange can only be determined by bona fide negotiations between a willing buyer and seller. We assume no responsibility for the inability of a seller or buyer to obtain a purchase price in the amount of our appraised value.

6. Neither Nationwide Valuations nor any individuals signing or associated with this report shall be required to give testimony or appear in court or other legal proceedings, unless previous arrangements have been made.

7. This valuation assumes that the Company will continue as a going concern, and that the character of its present business will remain intact.

8. The valuation contemplates facts and conditions existing as of the valuation date. Events and conditions occurring after the valuation date have not been considered, and we have no obligation to update our report for such events and conditions.

9. We have assumed that there is full compliance with all applicable federal, state and local regulations and laws unless otherwise specified in this report.

10. Neither Michael Size nor Nationwide Valuations have any present or contemplated future interest in the Company, any personal interest with respect to the parties involved, or any other interest that may prevent us from performing an unbiased valuation. Compensation paid for this report is not contingent on an action or event resulting from the analysis, estimates, opinions or conclusions in, or use of, this report.

11. We hereby covenant and agree to keep all valuation information and other Company financial information requested and received by us confidential. We will not disclose such information to any third parties whatsoever without the express written consent of the Company.

12. This report is not to be construed, directly or indirectly, as a recommendation to invest, divest or to lend. It is strictly our independent opinion of the value of the Company for the purpose described herein.

Appendix B: Ratio Calculations and Definitions

Quick Ratio	
Unit:	Times
Calculation:	Current Assets less Inventory divided by Current Liabilities
Definition:	This is a measure of a firm's ability to meet short-term obligations without relying on sale of inventory. A ratio of less than one may indicate a potential cash shortage.
Current Ratio	
Unit:	Times
Calculation:	Current Assets divided by Current Liabilities
Definition:	This is a general indication of the extent to which claims of short-term creditors are covered by assets that are expected to be converted into cash in a period that roughly corresponds to the due dates of the current liabilities. The higher the ratio, the greater the cushion between current obligations and the ability to pay them. A general guideline suggests that a current ratio less than 2 might indicate a potential cash shortage.
Current Liabilities to Net Worth	
Unit:	%
Calculation:	Current Liabilities divided by Net Worth (or Equity or Investment defined as Book rather than Market Value)
Definition:	This ratio expresses the relationship between capital contributed by current obligation creditors and capital contributed by owners. It indicates the ability of a firm to safely meet the obligations of current creditors. Normally a business starts to have
Current Liabilities to Inventory	
Unit:	%
Calculation:	Current Liabilities divided by Inventory
Definition:	This ratio provides an indication of the ability of the inventory sales to generate the cash needed to meet the short-term obligation of creditors. A ratio that is low usually indicates that a firm will be able to meet short-term obligations and a high ratio may be cause for concern and signal a potential cash shortage.
Total Liabilities to Net Worth (Debt-to-Equity)	
Unit:	%
Calculation:	Total Liabilities divided by Net Worth (or Equity or Investment defined as Book rather than Market Value)
Definition:	This expresses the relationship between the capital contributed by creditors and the capital contributed to a firm by owners. This provides an indication of the ability of a firm to meet creditor obligations. The lower the ratio, the better financial condition the firm is thought to be in. A high ratio may signal a potential cash shortage and a low ratio firm usually has greater ability to borrow debt in the future.
Fixed Assets to Net Worth	
Unit:	%
Calculation:	Fixed Assets divided by Net Worth
Definition:	This ratio provides the percentage of assets centered in fixed assets compared to total equity. Generally, the higher this percentage, the more vulnerable a firm becomes to unexpected hazards and business climate changes. Capital is frozen in the form of machinery and the margin for operating funds becomes too narrow to support day-to-day operations.
Payment Collection Period	
Unit:	Days
Calculation:	Accounts Receivable divided by Sales/365
Definition:	This indicates the amount of time a firm must wait after making a sale before receiving payment. A long collection period usually signals high delinquencies and the potential for cash shortages.

	Inventory Turnover
Unit:	Times Per Year
Calculation:	Net Sales divided by Inventory
Definition:	This ratio is a measure of the efficient use of inventory or the ability of a firm to turn inventory into sales. Generally, the higher the ratio, the more efficient the company's use of inventory and a low ratio may indicate potential cash shortages.
	Assets to Sales
Unit:	%
Calculation:	Total Assets divided by Sales
Definition:	This ratio is a measure of a firm's productive use of assets and a low percentage compared to the average for an industry usually indicates high asset use efficiency. If a firm is more highly labor intensive than most in an industry, or if fixed assets are largely depreciated, a ratio may be distorted and falsely indicate higher asset efficiency than is the case.
	Sales to Working Capital Ratio
Unit:	Times
Calculation:	Sales divided by Current Assets less Current Liabilities
Definition:	This ratio measures how efficiently working capital is being used. A low ratio may indicate inefficient use of working capital, while a high ratio may signal potential cash shortages and the risk of not being able to pay creditors.
	Accounts Payable to Sales
Unit:	%
Calculation:	Accounts Payable divided by Sales
Definition:	This ratio provides a measure of a firm's ability to generate sales revenue to cover supplier expenses. A high percentage may indicate an over reliance on supplier credit to support sales.
	Return on Sales (ROS)
Unit:	%
Calculation:	Net Profit divided by Sales
Definition:	This ratio shows the percentage profit earned on sales by a firm and it is important to compare a firm's performance with that of similar size firms in the same industry. This ratio should increase as the volume of sales grows because fixed costs are spread over more units of sales.
	Return on Assets
Unit:	%
Calculation:	Net Profit divided by Total Assets
Definition:	This ratio measures the return on the total investment in assets including those financed with debt as well as equity. This is an important measure that should be compared with similar size firms in the industry.
	Return on Net Worth (ROI)
Unit:	%
Calculation:	Net Profit divided by Net Worth (or Equity or Investment-Book Value, not Market Value)
Definition:	This ratio is a measure of the return or earnings on the money invested in a firm. This return must be high enough to provide owners with an adequate return for the risk that is being assumed by keeping investments in the firm. A low return will also make it difficult to attract additional investment capital in the future. This measure is best compared to similar size firms in the same industry.
	Interest Coverage
Unit:	Times
Calculation:	Earnings Before Interest and Taxes (EBIT) of One Period divided by the Company's Interest Expenses of the Same Period
Definition:	This ratio measures how easily a company can pay interest on outstanding debt. The lower the ratio, the more the company is burdened by debt expense. When a company's interest coverage ratio is 1.5 or lower, its ability to meet interest expenses may be questionable. An interest coverage ratio below 1 indicates the company is not generating sufficient revenues to satisfy interest expenses.

Appendix C: Economic Condition and Industry Overview

A well-prepared business valuation contains a thorough and relevant economic section. Revenue Ruling 59-60 requires consideration of "the economic outlook in general and the condition and outlook of the specific industry in particular." An understanding of the economic outlook is fundamental to developing reasonable expectations about a subject company's future prospects. In any business valuation, the general economic outlook as of the appraisal date should be considered, since the national economic outlook is often the basis of how investors perceive alternative investment opportunities at any given time. Appraisers should integrate the information presented in the Economic Outlook Update with their valuation assignment and discuss how the economic information impacts their valuation assumptions and conclusions.

In this analysis, we examine the general economic climate that existed at the end of the fourth quarter of 2013. This summary provides an overview of some selected economic factors that prevailed at that time as well as a discussion of the factors that are crucial over an extended time period. Topics addressed include general economic conditions, gross domestic product, consumer prices and inflation rates, energy prices, interest rates, unemployment, consumer spending, the stock and bond markets, construction, manufacturing, real estate markets, and the future economic outlook.

OVERVIEW OF THE NATIONAL ECONOMY[4]

ECONOMIC UPDATE AT A GLANCE

U.S. economic growth decelerated in the fourth quarter of 2013 and matched economists' predictions (3.2%). The third-quarter GDP rate was significantly revised upward by 1.3 percentage point. Fourth quarter consumer spending rose at its quickest rate in three years, contributing a sizable 2.26 percentage points to the fourth-quarter GDP rate—its largest contribution in three years. Disposable personal income increased in the fourth quarter, while the personal saving rate declined. Increased exports, business spending, private inventory investment, and state and local government spending also made positive contributions to the fourth-quarter GDP rate.

[4] Source: Economic Outlook Update 4Q13 "Part of the contents of the economic outlook section of this valuation report are quoted from the Economic Outlook Update™ 4Q 2013 published by Business Valuation Resources, LLC, © 2014, reprinted with permission. The editors and Business Valuation Resources, LLC, while considering the contents to be accurate as of the date of publication of the Update, take no responsibility for the information contained therein. Relation of this information to this valuation engagement is the sole responsibility of the author of this valuation report."

Total government spending fell in the fourth quarter, as increased state and local government spending was not enough to offset the large decline in federal government spending, which dropped at a rate of 12.6%. Final sales of domestic product, also known as final demand, grew more slowly than overall GDP, at a rate of 2.8% in the fourth quarter. Fourth-quarter final sales accelerated slightly from the third quarter when they grew at a rate of 2.5%.

The Conference Board reported that its Leading Economic Index rose for the sixth consecutive month in December. The report stated that the upward trend in the Leading Economic Index throughout the fourth quarter suggests that economic conditions will gradually strengthen through early 2014.

The Consumer Price Index rose in December, fueled by higher energy costs. The Consumer Price Index has now risen 1.5% over the last 12 months, below the Federal Reserve's objective of 2.0%. The Producer Price Index also rose in December due to higher prices for energy. The Producer Price Index has now risen 1.2% over the last 12 months.

The Federal Reserve's December statement disclosed it would "modestly" taper its bond-buying program, reducing its monthly purchases of Treasury securities to a pace of $40 billion per month from $45 billion per month, and agency mortgage-backed securities to a pace of $35 billion per month from $40 billion per month. The FOMC cited an improvement in economic activity and labor market conditions in making its decision. The Federal Reserve continued to keep its target for the federal funds rate near zero, as it maintained its commitment to link short-term interest rates to a specific level of unemployment. In their December statement, however, the FOMC found that it will likely be appropriate to keep their current target for the federal funds rate near zero even if unemployment falls below 6.5%. It citied additional factors in making this assessment, including additional measures of labor market conditions, indicators of inflation pressures and inflation expectations, and readings on financial developments.

Total retail sales rose 0.2% in December. Excluding auto sales, retail sales increased 0.7% in December. The core retail sales figure—which excludes volatile automobile, gasoline, and building material sales—rose 0.7%.

The economy added fewer jobs than forecasted in December, though unemployment dropped to its lowest rate since October 2008. The labor-force participation rate dropped, while the employment-population ratio—the share of the working-age population with a job—was unchanged. Hourly wages for private-sector employees rose in December, though the average workweek declined.

The Conference Board's Consumer Confidence Index rose in December, beating economists' forecasts and breaking the trend of three consecutive monthly declines. Most of the increase came from consumers' views of current conditions, which jumped to a five-and-a-half-year high. Consumers viewed both economic and labor market conditions more favorably.

The Thomson Reuters/University of Michigan's Index of Consumer Sentiment rose to a five-month high in December. Consumers had more favorable buying attitudes and fewer concerns about the economy. Consumers also reported that their personal financial situations improved because of increasing home values and rising stock prices. Earnings expectations were less positive. Overall, consumers reported that they anticipated their inflation-adjusted incomes would not rise.

The National Federation of Independent Business reported that the Small Business Optimism Index rose in December. The main highlights noted in the report were the frequency of reported capital outlays over the past six months, which hit its highest level since early 2005, and the number of owners who increased employment, which reached its best reading since February 2006.

The 4Q 2013 Wells Fargo/Gallup Small Business Index fell, though it remains at the second highest reading in the last five years. The survey found that almost one-quarter of small business owners expected a better business-operating environment in 2014, while half of the respondents expected the operating environment to be about the same as it is this year.

The major stock indexes made sizable gains in the fourth quarter, as many reached record highs. The S&P 500 Index experienced its best year since 1997, while the Dow Jones Industrial Average had its biggest annual gain since 1995. Market volatility, as measured by VIX, was mild in the fourth quarter. All 10 of the S&P 500's sectors had positive gains in the fourth quarter. Large-cap stocks outperformed small- and mid-cap stocks in the fourth quarter, though the latter generally had better gains for the year. For large-cap stocks, growth stocks moderately outpaced value stocks, while the inverse was true for smaller-cap stocks.

The Institute for Supply Management's manufacturing sector index declined slightly in December, though the reading in November was the index's highest since April 2011. The components for new orders and employment rose, while the components for production and backlog declined. The index has now been at a level signifying an expansion in the manufacturing sector for seven successive months.

The Institute for Supply Management's index for the services sector fell in December. The components that measure business activity and new orders fell, while the employment component rose. The drop in new orders brought the component down to a reading signaling a contraction in new orders for the first time since July 2009. Notwithstanding, the index remained at a level signaling growth in the services sector for the 48th consecutive month.

The Federal Reserve reported that industrial production rose in December. Output from manufacturing and mining rose, while the output of utilities decreased. For the fourth quarter as a whole, industrial production rose at an annual rate of 6.8%, the largest quarterly increase since the second quarter of 2010.

Existing-home sales rose in December, though housing inventory remained low throughout much of the U.S. The number of existing-home sales for all of 2013 was the highest since 2006. Home prices continued to increase in December, rising 11.5% from one year ago. Inventory was the tightest in the West region, which held down sales in many markets, and bidding wars caused the region to experience the strongest price gains in the U.S.

Housing starts dropped in December, as fewer single-family homes and multifamily homes were started. Building permits authorized also fell in December. Despite the December declines, housing starts and building permits authorized were up from a year ago.

The National Association of Home Builders/Wells Fargo Housing Market Index rose in December after remaining unchanged in the previous month. The report stated that an increasing number of builders possessed a positive view on where the industry is going.

The National Association of Realtors Confidence Index for current conditions was unchanged for single-family homes, while the index for townhomes rose, and the index for condos fell. The National Association of Realtors Confidence Index for future conditions rose for all three property types.

EXHIBIT 2: Historical Economic Data 2004-2013 and Forecasts 2014-2023

	HISTORICAL DATA										CONSENSUS FORECASTS**					
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019-2023
Real GDP*	3.8	3.4	2.7	1.8	-0.3	-2.8	2.5	1.8	2.8	1.9	2.6	3.1	3.0	2.8	2.8	2.5
Industrial production*	2.3	3.2	2.2	2.5	-3.4	-11.3	5.7	3.4	3.6	2.6	3.0	3.7	3.3	2.9	2.7	2.7
Personal consumption*	3.8	3.5	3.0	2.2	-0.4	-1.6	2.0	2.5	2.2	2.0	2.5	2.8	2.7	2.6	2.5	2.5
Real disposable personal income*	3.6	1.5	4.0	2.1	1.5	-0.5	1.1	2.4	2.0	0.7	2.7	3.2	3.1	3.0	2.8	2.7
Nonresidential fixed investment*	5.2	7.0	7.1	5.9	-0.7	-15.6	2.5	7.6	7.3	2.6	4.5	5.0	5.0	4.4	4.1	3.8
Nominal pretax corp. profits*	21.5	15.1	11.4	-7.1	-16.0	8.4	25.0	7.9	7.0	4.1	4.6	5.6	6.3	4.1	5.4	4.4
Total government spending*	1.6	0.6	1.5	1.6	2.8	3.2	0.1	-3.2	-1.0	-2.2	-0.1	NA	NA	NA	NA	NA
Consumer prices*	2.7	3.4	3.2	2.8	3.8	-0.4	1.6	3.2	2.1	1.5	1.7	2.1	2.3	2.3	2.3	2.3
3-month Treasury bill rate	1.40	3.22	4.85	4.48	1.40	0.15	0.14	0.05	0.09	0.06	0.1	0.9	2.3	3.4	3.8	3.8
10-year Treasury bond yield	4.27	4.29	4.80	4.63	3.66	3.26	3.22	2.78	1.80	2.35	3.4	3.8	4.5	5.0	5.0	5.0
Unemployment rate	5.5	5.1	4.6	4.6	5.8	9.3	9.6	8.9	8.1	7.4	6.9	NA	NA	NA	NA	NA
Housing starts (*millions*)	1.956	2.068	1.801	1.355	0.906	0.554	0.587	0.609	0.781	0.923	1.120	NA	NA	NA	NA	NA

Source of historical data: U.S. Department of Commerce, U.S. Department of Labor, U.S. Census Bureau, and The Federal Reserve Board.
Source of forecasts: Consensus Forecasts - USA, December 2013.

Notes:
**Numbers are based on percent change from preceding period. Consumer prices are the percent change between annual averages.*
Historic unemployment rate, 3-month Treasury rate, and 10-year Treasury yield are the annual averages.
***Forecast numbers are based on percent change from preceding period (excludes unemployment rate, housing starts, 3-month Treasury rate, and 10-year Treasury yield). Consumer Price Index information is the percent change between annual averages. The 2014 through 2018 forecasts for the 3-month Treasury rate and 10-year Treasury yield are for the end of each period. Forecasts for 2019-2023 signify the average for that period.*

Personal consumption includes spending on services and durable and nondurable goods.
Nonresidential fixed investment is also known as business spending.
Total government spending includes federal, state, and local government spending.

Every month, Consensus Economics surveys a panel of 30 prominent United States economic and financial forecasters for their predictions on a range of variables, including future growth, inflation, current account and budget balances, and interest rates.

GROSS DOMESTIC PRODUCT

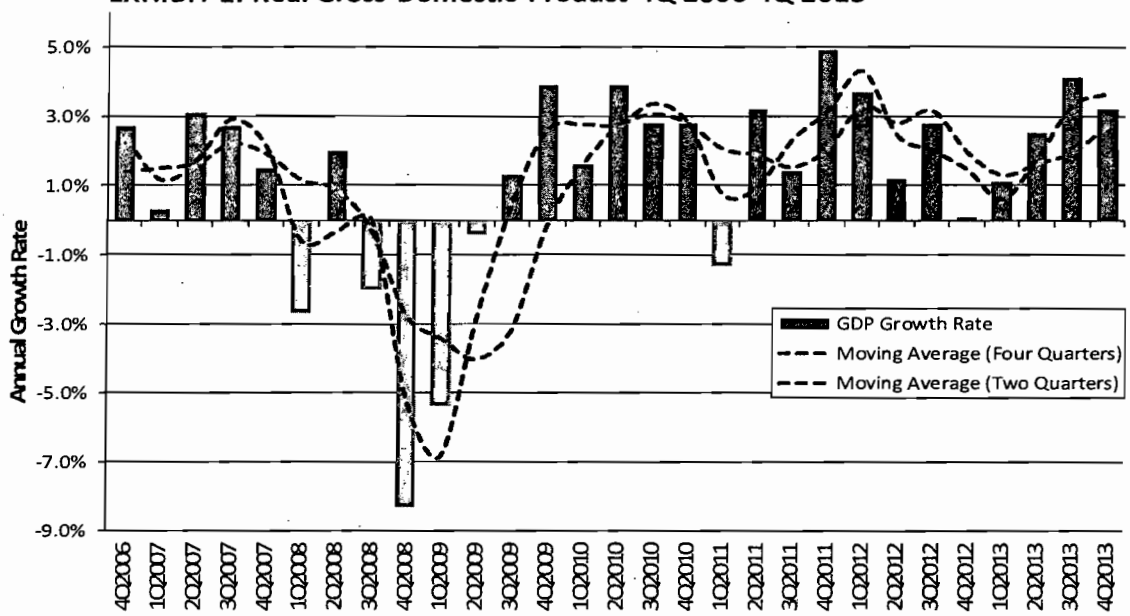
The Bureau of Economic Analysis reported that the nation's economy—as indicated by GDP—grew at an annual rate of 3.2% in the fourth quarter of 2013. This matched forecasts, as the result of a survey conducted by Bloomberg found that the median forecast of economists was a 3.2% rate. GDP is the total market value of goods and services produced in the U.S. economy and is generally considered the most comprehensive measure of economic growth. The Bureau of Economic Analysis revised the third-quarter GDP rate upward to 4.1% from a previously reported 2.8%. GDP grew 1.9% in 2013, a deceleration from 2.8% in 2012.

Final sales of domestic product, also known as final demand, grew more slowly than overall GDP, at a rate of 2.8% in the fourth quarter. Fourth-quarter final sales accelerated slightly from the third quarter when they grew at a rate of 2.5%. Final sales are GDP minus the influence of private inventory investment, which tends to be volatile from quarter to quarter. The Economic Policy Institute has stated that final demand is arguably a better indicator of underlying economic strength than GDP.

The Bureau of Economic Analysis reported that the increase in the fourth-quarter real GDP primarily reflected positive contributions from personal consumption, exports, nonresidential fixed investment, private inventory investment, and state and local government spending. This was partly offset by negative contributions from federal government spending and residential fixed investment. Imports, which are a subtraction in the calculation of GDP, increased.

The deceleration in the fourth-quarter real GDP primarily reflected a deceleration in private inventory investment, a larger decrease in federal government spending, a downturn in residential fixed investment, and decelerations in state and local government spending and in nonresidential fixed investment. This was partly offset by accelerations in exports and in personal consumption and a deceleration in imports.

EXHIBIT 1: Real Gross Domestic Product 4Q 2006-4Q 2013



Source of data: U.S. Department of Commerce.
Note: Figures are seasonally adjusted at annual rates. As the U.S. Department of Commerce issues revised data, some

CONSUMER SPENDING

Consumer spending grew at a rate of 3.3% during the fourth quarter of 2013. This is an acceleration from the prior quarter's rate of 2.0%. Consumer spending—also referred to as "personal consumption"—accounts for approximately 70% of the U.S. GDP.

The fourth quarter's growth in consumer spending contributed 2.26 percentage points to the fourth-quarter GDP, its largest contribution to GDP in the last three years.

Overall consumer spending increased 2.0% in 2013, after growing 2.2% in 2012.

Consumer spending on durable goods—items meant to last three years or more, such as computers, cars, and machinery—increased at a rate of 5.9% in the fourth quarter, compared with 7.9% in the third quarter. Consumer spending on durable goods increased 7.1% in 2013 and 7.7% in 2012.

Consumer spending on nondurable goods—items such as food and gasoline—increased at a rate of 4.4% in the fourth quarter, up from a rate of 2.9% in the third quarter. Consumer spending on nondurable goods increased 2.1% in 2013 and 1.4% in 2012.

Service expenditures grew at a rate of 2.5% in the fourth quarter, a sharp acceleration from the 0.7% rate in the third quarter. Consumer spending on services increased 1.2% in 2013 and 1.6% in 2012.

According to the U.S. Department of Commerce, total retail and food service sales rose 0.2% in December, after rising 0.4% in November. Total retail sales in December were up 4.1% from one year ago. Total retail sales for all of 2013 were up 4.2% from 2012.

Total retail sales for the fourth quarter of 2013 were up 1.0% from the same period a year ago.

The December retail sales reading was above economists' forecasts, as the median forecast in a survey of economists conducted by Reuters expected retail sales to advance by 0.1%.

Seven of the 13 major retail categories showed gains in December. The largest increases came from food and beverage stores (+2.0%), clothing and accessories (+1.8%), gas stations (+1.6%), and nonstore retailers (+1.4%). Nonstore retailers experienced the largest increase from one year ago, with sales up 9.9%.

The categories with the largest December declines were electronics and appliances stores (-2.5%), auto dealers (-1.8%), and miscellaneous stores (-1.6%). Sales at miscellaneous store retailers remain up 2.4% from one year ago, while auto dealers' sales are up 5.9% from one year ago.

Excluding auto sales, retail sales increased 0.7% in December. Ward's Automotive Group found that auto purchases fell to a 15.3 million annualized rate in December from a 16.3 million pace in November. It was noted that adverse weather may have played a role in the decreased auto sales, as this was the coldest December since 2009 and snowfall was 21% above normal, according to weather-data provider Planalytics Inc.

The core retail sales figure increased 0.7% in December after rising 0.2% in November. Economists polled by Reuters had expected core retail sales to rise 0.3% in December. The core retail sales figure excludes volatile automobile, gasoline, and building material sales and corresponds most closely with the consumer-spending component of GDP.

CONSUMER PRICES AND INFLATION RATES

According to the Bureau of Economic Analysis, the price index for gross domestic purchases increased 1.2% in the fourth quarter, compared with an increase of 1.8% in the previous quarter. The price index for gross domestic purchases measures prices paid by U.S. residents. Excluding food and energy prices, the price index for gross domestic purchases increased 1.7% in the fourth quarter, compared with an increase of 1.5% in the previous quarter.

The U.S. Department of Labor reported that the Consumer Price Index (CPI) rose 0.3% in December, on a seasonally adjusted basis. CPI was unchanged in November after falling 0.1% in October. CPI is a measure of a basket of products and services—including housing, electricity, food, and transportation—and is used as a measure of inflation. CPI is comprised of three main indexes: the food index, the energy index, and the all items less food and energy index (also known as "Core CPI"). Over the last 12 months, CPI has risen 1.5%.

The food index rose 0.1% in December for its sixth increase in the past seven months. The index for food at home was unchanged in December. The index for nonalcoholic beverages rose 0.5% in December after declining in November. The index for dairy products rose 0.4% in December, while the indexes for meats, poultry, fish, and eggs and for other food at home both rose 0.3%. The fruits and vegetables index declined 1.5% in December, fueled by a steep 2.7% decline in the index for fresh vegetables. The index for food away from home rose 0.1% in December after increasing 0.3% in November. The food index has risen 1.1% over the past 12 months.

The energy index rose 2.1% in December, on a seasonally adjusted basis. The gas index rose 3.1% in December after falling 1.6% in November. The fuel oil index climbed 2.4% in December, while the electricity index rose 0.4%, its fourth consecutive increase. The only major energy index component to decline in December was the index for natural gas, which fell 0.4%, its third consecutive monthly decline. The energy index has risen 0.5% over the past 12 months.

Core CPI, a measure of inflation that excludes volatile food and energy costs, rose 0.1% in December, on a seasonally adjusted basis. The shelter index rose 0.2% in December, its seventh consecutive monthly increase. The rent index increased 0.3% in December, while the index for owners' equivalent rent rose 0.2%. The index for lodging away from home fell 0.3% in December. The apparel index rose 0.9% in December after declining in each of the three previous months. The index for medical care services increased 0.3% in December, while the index for medical care commodities declined 0.8%, with the prescription drugs index dropping 0.9%. The index for tobacco increased 0.6% in December, and the index for personal care rose 0.3%. The new vehicles index was unchanged in December, while the indexes for recreation, household furnishings and operations, and used cars and trucks all fell. Core CPI has risen 1.7% over the past 12 months.

The U.S. Department of Labor reported that the Producer Price Index (PPI) climbed 0.4% in December, on a seasonally adjusted basis. PPI fell 0.1% in November and 0.2% in October. PPI is a gauge of inflation in the manufacturing process that can be a precursor to inflation in consumer prices. PPI is comprised of three main indexes: the food index, the energy index, and the all items less food and energy index (also known as "Core PPI"). Over the last 12 months, PPI has risen 1.2%.

The food index fell 0.6% in December, on a seasonally adjusted basis, following no change in November. In December, the prices for fresh and dry vegetables fell 13.4%, fueling the decline in the food index.

The energy index rose 1.6% in December after declining 0.4% in November. Over half of the December rise in the energy index was attributed to a 2.2% increase in the gas index, though higher prices for diesel fuel and home heating oil were also factors.

Core PPI, which does not include volatile food and energy prices, increased 0.3% in December, its largest advance since July 2012 and its 13th increase in 14 months. Nearly half of the December rise in Core PPI was the result of higher prices for tobacco products, which jumped 3.6%. Higher prices for motor vehicles also contributed to the December Core PPI increase.

INTEREST RATES

The Federal Open Market Committee (FOMC) met twice during the fourth quarter of 2013, issuing two statements on its target for the federal funds rate. As expected, the FOMC continued its pledge to keep its target for the federal funds rate near zero. The federal funds rate is the interest rate at which a commercial bank lends immediately available funds in balances at the Federal Reserve to another commercial bank. The FOMC establishes a target rate and expands or contracts the money supply with the aim that the federal funds rate, a market rate, will approximate the target rate.

The FOMC continued its pledge to leave rates near zero until unemployment falls to 6.5% or lower, provided the outlook for projected inflation for one and two years ahead remains under 2.5%. The FOMC did note, however, that it considers other factors pertaining to the labor markets, inflation pressures and expectations, and readings on financial developments. As such, the FOMC now anticipates, based on its assessment of these factors, that it will likely be appropriate to keep the current target for the federal funds rate well past the time that the unemployment rate drops to below 6.5%, especially if projected inflation continues to run below its 2% longer-run goal.

In its final statement of the year, the FOMC stated that it would reduce its monthly purchases of Treasury securities to a pace of $40 billion per month from $45 billion per month, and agency mortgage-backed securities to a pace of $35 billion per month from $40 billion per month. The FOMC cited an improvement in economic activity and labor market conditions in making its decision to "modestly" reduce the pace of their purchases. The FOMC reiterated that the purchases would continue until the outlook for the labor market has improved substantially in a context of price stability. The goal in making these purchases is to hold down long-term interest rates, making it less expensive for consumers and businesses to borrow, which may stimulate growth.

The FOMC stated that the information it received indicated that the economy continued to expand at a moderate pace. Labor market conditions have shown further signs of improvement, though the unemployment rate continues to remain elevated. The FOMC noted that both household and business spending continued to advance, but the recovery in the housing sector slowed somewhat toward the end of 2013. The FOMC also found that fiscal policy continues to restrain economic growth, although it believes that the extent of the restraint may be diminishing. The FOMC noted that inflation has been running somewhat below its objective of 2%, but it believes that inflation will move back toward the target rate over the medium term.

During the fourth quarter of 2013, the Board of Governors of the Federal Reserve left the discount rate unchanged, at 0.75%. The discount rate is the interest rate a commercial bank is charged to borrow funds, typically for a short period, directly from a Federal Reserve Bank. The board of directors of each Reserve Bank establishes the discount rate every 14 days, subject to the approval of the Board of Governors.

UNEMPLOYMENT AND PERSONAL INCOME

The U.S. Department of Labor reported that the pace of payroll growth slowed in December. There were 74,000 jobs created in December, well below the median forecast of 197,000 jobs in a Bloomberg survey of economists and below the 241,000 jobs created in November. The December employment report showed that job gains in November were revised upward, while jobs gains in October were unchanged. With those revisions, employment gains in November and October combined were 38,000 higher than previously reported. The December figure brings the three-month payroll growth average to 172,000 jobs per month and the 12-month payroll growth average to 182,000 jobs per month. The White House Council of Economic Advisors noted that the economy has now added private-sector jobs for 46 consecutive months, with private-sector employment increasing by more than 8.2 million over that period. Over the last 12 months, 2.19 million jobs have been added across all sectors.

In December, employment continued to pick up in retail trade (+55,000), with job gains occurring in food and beverage stores (+12,000), clothing and accessories stores (+12,000), general merchandise stores (+8,000), and auto dealers (+7,000). Retail trade added an average of 32,000 jobs per month in 2013.

Wholesale trade added 15,000 jobs in December, with most of the job growth coming from hiring in electronic markets and agents and brokers (+9,000). Wholesale trade added an average of 8,000 jobs per month in 2013.

Employment in professional and business services continued to rise in December, adding 19,000 jobs. Within the sector, temporary help services added 40,000 jobs in December, while employment in accounting and bookkeeping services declined by 25,000. Job growth in professional and business services averaged 53,000 per month in 2013.

Manufacturing employment rose in December (+9,000), fueled by hiring in primary metals (+4,000) and petroleum and coal products (+2,000). Jobs in electronic instruments fell (-4,000). Manufacturing added 77,000 jobs in 2013, compared with an increase of 154,000 jobs in 2012.

Mining employment rose by 5,000 jobs in December and added a total of 29,000 jobs in 2013.

The healthcare sector dropped by 6,000 jobs in December. Employment gains in healthcare averaged 17,000 per month in 2013, compared with an average monthly gain of 27,000 in 2012.

Employment in information fell in December (-12,000), driven by a decline in the motion picture and sound recording industry (-14,000). Employment in information was essentially unchanged in 2013.

Construction employment declined in December (-16,000), though the sector added an average of 10,000 jobs per month in 2013. Employment in nonresidential specialty trade contractors declined in December (-13,000), possibly reflecting unusually cold weather in parts of the country.

The U.S. Department of Labor reported that employment in other major industries, including transportation and warehousing, financial activities, leisure and hospitality, and government, changed little in December.

The unemployment rate (also known as the U3 unemployment rate) fell to 6.7% in December, or approximately 10.4 million unemployed, from 7.0% in November. This was the lowest unemployment rate since October 2008. The U3 unemployment rate is the official unemployment rate per the International Labour Organization definition and occurs when people who have actively looked for work within the past four weeks are still without jobs.

The labor-force participation rate fell by 0.2 percentage point to 62.8% in December. The employment-population ratio—the share of the working-age population with a job—was unchanged in December at 58.6%.

The percentage of unemployed who have been out of work for 27 weeks or longer rose to 37.7% in December from 37.4% in November. The average unemployment duration was unchanged in December at 37.1 weeks.

If the economy added 208,000 jobs a month, which was the average monthly rate for the best year of job creation in the 2000s, then the Hamilton Project calculates it will take until September 2018 to close the "jobs gap" left by the recession. The jobs gap is the number of jobs that the U.S. economy needs to create to return to prerecession employment levels while also absorbing the people who enter the labor force each month. At a pace of 172,000 per month, which is the average growth rate over the last three months, the Hamilton Project calculates that it would take until March 2020 to fill the U.S. job gap. The Hamilton Project was launched in 2006 as an economic policy initiative at the Brookings Institution. The Hamilton Project is guided by an advisory council of academics, business leaders, and former public policymakers.

The Economic Policy Institute finds that the U.S. currently needs 7.9 million jobs to return to the prerecession unemployment rate. At the current three-month average growth rate of 172,000 jobs per month, Economic Policy Institute calculates that it would take nearly six years to regain prerecession labor market conditions.

The rate of another category of unemployment, U6, remained at 13.1% in December. U6 unemployment is broader than U3 and includes "marginally attached workers" and people who are looking for and want full-time work but have settled for part-time employment. Marginally attached workers are people who are not actively looking for work but who have indicated that they want a job and have looked for work (without success) sometime in the past 12 months. This class also includes "discouraged workers," those who have completely given up on finding a job because they feel they would be unable to find one.

Average hourly earnings for all private-sector employees rose 2 cents in December, to $24.17. Over the last year, average hourly earnings for all private-sector employees have increased 42 cents, or 1.8%. Average hourly earnings for private-sector production and nonsupervisory employees rose by 3 cents in December, to $20.35. Over the last 12 months, average hourly earnings for private-sector production and nonsupervisory employees have increased 42 cents, or 2.1%. The average workweek for all private workers declined by 0.1 hour in December to 34.4 hours.

The Bureau of Economic Analysis reported that current-dollar personal income increased $69.4 billion (+2.0%) in the fourth quarter, after increasing by $140.0 billion (+4.0%) in the previous quarter. The BEA found that this was primarily the result of downturns in personal dividend income and in farm proprietors' income, and a deceleration in personal current transfer receipts. This was partly offset by an acceleration in wages and salaries.

Personal current taxes increased $23.7 billion in the fourth quarter, compared with a decrease of $11.0 billion in the third quarter.

Disposable personal income increased $45.7 billion (+1.5%) in the fourth quarter, compared with an increase of $151.0 billion (+5.0%) in the third. Real disposable personal income increased 0.8% in the fourth quarter, compared with an increase of 3.0% in the previous quarter.

Personal outlays increased $118.6 billion (+4.0%) in the fourth quarter, compared with an increase of $113.4 billion (+3.9%) in the third. Personal saving—disposable personal income less personal outlays—was $545.1 billion in the fourth quarter, down from $618.0 billion in the third.

The personal saving rate—saving as a percentage of disposable personal income—was 4.3% in the fourth quarter, down from 4.9% in the previous quarter.

CONSUMER CONFIDENCE AND BUSINESS OPTIMISM

The Conference Board's Consumer Confidence Index rose to 78.1 in December from a reading of 72.0 in November. The December rise broke a three-month consecutive decline. The December reading was above economists' forecasts, as the consensus forecast of economists surveyed by Bloomberg was 76.0. Sentiments toward current conditions increased to a five-and-a-half-year high, as consumers viewed both economic and labor market conditions more favorably. Looking ahead, consumers expressed increasing confidence in future economic and job prospects but were less optimistic about their earnings prospects. The report noted that consumers were more optimistic overall at the end of 2013 than when the year began.

The Present Situation Index component increased to 76.2 in December from 73.5 in November. The percentage of respondents claiming jobs were "hard to get" decreased to 32.5% from 34.1% in the month before, while those claiming that jobs were "plentiful" rose somewhat to 12.2% from 12.0%. Those who believed business conditions were "good" declined to 19.6% from 20.4% in the month before, while those saying business conditions were "bad" fell to 22.6% from 24.6%.

The Expectations Index rose to 79.4 in December from 71.1 in November. The percentage of respondents who expected business conditions to improve over the next six months rose to 17.2% from 16.7%, while the percentage of those expecting business conditions to worsen decreased to 14.0% from 16.1%. The percentage of respondents who anticipated more jobs in the months ahead jumped to 17.1% from 13.1%, and those anticipating fewer jobs decreased to 19.0% from 21.4%. Those expecting their incomes to increase declined to 13.9% from 15.3%, while those expecting their incomes to decrease fell to 14.0% from 15.5%.

The Consumer Confidence Index is an indicator designed to measure the degree of optimism about the state of the economy that consumers are expressing through their savings and spending. A month-on-month decreasing trend in the Consumer Confidence Index suggests consumers have a negative outlook on their ability to secure and retain good jobs, whereas a rising trend in consumer confidence indicates improvements in consumer buying patterns. Opinions on current conditions make up 40% of the index (the Present Situation Index), while expectations of future conditions comprise the remaining 60% (the Expectations Index).

The Thomson Reuters/University of Michigan's Index of Consumer Sentiment rose to 82.5 in December from a reading of 75.1 in November. This was a five-month high for the index. The December reading was slightly below expectations, as the median forecast from economists surveyed by Bloomberg called for a reading of 83.0. The Expectations Index rose to 72.1 in December from 66.8 in November, while the Current Conditions Index rose sharply to 98.6 from 88.0.

Confidence rose significantly in households with incomes less than $75,000 in December, while higher income households maintained the same level of confidence they exhibited in the prior month. The end of the government shutdown eased consumers' concerns about the economy, but it did nothing to improve consumers' confidence in the government's economic policies. The majority of December's gain in confidence reflected consumers' more favorable attitudes toward buying, as well as improved short-term prospects for the economy. The survey found that consumers' attitudes toward buying homes, vehicles, and household durable goods all rose in December.

Consumers' personal financial situations improved slightly in December, due in large part to rising home values and stock prices. While all households experienced an increase in home values and stocks, the gains were most pronounced among households in the top third of incomes. While households in the top third of incomes expected the greatest nominal income gains over the year ahead, no income group anticipated rising inflation-adjusted incomes.

Consumers reported hearing more news of job gains, leading them to anticipate that the unemployment rate would decline over the next year. They cited a strengthening economy as a reason for the expected decline in unemployment, although they believed the economy was vulnerable to setbacks in the long term.

The Thomson Reuters/University of Michigan's Survey of Consumers is a rotating panel survey based on a nationally representative sample that gives each household in the contiguous U.S. an equal probability of being selected. Interviews are conducted by telephone throughout the month. The Index of Consumer Sentiment is composed of the Expectations Index and the Current Conditions Index and is intended to gauge how consumers feel the economic environment will change. The survey's Index of Consumer Expectations is an official component of the U.S. Leading Economic Index.

The National Federation of Independent Business (NFIB) reported that the Small Business Optimism Index increased 1.4 points to 93.9 in December. Overall, half of the index's 10 components rose, while two remained unchanged, and three declined. The main highlights noted in the report were the frequency of reported capital outlays over the past six months, which hit its highest level since early 2005, and the number of owners who increased employment, which reached its best reading since February 2006. Despite the December increase, the report noted that the index remains 6.0 points below the prerecession average.

The percentage of owners reporting higher nominal sales over the past three months compared to the prior three months was unchanged. However, the percentage of owners expecting higher real sales volumes rose 5.0 points. The report found that inventory reduction continued, though at a somewhat slower pace than in November. The net percentage of owners reporting higher worker compensation rose, reaching its best reading since 2007, though the percentage of owners planning to raise compensation in the coming months retreated slightly from November.

The Small Business Optimism Index is compiled from a survey of the NFIB's 350,000 members that it conducts each month. NFIB, founded in 1943, began conducting its survey quarterly in 1974, transitioning to a monthly survey in 1986. The index is a composite of 10 seasonally adjusted components based on questions about the following: plans to increase employment, plans to make capital outlays, plans to increase inventories, whether members expect the economy will improve, whether they expect real sales will be higher, current inventory, current job opening, expected credit conditions, whether now is a good time to expand, and earnings trend. Analysts watch the index because small businesses are responsible for the majority of new job creation and the NFIB focuses on this sector of the economy.

The Q4 2013 Wells Fargo/Gallup Small Business Index report noted that the index dropped 1.0 point to a reading of 24.0. While this is the index's second highest reading in the last five years, it is below prerecession levels. Business owners reported that their top concern was finding new business. Other concerns included the economy, healthcare, and the government. The survey found that almost one-quarter of small business owners expected a better business-operating environment in 2014, while half of the respondents expected the operating environment to be about the same as it is this year.

Since August 2003, the Wells Fargo/Gallup Small Business Index has surveyed small-business owners on current and future perceptions of their business's financial situation. The Small Business Index is published once a quarter. The Small Business Index consists of owners' ratings of their business's current situation and their expectations for the next 12 months, measured in terms of their overall financial situation, revenue, cash flow, capital spending, number of jobs, and ease of obtaining credit. Prior to the recession and financial crisis of 2008-2009, Small Business Index scores were generally in triple digits. The Small Business Index reached its peak of 114.0 in December 2006 and hit its low point of -28.0 in July 2010.

EXHIBIT 8: Consumer Confidence and Small Business Optimism

	MONTHLY DATA											
	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13
Consumer Sentiment Index*	73.8	77.6	78.6	76.4	84.5	84.1	85.1	82.1	77.5	73.2	75.1	82.5
Consumer Confidence Index**	58.4	68.0	61.9	69.0	74.3	82.1	81.0	81.8	80.2	72.4	70.4	78.1
Small Business Optimism***	88.9	90.8	89.5	92.1	94.4	93.5	94.1	94.1	93.9	91.6	92.5	93.9
	QUARTERLY DATA											
	1Q 2011	2Q 2011	3Q 2011	4Q 2011	1Q 2012	2Q 2012	3Q 2012	4Q 2012	1Q 2013	2Q 2013	3Q 2013	4Q 2013
Small Business Index*****	12.0	0.0	0.0	-3.0	15.0	23.0	17.0	-11.0	9.0	16.0	25.0	24.0

Source of data: The Conference Board, Thomson Reuters/University of Michigan, National Federation of Independent Business.

Notes:
* *Thomson Reuters/University of Michigan Index of Consumer Sentiment*
** *The Conference Board Consumer Confidence Index ®*
*** *National Federation of Independent Business Small Business Optimism Index*
**** *Wells Fargo/Gallup Small Business Index*

STOCK MARKETS AND VOLATILITY

The major stock indexes made sizable gains in the fourth quarter, with T. Rowe Price noting that many reached record highs. The S&P 500 experienced its best year since 1997, while the Dow Jones Industrial Average had its biggest annual gain since 1995. All 10 of the S&P 500's sectors had positive gains in the fourth quarter. T. Rowe Price reported that large-cap stocks outperformed small- and mid-cap stocks in the fourth quarter, though the latter generally had better gains for the year. For large-cap stocks, growth stocks moderately outpaced value stocks, while the inverse was true for smaller-cap stocks.

The Dow Jones Industrial Average (Dow) rose 9.6% in the fourth quarter and 26.5% for the year. Including dividends, the Dow's total return was 10.2% in the fourth quarter and 29.7% in 2013, according to T. Rowe Price. The Dow is an index of 30 of the largest and most widely held public companies in the U.S. and is considered the most-watched index in the world.

The NASDAQ Composite index (NASDAQ), consisting mainly of high-tech stocks, rose 10.7% in the fourth quarter and 38.3% in 2013. Including dividends, the NASDAQ's total return was still 10.7% for the fourth quarter and 38.3% for the year.

The S&P 500 rose 9.9% in the fourth quarter and 29.6% for the year. Including dividends, the S&P 500's total return was 10.5% in the fourth quarter and 32.4% in 2013. The S&P 500 consists of a representative sample of 500 leading companies of the U.S. economy and is one of the most commonly used benchmarks for the overall U.S. stock market.

The Wilshire 5000 index rose 9.6% in the fourth quarter and 31.4% for the year. The total return for the Wilshire 5000 was 33.1% in 2013. The Wilshire 5000 accounts for virtually every U.S.-based publicly traded company listed on the major exchanges with readily accessible price information.

The Russell 2000 index rose 8.4% this quarter and was 37.0% for 2013. The total return for the Russell 2000 was 8.7% in the fourth quarter and 38.8% in 2013. The Russell 2000 Index serves as a benchmark for small-cap stocks in the U.S. stock market.

The Chicago Board Options Exchange Volatility Index (VIX)—a popular volatility measure—began the fourth quarter at 16.60 and ended at 13.72. The highest closing VIX reading in the fourth quarter was 20.34, compared with last quarter's high of 17.01. The average VIX reading in the fourth quarter was 14.23, compared to 14.28 last quarter.

The VIX represents the implied volatility of 30-day options on the Standard & Poor's 500 stocks and has been termed by analysts and investors as the "fear gauge." Accordingly, the VIX represents the expected volatility of the market, as represented by the S&P 500. Stock market professionals use the VIX to gauge investor sentiment.

Investopedia says the following: "VIX values greater than 30 are generally associated with a large amount of volatility as a result of investor fear or uncertainty, while values below 20 generally correspond to less stressful, even complacent, times in the markets."

BOND MARKETS

T. Rowe Price reported that high-yield corporate bonds posted the highest returns among the fixed asset classes in the fourth quarter. Investment-grade bonds also saw gains in the fourth quarter, though not nearly as much as those of high-yield debt. The increase in Treasury yields impacted investment-grade bonds in the fourth quarter, though a narrowing of credit spreads more than offset those negative price effects. The gridlock in Washington, D.C., over the debt limit had little effect on the Treasury market, as only the yields on Treasury bills maturing in late October and early November temporarily moved significantly higher. T. Rowe Price also found that emerging market debt and municipal bonds both rebounded in the fourth quarter after a big sell off this summer, while non-U.S. developed market government bonds posted mixed results. The December news that the Federal Reserve would taper its purchases of agency mortgage backed securities created selling pressure and caused the class to decline.

The 30-day T-bill rate was 0.01% at the end of the fourth quarter, down slightly from 0.03% at the end of third. The five-year Treasury ended the fourth quarter with a yield of 1.75%, up from 1.39% at the end of the previous quarter.

The 10-year Treasury bond yield was 3.04% at the end of the fourth quarter, up from a yield of 2.64% at the end of the previous quarter. The 20-year Treasury bond yield was 3.72% at the end of the fourth quarter, up from 3.44% at the end of the previous quarter.

Moody's seasoned Aaa and Baa corporate bonds ended the fourth quarter with a yield of 4.57% and 5.37%, respectively, little changed from yields of 4.56% and 5.39% at the end of the previous quarter.

The prime lending rate was 3.25% at the beginning of the fourth quarter and remained there through the end of December. The discount window (primary credit) remained at 0.75% during the fourth quarter.

CONSTRUCTION

According to the U.S. Census Bureau, privately owned housing starts in December were at a seasonally adjusted annual rate of 999,000, down 9.8% from the previous month but up 11.9% from one year ago. The construction of single-family homes fell 7.0% in December but was up 7.6% from one year ago. The construction of multifamily homes dropped 17.9% in December and was down 9.6% from one year ago. The multifamily home sector, which consists of buildings with five units or more, tends to be more volatile than the single-family home sector.

Building permit authorizations for privately owned housing units, considered a good leading indicator of demand for new homes, were at a seasonally adjusted rate of 986,000 in December. This was down 3.0% from November's rate but was up 4.6% from one year ago. Building permits for single-family housing units fell 4.8% in December but were up 4.5% from one year ago. Building permits for multifamily housing units declined 0.6% in December but were up 6.4% from one year ago.

The U.S. Census Bureau reported that overall spending on construction was at a seasonally adjusted annual rate of $930.5 billion in December. This figure was 0.1% above the November rate of $929.9 billion and 5.3% above the $883.6 billion rate from one year ago. Overall construction spending amounted to $898.4 billion in 2013, 4.8% above the $857.0 billion spent in 2012.

Spending on all private construction was at a seasonally adjusted annual rate of $663.9 billion in December, 1.0% above the November rate of $657.1 billion and 8.0% above the rate from one year ago. Private residential construction spending was at a seasonally adjusted annual rate of $352.6 billion in December, up 2.6% from the rate of $343.8 billion in November and 18.3% above the rate from one year ago. Private nonresidential construction was at a seasonally adjusted annual rate of $311.3 billion in December, 0.7% below the November rate of $313.4 billion and 1.7% below the rate from a year ago.

The total value of private construction was $627.2 billion in 2013, up 8.5% from the amount spent in 2012. Spending on residential construction was $330.7 billion in 2013, up 18.0% from the amount spent in 2012. Spending on nonresidential private construction was $296.5 billion in 2013, down 1.5% from 2012.

The seasonally adjusted annual rate of total public construction spending was $266.6 billion in December, down 2.3% from the November rate of $272.8 billion and down 0.7% from a year ago. Educational construction was at a seasonally adjusted annual rate of $58.2 billion in December, 7.2% below the November rate of $62.7 billion and down 10.8% from a year ago. Highway and street construction was at a seasonally adjusted annual rate of $84.0 billion in December, 1.8% above the November rate of $82.5 billion and 11.3% above from the rate one year ago.

The total value of public construction was $271.2 billion in 2013, down 2.8% from the amount spent in 2012. Spending on educational construction was $62.4 billion in 2013, 8.4% below the amount spent in the previous year. Spending on highway and street construction was $81.1 billion in 2013, 1.0% above the amount spent in 2012.

MANUFACTURING

The Federal Reserve reported that total industrial production rose 0.3% in December, following a 1.0% rise in November and a 0.3% increase in October. Industrial production is an output measure of the industrial sector of the economy. The industrial sector includes manufacturing, mining, and utilities, with manufacturing accounting for approximately 75% of total industrial production. The December reading was on par with economists' forecasts, as the median forecast of economists surveyed by Reuters expected an increase of 0.3%. For the fourth quarter as a whole, industrial production rose at an annual rate of 6.8%, the largest quarterly increase since the second quarter of 2010. Industrial production was up 3.7% from one year ago.

Manufacturing output rose by 0.4% in December, its fifth consecutive monthly increase. Manufacturing output rose at an annual rate of 6.2% in the fourth quarter and was up 2.6% from its level a year earlier. The manufacturing output of durable goods rose 0.1% in December. The largest gains (~1.5%) came from primary metals; electrical equipment, appliances, and components; and motor vehicles and parts. The largest declines (~2.0%) came from wood products and machinery. For the fourth quarter, the output of durable goods grew at an annual rate of 8.8%, as the indexes for all of its major components increased. The output of nondurable goods increased 0.9% in December. All of the major categories in nondurable goods, except textile and product mills, increased in December. For the fourth quarter, the index for nondurable goods manufacturing rose at an annual rate of 4.1%, with gains widespread among its major categories.

The output of utilities fell 1.4% in December, after rising 3.0% in November and 1.0% in October. Both the output of electric utilities and natural gas declined in December. For the fourth quarter, the output of utilities rose at an annual rate of 18.6% after having declined at a rate of 6.4% in the third quarter. The output of utilities was up 7.6% from one year ago. Mining rose 0.8% in December following growth of 1.9% in November and a decline of 1.5% in October. Mining output grew at an annual rate of 2.8% in the fourth quarter and was up 6.6% from one year ago.

Industrial capacity utilization rose 0.1 percentage point to 79.2% in December. Capacity utilization is the percentage of production capacity manufacturers actually use. The December capacity utilization rate is 1.8 percentage points above its level from a year earlier but 1.0 percentage point below its long-run average between 1972 and 2012.

The U.S. Census Bureau announced that new orders for manufactured durable goods decreased $10.3 billion (4.3%) in December, to $229.3 billion. December's decrease in new orders followed an increase of 2.6% in November and a decline of 0.7% in October. Excluding defense, new orders fell 3.7% in December after rising 2.7% in November. Excluding the volatile transportation orders, new orders decreased 1.6% in December after rising 0.1% in November. Orders for transportation equipment fell 9.5% in December after increasing 7.9% in November and falling 3.5% in October. New orders for nondefense capital goods excluding volatile aircraft orders—an indicator of business spending strength—fell 1.3% in December after rising 2.6% in November and declining 0.6% in October.

The Institute for Supply Management (ISM) reported that its Manufacturing Index (PMI) declined to 57.0% in December from 57.3% in November, which was the highest reading since April 2011. PMI is an indicator of the economic health of the manufacturing sector and is based on data compiled from purchasing and supply executives nationwide. Of the 18 manufacturing sectors surveyed in December, 13 reported growth. The ISM noted that comments from the panel generally found December to be a solid month, with the second half of 2013 being characterized by continuous growth and momentum in the manufacturing sector.

The December PMI reading was above forecasts, as the median forecast from a Bloomberg survey of economists was 56.8%. The cornponent for new orders rose 0.6 percentage point to 64.2% in December, marking its seventh consecutive monthly reading indicating growth in new orders. The component for production dropped 0.6 percentage point to 62.2% but remained at a level signaling production growth for the seventh consecutive month. The employment component rose 0.4 percentage point to 56.9%, the highest reading since June 2011 and indicating an expansion in manufacturing hiring for the sixth consecutive month. The component for order backlog declined by 2.5 percentage points to 51.5% but remained at a level indicating expanding backlogs for the third consecutive month.

The December PMI reading of 57.0% was above the 12-month average of 53.9% but was below the 12-month high of 57.3%.

A reading above 50% indicates that the manufacturing economy is generally expanding; a reading below 50% indicates that it is generally contracting. A PMI in excess of 42.5%, over a period of time, generally indicates an expansion of the overall economy. Therefore, the December PMI indicates an expansion in the manufacturing sector for the seventh consecutive month and growth in the overall economy for the 55th consecutive month.

REAL ESTATE

National Association of Home Builders

The National Association of Home Builders (NAHB)/Wells Fargo Housing Market Index (HMI) rose 4.0 points in December to a reading of 58.0. An HMI reading above 50.0 indicates more builders view sales conditions as good, rather than poor. The reading has been above 50.0 for the last seven months. The report stated that an increasing number of builders have a positive view on where the industry is going. The component that gauges current sales rose 6.0 points in December to 64.0. The component that measures sales expectations in the next six months rose 2.0 points to 62.0, while the component that gauges prospective buyer traffic increased 2.0 points to 44.0. The three-month moving average was mixed across the four regions. The South rose 1.0 point higher to 57.0, while the Northeast, Midwest, and West each fell a single point to 38.0, 59.0, and 59.0, respectively.

National Association of Realtors

The National Association of Realtors (NAR) reported that existing-home sales rose 1.0% in December to an adjusted annual rate of 4.87 million. Home sales are down 0.6% from the rate one year ago, but sales for all of 2013 were the highest since 2006. Existing-home sales are completed transactions that include single-family houses, townhomes, condominiums, and co-ops. December's rate was below expectations, as economists polled by Reuters had expected existing-home sales to be at a 4.94 million-unit rate. NAR found that existing-home sales have risen nearly 20% since 2011 and cited job growth, low mortgage interest rates, and high demand as the main propellants. Home sales in the Northeast declined 1.5% in December but were up 3.2% from one year ago. Sales in the Midwest fell 4.3% in December and were 0.9% below a year ago. Sales in the South rose 3.0% and were up 4.6% from a year ago. Sales in the West rose 4.8% but were down 10.7% from one year ago.

The national median existing-home price for all housing types was $197,100 in December, up 11.5% from a year ago. In December, home prices in the Northeast were up 3.6% from one year ago, while prices in the Midwest climbed 7.0%. Home prices in the South and West rose 3.0% and 16.0%, respectively, over the last 12 months.

The median time on the market for all homes sold in December was 72 days, up from 56 days in November but down from 73 days in December 2012. NAR reported that adverse weather delayed December closings in many areas. The median time on the market for short sales was 122 days in December, while foreclosures typically sold in 67 days, and nondistressed homes took 70 days. In December, 28% of all homes sold were on the market for less than a month.

Distressed homes comprised 14% of home sales in December, unchanged from November but below 24% from one year ago. Distressed homes include foreclosures and short sales, which are generally sold at deep discounts. In December, 10% of home sales were foreclosures and 4% were short sales. December foreclosures sold for an average discount of 18% below market value, while short sales sold at an average discount of 14%.

Total housing inventory declined 9.3% in December to 1.89 million existing homes available for sale. This represents a 4.6-month supply at the current sales pace, down from a 5.1-month supply in November but up from a 4.5-month supply in December 2012.

NAR reported that, according to Freddie Mac, the national average commitment rate for a 30-year, conventional, fixed-rate mortgage rose to 4.46% in December from 4.26% in November. The rate one year ago was 3.35%.

NAR's Realtors Confidence Index (RCI) for current conditions was mixed for the various property types in December. The RCI for single-family homes was unchanged in December at 59.0, while the RCI for townhomes rose 1.0 point to 43.0, and the figure for condos dropped a point to 37.0 (strong = 100; moderate = 50; weak = 0). The RCI is a key indicator of housing market strength based on a monthly survey of over 50,000 real estate practitioners. Practitioners are asked about home sales, prices, and market conditions.

Pending home sales fell in December to their lowest level since October 2011. NAR attributed the decline to unusually cold weather driving potential buyers indoors, but also found that rising prices and low inventory were also factors. NAR's Pending Home Sales Index (PHSI), a forward-looking indicator based on contract signings, fell 8.7 points in December to a reading of 92.4. PHSI is down 8.8 points from a year ago when it was 101.3. The December PHSI reading was the lowest since October 2011 when it was at 92.2.

The PHSI is an indicator for the housing sector, based on pending sales of existing homes. A sale is listed as pending when the contract has been signed but the transaction has not closed, though the sale usually is finalized within one or two months of signing. There is a closer relationship between annual index changes (from the same month a year earlier) and year-ago changes in sales performance than with month-to-month comparisons. An index of 100 is equal to the average level of contract activity during 2001, which was the first year to be examined, as well as the first of five consecutive record years for existing-home sales.

The PHSI in the Northeast fell 10.3 points in December and is down 5.5 points from a year ago. The Midwest index dropped 6.8 points in December and is 6.9 points below its level from a year ago. The South index fell 8.8 points in December and remains 6.9 points lower than its level from a year ago. The West index, which is mostly constrained by inventory, declined 9.8 points in December and is down 16.0 points from one year ago.

EXHIBIT 14: National Association of Realtors Market Forecast

National Association of Realtors® Forecast				
	Q1 2014	Q2 2014	2014	2015
Housing measures (thousands)				
Housing starts	1,063	1,132	1,169	1,454
Single-family	710	764	791	1,030
Multifamily	353	368	378	424
Home sales				
Total existing homes	4,938	5,077	5,110	5,306
New homes	490	527	550	720
Home prices				
Existing homes (median)	$187.7	$214.2	$207.8	$216.3
New homes (median)	$260.8	$272.9	$270.6	$280.0
Mortgage Rates				
30-year fixed rate	4.6%	5.0%	5.0%	5.6%
1-year adjustable	2.7%	2.8%	2.9%	3.7%

Source of data: National Association of Realtors®.

Notes:
Figures are in thousands, except for rates.
Quarterly housing starts and home sales are seasonally adjusted at annual rate.
Total existing home sales include single-family homes, condos, and co-ops.

Homeownership Rates, Homeowner Vacancy Rates, and Rental Vacancy Rates

The U.S. Census Bureau found that the homeownership rate was 65.2% in the fourth quarter, down slightly from a rate of 65.3% in the third-quarter rate and below the 65.4% rate from one year ago. The national vacancy rate for rental housing was 8.2% in the fourth quarter, down somewhat from 8.3% in the third. Rental vacancy is down from this time one year ago, when the rate was 8.7%. The national vacancy rate for homeowners was 2.1% in the fourth quarter, up from 1.9% in the third quarter and from 1.9% one year ago.

Mortgage Bankers Association

The Mortgage Bankers Association (MBA) reported that, while macroeconomic data indicate that the economy is strengthening, recent housing market data are not nearly as strong. The MBA pointed out that purchase mortgage application volume was down 20% from last year's pace and refinance applications were down 70% from the prior year. In December, the four-week moving average for the MBA's refinance index was the lowest since September 2008. The MBA also cited recent weak existing home sales as a negative housing market indicator. Based on rising prices and low inventory, they do not expect a sharp upswing in sales in the near future. The MBA's four-week moving average of its seasonally adjusted purchase index was at its lowest level since March 2012.

EXHIBIT 15: Mortgage Bankers Association® Market Forecast

Mortgage Bankers Association® Forecast				
	Q1 2014	Q2 2014	2014	2015
Housing measures (thousands)				
Housing starts	985	1,030	1,043	1,145
Single-family	655	690	704	829
Multifamily	330	340	339	316
Home sales				
Total existing homes	5,300	5,383	5,372	5,548
New homes	481	488	490	510
Home prices				
Existing homes (median)	$189.5	$202.4	$197.8	$203.4
New homes (median)	$261.0	$277.2	$271.6	$275.2
Interest Rates				
30-year fixed rate mortgage	4.7%	4.8%	4.9%	5.2%
10-year Treasury yield	3.0%	3.1%	3.2%	3.4%

Source of data: Mortgage Bankers Association®.

Notes:
Figures are in thousands, except for rates.
Quarterly housing starts and home sales are seasonally adjusted at annual rate.
Total existing home sales include single-family homes, condos, and co-ops.

National Association of Real Estate Investment Trusts

Investment returns for properties, as measured by the National Association of Real Estate Investment Trusts (NAREIT), were mixed in December after a mostly negative November. In November, each property type posted negative returns with the exception of commercial financing. October showed positive returns, with the exception of home financing.

EXHIBIT 16: REIT Returns Historical Data

MONTHLY DATA												
(%)	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13
All equity REITs*	3.66	1.24	3.01	6.33	-5.90	-2.19	0.83	-6.62	3.43	4.33	-4.87	0.58
Office**	3.56	2.85	1.23	5.19	-5.22	-0.75	1.61	-5.80	2.72	3.69	-4.99	2.14
Industrial**	8.95	-1.00	3.46	5.10	-4.19	-5.63	2.99	-8.16	7.13	6.59	-4.25	-2.07
Retail**	3.17	1.54	2.00	9.81	-6.74	-4.49	2.13	-8.52	2.11	6.09	-3.31	-0.40
Residential**	-0.26	-0.39	1.65	3.75	-2.51	2.37	-1.19	-8.81	3.05	1.99	-5.58	1.22
Commercial financing**	13.07	6.71	2.52	1.37	-4.46	-0.27	3.80	-5.47	3.70	3.66	3.05	9.16
Home financing**	9.18	0.52	6.24	0.67	-14.68	-4.86	-3.72	-2.83	3.69	-0.49	-5.84	0.81

YEARLY DATA											
(%)	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
All equity REITs*	37.13	31.58	12.16	35.06	-15.69	-37.73	27.99	27.95	8.28	19.70	2.86
Office**	34.01	23.28	13.11	45.22	-18.96	-41.07	35.55	18.41	-0.76	14.15	5.57
Industrial**	33.14	34.09	15.42	28.92	0.38	-67.47	12.17	18.89	-5.16	31.28	7.40
Retail**	46.77	40.23	11.80	29.01	-15.77	-48.36	27.17	33.41	12.20	26.74	1.86
Residential**	25.90	32.72	13.67	38.93	-25.21	-24.89	30.82	46.01	15.37	6.94	-5.36
Commercial financing**	84.67	7.45	-16.06	30.31	-48.79	-74.84	-40.99	41.99	-11.34	42.98	41.77
Home financing**	42.73	24.91	-25.95	14.75	-38.23	-20.02	28.19	21.02	-0.87	16.38	-12.69

Source of data: National Association of Real Estate Investment Trusts® (NAREIT).

Notes:
** FTSE NAREIT Composite REIT Index.*
*** Data derived from the constituents of the FTSE NAREIT Composite REIT Index.*

National Council of Real Estate Investment Fiduciaries

Property index returns, as measured by the National Council of Real Estate Investment Fiduciaries (NCREIF), were positive in the fourth quarter. Of the property-type indexes, industrial and retail had the best gains in the fourth quarter, just as they had in the previous quarter. Of the regional indexes, the South outperformed the others, just as it had in the third quarter.

The NCREIF Property Index (NPI) is a quarterly time series composite total rate of return measure of investment performance of a very large pool of individual commercial real estate properties acquired in the private market for investment purposes only. All properties in the NPI have been acquired, at least in part, on behalf of tax-exempt institutional investors—the great majority being pension funds. As such, all properties are held in a fiduciary environment.

EXHIBIT 17: Property Index Returns Historical Data

	QUARTERLY DATA											
(%)	1Q 11	2Q 11	3Q 11	4Q 11	1Q 12	2Q 12	3Q 12	4Q 12	1Q 13	2Q 13	3Q 13	4Q 13
National*	3.36	3.94	3.30	2.96	2.59	2.68	2.34	2.54	2.57	2.87	2.59	2.53
East region*	3.61	3.91	2.98	2.93	2.06	2.41	2.06	2.20	2.09	2.52	2.09	2.28
West region*	3.57	4.83	3.77	2.92	3.05	3.10	2.65	2.67	2.77	3.09	2.77	2.71
South region*	2.98	2.99	3.20	3.13	2.72	2.65	2.31	2.96	3.03	3.05	3.04	2.83
Midwest region*	2.68	3.19	2.96	2.88	2.52	2.30	2.27	2.31	2.47	2.97	2.72	2.09
Hotel*	3.68	3.52	2.03	2.08	1.50	2.13	2.14	2.24	1.15	1.95	2.11	2.27
Apartment*	3.34	4.21	3.60	3.48	2.79	2.77	2.43	2.81	2.57	2.50	2.48	2.48
Retail*	3.63	2.53	3.58	3.37	2.81	3.04	2.31	2.97	3.72	3.21	2.70	2.66
Industrial*	3.28	4.49	3.39	2.69	2.70	2.92	2.32	2.37	2.50	3.22	3.14	2.93
Office*	3.19	4.45	2.96	2.51	2.34	2.34	2.32	2.17	1.92	2.84	2.42	2.34

Source of data: National Council of Real Estate Investment Fiduciaries (NCREIF).

Notes:
** NCREIF Property Index.*

The NCREIF Property Index is a quarterly time series composite total rate of return measure of investment performance of a very large pool of individual commercial real estate properties acquired in the private market for investment purposes only. All properties in the NPI have been acquired, at least in part, on behalf of tax-exempt institutional investors—the great majority being pension funds. As such, all properties are held in a fiduciary environment.

ECONOMIC OUTLOOK

Consensus Economics Inc., publisher of Consensus Forecasts—USA, reports that the consensus of U.S. forecasters is that real GDP will increase at a seasonally adjusted annual rate of 2.5% in the first quarter of 2014 and 2.8% in the second quarter. Every month, Consensus Economics surveys a panel of 30 prominent U.S. economic and financial forecasters for their predictions on a range of variables, including future growth, inflation, current account and budget balances, and interest rates. The forecasters expect GDP to grow 2.6% in 2014, 3.1% in 2015, and 3.0% in 2016.

They forecast personal consumption will increase at a rate of 2.6% in the first quarter of 2014 and 2.7% in the second quarter. They expect personal consumption to increase 2.5% in 2014 and 2.8% in 2015.

These forecasters believe unemployment will average 7.0% in the first quarter of 2014 and 6.9% in the second quarter. They believe unemployment will average 6.9% in 2014.

The forecasters believe the three-month Treasury bill rate will be 0.1% at the end of the first quarter of 2014 and will remain at 0.1% through the end of the fourth quarter of 2014. They forecast the three-month Treasury bill rate will rise to 0.2% in the first quarter of 2015. They forecast the 10-year Treasury bond yield will be 2.9% at the end of the first quarter of 2014 and 3.1% at the end of the second quarter. They believe the 10-year Treasury bond yield will rise to 3.4% at the end of 2014.

They also believe consumer prices will rise at a rate of 1.7% in the first quarter of 2014 and 1.8% in the second quarter. They expect consumer prices to increase 1.7% in 2014 and 2.1% in 2015. They expect producer prices to increase at a rate of 1.0% in the first quarter of 2014 and 1.3% in the second quarter. The forecasters anticipate producer prices will rise 1.3% in 2014 and 2015.

The forecasters in the survey believe real disposable personal income will rise at a rate of 2.7% in the first quarter of 2014 and 2.5% in the second quarter. They believe real disposable personal income will increase 2.7% in 2014 and 3.2% in 2015.

The forecasters expect industrial production to increase at a rate of 3.0% in the first quarter of 2014 and 3.2% in the second quarter. They forecast industrial production will increase 3.0% in 2014 and 3.7% in 2015.

Nominal pretax corporate profits will increase 4.6% in 2014 and 5.6% in 2015, according to the forecasters. The forecasters project housing starts will be 1,120,000 in 2014.

The 33 participants in *The Livingston Survey* (the *Survey*) released their latest predictions in December. The *Survey*, conducted by the Federal Reserve Bank of Philadelphia, is the oldest continuous survey of economists' expectations. It summarizes the forecasts of economists from industry, government, banking, and academia. The participants project real GDP to grow at an annual rate of 2.5% in the first half of 2014 (down from their previous estimate of 2.8%). They then expect GDP will increase at an annual rate of 2.8% in the second half of 2014. They believe GDP will grow 2.6% annually over the next 10 years, the same estimate as in the previous survey.

The *Survey* noted that forecasts for the unemployment rate were revised downward from the previous forecast. They expect the unemployment rate to be 7.0% by June 2014, down from their previous estimate of 7.2%. They expect the unemployment rate to decline to 6.7% in December 2014.

The forecasters in the *Survey* have downwardly modified their predictions for consumer price inflation (CPI). They expect CPI to be 1.8% in 2014, down from 2.0% in the previous survey. They predict CPI will be 2.1% in 2015. The *Survey* expects CPI to average 2.3% over the next 10 years. The *Survey* expects producer price inflation (PPI) to be 1.5% in 2014, before increasing to 1.6% in 2015.

The *Survey* predicts the interest rate on three-month Treasury bills will be 0.09% at the end of June 2014. They predict that the rate will increase to 0.15% in December 2014 before rising to 0.75% in December 2015. They predict the interest rate on 10-year Treasury bonds will reach 3.01% at the end of June 2014. According to the *Survey*, the rate will then rise to 3.25% in December 2014 and to 3.88% in December 2015.

The forecasters from the *Survey* have somewhat increased their previous projections for future S&P 500 values. They expect the S&P 500 will be at 1,841.1 at the end of June 2014, before climbing to 1,875.0 by the end of December 2014. They believe the S&P 500 will end 2015 at 1,948.5.

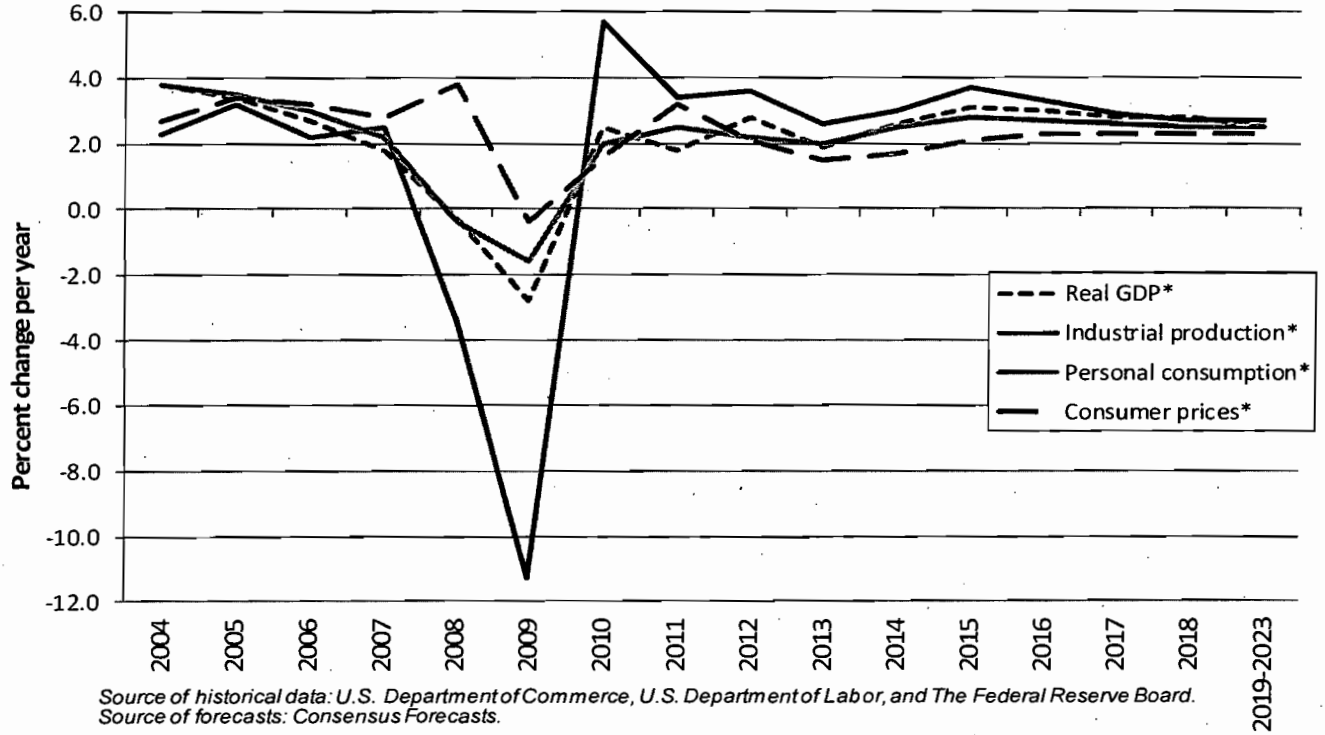
The Energy Information Administration predicts that the West Texas Intermediate crude oil spot price will average approximately $93.33 per barrel in 2014 and $89.58 per barrel in 2015, compared with $97.91 in 2013. The EIA expects retail prices for regular-grade gas to average $3.46 per gallon in 2014 and $3.39 per gallon in 2015, compared with $3.51 per gallon in 2013.

The Energy Information Administration believes the Henry Hub natural gas spot price will average $3.89 per million Btu (MMBtu) in 2014 and $4.11 per MMBtu in 2015, compared with $3.73 per MMBtu in 2013. The cost of coal delivered to electric generating plants, which averaged $2.35 per MMBtu in 2013, is expected to average $2.38 per MMBtu in 2014 and $2.39 per MMBtu in 2015. Residential electric prices, which averaged 12.12 cents per kilowatt-hour (kWh) in 2013, are expected to average 12.35 cents per kWh in 2014 and 12.61 cents per kWh in 2015. The airline ticket price index, which averaged 313.4 in 2013, is expected to average 319.5 in 2014 and 323.7 in 2015.

The National Association of Realtors' Realtors Confidence Index for future conditions rose for all three property types. The RCI for the outlook of single-family homes rose 2.0 points to 66.0 in December, while the figure for townhomes rose 2.0 points to 48.0, and the figure for condos increased 1.0 point to 44.0 (strong = 100; moderate = 50; weak = 0). The RCI is a key indicator of housing market strength based on a monthly survey of over 50,000 real estate practitioners. Practitioners are asked about their expectations for home sales, prices, and market conditions.

NAR believes existing-home sales will be 5.110 million (+0.0%) in 2014, before rising to 5.306 million (3.8%) in 2015. NAR believes the median existing-home price will increase to $207,800 (+5.3%) in 2014, before increasing to $216,300 (+4.1%) in 2015. It believes new single-family home sales will increase to 550,000 (+29.2%) in 2014, before increasing to 720,000 (+31.0%) in 2015. NAR believes the median new-home price will increase to $270,600 (+4.0%) in 2014, before increasing to $280,000 (+3.5%) in 2015. It expects housing starts to increase to 1,169,000 (+25.8%) in 2014, then to 1,454,000 (+24.4%) in 2015. NAR believes the 30-year fixed mortgage rate will average 5.0% in 2014 before rising to 5.6% in 2015.

EXHIBIT 3: Key Economic Variables Actual 2004-2013 and Forecast 2014-2023



Source of historical data: U.S. Department of Commerce, U.S. Department of Labor, and The Federal Reserve Board.
Source of forecasts: Consensus Forecasts.

Appendix D: Industry Overview[5]

Outpatient Surgical Centers

1.27.2014

NAICS CODES: 621493

SIC CODES: 8011

Industry Overview

Companies in this industry provide surgical and emergency care services for ambulatory patients in standalone facilities that are outfitted with operating and recovery rooms; they do not offer overnight or long-term hospital care. Major US companies include AmSurg, Symbion, and United Surgical Partners International, as well as the outpatient surgical operations of major hospital chains such as Tenet Health Care and Trinity Health.

Demand for outpatient centers, also known as ambulatory surgery centers (ASCs), is growing in Europe, India, and other parts of the world. Since many countries have national health care systems, outpatient surgery is increasingly being offered by the country's hospital system. However, in India and other developing markets some private companies operate health care facilities that accept private insurance or a fee for services. With demand for outpatient surgery rising and competition increasing among US outpatient surgery centers, companies could consider the overseas market for expansion opportunities.

The US outpatient surgical center industry includes about 5,300 centers with a combined annual revenue of about $22 billion. Growth is driven largely by patients seeking lower-cost alternatives to hospital care.

Competitive Landscape

Demand is linked to the number of people receiving medical care. The profitability of individual centers depends on efficient operations and good marketing. Companies that operate multiple locations may enjoy some economies of scale in purchasing and marketing. Smaller companies can compete by providing superior service. The US industry is fragmented: the 50 largest companies generate about 30 percent of revenue.

Products, Operations & Technology

Outpatient surgical centers, otherwise known as ambulatory surgical centers (ASCs), are used by doctors to perform a variety of surgical procedures that don't require patients to stay overnight in a hospital. Typical procedures and specialties include ophthalmology (30 percent of all surgeries each year); orthopedics (15 percent); gastroenterology (14 percent); pain management, including spinal injections (10 percent); and plastic surgery (8 percent), according to the Centers for Medicare and Medicaid Services.

[5] Source: *First Research - Copyright 2014, Hoover's, Inc., All Rights Reserved.* This data cannot be copied, sold, or distributed in any manner without the written permission of First Research Inc.

Approximately 65 percent of ASCs perform procedures in a single specialty and 35 percent perform procedures in more than one specialty.
Outpatient surgical centers are a lower cost and more convenient alternative to hospitals. Hospitals generally have a higher cost structure, are often located downtown rather than in the suburbs, have limited availability of operating rooms, and can't always guarantee schedules because of possible preemption by emergency surgery. Most centers have from two to six operating rooms, and areas for reception, preparation, recovery, and administration. Centers typically lease space. The cost of developing a typical surgery center is about $3 million.

The staff includes nurses, technicians, and administrative personnel. Aside from anesthesiologists, doctors usually aren't part of the working staff. Surgeons and anesthesiologists typically arrange to meet patients at the center, perform the procedures, and leave. The daily operations of a center involve mainly personnel management, scheduling, and billing.

Information technology is essential to the efficient operation of an ASC. The American Recovery and Reinvestment Act of 2009 provided $19 billion to develop electronic health records for doctors and hospitals. Other IT needs may include bar code scanning of medical devices and supplies and medical transcription services.

Sales & Marketing
ASCs market their services to doctors who refer patients and to third-party payers, such as insurers and employers, usually through individual sales calls. Marketers solicit business from individual surgeons or physician groups that perform a large volume of procedures, and centers gear their equipment and personnel to support the procedures these groups perform.

Surgical centers bill a "facility fee" for their services according to the type of procedure performed. (Doctors bill separately for their own fees.) Typically, deductibles and co-payments are billed to patients, but the bulk of charges are billed directly to third-party insurers, including Medicare and Medicaid. A large operator may receive around 30 percent of revenue from Medicare, and the rest from private insurers and managed care plans, workers' compensation insurance, Medicaid, and other sources. Insurers have a set schedule of fees they pay for various procedures, which can sometimes be negotiated when a contract is signed between a payer and surgical center. Medicare fee schedules are set by the federal government.

A selling point of ASCs is that they charge less per procedure than hospitals do, but Medicare also reimburses these facilities at a lower rate. Medicare typically pays ASCs about 60 percent of the amount paid to hospital outpatient departments for performing the same services, according to the Ambulatory Surgery Center Association (ASCA). For example, Medicare might pay a hospital more than $1,600 for performing an outpatient cataract surgery but pay an ASC about $960 for performning the same surgery.

Finance & Regulation

Gross margins are typically about 70 percent of net sales. Capital requirements for equipment and leasehold improvements can be high, because the facilities must remain state-of-the-art to generate referrals. Centers are owned by physicians (65 percent of all ASCs); partnerships between physicians and hospitals (17 percent); and partnerships between physicians and corporations (8 percent), according to the Ambulatory Surgery Center Association (ASCA). The remainder are owned solely by corporations (6 percent), hospital-corporation-physician partnerships (6 percent), and hospitals (2 percent).

ASCs are highly regulated by state and federal governments. Most states require centers to meet various licensing requirements, including periodic inspections. Some states require that new centers first acquire a Certificate of Need, to avoid duplication of health care facilities. To be eligible for Medicare reimbursements, centers must meet the "Conditions of Coverage," which are standards for facilities, equipment, personnel, and medical care. Centers are subject to a number of detailed federal laws, including the False Claims Act, the Fraud and Abuse Law, and HIPAA. Although federal law generally prohibits doctors from referring patients to facilities in which they have ownership, ASCs have so far been an exception.

International Insights

Demand for outpatient or ambulatory surgery centers (ASCs) is growing in Europe, India, and other parts of the world. Since many countries have national health care systems, outpatient surgery is usually offered by the country's hospital system. However, in India and the UK some companies operate health care facilities that accept private insurance and self-pay patients. With competition among outpatient surgery centers in the US running high (many companies expand by acquiring existing ASCs or ASC operators), companies could consider the overseas market for expansion opportunities.

Many countries look to the success of outpatient surgery in the US as proof of concept. More than 60 percent of all surgeries in the US are done on an outpatient basis, compared to 50 percent in Spain and less than 40 percent in France. Around 20 percent of hernia repairs were done as outpatient surgery in Hong Kong compared to 40 percent in England, about 70 percent in Canada and Sweden, and 90 percent in the US, according to the European Observatory on Health Systems and Policies. Due to the potential cost savings of offering outpatients surgeries, many countries with national health care have set goals to increase the number of surgeries performed as day surgeries. The Day Surgery Data Project, co-funded by the European Commission, is gathering day surgery statistics to help establish effective systems of care in the European Union.

Challenges facing companies interested in developing outpatient surgery centers internationally in countries without national health care systems could include the possible reluctance by personnel to adopt new practices as well as the lack proper facilities for outpatient procedures. More efficient processes and proper facilities that streamline patient intake through surgery and recovery are essential in outpatient surgery centers, according to *European Hospital* magazine. Economic barriers could include physicians who prefer inpatient surgery because it pays more than outpatient procedures as well as hospitals that fear revenue losses if private companies also offer day surgeries.

Regional Highlights

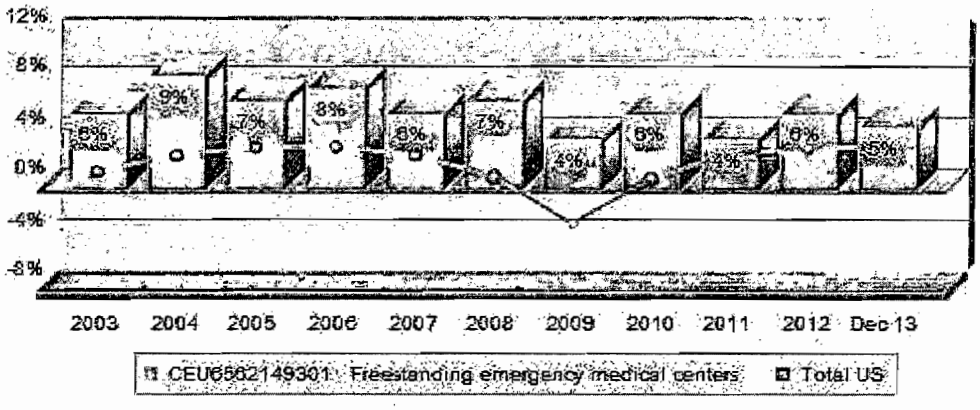
In the US ASCs tend to proliferate in states with favorable demographics and favorable regulatory climates. More than 40 states have regulations pertaining to ASCs. California, Florida, and Texas are among the states with the most ASCs.

Human Resources

Employees of outpatient surgical centers are mainly nurses, clerks, and technical support personnel, similar to the employees of a doctor's office. Because of the technical skills required, average hourly industry pay is significantly higher than the national average wage. Locally, skilled nurses may be in short supply. Injury rates for outpatient care centers are slightly higher than the national average.

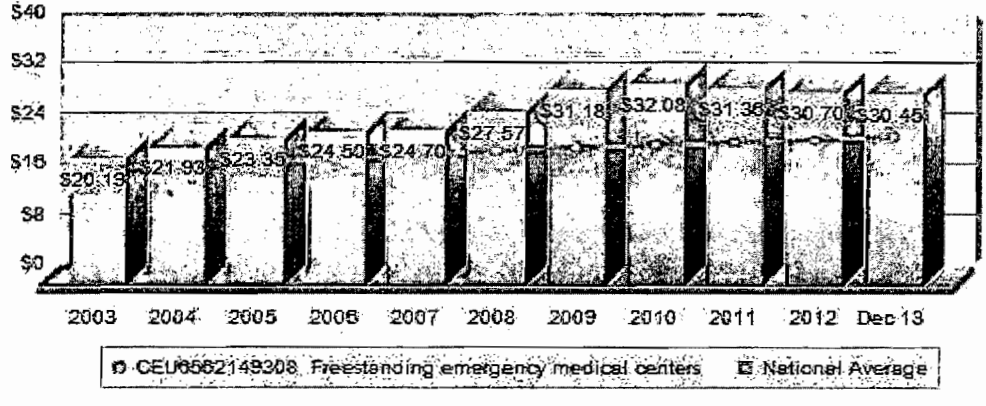
Industry Employment Growth

Bureau of Labor Statistics

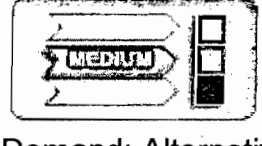


Average Hourly Earnings & Annual Wage Increase

Bureau of Labor Statistics



Industry Growth Rating



Demand: Alternative to expensive hospitals
Need efficient operations and good marketing
Risk: Insurers limit payments

Quarterly Industry Update

1.27.2014
Trend: Consolidation Expected to Continue in ASC Sector - Health care reform is driving consolidation in the ambulatory surgery center (ASC) sector. Independent ASCs and small ASC chains are looking to partner with management companies, hospitals, and nonprofit health systems as new health care laws take effect, according to *Becker's ASC Review*. Health care reform measures are driving new demand for surgical services, but the increase in business also increases competition for physicians. Mergers can be advantageous in such a competitive environment, helping ASC physician-owners reduce their risk and the burden of navigating new reimbursement rules, and providing hospitals and health systems with a low-cost growth opportunity. Partnerships between independent ASCs are expected to remain limited.

Industry Impact - Independent outpatient surgical centers will likely feel more pressure to merge with hospitals and health systems in 2014.

10.21.2013
Challenge: Use of Propofol in Executions Could Cause Drug Shortage - Missouri and other states that plan to use the anesthetic propofol in prisoner executions could create a shortage for hospitals and outpatient surgery centers, according to *The Denver Post*. About 85 percent of the drug is manufactured in Europe, which prohibits exports of goods for use in capital punishment. As a result, the supply of the drug may be curtailed, causing shortages for medical services providers. Missouri would be the first state to use propofol in an execution. The Missouri Ambulatory Surgery Center Association has spoken out against the state's decision to use the drug, which is valued for surgery because it is considered safe and well-tolerated by patients.

Industry Impact - A shortage of propofol could cause outpatient surgery centers to resort to other anesthetics, which often have stronger side effects, potentially causing problems with patient recovery as well as patient satisfaction.

7.29.2013
Opportunity: New Rules and Regulations May Fuel ASC Growth - Both the Centers for Medicare and Medicaid Services (CMS) and the US Congress are proposing updates to Medicare payment policies for ASC services, which may result in an increase in ASC revenues for 2014. As part of the CMS proposal, Medicare payments to ASCs could grow by 3.5 percent in 2014 compared to 2013. Meanwhile, the Ambulatory Surgical Center Quality and Access Act of 2013 is designed to ensure that outpatient surgery centers receive the same annual Medicare reimbursement boost that hospitals get, according to the Ambulatory Surgery Center Association. The bill was recently introduced in the US House of Representatives and is similar to a companion bill recently presented in the Senate.

Industry Impact - Recently proposed federal rules and regulations designed to increase Medicare funding for ASCs could provide opportunity for companies to expand or update their facilities.

5.6.2013

Opportunity: North Carolina May Relax CON Laws - Proposed legislation in North Carolina would loosen the state's restrictive certificate of need (CON) laws and could encourage expansion of the state's outpatient surgical industry, according to the *News & Observer*. The House bill would end limits on the number of single-specialty operating rooms run by outpatient surgical centers. However, new operating facilities would be prohibited in nearly two dozen counties whose hospitals are considered financially vulnerable. Other provisions include a requirement that new ASCs prove they would perform at least 800 procedures per room annually and they plan to serve indigent patients. Critics contend the bill would hurt hospitals and duplicate medical resources, which the existing CON laws are designed to prevent.

Proponents say encouraging growth of outpatient surgical centers would help reduce health care costs since Medicare, Medicaid, and private insurance all reimburse outpatient care at lower rates than inpatient procedures.
Industry Impact - Loosening restrictive certificate of need laws could provide opportunity for companies interested in expanding or opening new outpatient facilities in North Carolina.

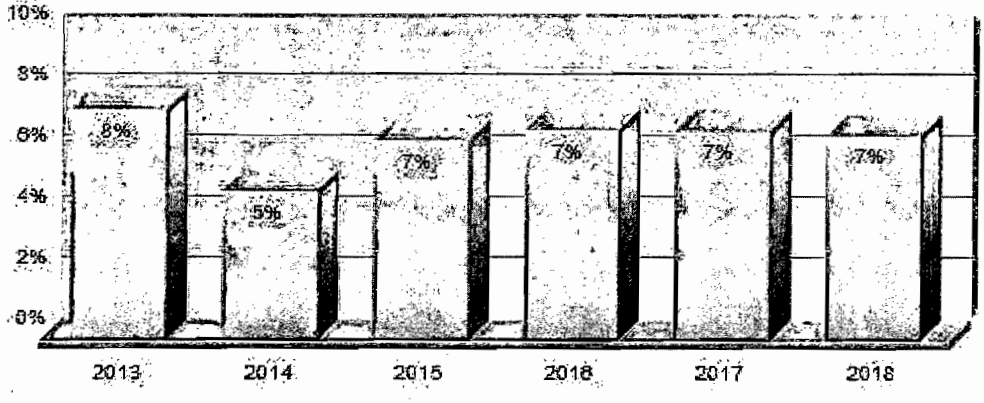
Industry Indicators

US consumer prices for medical care commodities, which may impact outpatient surgical centers' operational costs for equipment and supplies, increased 0.8 percent in January 2014 compared to the same period in 2013.

US consumer prices for medical care services, an indicator of profitability for outpatient surgical centers, rose 2.5 percent in January 2014 compared to the same month in 2013.

Total US revenue for outpatient care centers, which includes outpatient surgical centers, rose 3.6 percent in the third quarter of 2013 compared to the previous year.

Industry Forecast
US personal consumption expenditures on ambulatory surgical and emergency centers, which include outpatient surgical centers, are forecast to grow at an annual compounded rate of 7 percent between 2014 and 2018. Data Published: February 2014



First Research forecasts are based on INFORUM forecasts that are licensed from the Interindustry Economic Research Fund, Inc. (IERF) in College Park, MD. INFORUM's "interindustry-macro" approach to modeling the economy captures the links between industries and the aggregate economy. Forecast FAQs

Industry Drivers
Changes in the economic environment that may positively or negatively affect industry growth.

Data provided by First Research analysts and reviewed annually

Energy Prices Change in crude oil and related energy prices

Technology Innovation Advances in science and technology, including information technology

Commodity Prices Changes in prices for commodities, such as crops, metals, and other raw materials

Critical Issues

Recruiting and Retaining Doctors - Managing relationships with doctors and hospitals is crucial to an ASC's success. Many new ambulatory surgical centers fail unless they can recruit enough doctors and other providers to commit to the facility. Some markets in which ASCs operate have shortages of physicians in targeted specialties. Some ASCs face competition from hospitals that actively recruit physicians. Hospitals may restrict those physicians' ability to refer patients to physicians and facilities not affiliated with the hospital.

Health Care Reform - Components of the Affordable Care Act, many of which do not take effect until 2014 or later, could cause revenues at ASCs to fluctuate. As provisions of the federal health care reform law kick in over the next few years, ASCs may see an influx of previously uninsured patients. However, many of those patients could qualify for expanded Medicaid benefits, so their procedures would be covered under lower government rates. Medicare changes under the new law will also affect reimbursements and revenues.

Business Challenges

Dependence on Reimbursement Rates - If medical insurers reduce payments as ASC costs increase, a provider's operating margins and profitability would be adversely affected. Medicare, the largest payer, may be pressured politically to respond to rising health care costs by reducing the reimbursement schedule or limiting future increases. Because future changes to the Medicare payment system are difficult to predict, ASCs would benefit from developing new revenue sources to prepare for the possibility of lower reimbursement rates.

Vulnerability to Self-Referral Regulations - In general, Medicare regulations forbid doctors from referring patients to treatment facilities in which they own a financial interest. Current regulations allow surgeons to refer patients to outpatient, or ASC, in which they hold an interest if certain very specific conditions are met, the so-called "ASC Safe Harbor," but a blanket exemption from the self-referral regulations doesn't exist. States have also established self-referral laws for centers in their jurisdiction.

Malpractice Risk - ASCs may put their physician partners at higher risk for malpractice lawsuits than their hospital counterparts. Many physicians are protected by the best practices policies and procedures established by the hospital where they have privileges. Unless outpatient surgery centers establish their own safety and operational policies, they could put their physicians and staff at risk for lawsuits.

High Accounts Receivable - The revenue of ambulatory surgical centers is mainly in the form of reimbursements from commercial insurance, managed care plans, and Medicare. Because of delays inherent in many reimbursement systems, accounts receivable can be very high, as much as 50 percent of annual revenue. Financing receivables can be expensive, and the quality of receivables below-average, especially if a substantial portion is due from individuals. At times, insurers challenge bills because of disputed billing codes, thereby delaying or reducing payments.

Certificate of Need Requirements - Many states have certificates of need (CON) restrictions on new construction of hospitals or surgical centers. CONs are an attempt to more evenly distribute health care facilities and prevent overbuilding in some areas. A center may not be able to build or expand in certain areas unless they can establish a need for their services. This could potentially limit revenues.

Business Trends

Industry Growth - Because Medicare and other health insurance programs recognize that freestanding surgical centers are more cost-effective for outpatient surgery than hospitals, insurers are beginning to encourage use of ASCs. Health care reform, with its emphasis on cutting costs, also encourages the change in mindset from hospital to outpatient. As a result, the industry is seeing growth.

Provider Partnerships - Even as freestanding surgical centers offer an alternative to hospitals, hospitals are investing in these facilities and operating their own outpatient surgical centers as well as partnering with existing ASCs. Additionally, ASCs are also forming ventures with acute-care and nursing facilities. One of the limiting factors of ASCs is that they can't keep patients for long recovery periods. Partnerships with acute care providers can allow them to offer longer recovery times.

Consolidation - Consolidation among ambulatory surgical centers has so far been modest, but it is beginning to speed up. Only about a dozen companies own 10 centers or more, mainly because there are few economies of scale in the industry. However, larger operators may have advantages in being able to institute "best practices" that improve patient care or cut costs, and may be able to more efficiently handle payment processing and regulatory management.

Industry Opportunities

Expansion of Approved Procedures - Medicare, often the benchmark for other health insurance plans, approves about 3,500 procedures performed at ASCs. As cost-effective alternatives to in-hospital care, ASCs are likely to receive continued regulatory support. Additionally, ASCs will start to perform more complex surgeries such as spine and orthopedic operations. Pacemaker insertion, joint replacements, and other complex procedures are seeing quicker recovery time, eliminating the need for long hospital stays, making them a good option for ASCs.

Medical Advances - Advances in surgical technique, anesthesia, and patient care have allowed more surgical procedures to be done as outpatient. In particular, using "scopes" allows many procedures to be done through small incisions rather than "open" surgery. Eye procedures and endoscopy make up a significant share of ASC procedures.

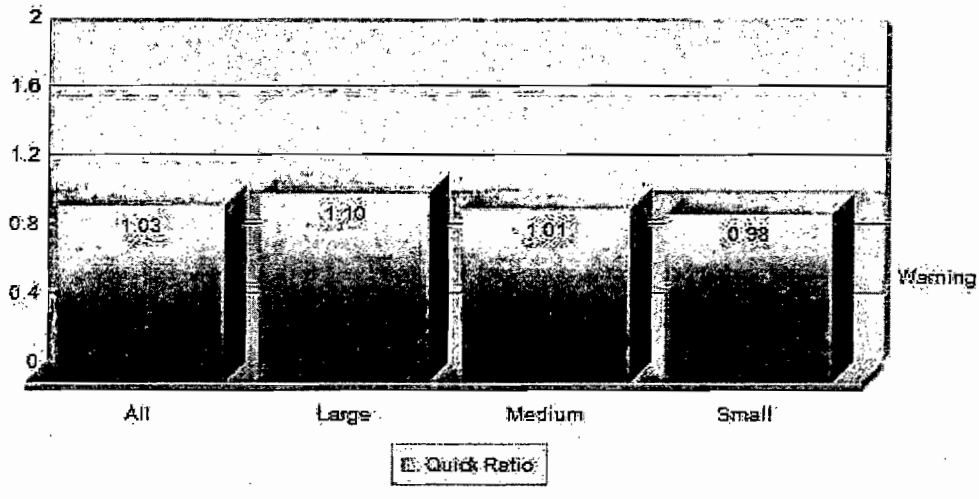
Aging Population Increases Demand for Services - With a large portion of the US population (baby boomers) now in their 50s and 60s, demand for outpatient surgery likely will increase. Colonoscopy procedures and orthopedic, eye, and plastic surgery, especially, are expected to be in greater demand. The population over 65 is expected to grow by more than 35 percent between 2010 and 2020.

Extended-Recovery Facilities - ASCs usually don't provide overnight recovery accommodations, which can sharply increase costs. For some procedures, however, extended recovery in a center is still cheaper than admission to a hospital. Some states allow centers to provide extended recovery care; some centers partner with other facilities to provide recovery care.

Financial Information
COMPANY BENCHMARK TRENDS

Quick Ratio by Company Size

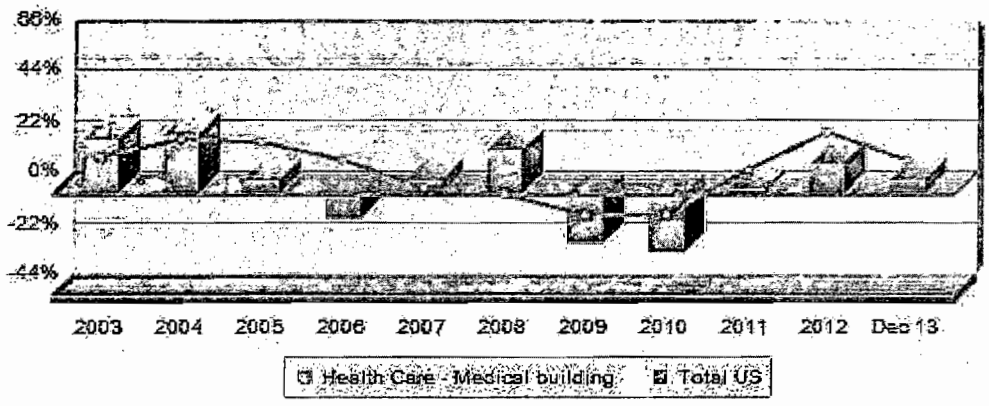
The quick ratio, also known as the acid test ratio, measures a company's ability to meet short-term obligations with liquid assets. The higher the ratio, the better; a number below 1 signals financial distress. Use the quick ratio to determine if companies in an industry are typically able to pay off their current liabilities.



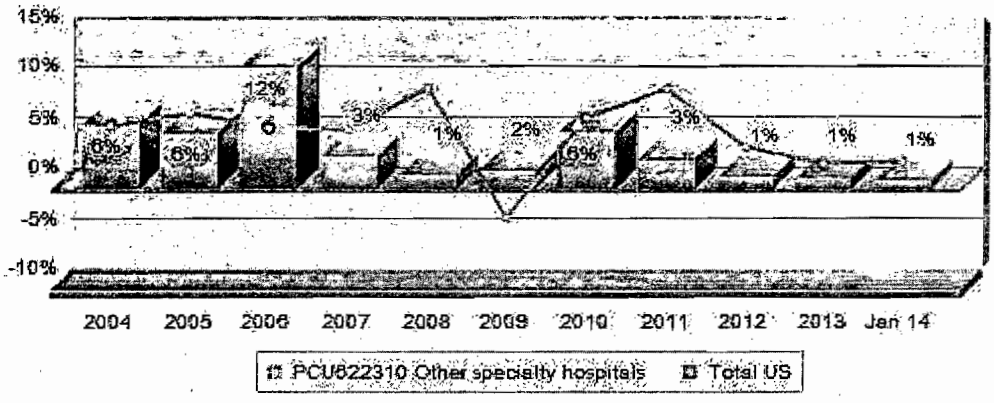
Financial industry data provided by MicroBilt Corporation collected from 32 different data sources and represents financial performance of over 4.5 million privately held businesses and detailed industry financial benchmarks of companies in over 900 industries (SIC and NAICS). More data available by subscription or single report purchase at www.microbilt.com/firstresearch.

ECONOMIC STATISTICS AND INFORMATION

Annual Construction Put into Place - Census Bureau



Change in Producer Price - Bureau of Labor Statistics



Appendix E: Appraiser's Qualifications

Mike Size – MBA, CVA

Mike Size is an analyst for Nationwide Valuations. Mr. Size has more than 13 years of experience in analyzing accounting and financial issues, and has completed more than 1000 business valuations.

Education

- Bachelor of Science, State University of New York at Buffalo
- Master of Business Administration, University of Phoenix
- Post-graduate work in business, Arizona State University
- Graduate, Origination Leadership Program, General Electric
- Green Belt Certified, General Electric

Completed numerous Continuing Education Courses to maintain and develop analysis skills. A sample of those courses includes:

Business Valuations: Fundamentals, Theory & Techniques, NACVA
Business Valuations: Applications and Calculations of the Income and Asset Approaches, NACVA
Business Valuations: Case Analysis—Completed Transaction and Guideline Public Comparable Methods, NACVA
Business Valuations: Special Purpose Valuations, NACVA
Business Valuations: Case Study – Facts to Conclusion, NACVA
College of Credit, Wells Fargo
Financing the Closely Held Business, Pacific Coast Banking School
Uniform Credit Analysis, American Institute of Banking
Analyzing Financials, American Institute of Banking
Cash Flow and Forecasting, Paragon Analysis
Presentation Skills, Communispond

Professional Credentials and Memberships

- Certified Valuation Analyst
- Member of the National Association of Certified Valuators and Analysts (NACVA)
- Member of the Risk Management Association

Professional Experience

- Former Business Development Loan Officer for Montana Community Development Corporation
- Former Instructor of the Small Business Institute at the University of Montana
- Former Vice President and Commercial Loan Officer at Community Bank – Missoula
- Former Associate Vice President at Wells Fargo Bank
- Former Associate Vice President at General Electric in the Corporate Lending Group

Performed analysis for businesses such as:

- Medical Practices
- Real Estate Holding Companies
- Agribusiness
- Business to Business Services
- Assisted Living Centers
- Professional Service Firms
- Restaurants
- Recreational Product Manufacturing
- Recreational Product Distribution
- General Contractors
- Apartment Holding Company
- Recreational Vehicle Retailers
- Recreational Vehicle Manufacturing
- Manufactured Housing Retailers

Professional and Community Service

Officer or Former Officer of many community organizations such as:

- Rotary Club of Missoula – Treasurer
- Community Medical Center Foundation – Trustee
- Missoula Midtown Association – Treasurer
- Missoula YMCA – Finance Committee
- Missoula Community Development Corporation – Loan Committee Member
- United Way of Missoula – Campaign Cabinet
- Missoula Chamber of Commerce – Red Coats
- Ambassador to Taipei, Phoenix Sister Cities

Marsha Golgart -- AIBA, CMEA, CEPA, ISBA

Marsha Golgart has performed over 1000 business valuations and has been a trusted advisor and consultant to hundreds of businesses during the last 30 years.

Ms. Golgart, a Business Architect, has owned and sold several businesses. Her diverse background includes C-Level Management, Business Software Development and Sales, Professional Services Consulting, Business Coaching, Teaching, Graphics Design and Website Development. Ms. Golgart has implemented "best business practice" solutions in several industries including Manufacturing, Distribution, Construction, Hotel and Leisure, Mortgage Banking, Accounting and Finance.

Ms. Golgart's business valuation experience includes, but is not limited to, Small Business Administration (SBA) funding, stock option granting, management planning, buy/sell agreements, and exit strategy planning. Attorneys, accountants, financial planners, business brokers and lenders nationwide retain her business appraisal and consulting. Ms. Golgart holds the professional designation of Accredited by the IBA (AIBA), The Institute of Business Appraisers, Inc.

Ms. Golgart was recently awarded the designation of Exit Planning Analyst. She works with business owners to prepare and position their companies to take advantage of a liquidity event at an opportune moment, maximizing exit opportunities.

PROFESSIONAL AND TRADE AFFILIATIONS (Past & Present)

- The Institute of Business Appraisers, Inc (IBA)
- National Association of Certified Valuators and Analysts (NAVCA)
- National Association of Government Guaranteed Lenders (NAGGL)
- The NEBB Institute of Machinery & Equipment Appraisers (NEBB)
- The Society of Business Analysts (ISBA)
- International Business Brokers Association (IBBA)
- The Executive Council (TEC)
- Business Computer Dealer's Association (BCDA)
- Exit Planning Institute (EPI)

Education

- Cardinal Stritch University, Chemistry
- University of Colorado, Organizational Behavior
- Post-graduate work in business, University of Phoenix

Sample of Continuing Education Courses to maintain and develop analysis skills:

- Business Valuation Organizations, Standards and Authoritative Guidance, IBA
- Financial Analysis, Economic and Industry Research and Analysis Techniques, IBA
- The Income Approach to Appraisal, IBA
- The Asset Approach to Appraisal, IBA
- The Market Approach to Appraisal and Transaction Valuations, IBA
- Key Components of Adjusting Financial Statements & Forecasting, IBA
- Advanced Application of the Income Approach
- Advanced Application of the Market and Asset Approaches, IBA
- Discounts, Premiums, Court Cases and Reconcile Values, IBA
- Business Valuations, Report Writing, IBA
- Technical Studies of the IBA Database
- Cost of Capital Insights, VPS Seminar
- Reporting Standards, VPS Seminar
- Machinery & Equipment Appraisals, NEBB Institute
- Engagement & Data Collection, NEBB Institute
- Sold Market Equipment Comparables, NEBB Institute
- Exit Planning Institute Certification Program, EPI

We 'VALUE' Our Clients

5445 DTC Parkway Penthouse 4 Greenwood Village, CO 80111	local: 303.750.5259 toll free: 888.750.5259 fax: 303.586.4554	web: www.nationwidevaluations.com email: info@nationwidevaluations.com

Appendix F: Nationwide Valuations Profile

Nationwide VALUATIONS

Company Overview

Nationwide Valuations' Appraisers have been involved in the appraisal of thousands of companies on a national basis, covering almost every industry, ranging in value from $50 thousand to over $100 million. That experience has qualified them to meet the adequate disclosure rules of the Internal Revenue Service, national lending institutions, and courts of law around the country.

Certified Business Appraisals

Nationwide Valuations' qualified appraisers are leaders in their field, having completed stringent education and testing. Our Comprehensive Custom Appraisals meet the adequate disclosure rules of the IRS, and are created and reviewed by members of the following organizations:

American Society of Appraisers
Institute of Business Appraisers
American Institute of Certified Public Accountants
National Association of Certified Valuators and Analysts

Society of Business Analysts
Institute of Certified Business Counselors
National Equipment & Business Brokerage Institute

Instead of having your broker, intermediary, or consultant perform the appraisal, the appraisal firm you choose should be independent. If the company is valued by anyone close to, or working for the owner, most buyers feel that the value is biased. If financing is necessary, most banks and the Small Business Administration (SBA) will require an independent third party appraisal.

Our appraisers have performed appraisals for institutional financing, divorces, partnership buyouts, ESOPs and estate planning for gift and inheritance taxes. Reputation and years of experience assure our clients of the highest quality of work.

Nationwide Valuations has access to vast, national databases of Minority Discounts, Industry Analysis, Demographic Studies, and multiple sources for extensive on-going research on comparable sales for businesses in almost every industry.

Certified Machinery and Equipment Appraisals

Nationwide Valuations also has a team of Certified Machinery and Equipment Appraisers (ASA & CMEA) that have performed hundreds of machinery and equipment appraisals with an unquestionable reputation for accuracy and quality.

Nationwide Valuations is one of the only appraisal firms that can offer both business appraisals and machinery and equipment appraisals.

Nationwide
VALUATIONS

Appendix G: Reference Materials

Over the course of the valuation, the analyst used numerous references to assist in the determination of the conclusion of value. The sources are listed below.

- Duff and Phelps Risk Premium Report
- The Valuation Examiner: Should an S-Corporation be Tax Affected by Allen J. Guldan; 2002
- Wall Street Journal
- BizMiner Competitive Marketing Analysis
- U. S. Department of Labor
- UStreas.gov
- First Research Industry Intelligence Tools
- IRS Corporate Ratios statistics (updated annually)
- Institute of Business Appraisers Market Data
- International Glossary of Business Valuation Terms
- IRS Revenue Ruling 59-60, 1959-1 CB 237 – IRC Sec. 2031
- Risk Management Associates (RMA Studies)
- Economic Outlook Update™, 4Q 2013 (as of December 31, 2013) Business Valuation Resources
- Trugman, Gary R., *Understanding Business Valuation*, New York: American Institute of Public Accountants, Inc. 2008
- Pratt, Shannon P. Niculita, Alina V. *Valuing A Business*, New York: McGraw Hill Companies, Inc. 2008
- Federal Tax Tables
- State Tax Tables

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PROJECTED OPERATING COSTS and
TOTAL EFFECT OF THE PROJECT ON CAPITAL COSTS

ELMHURST MEDICAL & SURGICAL CENTER
YEAR 2 OF OPERATIONS

CASES: 500

Projected Operating Cost:

salaries & benefits:	$350,000
medical supplies & drugs:	$40,000
	$390,000
Operating Cost per Case:	**$780.00**

Projected Capital Cost:

Depreciation & Amort.:	$122,500
Interest	$63,056
	$185,556
Capital Cost per Case:	**$371.11**

ATTACHMENTS 39D and 39E

After paginating the entire, completed application, indicate in the chart below, the page numbers for the attachments included as part of the project's application for permit:

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27	Non-Hospital Based Ambulatory Surgery	
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