

ORIGINAL

15-047

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT

RECEIVED

OCT 07 2015

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

HEALTH FACILITIES &
SERVICES REVIEW BOARD

Facility/Project Identification

Facility Name:	NorthShore University HealthSystem Lincolnshire Medical Clinics Building		
Street Address:	920 Milwaukee Ave.		
City and Zip Code:	Lincolnshire, IL 60069-3839		
County:	Lake	Health Service Area	Health Planning Area: A-09

Applicant /Co-Applicant Identification

[Provide for each co-applicant [refer to Part 1130.220].

Exact Legal Name:	NorthShore University HealthSystem
Address:	1301 Central Street, Evanston IL 60201
Name of Registered Agent:	Gerald P Gallagher
Name of Chief Executive Officer:	Mark R. Neaman
CEO Address:	1301 Central Street, Evanston IL 60201
Telephone Number:	847 570 5258

Type of Ownership of Applicant/Co-Applicant

<input checked="" type="checkbox"/>	Non-profit Corporation	<input type="checkbox"/>	Partnership	
<input type="checkbox"/>	For-profit Corporation	<input type="checkbox"/>	Governmental	
<input type="checkbox"/>	Limited Liability Company	<input type="checkbox"/>	Sole Proprietorship	<input type="checkbox"/> 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.

Primary Contact

[Person to receive ALL correspondence or inquiries]

Name:	Jeffrey Mark
Title:	Principal
Company Name:	JSMA LLC
Address:	1182 S. Plymouth Ct, 1SW, Chicago IL 60605
Telephone Number:	312.804.9401
E-mail Address:	jmark@jsma.com
Fax Number:	

Additional Contact

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

Name:	
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:	Kajal Agarwal
Title:	Senior Director, Accounting, Finance
Company Name:	NorthShore University HealthSystem
Address:	1301 Central Street, Evanston IL 60201
Telephone Number:	847.570.5217
E-mail Address:	kagarwal@NorthShore.org
Fax Number:	847.570.5240

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner:	NorthShore University Health System
Address of Site Owner:	1301 Central Street, Evanston IL 60201
Street Address or Legal Description of Site:	920 Milwaukee Ave, Lincolnshire IL 60069-3839
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

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

Exact Legal Name:	NorthShore University HealthSystem		
Address:	1301 Central Street, Evanston IL 60201		
<input checked="" type="checkbox"/>	Non-profit Corporation	<input type="checkbox"/>	Partnership
<input type="checkbox"/>	For-profit Corporation	<input type="checkbox"/>	Governmental
<input type="checkbox"/>	Limited Liability Company	<input type="checkbox"/>	Sole Proprietorship
		<input type="checkbox"/>	Other
<ul style="list-style-type: none"> o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing. o 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. o 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
 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.

NorthShore University HealthSystem is proposing to develop the Lincolnshire Medical Clinics Building by renovating space in an existing 2 story structure. Until recently the structure has been used to house a Barnes & Noble retail store. The existing structure was built in 2007.

The development will house the medical specialty of Orthopedics Clinics, a Rehabilitation suite, Imaging and Medical Office Suite. Orthopedics Clinics will consist of 21 examination rooms, 2 procedure rooms, and with related support. Imaging will house 2 General Radiology units. The second level will house Rehabilitation consisting of Physical Therapy -- 6 treatment bays and 7 treatment rooms, an OT/ADL suite and General Medicine Offices of 23 exam rooms.

The project is to be constructed at 920 Milwaukee Ave, Lincolnshire IL. The development will be a total of 35,470 square feet. This project has an estimated project cost of \$15,441,802. The proposed completion date is July 31, 2017.

As an outpatient Medical Clinics Building, this is a non-substantive project.

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	80,595.07	21,424.00	\$102,019.07
Site Survey and Soil Investigation			
Site Preparation	223,875.18	59,511.12	\$283,386.30
Off Site Work			
New Construction Contracts	70,400.00		\$70,400.00
Modernization Contracts	4,421,887.54	1,175,438.46	\$5,597,326.00
Contingencies	671,625.53	178,533.37	\$850,158.90
Architectural/Engineering Fees	371,632.80	98,788.46	\$470,421.26
Consulting and Other Fees	172,220.00	45,780.00	\$218,000.00
Movable or Other Equipment (not in construction contracts)	2,728,620.50	725,329.50	\$3,453,950.00
Bond Issuance Expense (project related)			
Net Interest Expense During Construction (project related)			
Fair Market Value of Leased Space or Equipment (5 year Fair Market Value, See Attachment 7)	3,472,950.60	923,189.40	\$4,396,140
Other Costs To Be Capitalized			
Acquisition of Building or Other Property (excluding land)			
TOTAL USES OF FUNDS	12,213,807.21	3,227,994.32	\$15,441,801.53
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities			\$15,441,801.53
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources (Tenant Improvement Included in Lease, See Attachment 7)			
TOTAL SOURCES OF FUNDS			\$15,441,801.53
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:

<p>Land acquisition is related to project <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Purchase Price: \$ _____</p> <p>Fair Market Value: \$ _____</p>
<p>The project involves the establishment of a new facility or a new category of service</p> <p style="text-align: center;"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If yes, provide the dollar amount of all non-capitalized operating start-up costs (including operating deficits) through the first full fiscal year when the project achieves or exceeds the target utilization specified in Part 1100.</p> <p>Estimated start-up costs and operating deficit cost is \$ _____.</p>

Project Status and Completion Schedules

<p>For facilities in which there are active permits please provide the permit numbers.</p> <p>Indicate the stage of the project's architectural drawings:</p> <p style="text-align: center;"><input type="checkbox"/> None or not applicable <input type="checkbox"/> Preliminary</p> <p style="text-align: center;"><input checked="" type="checkbox"/> Schematics <input type="checkbox"/> Final Working</p>
<p>Anticipated project completion date (refer to Part 1130.140): JULY 2017</p>
<p>Indicate the following with respect to project expenditures or to obligation (refer to Part 1130.140):</p> <p><input checked="" type="checkbox"/> Purchase orders, leases or contracts pertaining to the project have been executed.</p> <p><input type="checkbox"/> Project obligation is contingent upon permit issuance. Provide a copy of the contingent "certification of obligation" document, highlighting any language related to CON Contingencies</p> <p><input checked="" type="checkbox"/> Project obligation will occur after permit issuance.</p>
<p>APPEND DOCUMENTATION AS ATTACHMENT-8, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</p>

State Agency Submittals

<p>Are the following submittals up to date as applicable:</p> <p><input checked="" type="checkbox"/> Cancer Registry</p> <p><input checked="" type="checkbox"/> APORS</p> <p><input checked="" type="checkbox"/> All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted</p> <p><input checked="" type="checkbox"/> All reports regarding outstanding permits</p> <p>Failure to be up to date with these requirements will result in the application for permit being deemed incomplete.</p>
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Cost Space Requirements

Provide in the following format, the department/area **DGSF** or the building/area **BGSF** and cost. The type of gross square footage either **DGSF** or **BGSF** must be identified. The sum of the department costs **MUST** equal the total estimated project costs. Indicate if any space is being reallocated for a different purpose. Include outside wall measurements plus the department's or area's portion of the surrounding circulation space. **Explain the use of any vacated space.**

Dept. / Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
REVIEWABLE							
Medical Surgical							
Intensive Care							
Diagnostic Radiology							
MRI							
Total Clinical							
NON REVIEWABLE							
Administrative							
Parking							
Gift Shop							
Total Non-clinical							
TOTAL							

APPEND DOCUMENTATION AS **ATTACHMENT-9**, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Facility Bed Capacity and Utilization

Not Applicable

Complete the following chart, as applicable. Complete a separate chart for each facility that is a part of the project and insert following this page. Provide the existing bed capacity and utilization data for the latest **Calendar Year for which the data are available**. **Include observation days in the patient day totals for each bed service**. Any bed capacity discrepancy from the Inventory will result in the application being deemed **incomplete**.

FACILITY NAME: Not Applicable		CITY:			
REPORTING PERIOD DATES: From: to:					
Category of Service	Authorized Beds	Admissions	Patient Days	Bed Changes	Proposed Beds
Medical/Surgical					
Obstetrics					
Pediatrics					
Intensive Care					
Comprehensive Physical Rehabilitation					
Acute/Chronic Mental Illness					
Neonatal Intensive Care					
General Long Term Care					
Specialized Long Term Care					
Long Term Acute Care					
Other ((identify)					
TOTALS:					

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 manager 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 **NorthShore University HealthSystem*** 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 for all services in which the Illinois Health Facilities and Services Review Board has target occupancy standards that these services will reach target occupancy by the second year after project completion and will maintain that standard going forward. The undersigned also certifies that the permit application fee required for this application is sent herewith or will be paid upon request.

Mark R. Neaman

 SIGNATURE
 Mark R. Neaman

 PRINTED NAME
 President & CEO

 PRINTED TITLE

Gerald P. Gallagher

 SIGNATURE
 Gerald P. Gallagher

 PRINTED NAME
 Chief Operating Officer

 PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 1st day of October, 2015

Notarization:
Subscribed and sworn to before me
this 1st day of October, 2015

Iris Montero

 Signature of Notary

Iris Montero

 Signature of Notary

Seal



Seal



*Insert EXACT legal name of the applicant

SECTION II – BACKGROUND OF THE APPLICANT

Information regarding the Background of the Applicant must be provided for **ALL** applications for permit except **Discontinuation of a Category of Service or Facility**

940. Background of Applicant – Review Criterion

941. An applicant must demonstrate that it is fit, willing and able, and *has the qualifications, background and character to adequately provide a proper standard of health care service for the community.* [20 ILCS 3960/6] In evaluating the qualifications, background and character of the applicant, HFSRB shall consider whether adverse action has been taken against the applicant, including corporate officers or directors, LLC members, partners, and owners of at least 5% of the proposed healthcare facility, or against any health care facility owned or operated by the applicant, directly or indirectly, within three years preceding the filing of the application. A health care facility is considered “owned or operated” by every person or entity that owns, directly or indirectly, an ownership interest. If any person or entity owns any option to acquire stock, the stock shall be considered to be owned by that person or entity (see 77 Ill. Adm. Code 1100 and 1130 for definitions of terms such as “adverse action”, “ownership interest” and “principal shareholder”).

2) The applicant shall submit the following information:

942. A listing of all health care facilities currently owned and/or operated by the applicant in Illinois or elsewhere, including licensing, certification and accreditation identification numbers, as applicable;

- B) A listing of all health care facilities currently owned and/or operated in Illinois, by any corporate officers or directors, LLC members, partners, or owners of at least 5% of the proposed health care facility;
- C) A certified listing from the applicant 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;
- D) A certified listing of each applicant, corporate officer or director, LLC member, partner and owner of at least 5% of the proposed facility, identifying those individuals that have been cited, arrested, taken into custody, charged with, indicted, convicted or tried for, or pled guilty to:

943. the commission of any felony or misdemeanor or violation of the law, except for minor parking violations; or

- ii) has been the subject of any juvenile delinquency or youthful offender proceeding;
- E) Unless convictions have been expunged, all convictions shall be detailed in writing and any police or court records regarding any matters disclosed shall be submitted for HFSRB’s consideration;
- F) A certified listing of each applicant, corporate officer or director, LLC member, partner and owner of at least 5% of the proposed facility who has been charged with fraudulent conduct or any act involving moral turpitude. Any such matter shall be disclosed in detail;

- G) A certified listing of each applicant, corporate officer or director, LLC member, partner and owner of at least 5% of the proposed facility who has any unsatisfied judgments against him or her;
- H) A certified listing of each applicant, corporate officer or director, LLC member, partner and owner of at least 5% of the proposed facility. Any matter shall be discussed in detail;
944. A certified listing of each applicant, corporate officer or director, LLC member, partner and owner of at least 5% of the proposed facility who is in default in the performance or discharge of any duty or obligation imposed by a judgment, decree, order or directive of any court or governmental agency. Any matter shall be discussed in detail;
- J) Authorization permitting HFSRB and IDPH access to any documents necessary to verify the information submitted, including, but not limited to: official records of IDPH 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 the authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB. Any fees paid will be forfeited.
- 3) 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 requirements of this subsection (b). In these instances, the applicant shall attest that 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.
- 4) The documentation for the "Background of the Applicant" is required one time per application, regardless of the number of categories of service involved in a proposed project.

APPEND DOCUMENTATION AS ATTACHMENT-10, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION III – DISCONTINUATION**Not Applicable**

This Section is applicable to any project that involves discontinuation of a health care facility or a category of service. **NOTE:** If the project is solely for discontinuation and if there is no project cost, the remaining Sections of the application are not applicable.

Criterion 1110.130 – Discontinuation

READ THE REVIEW CRITERION and provide the following information:

GENERAL INFORMATION REQUIREMENTS

1. Identify the categories of service and the number of beds, if any that is to be discontinued.
2. Identify all of the other clinical services that are to be discontinued.
3. Provide the anticipated date of discontinuation for each identified service or for the entire facility.
4. Provide the anticipated use of the physical plant and equipment after the discontinuation occurs.
5. Provide the anticipated disposition and location of all medical records pertaining to the services being discontinued, and the length of time the records will be maintained.
6. For applications involving the discontinuation of an entire facility, certification by an authorized representative that all questionnaires and data required by HFSRB or DPH (e.g., annual questionnaires, capital expenditures surveys, etc.) will be provided through the date of discontinuation, and that the required information will be submitted no later than 60 days following the date of discontinuation.

REASONS FOR DISCONTINUATION

The applicant shall state the reasons for discontinuation and provide data that verifies the need for the proposed action. See criterion 1110.130(b) for examples.

IMPACT ON ACCESS

1. Document that the discontinuation of each service or of the entire facility will not have an adverse effect upon access to care for residents of the facility's market area.
2. Document that a written request for an impact statement was received by all existing or approved health care facilities (that provide the same services as those being discontinued) located within 45 minutes travel time of the applicant facility.
3. Provide copies of impact statements received from other resources or health care facilities located within 45 minutes travel time, that indicate the extent to which the applicant's workload will be absorbed without conditions, limitations or discrimination.

APPEND DOCUMENTATION AS ATTACHMENT-11, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION IV – PURPOSE OF THE PROJECT SAFETY NET IMPACT STATEMENT 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 – Purpose of the Project, Safety Net Impact Statement, and Alternatives

READ THE REVIEW CRITERION and provide the following required information:

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.

b) Safety Net Impact Statement – Information Requirements

Not Applicable. This is a non-substantive application

All health care facilities, with the exception of skilled and intermediate long-term care facilities licensed under the Nursing Home Act [210 ILCS 45], shall provide a safety net impact statement, which shall be filed with an application for a substantive project (see Section 1110.40). Safety net services are the services provided by health care providers or organizations that deliver health care services to persons with barriers to mainstream health care due to lack of insurance, inability to pay, special needs, ethnic or cultural characteristics, or geographic isolation. [20 ILCS 3960/5.4]

945. A safety net impact statement shall describe, if reasonably known by the applicant, all of the following information:

946. *The project's material impact, if any, on essential safety net services in the community;*

- B) *The project's impact on the ability of another provider or health care system to cross-subsidize safety net services; and*
- C) *How the discontinuation of a facility or service might impact the remaining safety net providers in a given community.*

2) A safety net impact statement shall also include all of the following:

947. Certification describing the amount of charity care provided by the applicant for the three fiscal years prior to submission of the application. *The amount calculated by hospital applicants shall be in accordance with the reporting requirements in the Illinois Community Benefits Act [210 ILCS 76]. Non-hospital applicants shall report charity care, at cost, in accordance with an appropriate methodology specified by the Board. (See 77 Ill. Adm. Code 1120.20©.)*

B) Certification describing the amount of care provided to Medicaid patients for the three fiscal years prior to submission of the application. Hospital and non-hospital applicants shall provide Medicaid information consistent with data reported in IDPH's "Inpatients and Outpatients Served by Payor Source" and "Inpatient and Outpatient Revenue by Payor Source".

C) *Any information the applicant believes is directly relevant to safety net services, including information regarding teaching, research, and any other service. [20 ILCS 3960/5.4(d)(3)]*

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

NOTE: Information regarding the "Safety Net Impact Statement" will be included in the State Board Report.

APPEND DOCUMENTATION AS ATTACHMENT-13, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-6) MUST BE IDENTIFIED IN ATTACHMENT 12.

ALTERNATIVES

948. Identify **ALL** of the alternatives to the proposed project:

Alternative options **must** include:

949. 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-14, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION V – PROJECT SCOPE, UTILIZATION, AND UNFINISHED/SHELL SPACE

Criterion 1110.234 – Project Scope, Utilization, and Unfinished/Shell Space

READ THE REVIEW CRITERION and provide the following information:

SIZE OF PROJECT:

1. Document that the amount of physical space proposed for the proposed project is necessary and not excessive. **This must be a narrative.**
2. If the gross square footage exceeds the BGSF/DGSF standards in Appendix B, justify the discrepancy by documenting one of the following:
 - a. Additional space is needed due to the scope of services provided, justified by clinical or operational needs, as supported by published data or studies;
 - b. The existing facility's physical configuration has constraints or impediments and requires an architectural design that results in a size exceeding the standards of Appendix B;
 - c. The project involves the conversion of existing space that results in excess square footage.

Provide a narrative for any discrepancies from the State Standard. A table must be provided in the following format with Attachment 14.

SIZE OF PROJECT				
DEPARTMENT/SERVICE	PROPOSED BGSF/DGSF	STATE STANDARD	DIFFERENCE	MET STANDARD?

APPEND DOCUMENTATION AS ATTACHMENT-15, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

PROJECT SERVICES UTILIZATION:

This criterion is applicable only to projects or portions of projects that involve services, functions or equipment for which HFSRB has established utilization standards or occupancy targets in 77 Ill. Adm. Code 1100.

Document that in the second year of operation, the annual utilization of the service or equipment shall meet or exceed the utilization standards specified in 1110.Appendix B. **A narrative of the rationale that supports the projections must be provided.**

A table must be provided in the following format with Attachment 15.

UTILIZATION					
	DEPT./ SERVICE	HISTORICAL UTILIZATION (PATIENT DAYS) (TREATMENTS) ETC.	PROJECTED UTILIZATION	STATE STANDARD	MET STANDARD?
YEAR 1					
YEAR 2					

APPEND DOCUMENTATION AS ATTACHMENT-16, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

UNFINISHED OR SHELL SPACE:**Not Applicable**

Provide the following information:

2. Total gross square footage of the proposed shell space;
 3. The anticipated use of the shell space, specifying the proposed GSF to be allocated to each department, area or function;
 4. Evidence that the shell space is being constructed due to
 - a. Requirements of governmental or certification agencies; or
 - b. Experienced increases in the historical occupancy or utilization of those areas proposed to occupy the shell space.
940. Provide:
- a. Historical utilization for the area for the latest five-year period for which data are available; and
 - b. Based upon the average annual percentage increase for that period, projections of future utilization of the area through the anticipated date when the shell space will be placed into operation.

APPEND DOCUMENTATION AS ATTACHMENT-17, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

ASSURANCES:

Submit the following:

1. Verification that the applicant will submit to HFSRB a CON application to develop and utilize the shell space, regardless of the capital thresholds in effect at the time or the categories of service involved.
2. The estimated date by which the subsequent CON application (to develop and utilize the subject shell space) will be submitted; and
3. The anticipated date when the shell space will be completed and placed into operation.

APPEND DOCUMENTATION AS ATTACHMENT-18, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION VI. – MASTER DESIGN AND RELATED PROJECTS**Not applicable**

This Section is applicable only to proposed master design and related projects.

Criterion 1110.235(a) – System Impact of Master Design

Read the criterion and provide documentation that addresses the following:

1. The availability of alternative health care facilities within the planning area and the impact that the proposed project and subsequent related projects will have on the utilization of such facilities;
2. How the services proposed in future projects will improve access to planning area residents;
3. What the potential impact upon planning area residents would be if the proposed services were not replaced or developed; and
4. The anticipated role of the facility in the delivery system including anticipated patterns of patient referral, any contractual or referral agreements between the applicant and other providers that will result in the transfer of patients to the applicant's facility.

Criterion 1110.235(b) – Master Plan or Related Future Projects

Read the criterion and provide documentation regarding the need for all beds and services to be developed, and also, document the improvement in access for each service proposed. Provide the following:

1. The anticipated completion date(s) for the future construction or modernization projects; and
2. Evidence that the proposed number of beds and services is consistent with the need assessment provisions of Part 1100; or documentation that the need for the proposed number of beds and services is justified due to such factors, but not limited to:
 - a. limitation on government funded or charity patients that are expected to continue;
 - b. restrictive admission policies of existing planning area health care facilities that are expected to continue;
 941. the planning area population is projected to exhibit indicators of medical care problems such as average family income below poverty levels or projected high infant mortality.
 942. Evidence that the proposed beds and services will meet or exceed the utilization targets established in Part 1100 within two years after completion of the future construction of modernization project(s), based upon:
 - a. historical service/beds utilization levels;
 - b. projected trends in utilization (include the rationale and projection assumptions used in such projections);
 - c. projections);
 - d. anticipated market factors such as referral patterns or changes in population characteristics (age, density, wellness) that would support utilization projections; and anticipated changes in delivery of the service due to changes in technology, care delivery techniques or physician availability that would support the projected utilization levels.

Criterion 1110.235© – Relationship to Previously Approved Master Design Projects

READ THE CRITERION which requires that projects submitted pursuant to a master design permit are consistent with the approved master design project. Provide the following documentation:

1. Schematic architectural plans for all construction or modification approved in the master design permit;
2. The estimated project cost for the proposed projects and also for the total construction/modification projects approved in the master design permit;
3. An item by item comparison of the construction elements (i.e. site, number of buildings, number of floors, etc.) in the proposed project to the approved master design project; and
4. A comparison of proposed beds and services to those approved under the master design permit.

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

SECTION VII – MERGERS, CONSOLIDATIONS AND ACQUISITIONS/CHANGES OF OWNERSHIP Not Applicable**Criterion 1110.240 – Section 1110.240 – Changes of Ownership, Mergers and Consolidations Not applicable**

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

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

943. 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©, 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-20, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION VIII – SERVICE SPECIFIC REVIEW CRITERIA

This Section is applicable to all projects proposing establishment, expansion or modernization of categories of service that are subject to CON review, as provided in the Illinois Health Facilities Planning Act [20 ILCS 3960]. It is comprised of information requirements for each category of service, as well as charts for each service, indicating the review criteria that must be addressed for each action (establishment, expansion and modernization). After identifying the applicable review criteria for each category of service involved, read the criteria and provide the required information, AS APPLICABLE TO THE CRITERIA THAT MUST BE ADDRESSED:

L. Criterion 1110.3030 – Clinical Service Areas Other than Categories of Service

944. Applicants proposing to establish, expand and/or modernize Clinical Service Areas Other than

Categories of Service must submit the following information:

2. Indicate changes by Service: Indicate # of key room changes by action(s):

Service	# Existing Key Rooms	# Proposed Key Rooms
<input type="checkbox"/>		
<input type="checkbox"/>		
<input type="checkbox"/>		

945. READ the applicable review criteria outlined below and **submit the required documentation for the criteria:**

PROJECT TYPE	REQUIRED REVIEW CRITERIA
New Services or Facility or Equipment	(b)(1) & (3) – Background of the Applicant © – Need Determination – Establishment
Service Modernization NOT APPLICABLE	(b)(1) & (3) – Background of the Applicant (d)(1) – Deteriorated Facilities and/or (d)(2) – Necessary Expansion PLUS (d)(3)(A) – Utilization – Major Medical Equipment or (d)(3)(B) – Utilization – Service or Facility

APPEND DOCUMENTATION AS ATTACHMENT-32, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION IX. 1120.130 – Financial Viability

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	NorthShore University HealthSystem has an “A” bond rating
The applicant is not required to submit financial viability ratios if:	
<ol style="list-style-type: none"> 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-35, 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.

946. 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 36, IN NUMERICAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION X. 1120.140 – Economic Feasibility

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

947. 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:

- 948. 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:
 - 949. 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 There is no Debt Financing on this project.

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:

- 950. 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	Mod.	Gross Sq. Ft. New	Circ.*	Gross Sq. Ft. Mod.	Circ.*	Const. \$ (A x C)	Mod. \$ (B x E)	
Contingency									
TOTALS									
* Include the percentage (%) of space for circulation									

D. Projected Operating Costs Not Applicable for this Project.

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 – 37, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION XI. Charity Care Information

Charity Care information **MUST** be furnished for **ALL** projects.

951. 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.

952. 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.

953. 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			
	2012	2013	2014
Net Patient Revenue	\$1,137,162,660	\$1,160,184,180	\$1,246,634,301
Amount of Charity Care (charges)	\$78,509,515	\$77,829,670	\$81,646,509
Cost of Charity Care	\$24,089,330	\$24,314,576	\$21,460,287

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

Note: Charity Care information is the combined amounts of the 4 NorthShore University HealthSystem hospitals.

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:

INDEX OF ATTACHMENTS		
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1	Applicant/Coapplicant Identification including Certificate of Good Standing	25
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14	Alternatives to the Project	98
15	Size of the Project	99
16	Project Service Utilization	100
17	Unfinished or Shell Space	
18	Assurances for Unfinished/Shell Space	
19	Master Design Project	
20	Mergers, Consolidations and Acquisitions	
	Service Specific:	
21	Medical Surgical Pediatrics, Obstetrics, ICU	
22	Comprehensive Physical Rehabilitation	
23	Acute Mental Illness	
24	Neonatal Intensive Care	
25	Open Heart Surgery	
26	Cardiac Catheterization	
27	In-Center Hemodialysis	
28	Non-Hospital Based Ambulatory Surgery	
29	Selected Organ Transplantation	
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	Financial and Economic Feasibility:	
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38	Charity Care Information	23

CERTIFICATE OF GOOD STANDING

File Number 0567-540-5



To all to whom these Presents Shall Come, Greeting:

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

NORTHSHORE UNIVERSITY HEALTHSYSTEM, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON DECEMBER 04, 1891, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



Authenticity #: 1428301484
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 10TH day of OCTOBER A.D. 2014

Jesse White

SECRETARY OF STATE

LINCOLNSHIRE COMMONS

NORTHSHORE UNIVERSITY HEALTHSYSTEM

For Space Located at 920 N. Milwaukee Avenue, Lincolnshire, Illinois

LEASE

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AFFIDAVIT

EXHIBITS

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EXHIBIT F	Prohibited Uses
EXHIBIT G	Operating Expense Exclusions
EXHIBIT H	Preliminary Subdivision Plat

Lincolnshire Commons

THIS LEASE is between CFNX LINSHIRE LLC, a Delaware limited liability company ("Landlord"), and NORTSHORE UNIVERSITY HEALTHSYSTEM, an Illinois not-for-profit corporation ("Tenant"). The date of this Lease is March 27, 2015 ("Effective Date"). The Leased Premises are located in the Lincolnshire Commons ("Shopping Center") in the City of Lincolnshire, County of Lake, and State of Illinois.

REFERENCE PROVISIONS

The following references define terms used in the specified Articles and elsewhere in this Lease and shall be construed in accordance with the provisions and conditions in this Lease:

- 1.01 Leased Premises: **The two-story building located at 920 N. Milwaukee Avenue, Lincolnshire, Illinois (the "Building"), in Lincolnshire Commons, containing approximately 34,848 square feet of floor area.**
[ARTICLE 1(a)]
- 1.02 Expiration Date: **the last day of the One Hundred Eightieth (180th) month after the Rental Commencement Date.**
[ARTICLE 1(b)]
- 1.03 Permitted Use: **Only for medical offices and clinical and other related services including without limitation laboratory services, medical testing, clinical, diagnostic and therapeutic services, research and development, general office purposes and uses ancillary thereto, and for no other use or purpose whatsoever.**
[ARTICLE 5]
- 1.04 Submittal date for preliminary plans: **Ninety (90) days after the Effective Date**
[ARTICLE 2(d)]
- Submittal date for final plans and specifications: **One Hundred Twenty (120) days after the Effective Date**
[ARTICLE 2(d)]
- 1.05 Beginning Work Date: **The Delivery Date on which Landlord delivers to Tenant possession of the Leased Premises in the condition required herein, currently anticipated to be on February 1, 2016 ("Anticipated Delivery Date"); provided if the Delivery Date occurs prior to February 1, 2016, Tenant, at its election, may delay the Beginning Work Date until February 1, 2016.**
[ARTICLE 2(e)]
- 1.06 Opening Date: **The 240th day after the later of (i) the Delivery Date or (ii) February 1, 2016, subject in each case to adjustment as provided herein and in EXHIBIT C.**
[ARTICLE 3]
- 1.07 Minimum Annual Rental:
[ARTICLE 4(a)]

Period	Annual Rent/SF	Minimum Annual Rent	Monthly Rent
Lease Year 1	\$ 24.00	\$ 836,352.00	\$ 69,696.00
Lease Year 2	\$ 24.60	\$ 857,260.80	\$ 71,438.40
Lease Year 3	\$ 25.22	\$ 878,692.32	\$ 73,224.36
Lease Year 4	\$ 25.85	\$ 900,659.63	\$ 75,054.97
Lease Year 5	\$ 26.49	\$ 923,176.12	\$ 76,931.34
Lease Year 6	\$ 27.15	\$ 946,255.52	\$ 78,854.63
Lease Year 7	\$ 27.83	\$ 969,911.91	\$ 80,825.99
Lease Year 8	\$ 28.53	\$ 994,159.71	\$ 82,846.64
Lease Year 9	\$ 29.24	\$ 1,019,013.70	\$ 84,917.81
Lease Year 10	\$ 29.97	\$ 1,044,489.04	\$ 87,040.75
Lease Year 11	\$ 30.72	\$ 1,070,601.27	\$ 89,216.77
Lease Year 12	\$ 31.49	\$ 1,097,366.30	\$ 91,447.19
Lease Year 13	\$ 32.28	\$ 1,124,800.46	\$ 93,733.37
Lease Year 14	\$ 33.08	\$ 1,152,920.47	\$ 96,076.71
Lease Year 15	\$ 33.91	\$ 1,181,743.48	\$ 98,478.62

For all purposes under this Lease, "Lease Year" shall mean the twelve (12) month period commencing on the Rental Commencement Date, and ending on the last day of the twelfth (12th) complete calendar month thereafter, and each succeeding twelve (12) month period thereafter which falls in whole or in part during the Term (or portion thereof ending on the Expiration Date). shall mean the twelve (12) month period commencing on the Rental Commencement Date, and ending on the last day of the twelfth (12th) complete calendar month thereafter, and each succeeding twelve (12) month period thereafter which falls in whole or in part during the Term (or portion thereof ending on the Expiration Date).

1.08 **Delivery Date:** The date that the Leased Premises is delivered to Tenant in satisfaction with the following conditions (the "Delivery Conditions"): (i) free of the tenancy of Barnes & Noble (the "Existing Tenant") and any other tenancies, (ii) vacant (with all moveable trade fixtures, equipment and personal property removed), (iii) broom clean with all trash removed, (iv) the roof and the structural components of the Building shall be water tight, in good condition and repair and the Building shall be free of hazardous materials, including mold and asbestos, (v) the Leased Premises shall not be in violation of any applicable laws, ordinances, codes (including building codes), rules, regulations, judicial orders and other requirements of any applicable governmental authorities including, without limitation, Environmental Laws and the Americans with Disability Act without reliance on variances or grandfathering provisions of which Landlord has received written notice or has actual knowledge of such violation, (vi) Landlord shall have obtained the Zoning Approvals required under Reference Provision 1.26 below, and (vii) Landlord shall have obtained any and all third party approvals (such as those required from parties to declarations of covenants or mortgages encumbering the Shopping Center or otherwise) or waivers (whether affirmatively or by failure to timely respond) or terminations of such approval rights (such as by terminating or modifying the underlying document giving rise to such approval rights to eliminate the requirement for such approvals), if any, as may be required in connection with Tenant's Permitted Use, Tenant's Work and signage as set forth in Reference Provision 1.26 below.

1.09 **Rental Commencement Date:** The earlier of: (i) the Opening Date; or (ii) the date on which Tenant shall open the Leased Premises for business to the public.

1.10 **Address of Landlord:** [ARTICLES 4 and 30]

Landlord's Notice Address:

c/o Fortress Investment Group LLC
1345 Avenue of The Americas, 46th Floor
New York, NY 20105
Attention: Constantine M. Dakolias

With a copy to:
c/o Next Realty, LLC
400 Skokie Boulevard, Suite 800
Northbrook, Illinois 60062
Attention: Marc Blum

With a copy to:
Fortress Investment Group
5221 N O'Connor Blvd, Suite 700
Irving, Texas 75039
Attention: Andy Osborne

Landlord's Payment Address:

If paying by check; send check payable to
"CFNX Linshire LLC, to:

Mailing Address:
CFNX Linshire LLC
P.O. Box 789316
Philadelphia, PA 19178-9316

If paying by wire transfer:

Bank: Wells Fargo Bank, N.A.
Address: San Francisco, CA
ABA# 121000248
Account #: 4986830065
Acct. Name: CFNX Linshire LLC
fbo ACRC Lender LLC

Overnight Address:
CFNX Linshire, LLC
Lockbox #789316
Wells Fargo Bank
MAC Y1372-045
401 Market Street
Philadelphia, PA 19106

1.11 Address of Tenant:

[ARTICLE 30]

NorthShore University HealthSystem
1301 Central Street
Evanston, Illinois 60201
Attn: Treasurer

With a copy to:

Colliers International
1000 Central Street, Suite 105
Evanston, Illinois 60201
Attn: Property Manager

1.12 Intentionally Deleted.

- 1.13 Intentionally Deleted.
- 1.14 Intentionally Deleted [ARTICLE 25]
- 1.15 Advertising Assessment: **Not applicable** [ARTICLE 37]
- 1.16 Initial Assessment: **Not applicable** [ARTICLE 37]
- 1.17 Intentionally Deleted.
- 1.18 Construction Allowance: **\$50.00 per square foot of floor area in the Leased Premises (i.e. \$1,742,400.00).** [ARTICLE 2]
- 1.19 Security Deposit: **None** [ARTICLE 46]
- 1.20 Radius: **None** [ARTICLE 58]
- 1.21 Option Terms and Rent: **Three (3) consecutive option terms of five (5) years each, at the "Fair Market Rental Rate" for the Leased Premises, determined as provided in ARTICLE 1(c) below.** [ARTICLE 1(c)]
- 1.22 Tenant's Proportionate Share: **The fraction (expressed as a percentage) determined from time to time by dividing the number of square feet of floor area in the Leased Premises by the number of square feet of leasable floor area in the Shopping Center (131,822 square feet), which percentage shall initially be Twenty Six and 44/100 percent (26.44%), and which shall be subject to adjustment provided in this Lease provided in no event shall Tenant's Proportionate Share be adjusted at any time during the Term (as it may be extended) in a manner which results in a material increase in Tenant's additional rental or other obligations hereunder.** [ARTICLE 17]
- 1.23 Broker(s): **Metro Commercial Real Estate and Colliers International** [ARTICLE 40]
- 1.24 Prohibited Uses: **See ARTICLE 6** [ARTICLE 6]
- 1.25 Exclusive: **Tenant shall have the exclusive right to use space within the property which constitutes the Shopping Center as depicted on the Site Plan attached here to as EXHIBIT B and any property which may hereafter be added to and included within the Shopping Center for medical offices, laboratory services, medical testing, and clinical, diagnostic and therapeutic services ("Tenant's Exclusive Uses"). Tenant's Exclusive Uses shall not include the following uses: dental offices (including general dentistry, oral surgery, orthodontics, periodontics and so forth); speech pathology; optometry offices; dialysis center; weight loss clinics; massage therapy services performed by state licensed professionals (and not otherwise prohibited on EXHIBIT F as a Prohibited Use); acupuncture services; vitamin therapy; and drug stores (including those which provide retail healthcare clinical and diagnostic services that are an ancillary part of the pharmacy operations of the drugstore such as CVS's Minute Clinic and Walgreen's Take Care Clinic provided that such services are provided within the drug store premises to walk in patients only for routine preventative**

healthcare and monitoring of chronic health conditions and routine illness treatment and do not include physician offices which are independent and separately owned or operated from the drug store). Tenant's exclusivity rights described herein shall be subject to the terms and conditions provided in ARTICLE 5 below.

[ARTICLE 5]

1.26 Zoning Approval Contingency: Notwithstanding anything to the contrary contained in this Lease, Landlord and Tenant acknowledge and agree that the validity and effectiveness of this Lease (other than this Reference Provision 1.26) is contingent upon Landlord having obtained the necessary zoning approvals from the Village of Lincolnshire (the "Village") for the use of the Leased Premises for the Permitted Use as described in Reference Provision 1.03 above (the "Zoning Approval") on or before September 14, 2015 (the "Zoning Approval Contingency Date"). The costs associated with obtaining the Zoning Approval, including without limitation, application fees, the expense of providing third-party reports and studies (such as traffic studies), and Village expenses shall be borne by Landlord; provided, however, the cost of preparing plans and drawings shall be borne by Tenant. Tenant and Landlord agree to cooperate fully with each other to obtain the Zoning Approval. Such cooperation shall include timely executing and filing such applications and providing such plans and documents necessary to petition the Village for the Zoning Approval ("Petition"), attending and giving testimony at all Village proceedings related to the Petition, and otherwise doing such acts and things as are reasonably necessary in connection with obtaining such Zoning Approval.

The Zoning Approval shall be considered to have been obtained only if the Village has adopted a resolution or ordinance granting the Zoning Approval in form and substance reasonably acceptable to Tenant and Landlord. If Landlord does not obtain the Zoning Approval on or before the Zoning Approval Contingency Date or if the parties mutually agree prior to the Zoning Approval Contingency Date that the Zoning Approval will not be granted by the Village by such date, then Tenant and Landlord each may terminate this Lease at any time thereafter by delivering ten (10) Business Days prior written notice of termination to the other, provided if such Zoning Approval is in fact obtained prior to the expiration of the notice period, the termination notice will be null and void. If this Lease is terminated as provided herein, this Lease shall be void and of no force or effect.

Landlord shall be solely responsible, at Landlord's sole cost and expense, for obtaining as and when required and in no event later than the expiration of the Zoning Approval Contingency Date, any and all third party approvals (such as those required from parties to declarations, including without limitation the Declaration of Covenant dated October 19, 2004, or mortgages encumbering the Shopping Center or otherwise) (collectively, the "Third Party Approvals"), or waivers (whether affirmatively or by failure to timely respond) or terminations of such approval rights (such as by terminating or modifying the underlying document giving rise to such approval rights to eliminate the requirement for such approvals), if any, as may be required in connection with Tenant's Permitted Use, Tenant's Work and signage. Landlord shall indemnify defend and hold Tenant harmless from and against all loss, cost, expense, claims, proceedings, causes of action, damages and liability related to or arising from Landlord's failure to obtain any such approvals, waivers or enforceable terminations of the same with respect to Tenant's Permitted Use, Tenant's Work and signage. Landlord shall provide Tenant with a copy of any such approvals or waivers or terminations obtained by Landlord and Landlord shall be deemed to represent and warrant to Tenant as of the delivery of the Leased Premises to Tenant on the Delivery Date that all required third party approvals have been obtained or waived or terminated so that they are no longer required by the party's entitled to grant or withhold such approvals and Tenant shall be entitled to rely thereon. In the event a cause of action arises in connection with Landlord's failure to obtain approvals or waivers (whether affirmatively or by failure to timely respond) or enforceable terminations, Landlord shall be required to defend Tenant against such claims, at Landlord's expense, using counsel reasonably acceptable to Tenant. Landlord shall have a thirty (30) day contingency period from the Effective Date (the "Third Party Approval Contingency") during which Landlord shall satisfy itself and its lender that Landlord shall be able to satisfy its obligations hereunder with respect to providing Third Party Approvals. Landlord may terminate the Lease at

any time prior to the expiration of the Third Party Approval Contingency in the event Landlord determines in good faith that it will not be able to obtain the Third Party Approvals or waivers required herein. Following the expiration of the Third Party Approval Contingency, Landlord shall be fully bound by the provisions of this paragraph and shall be obligated to comply therewith.

References to articles are for convenience and designate some of the other provisions where references to the particular Reference Provisions appear. If there is a conflict between a Reference Provision and the other provisions of this Lease, the former shall control.

ARTICLE 1. - LEASED PREMISES, TERM AND USE

(a) Landlord leases to Tenant and Tenant takes from Landlord in consideration of the covenants and agreements in this Lease, the premises ("Leased Premises") being the building identified on the drawing attached to this Lease and made a part of this Lease as EXHIBIT A. The Leased Premises shall include corridors and passageways for the exclusive use of the Leased Premises, columns, stairs, elevators and any construction or equipment located in the Leased Premises, as well as pipes, conduits, electrical wires and drainage lines that directly serve the Leased Premises. The Shopping Center includes all buildings, land, improvements, additions, extensions and deletions which may be made from time to time, and may include adjacent parcels of land not owned, leased or controlled by Landlord but which are operated as an integral part of the Shopping Center. The Leased Premises are described further in the Reference Provisions. If the square footage of the Leased Premises is different than the amount set forth in Reference Provision 1.01, no adjustment to rental, additional rental or any other terms of this Lease shall be made by the parties.

EXHIBITS A and B are for informational purposes only, and are not a warranty, representation or agreement that the Leased Premises, Shopping Center or other areas will be as shown on the Exhibits, or that other occupants if shown on the Exhibits will be in the Shopping Center. Tenant has not been granted any easements of light or air. Tenant's rights are limited to the use and occupancy of the Leased Premises and the right to use the Joint Use Areas as they may exist from time to time, all subject to the terms, covenants, conditions and provisions of this Lease.

(b) The term of this Lease ("Term") shall begin on the Effective Date and end on the Expiration Date in the Reference Provisions.

(c) Tenant shall have the right ("Extension Option"), if it is not in Default (beyond any applicable notice or cure periods) under the terms of this Lease upon the exercise of such right or the commencement of such period, upon giving Landlord written notice ("Extension Notice") not less than two hundred and seventy (270) days prior to the end of the Term (as extended), to extend the Term of this Lease for the number of option terms and amount of time specified in Reference Provision 1.21, on the same terms and conditions as set forth in this Lease, except that the rentals shall be at the then Fair Market Rental Rate, determined as provided below. It is the parties intention that the Tenant have the opportunity to extend the Term if it so desires so a failure to timely send an Extension Notice shall not be deemed a waiver of Tenant's extension option unless Landlord has delivered a written notice to Tenant advising Tenant of its failure to timely exercise its option and Tenant fails to send a timely notice of exercise within five (5) business days after delivery of such notice. Landlord shall advise Tenant in writing of Landlord's determination of the new Fair Market Rental Rate for an option term ("Landlord's FMR Determination Notice") within fifteen (15) days after the delivery of Tenant's Extension Notice or such earlier request therefore from Tenant (but in no event any earlier than one year prior to the end of the Term). Upon receipt of such determination from Landlord, Tenant will either confirm to Landlord in writing Tenant's desire to extend ("Confirmation Notice") on the rental terms proposed by Landlord in Landlord's FMR Determination Notice, or notify Landlord that Tenant disagrees with such determination in which case, the parties agree to negotiate in good faith to arrive at a determination of the Fair Market Rental Rate which is mutually acceptable to both parties. Tenant will endeavor in good faith to respond to Landlord's initial rent determination within fifteen (15) days and Landlord and Tenant will endeavor in good faith to mutually agree on the fair market rental rate within forty-five (45) days after the delivery to Tenant of Landlord's FMR Determination Notice (such 45-day period is referred to as the "Negotiation Period"), but the failure to meet such time periods will not result in a loss of Tenant's renewal right hereunder except as otherwise expressly set forth below. Tenant may at any time during the Negotiation Period notify Landlord in writing that Tenant no longer desires to renew the Lease ("Rescission Notice"). If the parties have not mutually agreed upon the determination of the Fair Market Rental Rate during the Negotiation Period, and provided that

Tenant has not delivered a Rescission Notice, Tenant may elect by written notice within thirty (30) days after the expiration of the Negotiation Period to require that the determination of the Fair Market Rental Rate shall be submitted to binding arbitration by an independent real estate broker or appraiser ("Arbitrator") mutually acceptable to both parties who has at least ten (10) years of experience in the business of marketing or appraising similar commercial real estate in the Chicago northern suburban submarket. If the parties cannot mutually agree on an Arbitrator then, each party shall select a broker or appraiser who meets the required criteria and the two Arbitrators shall mutually agree upon a third Arbitrator who meets the required criteria and such third Arbitrator shall be the determining Arbitrator. Each party will submit their estimate of the Fair Market Rental Rate to the determining Arbitrator for consideration and the Arbitrator shall be entitled to make the final determination of the Fair Market Rental Rate which shall be the estimate submitted by one of the two parties which most closely matches the Arbitrator's determination of the Fair Market Rental Rate (and shall not be an average of the two). The Arbitrator's determination will be binding upon both Landlord and Tenant and the cost will be shared equally by the parties. If the parties are unable to reach agreement upon the determination of the Fair Market Rental Rate during the Negotiation Period and Tenant does not elect to submit the matter to arbitration, the Extension Option will be deemed waived by Tenant. If Tenant fails to exercise, or is deemed to waive, any option term, all remaining option terms automatically shall extinguish. Landlord shall have no obligation to make improvements, decorations, repairs, alterations or additions to the Leased Premises as a condition to Tenant's obligations to pay Rent during the option terms unless otherwise agreed to by the parties at the time the amendment set forth below is executed. If Tenant delivers an Extension Notice, Landlord and Tenant agree to enter into an amendment to the Lease incorporating the option term and the Fair Market Rental Rate applicable thereto within thirty (30) days following the determination of the Fair Market Rental Rate, but in no event shall a delay in the full execution of such amendment nullify Tenant's exercise of the option to extend the Term. For purposes of this Lease, the "Fair Market Rental Rate" shall be the fair market rental rate (including any annual escalation thereof) for the six (6) month period immediately prior to the date upon which the Fair Market Rental Rate is being determined for leases for similarly improved comparable space for a comparable term in buildings similar to the Building located in the northern suburban Chicago submarket, taking into account prevailing market conditions including the value of any rental abatements, tenant improvement allowances and other concessions generally available to tenants leasing comparable space.

(d) Landlord has the right to terminate the lease of the Existing Tenant effective as of January 31, 2016 upon written notice (the "Termination Notice") received by the Existing Tenant no earlier than July 15, 2015 and no later than September 15, 2015. Provided that this Lease is not terminated pursuant to Reference Provision 1.26, Landlord shall deliver the Termination Notice to the Existing Tenant no later than September 10, 2015. If Landlord fails to deliver the Termination Notice to the Existing Tenant as and when required hereunder, such failure shall be an immediate Landlord default hereunder and Tenant shall be entitled to exercise all of its rights including, without limitation, the right to require specific performance or to terminate this Lease and pursue its claim for damages. In addition to any other damages to which Tenant may be entitled, Landlord shall be obligated to reimburse Tenant upon demand for two hundred percent (200%) of all reasonable third party costs and expenses incurred by Tenant in connection with this Lease and its tenancy of the Leased Premises; provided in no event shall Tenant be entitled to collect consequential or punitive damages.

ARTICLE 2. - ORIGINAL CONSTRUCTION; SIGNAGE

(a) Except as otherwise provided herein, Landlord may make changes, reductions, divisions and additions without restriction in other areas of the Shopping Center (including all Joint Use Areas and all buildings (other than the Building) and other improvements), whether the changes are requested by other tenants or deemed desirable by Landlord. Landlord shall obtain Tenant's written consent prior to making any changes to the Building (except those necessitated in fulfilling Landlord's maintenance obligations hereunder for which consent will not be required, but in which case, Landlord will provide Tenant with reasonable prior notice of such work). Notwithstanding anything herein to the contrary, Landlord shall not be permitted, without Tenant's prior written consent, to make any changes, reductions, divisions or additions to the Building, the Joint Use Areas or the Shopping Center which will upon completion adversely affect in any material way (other than on a temporary basis while such alterations are being made): (i) Tenant's use or occupancy of the Leased Premises; (ii) the visibility of the Building or any of Tenant's Building façade, canopy, pylon or monument signs; (iii) the Milwaukee Road entrance/exit to the Shopping Center and/or the access to or from the Leased Premises from Milwaukee Road or direct access to or from the Leased Premises from the South Parking Lot (defined below); (iv) Tenant's rooftop or other equipment used in its operations; (v) the parking of motor vehicles in the parking lot located to the south of the Building identified as the

"South Parking Lot" on EXHIBIT A; (vi) parking by reducing the amount of parking to an amount less than the amount Landlord is required to maintain pursuant to ARTICLE 52 herein; or (vii) Tenant's rights or obligations under this Lease. Landlord shall use commercially reasonable efforts to perform any work in a manner which does not unreasonably disturb or interfere with Tenant's use of the Leased Premises. Landlord shall have the right to subdivide all or any part of the Shopping Center, subject to the conditions hereinafter set forth in this Article 2(a), and provided that such subdivision does not adversely affect Tenant's rights or obligations under this Lease. As a condition to and prior to any subdivision of the Shopping Center Landlord shall be required to enter into and record such customary reciprocal easement agreements, easement dedications and covenants, conditions and restrictions of record, reasonably acceptable to Tenant, which preserve, to Tenant's reasonable satisfaction and on terms reasonably acceptable to Tenant, Tenant's rights under this Lease including without limitation Tenant's signage, Tenant's Exclusive Use rights and the prohibition against Prohibited Uses, rights of access, parking rights, utilities, use of the Joint Use Areas, services to be provided hereunder and Tenant's rights of first offer contained herein. Each of such documents shall expressly provide that they run to the benefit of Tenant (and its successors and assigns) and may be directly enforced by Tenant (and its successors and assigns) against the owners and other third parties bound thereby. Tenant shall have the right to approve the final subdivision plat, which approval shall not be unreasonably withheld. Landlord has provided to Tenant a preliminary plat of subdivision attached hereto as EXHIBIT H (the "Preliminary Plat") which Landlord has presented to the Village of Lincolnshire for the purpose of preserving a future right to subdivide the Shopping Center. Tenant agrees that a subdivision plat substantially in the form of the Preliminary Plat is generally acceptable to Tenant (subject to Tenant's reserved right to review and comment upon and reasonably approve the final version) provided all of the foregoing conditions and restrictions set forth in this ARTICLE 2(a) and elsewhere contained in this Lease (including without limitation, the above mentioned obligation to put of record acceptable reciprocal easement agreements and covenants, conditions and restrictions of record) are satisfied to Tenant's reasonable satisfaction, and provided to the extent the lot designated for the Leased Premises (Lot 3) does not include sufficient parking on a stand alone basis to satisfy the parking requirements for Tenant's Permitted Use, the Village of Lincolnshire confirms the offsite parking easement arrangement for the Leased Premises as set forth in the above contemplated reciprocal easement agreement meets the parking requirements of the Village zoning code. Tenant will use commercially reasonable good faith efforts to review and respond to documentation provided by Landlord in connection with a subdivision of the Shopping Center within thirty (30) days after receipt; provided a failure to respond within such time shall not result in a waiver of Tenant's rights hereunder. When providing documentation to Tenant for its review and approval hereunder, Landlord shall include a notice in bold type and all capital letters, informing Tenant that the request is time sensitive and a response is required within thirty (30) days. If Tenant fails to respond to Landlord with its approval or disapproval within thirty (30) days (not to be unreasonably withheld) after the date of the delivery of such notice and documentation or the date of the delivery to Tenant of any additional back up documentation reasonably requested by Tenant in connection with its review (whichever date is later), then Landlord may send Tenant a second notice with a similar legend informing Tenant that if Tenant fails to respond within ten (10) business days after the date of the delivery of the second notice, Tenant's failure to respond with its approval or disapproval (not to be unreasonably withheld) shall be deemed approval of any such delivered documentation which Landlord reasonably believes in good faith complies with and satisfies the requirements of this ARTICLE 2(a).

(b) Following vacation of the Leased Premises by the Existing Tenant, Tenant (or its construction representative) shall have the right to inspect the Leased Premises to confirm that the Delivery Conditions have been satisfied and Tenant shall not be obligated to accept delivery (and the Delivery Date shall not occur) until the Delivery Conditions have been satisfied. If the Delivery Date does not occur on or before the Anticipated Delivery Date (for reasons other than Landlord's failure to terminate the Existing Tenant's lease, in which case, the provisions of ARTICLE 1(d) shall control), and provided that the delay is not due to Force Majeure or the acts of Tenant or its agents or employees, then Tenant shall be entitled to a rental abatement of gross rent calculated as follows: (i) one days Minimum Rent for each day between the 90th day and the 120th day following the Anticipated Delivery Date that the Delivery Conditions have not been satisfied; and (ii) two days Minimum Rent for each day after the 120th day following the Anticipated Delivery Date that the Delivery Conditions have not been satisfied. If the Delivery Date does not occur within one hundred and eighty (180) days after the Anticipated Delivery Date, Tenant shall have the unilateral right at any time after such one hundred and eighty (180) day period, and prior to the date in which the Delivery Date actually occurs, to terminate the Lease and pursue all remedies for a Landlord default (provided Tenant shall not be entitled to consequential or punitive damages) by delivering written notice to the Landlord. A failure to vacate the Existing Tenant shall not be deemed a Force Majeure hereunder.

(c) Landlord represents and warrants that (i) Landlord is the fee simple owner of the Leased Premises and has full authority to execute, deliver and perform this Lease and as of the date hereof, no mortgage or lien or other restrictions encumber the Leased Premises except as disclosed to Tenant prior to Lease execution; (ii) no consents or approvals are required as a condition to the execution or the performance of this Lease except those which have been obtained prior to Lease execution by Landlord; (iii) this Lease has been duly authorized, executed and delivered by and on behalf of Landlord and constitutes the valid and binding agreement of Landlord in accordance with the terms hereof; (iv) as of the Effective Date, Landlord has not received any written notices asserting that, and Landlord has no actual knowledge that: (x) the Leased Premises is currently not in compliance with any zoning requirements applicable to the Leased Premises generally, or (y) the Leased Premises is currently not in compliance with any applicable laws, ordinances, codes (including building codes), rules, regulations, judicial orders or other requirements of all applicable governmental authorities including, without limitation, Environmental Laws and the Americans with Disability Act without reliance on variances or grandfathering provisions; (v) to Landlord's knowledge, the terms of this Lease and Tenant's rights hereunder do not conflict with and will not result in any breach under or violation of any existing lease, mortgage, easement agreement, restrictions of record, or any other contract, agreement or encumbrance applicable to Landlord or the Shopping Center except with respect to those Third Party Approvals which may be required under such agreements and which have been already obtained (or which will be obtained) by Landlord (or as to which Landlord has obtained or will obtain waivers) as and when required pursuant to Reference Provision 1.26; (vi) no third party consents or approvals are required in connection with Tenant's Permitted Use or the construction of Tenant's Work or installation of Tenant's signage except those Third Party Approvals already obtained (or which will be obtained) by Landlord (or as to which Landlord has obtained or will obtain waivers) as and when required pursuant to Reference Provision 1.26; (vii) as of the date of Landlord's delivery of the Leased Premises to Tenant, the Leased Premises shall be free of all Hazardous Materials, including without limitation, mold and asbestos; and (viii) all water, sewer, gas, electric, telephone and drainage facilities and other utilities required for the current operation of the Leased Premises are installed up to and connected to the Leased Premises. Landlord shall be responsible, at Landlord's sole cost and expense, for correcting any breach of the foregoing representations and warranties. For purposes of this ARTICLE 2(c), all references to Landlord's knowledge or the knowledge of Landlord shall mean and refer to the actual knowledge of the Designated Representative identified below, and shall not be construed to refer to the knowledge of any other partner, officer, director, agent, employee or representative of Landlord, or any affiliate of Landlord, or to impose upon such Designated Representative any duty to investigate the matter to which such actual knowledge or the absence thereof pertains, or to impose upon such Designated Representative any individual personal liability. As used herein, the term "Designated Representative" shall refer to Marc Blum, the managing principal of Landlord, and Richard Reagan, the director of property management for the Shopping Center.

(d) Except for the representations and warranties contained in ARTICLE 2(c) and elsewhere herein, Tenant is accepting possession of the Leased Premises as currently comprised, in an "As Is" condition as of the Delivery Date. Tenant acknowledges that Landlord has no obligation to improve or repair the Premises or the Shopping Center, except as herein expressly provided. All improvements to the Leased Premises desired by Tenant for Tenant's use or occupancy thereof shall be completed by Tenant, at Tenant's expense (subject to the Construction Allowance), and shall hereinafter be referred to as the "Tenant's Work." Upon delivery of the Leased Premises to Tenant on the Delivery Date in the condition required herein, Tenant shall proceed diligently with construction of the Tenant's Work. Tenant's Work shall include, but not be limited to, the installation of Tenant's signs, customer entrance doors, floor covering, plastering, interior decorating, wall and ceiling treatment, installation of any supplemental air conditioning, heating or ventilating equipment desired by Tenant, installation or modifications to the fire sprinkler systems, and connection of plumbing lines to Landlord's system, the installation of electric lights and fixtures and all other electrical work. The design and installation of mechanical and electrical systems shall comply with the requirements attached and made a part of this Lease as the Exhibits.

(e) Tenant shall be exclusively entitled throughout the Term (as it may be extended) to all signage rights lawfully available now or in the future on and within the Leased Premises, including exclusive signage on the façade of the Building. In the event at any time during the Term of the Lease, Landlord installs Shopping Center monument or pylon signage, Tenant shall be entitled to a share and priority of signage on such monument or pylon commensurate with the size of the Leased Premises in relation to those tenants sharing space on such signage; provided that Tenant reimburses Landlord for Tenant's proportionate share of such monument or pylon signage upon Landlord's request. All signs and electrical work for the signs desired by Tenant at the Leased Premises shall be installed by Tenant at Tenant's expense. All exterior signage shall be subject to compliance with all applicable

laws and codes, all applicable governmental approvals, and Landlord's prior approval which shall not be unreasonably withheld, conditioned or delayed and such signage shall be of such character, design, size and at such locations as Landlord may reasonably approve. Tenant agrees not to install any exterior signs until they have been approved by Landlord. Landlord hereby pre-approves and consents to Tenant's signage attached hereto as EXHIBIT E and to any future changes or alterations to such signage made by Tenant from time to time during the Term of the Lease which are consistent with Tenant's standard corporate signage used in its operations generally throughout the Chicago metropolitan area provided any such changes comply with applicable law and provided Tenant delivers a depiction of its new signage and thirty (30) days notice prior to installing the new signage.

(f) Approval of the plans and specifications by Landlord shall not create any responsibility by Landlord for their accuracy, sufficiency or compliance with laws, rules or regulations. Tenant shall be solely responsible for the plans and specifications. The plans and specifications shall be reviewed and approved by Landlord pursuant to the process set forth in the Work Agreement attached as EXHIBIT C ("Work Agreement"). Landlord's review of Tenant's plans and specifications (and any subsequent changes thereto) shall be limited to those matters which affect the exterior façade of the Building, the structural elements of the Building (such as the foundation, floor slab, subflooring, support columns, exterior and interior load bearing walls and roof) and the building systems such as the electrical, mechanical, fire and life safety systems and plumbing systems and Landlord's consent shall not be unreasonably withheld, conditioned or delayed. When Landlord has approved Tenant's plans and specifications, Landlord shall return one set of approved plans to Tenant. Such approved plans shall show the date of Landlord's approval and shall be made a part of this Lease, whether or not physically attached hereto. Tenant agrees not to begin Tenant's Work until Landlord has approved the plans and specifications.

(g) Tenant shall use commercially reasonable efforts to begin Tenant's Work promptly upon the occurrence of the Beginning Work Date specified in the Reference Provisions, proceed with it diligently and complete it in accordance with the Work Agreement attached as EXHIBIT C. Tenant shall use commercially reasonable efforts to complete the installation of fixtures, trade fixtures, improvements, equipment, stock and inventory prior to the Opening Date.

(h) Landlord agrees to reimburse Tenant (or if requested in writing by Tenant, pay directly to Tenant's general contractor) for the Construction Costs (as hereinafter defined) which Tenant incurs in constructing Tenant's Work in an amount equal to the lesser of: (i) the amount specified in Reference Provision 1.18, or (ii) the actual Construction Costs incurred by Tenant (the "Construction Allowance"). In no event shall the Construction Allowance provided by Landlord exceed the amount specified in Reference Provision 1.18 and Tenant shall be responsible for any actual Construction Costs in excess of such amount. "Construction Costs" shall mean all hard costs and soft costs of design and construction of Tenant's Work, including, all labor and materials, all planning, architectural and engineering costs, the cost (including all governmental fees) of building permits and other permits and licenses, all tap fees, and other costs paid or incurred by Tenant to plan, design, permit and construct the Tenant's Work. Tenant shall deliver to Landlord a detailed cost estimate of the Construction Costs ("Cost Estimate") prior to commencement of the Tenant's Work, which Cost Estimate shall be updated (and delivered to Landlord) upon Landlord's request or upon material modifications in the Tenant's Work. Provided that Tenant is not in Default under this Lease, the Construction Allowance shall be funded (less a 10% retainage which retainage shall be payable as part of the final draw) at Tenant's election either on a periodic basis as Tenant's Work progresses (but not more frequently than monthly) and/or following completion of the Tenant's Work after satisfaction of the following conditions: (A) Tenant shall have completed all of Tenant's Work for which the Construction Allowance funds have been requested in the applicable draw request; (B) Tenant shall have submitted to Landlord the following documentation: (i) a certificate signed by Tenant, in a form reasonably acceptable to Landlord, certifying to Landlord the actual Construction Costs for which the Construction Allowance funds have been requested; (ii) a certificate issued by Tenant's architect, evidencing the completion of all Tenant's Work for the applicable draw request or, if the final draw request, a certificate evidencing completion of the Tenant's Work in each case, substantially in accordance with the plans and specifications with respect to those aspects which Landlord had a right to approve and which were reasonably approved by Landlord; (iii) evidence that all permits and approvals required for the completion of construction as of the date of such draw request have been obtained and, with respect to the final draw, all certificates of occupancy and other necessary certificates of acceptance of work for Tenant's Work, in compliance with all applicable laws, codes and regulations have been obtained; and (iv) sworn statements and mechanic's and materialmen's lien waivers for all work and material provided to the Leased Premises as of the prior draw request (and upon completion and the final draw request, final lien waivers), reasonably acceptable to

Landlord, and such other evidence as Landlord may reasonably require that the cost of construction of Tenant's Work has been paid for and that no mechanic's, materialmen's or other such liens have been or may be filed against the Building or the Leased Premises arising out of construction of Tenant's Work. In addition to the foregoing requirements, upon completion of the Tenant's Work, and prior to final disbursement of the Construction Allowance, (1) Tenant shall furnish Landlord with as-built plans of the Tenant's Work; (2) Tenant shall have paid the Rent due for the first month of the Term; and (3) Tenant shall have opened for business in the Leased Premises. If based on the Cost Estimate it is estimated that the Construction Costs shall exceed the Construction Allowance (such excess amount being referred to herein as the "Excess Costs"), Landlord shall have the right to require Tenant to pay its pro-rata share of any Construction Costs as they become due, as described below. At the time of a request from Tenant for payment of any portion of the Construction Allowance (each a "Pay Request"), Landlord shall pay only the Landlord's Pro-Rata Share (as defined below), less the 10% retainage, and Tenant shall pay the Tenant's Pro-Rata Share of such Pay Request. Tenant's Pro-Rata Share is defined herein as the percentage determined by dividing the Excess Cost into the Cost Estimate, and Landlord's Pro-Rata Share is defined herein as the percentage determined by dividing the Construction Allowance into the Cost Estimate.

In the event Landlord fails to pay the Construction Allowance funds within thirty (30) days following Tenant's written request and Tenant's satisfaction of the conditions to payment hereunder ("Funding Failure"), and provided that the Offset Conditions (as defined below) are fully satisfied, then Tenant shall have the immediate right to offset the unpaid amount of the Construction Allowance against the Rent due hereunder until paid in full. The "Offset Conditions" are: (i) Tenant has delivered to Landlord written notice of the Funding Failure; (ii) Landlord has failed to pay the amounts due within thirty (30) days after receipt of the notice described in item (i); (iii) the Tenant's Work has been completed in substantial conformity with the plans and specifications with respect to those aspects which Landlord had a right to approve and which were reasonably approved by Landlord; (iv) Tenant has commenced business operations in the Leased Premises; (v) no Default by Tenant then exists; and (vi) no unresolved dispute exists between Landlord and Tenant with respect to performance of the Tenant Work or Tenant's satisfaction of the conditions for the disbursement of the Construction Allowance.

ARTICLE 3. RENTAL COMMENCEMENT DATE

The rental payments shall begin to accrue on the Rental Commencement Date, subject to extension for any Landlord Delays as set forth in the Work Agreement attached as EXHIBIT C.

ARTICLE 4. RENTAL

Tenant shall pay Landlord as rental for the use and occupancy of the Leased Premises, at the times and in the manner provided, the following sums of money per annum without deduction or set-off, except as otherwise expressly set forth herein, and without prior demand:

(a) **MINIMUM ANNUAL RENTAL:** The Minimum Annual Rental shall be payable in 12 equal monthly installments in advance, upon the 1st day of each and every month during the periods of time specified in the Reference Provisions.

If the Rental Commencement Date shall occur on a day other than the first day of a month, the monthly installment of Minimum Annual Rental for the period from the Rental Commencement Date until the 1st day of the month next following shall be prorated accordingly. All past due rental, additional rental, and other sums due Landlord under this Lease, not paid within five (5) days of the date due, shall bear interest from the due date until paid by Tenant, at the rate of 2% above the Prime Rate (as defined below), not to exceed the maximum rate of interest allowed by law in the state where the Shopping Center is located (the "Interest Rate"); provided, however, that no interest shall be due for the first late payment in any twelve (12) month period, so long as Tenant pays such amount within five (5) days after Landlord's written notice of Tenant's failure to timely make such payment. Any interest due shall be deemed to be additional rental. All rental provided for in this Lease shall be paid to Landlord at the address in the Reference Provisions or to another payee or address that Landlord designates.

"Prime Rate" wherever it appears in the Lease means the prime rate (or base rate) reported in the Money Rates column or section of The Wall Street Journal as being the base rate on corporate loans at large U.S. money center commercial banks (whether or not that rate has been charged by any bank). If The Wall Street Journal ceases

publication of the prime rate, Prime Rate shall mean the highest rate charged by Chase (or its successor) on short term unsecured loans to its most creditworthy large corporate borrowers. If The Wall Street Journal (i) publishes more than one prime rate or base rate, the higher or highest of the rates shall apply, or (ii) publishes a retraction or correction of that rate, the rate reported in that retraction or correction shall apply.

(b) Intentionally deleted.

(c) If Minimum Annual Rental or additional rental is not paid within five (5) days after it is due, Tenant shall also pay Landlord, as liquidated damages, a one time late payment fee equal to the greater of \$100.00 or 5% of the delinquent amount. The foregoing late charge shall be waived for the first late payment occurring during any twelve (12) consecutive month period during the Term so long as Tenant pays such amount within five (5) days after Landlord's written notice of Tenant's failure to timely make such payment. The fee shall not excuse Tenant from the timely payment of rental. If Landlord receives 2 or more checks from Tenant which are returned by Tenant's bank for insufficient funds, Tenant agrees that all future checks shall be either bank certified, cashiers' or treasurers' checks. All bank service charges resulting from bad checks shall be borne by Tenant.

(d) In addition to Minimum Annual Rental, Tenant shall pay, as additional rental, all sums of money required to be paid pursuant to ARTICLE 7 (Taxes), ARTICLE 17 (Joint Use Areas and Operating Expenses), and all other sums of money or charges required to be paid by Tenant under this Lease (collectively referred to in this Lease as "additional rental"). All amounts shall be paid to Landlord's Payment Address as shown in Reference Provision 1.10. If the amounts or charges are not paid at the time provided in this Lease, they shall nevertheless be collectible as additional rental with the next installment of Minimum Annual Rental falling due, but nothing in this Lease shall be deemed to suspend or delay the payment of any amount of money or charge at the time it becomes due and payable or to limit any other remedy of Landlord. All amounts of Minimum Annual Rental and additional rental payable in a given month (also collectively referred to in this Lease as "rent" or "rental") shall be deemed to be a single rental obligation, and shall survive the expiration of the Term or the earlier termination of this Lease. Any payment by Tenant or acceptance by Landlord of a lesser amount than shall be due from Tenant to Landlord at the time of such payment shall be treated as a payment on account. The acceptance by Landlord of a check for a lesser amount with an endorsement or statement thereon, or any letter accompanying such check stating that such lesser amount is payment in full shall be given no effect, and Landlord may accept such check on account without prejudice to any other rights or remedies which Landlord may have against Tenant.

ARTICLE 5. – PERMITTED USE; TENANT'S EXCLUSIVE USE

The Leased Premises shall be used and occupied only for the Permitted Use in the Reference Provisions, and for no other use or purpose whatsoever. Tenant shall have the exclusive right throughout the Term (as it may be extended) to use space within the property which constitutes the Shopping Center depicted on the Site Plan attached here to as EXHIBIT B and any property which may hereafter be added to and included within the Shopping Center (collectively the "Exclusive Use Area") for Tenant's Exclusive Uses identified in Reference Provision 1.25. Landlord shall be responsible, at Landlord's sole expense, for enforcing compliance with Tenant's Exclusive Use covenant against all parties occupying space within the Exclusive Use Area. Landlord agrees not to lease any other space in the Exclusive Use Area or otherwise to grant its consent to the use of space in the Exclusive Use Area to any tenant or occupant for any of Tenant's Exclusive Uses during the Term, without Tenant's prior written consent which may be given or withheld in Tenant's sole discretion. This exclusivity restriction shall not apply to any lease, lease extension, lease renewal or any amendments to any existing lease with any existing tenant (or its successor or assign) within the Shopping Center as of the Effective Date to the extent the existing tenant's lease, as in effect on the Effective Date, permits the use of such space for the applicable Exclusive Use without the requirement of obtaining Landlord's consent (it being acknowledged that if Landlord's consent is required under the existing lease, Landlord will not grant such consent without first obtaining Tenant's consent hereunder for such use). The parties acknowledge that Landlord has entered into a lease with ATI Physical Therapy for 2,776 square feet located in the area of the Shopping Center which is north of the Leased Premises for a ten (10) year term and with two (2) five (5) year renewal options (the "ATI Lease") which space will be used for Physical Therapy Services (defined below) which are included in Tenant's Exclusive Use. For purposes hereof, "Physical Therapy Services" shall include without limitation physical therapy, work conditioning, aqua therapy, hand therapy, sports performance enhancement, athletic training, and related services and activities. Tenant hereby consents to the ATI Lease and acknowledges that such lease qualifies as an existing lease hereunder which is permitted, provided Landlord shall

not consent (to the extent Landlord's consent is required under the ATJ Lease) to any expansion or change in use (to include, for example, uses other than Physical Therapy Services which would violate Tenant's Exclusive Use rights) without obtaining Tenant's consent. In the event, Landlord fails to perform its covenants contained in this ARTICLE 5, such event shall be an immediate Default by Landlord entitling Tenant to immediately exercise all of its rights and remedies hereunder including, without limitation, the right to demand specific performance of such covenants or an injunction to prohibit such activity.

ARTICLE 6. – PROHIBITED USES

Landlord agrees that during the Term, it will not lease any space in the Shopping Center or otherwise permit the use of space in the Center and Tenant agrees that it will not use or permit the use of space in the Leased Premises for any of the prohibited uses listed on EXHIBIT F attached hereto and hereby made a part hereof (each a "Prohibited Use" and collectively, the "Prohibited Uses").

ARTICLE 7. - TAXES

(a) (i) Effective upon the Rental Commencement Date, Tenant shall pay, without deduction or set-off of any kind, except as otherwise expressly set forth herein, Tenant's proportionate share of all real property taxes and assessments which may be levied or assessed against the Shopping Center during the Term by any lawful authority and which become due and payable for each calendar year during the Term including, without limitation, all Impositions as defined below in this subpart (a)(i) and the out-of-pocket costs of any contest, review or negotiation of an assessment by Landlord, as described in subpart (c) below attributable to any such Impositions (collectively "Property Taxes"). Property Taxes shall be passed through on a cash (as opposed to accrual) basis so that the amount of Property Taxes attributable to a calendar year during the Term shall be the amount due and payable during any such year, even though the Property Taxes for such year relate to Property Taxes levied or assessed in a prior year. Property Taxes shall exclude taxes and assessments payable by outparcel occupants for land and buildings that are separately billed or assessed, if any. Notwithstanding anything to the contrary contained in this Lease, Property Taxes shall include any form of real property tax or assessment, license fee, license tax, tax or excise on rent, or any other levy, charge, or similar imposition ("Impositions") imposed by any governmental authority or political subdivision having jurisdiction, or any school, agricultural, lighting, drainage, management, roadway, water, levee, utility or other improvement or special assessment district, on any interest of Landlord or Tenant in the Leased Premises, the Shopping Center or the underlying realty. The Impositions shall include but not be limited to: (aa) any partial or total substitute impositions for real property taxes; (bb) any impositions imposed upon owners of real estate (including any water and sewer tax assessment) rather than upon persons generally, as well as any tax which may become a lien on the land, buildings or other improvements in the Shopping Center; and (cc) any impositions for offsite property or facilities that provide an easement required to be maintained for the benefit of or that serves the Shopping Center. Special taxes and assessments which may be paid in installments shall be paid by Landlord over the longest period permitted by law and the amount to be included in Property Taxes shall be limited to the amount of the installments (plus any interest, other than penalty interest, payable thereon) of such special tax or special assessment allocable to the calendar year in respect of which Property Taxes are being determined.

(ii) Tenant's proportionate share shall be the product which results by multiplying the Property Taxes by a fraction, the numerator of which shall be the number of square feet of floor area in the Leased Premises and the denominator of which shall be the total number of square feet of gross leasable floor area in the Shopping Center.

(iii) Notwithstanding anything to the contrary contained in the Lease, an outparcel may at Landlord's sole discretion be considered part of the Shopping Center for purposes of the definition of Property Taxes and the calculation of Tenant's share of Property Taxes under ARTICLE 7, provided that if the Landlord considers an outparcel to be part of the Shopping Center for such purposes Landlord shall include the gross leasable floor area of the outparcel in the denominator when computing Tenant's proportionate share and shall include any payments toward Property Taxes payable by the outparcel occupant before the calculation of Tenant's share of Property Taxes.

(b) Tenant shall pay Tenant's proportionate share of Property Taxes to Landlord within ten (10) days after receipt from Landlord of the relevant tax bill from the applicable governmental authority. Landlord reserves the right, however, following the occurrence and during the continuation of an uncured Event of Default to require that

Tenant pay monthly estimated installments of Tenant's proportionate share of Property Taxes in lieu of the privilege of paying such Taxes when billed by the relevant governmental authority. During any period in which Tenant is required by Landlord to pay monthly estimated installments of Tenant's proportionate share of Property Taxes, Landlord shall notify Tenant from time to time in writing of Landlord's estimate of Tenant's monthly installments due with respect to Property Taxes. Such monthly installments shall be paid on or before the 1st day of each calendar month, in advance. If Landlord is required under a mortgage to escrow Property Taxes, Landlord may, but shall not be obligated to, use the amount required to be escrowed as a basis for the estimate of the monthly installments. Upon confirmation of all Property Tax bills attributed to any calendar year during the Term (regardless of whether Tenant pays semi-annually or monthly), Landlord shall furnish Tenant with a written statement of the actual amount of Tenant's proportionate share of the Property Taxes paid for that year together with a copy of the relevant Property Tax bills. For example Property Taxes paid in 2016 shall be reconciled upon receipt of the second installment tax bill in 2016. If the total amount paid by Tenant for any calendar year during the Term is less than the actual amount due from Tenant for that year, as shown on the statement, Tenant shall pay Landlord the deficiency within thirty (30) days after demand by Landlord. If the total amount paid by Tenant for any calendar year exceeds the amount due from Tenant for that calendar year, Landlord shall credit the excess against payments due, or if the Lease has expired, refund such amount to Tenant. Tenant's liability for its proportionate share of Property Taxes for the calendar years in which this Lease begins and ends shall be subject to a prorata adjustment based on the number of days in those years. Landlord's and Tenant's obligations under this ARTICLE 7 shall survive the expiration of the Term. An official tax bill (or copy), if available, shall be submitted by Landlord to Tenant, upon request by Tenant, and shall be conclusive evidence of the amount of the tax assessed or levied, the items taxed and the installments.

(c) Landlord shall use commercially reasonable diligent efforts to contest taxes and assessments imposed upon the Building and the Shopping Center and the assessed valuation of the same on an annual basis using experienced tax counsel whose primary business is the handling of real estate taxation matters in the Chicagoland area which includes the Leased Premises (the parties expressly acknowledge that as of the Effective Date, Field and Goldberg satisfies such criteria). The out-of-pocket costs and expenses of Landlord in performing contests, reviews or negotiations of any tax or assessment upon the Shopping Center, shall be included in Property Taxes in the calendar year for which such Property Taxes are contested. Upon Tenant's request, Landlord shall advise Tenant of the status of Property Tax contests and proceedings. Upon Tenant's request, Landlord's tax counsel shall be available to meet with and consult with Tenant's tax advisor regarding any contest or abatement proceedings affecting the Leased Premises and Landlord and its counsel shall exercise good faith commercially reasonable efforts to address any reasonable concerns or objections raised by Tenant or its tax advisor with respect to Landlord's tax contest or abatement efforts. Tenant shall not have the right to withhold any payments to Landlord notwithstanding anything to the contrary contained in this Lease, nor shall Landlord be obligated to withhold the payment of Property Taxes levied or assessed against the Shopping Center. If Tenant pays an amount in excess of its proportionate share of Property Taxes for any year as the result of a subsequent reduction or refund in total Property Taxes for that year, the excess shall be refunded to Tenant (the "Net Refund") when all refunds to which Landlord is entitled from the taxing authority for that year are received by Landlord. The term "Net Refund" means the refund plus interest, if any thereon less reasonable out-of-pocket appraisal, engineering, expert testimony, attorneys', printing and filing fees and all other costs and expenses of the contest, review or negotiation to the extent that such fees, costs and expenses have not been previously included in taxes under this ARTICLE 7.

(d) Notwithstanding anything to the contrary in this ARTICLE 7 or elsewhere in this Lease, Property Taxes shall not include income, revenue, excess profits, gains, capital stock, mortgage, gift, franchise, transfer, inheritance, or succession taxes or impositions. Property Taxes shall not include late fees or penalties for late payment except to the extent attributable to Tenant's failure to timely pay amounts due from Tenant.

(e) In the event at any time during the Term, the Leased Premises (with or without the Joint Use Areas which directly serve the Leased Premises such as the South Parking Lot) are subdivided by Landlord into a separate lot from the rest of the Shopping Center or are otherwise assigned a separate tax parcel number (independent from the tax parcel number for the Shopping Center), Tenant shall have the right during the Term of the Lease, at its election and at Tenant's expense, to the extent permitted by applicable law, to obtain one or more tax divisions of the tax parcel which includes the Building constituting the Leased Premises so that the Leased Premises is assessed separately for Tax purposes and Tenant shall have the right to cause such Taxes for the Leased Premises to be billed directly to Tenant. In the event of such subdivision of the Leased Premises, Tenant shall also have the right to seek

any Property Tax exemptions to which Tenant may be entitled. Landlord shall cooperate with such tax divisions and applications for exemption, including executing such applications and providing such information as may be necessary to effectuate such divisions and exemptions. Upon completion of any such tax divisions, Tenant shall pay directly to the applicable governmental authorities, upon receipt of the relevant Property Tax bills for such separate Leased Premises tax parcels and prior to delinquency, the Property Taxes assessed on such separate tax parcels in lieu of making the payments to Landlord referred to in ARTICLE 7(a) and (b) above on account of such Property Taxes. Tenant shall provide Landlord with evidence that such payments have been timely made within ten (10) days after the last day such Property Taxes can be paid without penalty. Notwithstanding the foregoing, Landlord shall have the reserved right upon five (5) days prior written notice to Tenant, to pay any Property Taxes which Tenant fails to timely pay hereunder (unless Tenant is contesting such amounts by appropriate proceedings and the same will not result in any fine or penalty, or in the foreclosure of any lien pending resolution of such contest) and in the event of such payment by Landlord, Tenant shall promptly reimburse Landlord within ten (10) days of demand for any amounts paid by Landlord on Tenant's behalf. Upon completion of any such tax divisions, Tenant shall have the sole right, at Tenant's expense, to contest the Property Taxes and assessed valuation for such separate tax parcels, using counsel selected by Tenant and reasonably acceptable to Landlord. Landlord shall cooperate, without cost to Landlord, with any such contests. Notwithstanding the foregoing, in the event Tenant elects not to contest Property Taxes or the assessed valuation in a given year, Landlord may following written notice to Tenant of its desire to do so, contest such Property Taxes and/or assessed valuation at Landlord's expense; provided Landlord shall be entitled to offset its costs from any refunds achieved by Landlord. Upon the completion of any tax division and during any period in which Tenant is paying directly any Property Taxes with respect to the Leased Premises, Tenant's obligation to pay Landlord Tenant's proportionate share of Property Taxes shall be limited to Tenant's proportionate share of the Property Taxes attributable to the Joint Use Area unimproved land within the Shopping Center (but including without limitation any detention ponds, parking lots, driveways and sidewalks) as equitably and reasonably determined by the parties and their respective tax counsel taking into consideration any Property Taxes directly paid by Tenant with respect to any Joint Use Areas such as the South Parking Lot.

ARTICLE 8. - SUBORDINATION AND ATTORNMENT

(a) Tenant's rights shall be subordinate to the interest of any ground lessor and to the lien of any mortgage or deed of trust in force or later placed against the Shopping Center, upon any building placed later upon the Shopping Center and to all advances made upon the security thereof, provided such ground lessor or mortgagee or beneficiary named in the mortgage or trust deed agrees that it shall not disturb Tenant's peaceful possession of the Leased Premises or Tenant rights under the Lease so long as Tenant is not in Default under this Lease. Any mortgagee or beneficiary of Landlord may, at its option, subordinate its mortgage or trust deed to this Lease. Tenant shall execute a subordination agreement reasonably requested by Landlord, any mortgagor or beneficiary of Landlord upon written request, so long as such instruments provides that as long as Tenant is not in Default under this Lease beyond any applicable notice and cure period, Tenant's right to possession and enjoyment of the Premises and rights under the Lease shall be and remain undisturbed and unaffected by the mortgagee, by any foreclosure proceeding under its mortgage, by any purchaser at any foreclosure sale, or by any grantee in any conveyance in lieu of foreclosure and provided such agreement is otherwise in a form reasonably acceptable to Tenant, Landlord, and any mortgagor or beneficiary of Landlord. Any such agreement shall expressly acknowledge Tenant's right to exercise any offset rights expressly contained in this Lease, if any. Tenant shall accept performance of any of Landlord's obligations hereunder by any mortgagee or beneficiary of Landlord.

Notwithstanding the foregoing, Tenant shall execute and deliver to Landlord the form of Subordination, Nondisturbance and Attornment Agreement ("SNDA") attached hereto as EXHIBIT D, and Landlord shall submit the SNDA to the lender described therein for its signature. If within thirty (30) days following the Effective Date Landlord fails to deliver to Tenant the SNDA with the lender's signature thereto, then Tenant shall have the right to terminate this Lease upon written notice received by Landlord within ten (10) days after such date. If Tenant fails to timely deliver such termination notice, the termination right contained in this paragraph shall be forever waived, and this Lease shall continue in full force and effect.

(b) if any proceedings are brought for foreclosure, or if the power of sale under any mortgage, deed of trust or deed to secure debt made by Landlord covering the Leased Premises is exercised, Tenant shall attorn to the purchaser upon the foreclosure or sale and recognize the purchaser as the Landlord under this Lease.

ARTICLE 9. - ADDITIONAL CONSTRUCTION IN THE SHOPPING CENTER

Subject to the limitations set forth in Article 2(a) and elsewhere herein, Landlord reserves the right at any time to make alterations or additions to or subdivide the Shopping Center, change the dimensions and storefront lines of buildings in the Shopping Center (other than the building in which the Leased Premises is located (the "Building")), and to build additional stories on any other building or buildings in the Shopping Center. Subject to the limitations set forth in Article 2(a) and elsewhere herein, Landlord also reserves the right at any time to construct other buildings, structures or improvements including, but not limited to, surface, elevated or double-deck parking facilities and to erect temporary scaffolds and other aids to construction.

ARTICLE 10. - CONDITION OF LEASED PREMISES

Except for the representations and warranties contained in Article 2(c) and elsewhere herein, Tenant's taking possession of the Leased Premises shall be conclusive evidence of Tenant's acceptance of the Leased Premises in good order and satisfactory condition and "as-is". Tenant also agrees that no representations have been made to Tenant that any other tenants will lease space in the Shopping Center. Tenant hereby waives any implied warranties, including but not limited to fitness, suitability and habitability.

ARTICLE 11. - REPAIRS AND MAINTENANCE

(a) Landlord shall be responsible for the maintenance, repair and replacement in compliance with all laws of the structural portions of the Building (including without limitation, the foundation, concrete slab, support columns not installed by Tenant, structural walls and the roof of the Building, utility lines serving the Building to the point of connection with the Leased Premises, and for all Joint Use Areas within the Shopping Center as provided in ARTICLE 17 below. Landlord shall not be liable to Tenant for any defects or other conditions, or the consequences thereof, or for damage to merchandise, trade fixtures, equipment or personal property of Tenant in the Leased Premises, including without limitation, damage by water leakage, seepage, water discharge from a sprinkler system, except in the case of Landlord's gross negligence or willful misconduct.

(b) Beginning on the date Tenant takes possession of the Leased Premises, Tenant shall be liable for the repairs, replacements and maintenance of the Building and the Leased Premises, except those for which Landlord is responsible under this ARTICLE 11. Tenant shall keep the Leased Premises in good order and repair, clean, sanitary and safe and shall notify Landlord, in writing, prior to beginning any material repairs (other than routine maintenance) or repairs which may impact the Building structure or Building systems. The notice shall specify the repair work to be performed. Tenant's repairs, replacements and maintenance obligations shall include, but not be limited to, any heating and cooling or other mechanical equipment; utilities from the point of connection with the Leased Premises; improvements; floor coverings; the exterior and interior portions of all doors, door locks, and windows; the façade and exterior walls of the Building; plumbing and sewage facilities which are not Landlord's obligation; interior and exterior walls which are not Landlord's obligation; ceilings; and plate glass. Except for those matters for which Landlord is responsible hereunder, Tenant shall be solely responsible for maintenance and repair costs related to the Building and the Leased Premises. Tenant agrees to keep the interior of the Leased Premises in a clean and sightly appearance. If Tenant refuses or neglects to make repairs or maintain the Leased Premises, in a manner reasonably satisfactory to Landlord, Landlord shall have the right, upon giving Tenant reasonable prior written notice, to make the repairs or perform the maintenance on behalf of Tenant. Tenant shall reimburse Landlord promptly upon receipt of a bill. Landlord has no obligation to do work which Landlord is not expressly required to perform under this Lease or which, under this Lease, Tenant is required to perform. The performance of that work by Landlord shall not constitute a waiver of Tenant's default.

ARTICLE 12. - ALTERATIONS

Tenant shall have the right at any time during the Term to improve, alter, and renovate the Leased Premises, at its sole cost and expense, in any manner which Tenant deems necessary or desirable to make the same fit and suitable for the conduct of its business operations ("Alterations"). Notwithstanding the foregoing, Tenant shall provide

Landlord with prior notice of any material Alterations to be performed by Tenant, and Tenant shall not make any Alterations to the Premises which (a) impact the Building's exterior façade, the structural elements of the Building (such as the foundation, floor slab, subflooring, support columns, exterior and interior load bearing walls and roof), or (b) impact the storefront, exterior, or Building systems such as the electrical, mechanical, fire and life safety systems and plumbing systems (each, a "Structural Alteration") without the prior written approval of Landlord, which approval shall not be unreasonably withheld, delayed or conditioned (and shall be deemed given if not denied within ten (10) business days of Tenant's request for approval and delivery of plans and specifications, if requested). Tenant shall use commercially reasonable efforts not to interfere with any work in the Shopping Center, and shall not unreasonably disturb the parking lot in the Shopping Center. All Alterations and Tenant's Work, other than Tenant's moveable trade fixtures, signs, equipment and personal property, shall become, upon expiration of the Term, or the earlier termination of this Lease, the property of Landlord without any payment by Landlord, unless Landlord notifies Tenant at the time of Landlord's approval, that the removal thereof shall be required upon the expiration of the Lease. All Structural Alterations by Tenant shall be made under the supervision of a competent architect or competent licensed structural engineer and, if required hereunder, shall be in accordance with plans and specifications approved in writing by Landlord before the start of the work. Landlord's approval of Tenant's plans and specifications shall not create a responsibility or liability of Landlord for their accuracy, sufficiency or compliance with laws, rules or regulations. All Alterations shall be performed in accordance with all necessary governmental approvals and permits, and Tenant shall obtain such approvals and permits at its sole expense. The Alterations shall be done in a good and workmanlike manner and diligently prosecuted to completion. The Leased Premises shall at all times be a complete unit except during the performance of any Alterations.

ARTICLE 13. - FIXTURES AND PERSONAL PROPERTY

Trade fixtures, equipment, signs and other personal property of Tenant not permanently affixed to the Leased Premises shall remain the property of Tenant. Tenant shall have the right to remove its moveable trade fixtures, equipment, signs and other personal property. Tenant, at its expense, shall immediately repair damage to the Leased Premises caused by the removal of such trade fixtures, equipment, signs and other personal property. Upon the expiration or earlier termination of this Lease, Tenant shall leave the Leased Premises in a neat and clean condition, free of debris. Tenant shall pay before delinquency all taxes, assessments, license fees and public charges levied, assessed or imposed upon its business operation in the Leased Premises as well as upon its trade fixtures, leasehold improvements (including but not limited to merchandise and other personal property in, on or upon the Leased Premises). If Tenant's property is assessed with Landlord's property, the assessment shall be equitably divided between Landlord and Tenant. No taxes, assessments, fees or charges referred to in this ARTICLE 13 shall be considered Property Taxes under ARTICLE 7. Tenant's obligation to perform the provisions of this ARTICLE 13 shall survive the Expiration Date or the earlier termination of this Lease.

ARTICLE 14. - LIENS

Tenant shall not permit a lien or claim to attach to the Leased Premises and shall promptly cause the lien or claim to be released. If Tenant contests the lien or claim, Tenant shall indemnify Landlord and, if requested, deposit with Landlord a cash or surety bond in a form and with a company satisfactory to Landlord in an amount equal to twice the amount of the contested lien or claim. If Tenant shall fail to cause a lien to be discharged or bonded, within twenty (20) days after being notified of the filing of the lien, in addition to any other right or remedy, Landlord may upon five (5) days prior notice to Tenant, discharge the lien by paying the amount claimed to be due. The amount paid by Landlord, together with interest at the Interest Rate and all costs and expenses, including reasonable attorneys' fees incurred by Landlord, shall be due and payable by Tenant to Landlord as additional rental on the 1st day of the next following month. Tenant shall immediately give Landlord written notice of the recording of a lien against the Leased Premises or the Shopping Center arising out of work done by or at the direction of Tenant.

ARTICLE 15. - LAWS AND ORDINANCES

(a) Tenant shall comply with all laws, ordinances, codes, orders and regulations affecting the condition of the Leased Premises (and subject to Landlord's compliance with the Delivery Conditions), and Tenant's construction, use, occupancy, alteration, cleanliness, safety and operation of the Leased Premises, which are in force now or later. Tenant shall comply with the regulations, requirements and recommendations of any insurance underwriter, inspection bureau or similar agency. Tenant shall use commercially reasonable efforts to promptly notify Landlord

if Tenant has received notice of, or has knowledge of any condition or occurrence that might result in liability to Landlord; provided a failure to so notify Landlord shall not result in a Default hereunder. Tenant shall give Landlord, upon Landlord's request, information in Tenant's possession regarding the environmental condition of the Leased Premises so Landlord can determine if Landlord must comply with any rule, regulation, order, act, law or statute pertaining to the environmental condition of the Leased Premises or the Shopping Center, and for Landlord to accurately complete a form or otherwise provide information required under any rule, regulation, order, act, law or statute. Tenant shall permit Landlord to comply with those recommendations and requirements. In addition, Tenant agrees to comply, to the extent that the same may be applicable to the Leased Premises (and subject to Landlord's compliance with the Delivery Conditions) and as same may be amended from time to time, with the standards and requirements of the Williams-Steiger Act (PL91-596), known as the "Occupational Safety and Health Act of 1970," notwithstanding the fact that Tenant may otherwise be exempted from the provisions of said Act, and the Americans with Disabilities Act of 1990.

(b) Tenant shall not: (i) permit an immoral practice in the Leased Premises; (ii) use or allow the Leased Premises to be used or occupied in a manner that might invalidate or increase the rate of or make inoperative an insurance policy carried on the Leased Premises or on property, buildings or improvements in the Shopping Center; (iii) keep, use or permit in the Leased Premises inflammable fluids or explosives without the prior written permission of Landlord, or engage in hazardous activities; (iv) use the Leased Premises for a purpose which might create a nuisance or injure the reputation of the Leased Premises or the Shopping Center; (v) deface or injure the Leased Premises or any portion of the Shopping Center; (vi) overload the floors; (vii) commit or suffer waste; (viii) install electrical equipment that overloads lines; or (ix) conduct any sampling, testing, or drilling to locate any Hazardous Material without Landlord's prior written approval. Tenant shall, upon demand, reimburse Landlord for extra premiums caused by Tenant's use or occupancy of the Leased Premises, whether or not Landlord has consented to the use and occupancy. A schedule issued by the organization making the insurance rates on the Leased Premises, showing the components of the rates, shall be conclusive evidence of the items and charges which make up the hazard and other insurance rates on the Leased Premises. Tenant shall, at Tenant's expense, make from time to time whatever changes are necessary to comply with the requirements of the insurance inspectors, underwriters and governmental authorities in connection with electrical and fire prevention systems and equipment.

(c) Tenant shall not cause or permit any Hazardous Material (defined below) to be brought upon, transported through, stored, kept, used, discharged or disposed in or about the Leased Premises or the Shopping Center (collectively "Property") by Tenant, its agents, employees or contractors. Tenant shall use commercially reasonable efforts to promptly notify Landlord of the presence of or disposal of Hazardous Material on or near the Leased Premises of which it becomes aware, and of any notice received by a party alleging the presence of Hazardous Material on or near the Leased Premises. However, Hazardous Materials brought upon, transported, used, kept or stored in or about the Property which are necessary for Tenant to operate its business for the use permitted under Reference Provision 1.03 of this Lease may be brought upon, transported, used, kept and stored only in the quantities necessary for the usual and customary operation of Tenant's business and in a manner that complies with: (i) all laws, rules, regulations, ordinances, codes or any other governmental restriction or requirement of all federal, state and local governmental authorities having jurisdiction and regulating the Hazardous Material; (ii) permits (which Tenant shall obtain prior to bringing the Hazardous Material in, on or about the Property) which are required and issued for the Hazardous Material; and (iii) all producers' and manufacturers' instructions and recommendations, to the extent they are stricter than laws, rules, regulations, ordinances, codes or permits. If Tenant, its agents, employees or contractors, in any way breaches the obligations in the preceding sentence; or if the presence of Hazardous Material on the Property caused by Tenant, its agents, employees or contractors, results in the release or threatened release of Hazardous Material on, from or under the Property; or if the presence on, from or under the Property of Hazardous Material otherwise arises out of the operation of Tenant's business then, without limitation of any other rights or remedies available to Landlord under this Lease or at law or in equity, Tenant shall indemnify, defend, protect and hold harmless Landlord (and Landlord's parents, subsidiaries, affiliates, employees, partners, agents, mortgagees or successors to Landlord's interest in the Leased Premises) (collectively "Indemnity") from any and all claims, sums paid in settlement of claims, judgments, damages, clean-up costs, penalties, fines, costs, liabilities, losses or expenses (including, without limitation, attorneys', consultants' and experts' fees and any fees by Landlord to enforce the Indemnity) which arise during or after the Term directly as a result of Tenant's breach of the obligations or its release or contamination of the Property; provided the foregoing shall in no event include consequential or punitive damages. This Indemnity includes, without limitation, costs incurred in connection with any investigation of site conditions or any clean-up, remedial, removal or restoration work required by any federal,

state or local governmental agency or political subdivision because of Hazardous Material present in the soil or groundwater on, under or originating from the Property. Without limiting the foregoing, if the presence of Hazardous Material on the Property caused by Tenant its agents, employees or contractors, results in the contamination, release or threatened release of Hazardous Material on, from or under the Property or other properties, Tenant shall promptly take all actions at its sole cost and expense which are necessary to return the Property and other properties to the condition existing prior to the introduction of the Hazardous Material; provided that Landlord's written approval of the actions shall be obtained first (which approval shall not be unreasonably withheld) and so long as such actions do not have or would not potentially have any material, adverse long-term or short-term effect on Landlord or on the Property or other properties. This Indemnity shall survive the Expiration Date or earlier termination of this Lease and shall survive any transfer of Landlord's interest in the Property. "Hazardous Material" means any hazardous, radioactive or toxic substance, material or waste, including, but not limited to, those substances, materials and wastes (whether or not mixed, commingled or otherwise combined with other substances, materials or wastes) listed in the United States Department of Transportation Hazardous Materials Table (49 CFR 172.101) or by the Environmental Protection Agency as hazardous substances (40 CFR Part 302) and amendments thereto, or substances, materials and wastes which are or become regulated under any applicable local, state or federal law including, without limitation, any material, waste or substance which is (i) a petroleum product, crude oil or any fraction thereof, (ii) asbestos, (iii) polychlorinated biphenyls, (iv) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act, 33 U.S.C. Section 1251, et seq. (33 U.S.C. Section 1321) or listed pursuant to Section 307 of the Clean Water Act (33 U.S.C. Section 1317), (v) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq. (42 U.S.C. Section 6903) or (vi) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 9601, et seq. (42 U.S.C. Section 9601), as all of the foregoing may be amended from time to time.

(d) It is specifically agreed and understood that Tenant's liability and/or responsibility with respect to Hazardous Materials is limited to those substances that were introduced by Tenant, its agents, employees, invitees or contractors and not to substances that were present prior to the Delivery Date or were introduced by others, including Landlord, its agents, contractors or employees. Landlord shall be responsible for any remediation required in connection with any Hazardous Materials, including mold and asbestos located at the Leased Premises prior to the Delivery Date. Landlord shall not, and shall not direct or knowingly suffer or permit any of its agents, contractors or employees to, at any time handle, use, manufacture, store or dispose of any Hazardous Materials in or about the Leased Premises or Shopping Center. Landlord shall indemnify, defend, and hold harmless Tenant, its officers, directors, shareholders, subsidiaries, affiliates, partners, agents, and employees from all claims, sums paid in settlement of claims, judgments, damages, clean-up costs, penalties, fines, costs, liabilities, losses or expenses (including, without limitation, attorneys', consultants' and experts' fees and any fees by Tenant to enforce the indemnity) arising out of or in any way connected with Hazardous Materials existing prior to the Delivery Date or introduced into or onto the Leased Premises or the Shopping Center by Landlord, its agents, employees or contractors. Landlord's obligations and liabilities under this Article shall survive the expiration or termination of this Lease.

ARTICLE 16. – ENVIRONMENTAL SERVICES

(a) Tenant shall pay for all utilities used in the Leased Premises during the Term. Tenant shall provide and pay for its own meters for heat, air conditioning, water, gas, electricity and all other utilities, and shall pay all water and sewage charges (and all other charges for utilities used in the Leased Premises), rentals and taxes imposed by governmental authority or otherwise.

(b) Heating, ventilation and air conditioning for the Leased Premises will be provided by Tenant, provided that Tenant may utilize any equipment located in the Leased Premises on the Delivery Date. Tenant shall be responsible for completing the installation of the heating, ventilation and air conditioning equipment and system ("HVAC Systems") within the Leased Premises, as provided for in the EXHIBITS. Tenant, at Tenant's expense, shall maintain, repair and replace the HVAC Systems that exclusively serve or are within the Leased Premises. Tenant shall use commercially reasonable efforts to conserve energy in the operation of its heating, ventilation and air conditioning. Tenant shall upon request by Landlord supply Landlord with evidence satisfactory to Landlord that Tenant is fulfilling Tenant's obligations under ARTICLE 16 of the Lease to maintain the HVAC Systems within the Leased Premises.

(c) Subject to the representations and warranties contained in ARTICLE 2 (c), Tenant shall accept the currently existing water and sewer systems within the Leased Premises on an As-Is basis.

(d) If Tenant shall require natural gas for the normal operation of Tenant's business, all natural gas service shall be arranged by the Tenant and all such work shall be done in accordance with the EXHIBITS.

(e) INTENTIONALLY DELETED.

(f) Except as otherwise expressly provided in this paragraph (f), Landlord shall not be responsible or liable for damages or injuries sustained by Tenant or those claiming by, through or under Tenant, because of the interruption, discontinuance, quality or quantity of any utility used in or for the Leased Premises and Tenant shall not be relieved from the performance of its obligations if an interruption or discontinuance occurs. Landlord may take or recommend (and Tenant agrees to cooperate with) commercially reasonable energy management measures Landlord deems necessary for energy conservation. Notwithstanding anything herein to the contrary, if any utility or other service ceases in the Building for more than three (3) consecutive business days as a result of a condition which is directly attributable to Landlord's negligent acts or omissions or which was otherwise within the reasonable control of Landlord to prevent (and which was not caused by Tenant or its agents, contractors or employees), and as a result of such cessation the Leased Premises or a portion thereof is rendered untenable (meaning that Tenant is unable to use the space in the normal conduct of its business), and Tenant does in fact not use the space, and such cessation of service was not caused by a fire or other casualty (in which case ARTICLE 18 shall control), then the rent payable hereunder shall be equitably abated based upon the percentage of the space so rendered untenable during any period of untenability, but only to the extent that Tenant is not entitled to insurance proceeds compensating Tenant for such loss resulting from such cessation of service. In the event of a failure which meets the conditions set forth in the immediately preceding sentence exceeds ninety (90) days, Tenant shall have the right to terminate this Lease by giving written notice to Landlord at any time prior to the restoration of such service.

(g) Landlord shall keep in good order and repair and shall maintain the telephone raceway and interface wiring system and shall make any necessary repairs to or replacements of such telephone raceway and/or interface wiring system (except that Landlord's obligation shall not include repair or replacement of service extensions, wiring or other telephone systems exclusively servicing the Leased Premises) and that Tenant shall reimburse Landlord for any and all repairs thereto necessitated by any acts, omissions to act or negligence of Tenant or Tenant's agents, employees and contractors

(h) Tenant shall arrange for the removal from the Leased Premises of garbage and refuse, at Tenant's sole cost and expense. Tenant agrees that garbage and refuse shall be kept in an adequate container so as not to be visible to the public for collection at reasonable times specified by Landlord and at Tenant's cost. In lieu and instead of the foregoing provisions of this subsection (h), Landlord, or a contractor selected by the Landlord, at its option, may purchase or lease a garbage compactor for the use of tenants and occupants of the Shopping Center. If Landlord, or a contractor selected by the Landlord, purchases or leases said garbage compactor for the use of tenants in the Shopping Center, then Tenant agrees to use the same for the disposal of its garbage and refuse (other than medical waste) to the exclusion of all other garbage collection companies. Tenant shall pay monthly, in advance, the charges therefor, based upon Landlord's, or a contractor selected by Landlord, reasonable estimate of the amount of the refuse and garbage generated and the frequency of use by Tenant. Tenant shall cause its garbage and refuse to be taken to such garbage compactor within the Shopping Center; and it is understood and agreed that Tenant's monthly charge as aforementioned will not include pick-up service. The aforementioned monthly charge as estimated by Landlord, or a contractor selected by Landlord, shall be adjusted from time to time based upon the garbage generated by Tenant and/or changes in rates for refuse collection. Tenant shall store soiled or dirty linen in approved fire rating organization metal containers with self-closing fusible link covers. In addition to the foregoing, Landlord may cause the removal of all debris, rubbish, material and equipment during the construction of Tenant's Work and/or during the time preceding the initial opening date of the Shopping Center, and charge the cost thereof to Tenant as provided in the EXHIBITS. Tenant shall pay Landlord such charge within 10 days of billing.

(i) Tenant shall arrange for the removal of medical waste by a licensed contractor, at Tenant's sole cost and expense.

(j) INTENTIONALLY OMITTED.

(k) Provided that this Lease terminates for reasons other than a Default by Tenant, or a casualty under ARTICLE 18, or a condemnation under ARTICLE 27, Landlord shall pay to Tenant, within thirty (30) days after the expiration of the Term, an amount equal to the unamortized cost of capital replacements to the HVAC Systems in the Leased Premises that Tenant was required to make pursuant to the terms of this Lease during the last two (2) years of the Term. For purposes of the preceding sentence, (i) any such amortization of an improvement shall be made over the useful life of such improvement determined by using the straight-line method of depreciation for such improvement under the Internal Revenue Code of 1986, as amended, and (ii) "required" means any capital replacement to an HVAC System located on the roof of the Leased Premises which is necessary to the operation of the Leased Premises, or deemed mutually desirable by the parties to maintain the Leased Premises in a good condition and state of repair. As a condition to Landlord's obligation to make the payment described herein, Tenant shall have first obtained Landlord's approval as to the nature, necessity or desirability, scope and cost of the work planned prior to performing any capital replacements to the HVAC Systems in the Leased Premises during the last two years of the Term, which approval shall not be unreasonably withheld, conditioned or delayed.

ARTICLE 17. - JOINT USE AREAS AND OPERATING EXPENSES

(a) The "Joint Use Areas" shall consist of all parking areas, parking facilities, approaches, streets, sidewalks, malls, driveways, loading platforms, canopies, ramps, storm drainage facilities, exits, entrances, sprinkler mains, landscaped areas, comfort stations, light facilities, computer facilities, cable facilities, telecommunications facilities, utility rooms, shelters, utility lines, roofs, roadways and other facilities available for the joint use or benefit designated by Landlord, as they may from time to time exist and be available to the tenants in the Shopping Center, their employees, officers, agents, customers, licensees and invitees.

(b) Landlord shall be responsible for maintaining, repairing and replacing or for causing to be maintained, repaired and replaced the Joint Use Areas in good order and repair and in compliance with all laws. Landlord's Joint Use Area maintenance obligations shall include, without limitation, (i) the installation, replacement and regular maintenance at appropriate intervals of all exterior landscaping, (ii) prompt snow and ice removal from all parking areas, sidewalks and entrances, (iii) maintenance, repair and replacement of the exterior utility services and the parking areas including restriping, patching and resurfacing as needed, (iv) keeping the Joint Use Areas clean, trash free and well lit and providing for regular trash removal of the trash generated from use of such areas, as well as such other obligations as described in ARTICLE 17(c) below. The costs relating to Landlord's compliance described herein shall be included in Operating Expenses to the extent permitted under this Lease. The Joint Use Areas and other facilities in and about the Shopping Center shall at all times be subject to the control and management of Landlord and other parties that Landlord may designate. Subject to the limitations set forth in ARTICLE 2(a) and elsewhere herein, Landlord shall have the right at any time to redesignate, modify, alter, close, restrict, expand, reduce and change the Joint Use Areas. Subject to the limitations set forth in ARTICLE 2(a) and elsewhere herein, Landlord shall also have the right to permit entertainment events, the placement of kiosks, carts, advertising and other displays in the Joint Use Areas (excluding the South Parking Lot), and to convert the Joint Use Areas (excluding the South Parking Lot) into retail areas. The activities and uses may be temporary or permanent. Notwithstanding anything herein to the contrary, in no event will Landlord change, reduce or alter or permit any activity in the South Parking Lot other than the surface parking of motor vehicles.

(c) Operating Expenses shall consist of all expenditures relating to operating, managing, equipping, policing, protecting, lighting, repairing, cleaning, replacing and maintaining the Joint Use Areas in the same or improved condition as when originally installed, including, without limitation, any rental and lease payments paid for machinery and equipment used in the maintenance of the Joint Use Areas and the personnel costs to implement those services, compliance with statutes, laws, codes, rules and regulations, even if applicable after the Effective Date; maintaining parking spaces for employees, customers and other parties; music; maintenance of the roof; removal of snow, ice, rubbish, dirt and debris; garbage collection service for the Joint Use Area; planting, replanting and replacing flowers and landscaping; costs and expenses of utilities serving the Joint Use Areas (and not leaseable space) including, but not limited to, maintaining lighting facilities and storm drainage and detention systems (whether on or off the Shopping Center); sewage treatment plant; domestic water wells, pumps, and similar facilities and equipment; heating and cooling the enclosed portion of the Shopping Center, if any; pest extermination; the alarm service charge if a supervised fire sprinkler alarm system is installed; premiums for liability, property, damage, fire, umbrella and rental interruption insurance (if carried by Landlord); the cost of the personnel reasonably required to implement all of the foregoing, including the policing of the Joint Use Areas and the

directing of traffic and parking of automobiles on the parking area; insurance aggregate allocations and losses borne by Landlord as a result of commercially reasonable deductibles or self-insured retention limits carried by Landlord under an insurance policy or self insurance by Landlord; costs of adjusting an insured casualty; wages; unemployment, social security and personal property taxes; all other expenditures made for the use or benefit of the Joint Use Areas; direct or indirect costs of advertising, marketing and promotion of the Shopping Center as set forth in ARTICLE 37, including the cost of marketing and customer service personnel; and maintenance of the sprinkler grid in the Joint Use Areas. For purposes of calculating Tenant's Proportionate Share of Operating Expenses, Landlord shall have the right to equitably exclude from the number of square feet of leaseable space in the Shopping Center with respect to a particular cost: (i) the square footage of leaseable space of any other tenant that maintains a portion of the Joint Use Areas or provides the relevant service at such other tenant's expense; and (ii) the square footage of leaseable space of any other tenant that does not share in the benefit of any particular cost or expense constituting an Operating Expense. If the Shopping Center is not at least ninety-five percent (95%) occupied during any calendar year of the Term or if Landlord is not supplying services to at least ninety-five percent (95%) of the floor area of the Shopping Center at any time during any calendar year of the Term, actual Operating Expenses for purposes hereof which vary with occupancy levels or the number of tenant's using the service (it being expressly acknowledged that maintenance and services which are required to be provided to the Joint Use Areas regardless of occupancy levels, such as snow plowing and landscaping services, do not qualify as expenses which Landlord is entitled to gross up) shall, at Landlord's option, be determined as if the Shopping Center had been ninety-five percent (95%) occupied and Landlord had been supplying services to ninety-five percent (95%) of the floor area of the Shopping Center during such year. Notwithstanding anything herein to the contrary, Operating Expenses shall not include, and there shall be excluded from Operating Expenses, those items listed on EXHIBIT G.

(d) Effective upon the Rental Commencement Date, Tenant shall pay, without deduction or set-off of any kind, Tenant's proportionate share of Operating Expenses which may be incurred against the Shopping Center during the Term. From time to time, Landlord shall notify Tenant in writing of Landlord's estimate of Tenant's monthly installments due with respect to Operating Expenses. Such monthly installments shall be paid on or before the 1st day of each calendar month, in advance. Within approximately ninety (90) days after the end of the fiscal year that Landlord from time to time uses for such purpose, Landlord shall furnish Tenant a statement in reasonable detail (including major categories and subcategories) of the actual amount of Operating Expenses paid or incurred by Landlord during such period (the "Reconciliation Statement") together with such other supporting documentation (e.g. receipts and invoices) as Tenant may reasonably request. If Tenant's estimated payments of Operating Expenses for such fiscal year exceeds Tenant's Proportionate Share of Operating Expenses as indicated in the Reconciliation Statement, then, Landlord shall credit or reimburse Tenant for such excess within thirty (30) days; likewise, if Tenant's estimated payments of Operating Expenses for such year are less than Tenant's Proportionate Share of Operating Expenses as indicated on the Reconciliation Statement, then, Tenant shall pay Landlord such difference within thirty (30) days of invoice from Landlord. Failure of Landlord to deliver a Reconciliation Statement of the actual amount of Operating Expenses to Tenant after the end of any fiscal year that Landlord from time to time uses for such purpose shall in no event be deemed a waiver by Landlord of its right to collect Tenant's Proportionate Share of any of Operating Expenses; provided Tenant shall have no obligation to pay (and collection shall be deemed waived) for amounts not invoiced to Tenant within twenty-four (24) months after the end of the year in which such amounts were incurred.

(e) Landlord shall maintain books and records showing Property Taxes and Operating Expenses in accordance with sound accounting and management practices applied in a consistent manner. Such books and records shall be kept at the Shopping Center or the property management office of Landlord. Within ninety (90) days following receipt of a Reconciliation Statement of Operating Expenses and Property Taxes, Tenant may, upon written notice to Landlord and at times reasonably convenient for Landlord, examine and audit such records at the Shopping Center or at the Landlord's or its property manager's office in the Chicagoland area or at another mutually agreed upon location, at its expense, for the purpose of verifying the Reconciliation Statement no more than one (1) time in any calendar year. Tenant shall be permitted to utilize a certified public accountant for such examination or audit, provided that such certified public account is paid only on an hourly basis, and not pursuant to a contingency fee or similar arrangement. Except as hereinafter provided, if Tenant does not give Landlord notice that it challenges any Reconciliation Statement within ninety (90) days after receipt of such Reconciliation Statement, then, such Reconciliation Statement shall be deemed final and conclusive, and Tenant shall be deemed to have waived the right to audit Landlord's records with respect to such fiscal year or Reconciliation Statement. Any notice to Landlord challenging any Reconciliation Statement must: (i) be delivered to Landlord in writing within ninety (90) days after

receipt of such Reconciliation Statement, and (ii) include a detailed, line-by-line itemization of all amounts being contested by Tenant. In all circumstances, Tenant shall pay Landlord all uncontested amounts to Landlord when due. If an error is discovered, Tenant shall be entitled to review and raise objections to Landlord's records for all prior years related to the applicable item. Landlord shall promptly repay Tenant for any overpayments that Tenant or its auditors identify. If such overpayments exceed five percent (5%) of Tenant's share of Property Taxes and/or Operating Expenses, Landlord shall pay for the reasonable costs incurred by Tenant in connection with the audit within thirty (30) days of receipt of an invoice from Tenant. Tenant acknowledges and agrees that the information contained in the records and Reconciliation Statement relating to Operating Expenses constitute proprietary and confidential business information, and Tenant shall keep, and shall use commercially reasonable efforts to cause its authorized agents and employees to keep, all such information obtained in any audit confidential.

ARTICLE 18. - DAMAGE TO LEASED PREMISES

If the Leased Premises are damaged, destroyed or rendered partially untenable by fire or other insured casualty, Landlord shall promptly repair and restore the Leased Premises and the Landlord's Work, if any, excluding any Tenant Work which will be the responsibility of Tenant to restore. From the date of the fire or casualty until the Leased Premises are repaired and restored, Minimum Annual Rental and additional rental, shall abate in the proportion that the part of the Leased Premises destroyed or rendered untenable bears to the total Leased Premises. Landlord shall not be required to repair or restore the Leased Premises or any part of the Shopping Center as the result of an uninsured casualty. If 50% or more of either the Leased Premises or the Shopping Center is destroyed or rendered untenable by fire or other casualty during the last 2 years of the Term (based upon the replacement cost compared with the market value of the improvements immediately prior to the fire or other casualty as shown by the certificate of Landlord's architect) or if the loss is an uninsured or partially uninsured casualty for which Landlord is not obligated to, and elects not to, fully restore, either party shall have the right to terminate this Lease. The termination shall be effective on the date of casualty by Landlord or Tenant giving the other, within ninety (90) days after the casualty, written notice of termination. If the notice is given within the ninety (90) day period, this Lease shall terminate and Minimum Annual Rental and additional rental shall abate from the date of the casualty. Landlord shall promptly repay Tenant any rental paid in advance which had not been earned at the date of the casualty. If the notice is not given and Landlord is required or elects to repair or rebuild the Leased Premises, Tenant shall be responsible for the repair and replacement of its Tenant Work and its signs, goods, trade fixtures, furnishings, equipment, furniture and other personal property. Landlord shall not be required to expend more for repair or restoration of the Leased Premises or the Shopping Center than the amount of insurance proceeds paid Landlord (or, if Landlord is self-insured, the amount of insurance proceeds which would have been paid Landlord if Landlord was not self-insured). Except as expressly provided to the contrary, this Lease shall not terminate nor shall there be an abatement of Minimum Annual Rental or additional rental as the result of a fire or other casualty.

ARTICLE 19. - INSURANCE

- (a) Landlord agrees to carry, or cause to be carried, the following insurance coverages and types:
 - (i) Workers' Compensation Insurance in statutory amounts;
 - (ii) Employer's Liability Insurance in the amount of \$1,000,000 per person for each accident, or disease;
 - (iii) Commercial General Liability Insurance on the Joint Use Areas providing coverage of not less than \$3,000,000 per occurrence, with a per location aggregate and with a policy maximum aggregate of \$10,000,000. This policy shall contain a Contractual Liability Endorsement. This policy shall also include an Additional Insured Endorsement containing the names of Tenant's Additional Insureds identified below.
 - (iv) Commercial Property Insurance including special form perils endorsement insuring the Building and the Landlord's other property in the Shopping Center for the full replacement value. This insurance will exclude Tenant's work and Tenant's merchandise, signs, goods, trade fixtures, furnishings, equipment, furniture and other personal property. The policy must have a Waiver of Subrogation endorsement in favor of all Additional Insureds.

(v) Landlord will have the right to carry or cause to be carried additional types of insurance which are customary for projects similar to the Shopping Center with whatever commercially reasonable limits Landlord chooses, including coverage under blanket insurance policies which may be allocated by Landlord among the properties owned or managed by Landlord which in Landlord's opinion Landlord deems appropriate.

(b) Tenant agrees to carry the following insurance coverages and types:

(i) Workers' Compensation Insurance in statutory amounts;

(ii) Employer's Liability Insurance in the amount of \$1,000,000 per person for each accident, or disease;

(iii) Commercial General Liability Insurance including products and completed operations coverages of not less than \$3,000,000 per occurrence, with a per location aggregate and with a policy maximum aggregate of \$10,000,000. The coverage amounts may be provided through an umbrella or excess liability policy. This policy shall also include an Additional Insured Endorsement containing the names of the Additional Insureds identified below.

(iv) Commercial Property Insurance including special form perils endorsement insuring Tenant's property, including plate glass, in the Shopping Center for the full replacement value, without deduction for depreciation. This policy shall have an Agreed Value Endorsement. This insurance must include all of Tenant's work, improvements and betterments, Tenant's inventory, merchandise, signs, goods, trade fixtures, furnishings, equipment, furniture, wall coverings, floor coverings, and other personal property. Tenant shall insure for loss from water damage including but not limited to sprinkler damage, sewer discharge or backup, water line breakage, and overflow from other Tenant's spaces or from the Joint Use Areas. Landlord shall be named as a loss payee with respect to the coverage for Tenant's betterments and improvements. The policy must have a Waiver of Subrogation endorsement in favor of all Additional Insureds.

(v) Intentionally Deleted.

(vi) Intentionally Deleted.

(vii) Automobile liability coverage, including owned, non-owned and hired automobiles, with limits of not less than \$1,000,000 combined single limit for bodily injury and property damage.

(c) All policies of property insurance (including policies of Tenant's contractors and subcontractors) shall contain a Waiver of Subrogation Endorsement in favor of each party and all other Additional Insureds. Each party hereby waives on behalf of itself and all its insurers, all rights to recover and all claims, including any and all rights of subrogation which may exist, for all property loss or damage, no matter how caused, insured for under any policy of property insurance required to be obtained by the waiving party (or which would have been insured for had such party maintained the insurance required to be maintained hereunder for such risk of loss). This waiver of liability and waiver of subrogation expressly includes any cause of property loss due to the sole or concurrent negligence of any Additional Insured. If either party shall, for any reason, fail to obtain from its insurance carrier(s) the required Waiver of Subrogation Endorsement, such party shall fully and completely defend and indemnify the other and all of its Additional Insureds from any claims and demands, including lawsuits, brought against such other party and/or its Additional Insureds by any insurance company which insured the indemnifying party for a paid loss and which seeks to recover amounts paid under such party's policy.

(d) Each party, upon request of the other, shall provide a Certificate of Insurance to the other evidencing all of its required coverages and Endorsements. The Certificate of Insurance must remain current (or be replaced with a current Certificate) at all times during the period of Tenant's tenancy. All policies of insurance must be written by insurance carriers licensed to do business in the state in which the Shopping Center is located and have an A.M. Best's rating of not less than A:VII. All Tenant's liability policies shall be on an occurrence (as opposed to a claims made) basis and shall be endorsed to be primary and non-contributory with respect to losses arising within the Leased Premises to policies of the Landlord and its Additional Insureds, and shall contain either contain a cross-

liability endorsement or separation of insureds provision which permits the limits of liability under Tenant's policies to apply separately to each Additional Insured. All Landlord's liability policies shall be on an occurrence (as opposed to a claims made) basis and shall be endorsed to be primary and non-contributory with respect to losses arising within the Joint Use Areas of the Shopping Center to policies of the Tenant and its Additional Insureds, and shall contain either contain a cross-liability endorsement or separation of insureds provision which permits the limits of liability under Landlord's policies to apply separately to each Additional Insured. Each party shall promptly give the relevant certificate holder written notice in advance of any cancellation, lapse, reduction in amount of coverage or any other adverse change to the policy or insurer.

(e) The Additional Insureds who shall be named on Tenant's policies shall include the Landlord and such other entities provided by Shopping Center management, any joint venturer or partner of Landlord, and any mortgagee or beneficiary of any part of the Shopping Center. The Additional Insureds who shall be named on Landlord's policies shall include the Tenant, Tenant's property manager and such other affiliated parties as may be reasonably requested from time to time by Tenant.

(f) Tenant's insurance requirements set forth in this ARTICLE 19 may be satisfied by a plan of self-insurance from time to time maintained by Tenant, provided at all times when the Tenant so self-insures the same or any portion thereof, Tenant maintains a bona fide self-insurance program and a tangible net worth computed in accordance with generally accepted accounting principles consistently applied of not less than One Hundred Million Dollars (\$100,000,000.00) (the "Self-Insurance Threshold") and Landlord shall be treated, and enjoy the same position as it would as an additional insured had Tenant purchased and kept in force insurance from an independent institutional insurer of recognized responsibility. If Tenant elects to self-insure pursuant to the provisions set forth herein, or thereafter elects to terminate such self-insurance program, it shall give at least ten (10) business days prior written notice thereof to Landlord. During any period in which Tenant elects to self insure, Tenant shall, in lieu of the requirements set forth in this ARTICLE 19, deliver annually a letter addressed to Landlord stating that Tenant is satisfying the insurance requirements hereunder pursuant to a plan of self insurance. Upon Landlord's request from time to time, Tenant shall furnish such supporting information as Landlord may reasonably request to verify that the Self-Insurance Threshold has been satisfied. Following any termination of its self insurance plan, Tenant shall deliver to the Landlord certificates of insurance as may be required under this Lease.

ARTICLE 20. - INDEMNIFICATION

Subject to the waiver of claims contained in ARTICLE 19 and excluding the negligence and willful misconduct of the indemnitee(s), Tenant shall indemnify, defend and save harmless Landlord, its parents, partners, subsidiaries, affiliates, their agents, officers and employees from and against liability, claims, demands, expenses, fees, fines, penalties, suits, proceedings, actions, and causes of action made by or incurred by any third parties arising out of or connected with Tenant's use, occupancy, management or control of the Leased Premises or Tenant's operations or activities in the Shopping Center. This obligation to indemnify shall include reasonable legal and investigation costs and all other reasonable costs, expense and liabilities from the first notice that any claim or demand is or may be made. Tenant's obligation shall become effective beginning on the date Tenant is delivered the Leased Premises. Tenant's indemnification obligation shall survive the expiration of the Term or the earlier termination of this Lease.

Subject to the waiver of claims contained in ARTICLE 19 and excluding the negligence and willful misconduct of the indemnitee(s), Landlord shall indemnify, defend and save harmless Tenant, its parents, partners, subsidiaries, affiliates, their agents, officers and employees from and against liability, claims, demands, expenses, fees, fines, penalties, suits, proceedings, actions, and causes of action made by or incurred by any third parties arising out of or connected with Landlord's negligence and willful misconduct or arising from the use of or occurring in the Joint Use Areas of the Shopping Center. This obligation to indemnify shall include reasonable legal and investigation costs and all other reasonable costs, expense and liabilities from the first notice that any claim or demand is or may be made. Landlord's indemnification obligation shall survive the expiration of the Term or the earlier termination of this Lease.

ARTICLE 21. - ASSIGNMENT, SUBLETTING AND OWNERSHIP

(a) Tenant acknowledges that its agreement to operate in the Leased Premises for the use permitted in the Reference Provisions for the Term was a primary inducement and precondition to Landlord's agreement to lease the

Leased Premises to Tenant. Additionally, the parties agree that the successful commercial profitability of the Shopping Center is based on the appropriate mix of retail and nonretail activity and that Landlord has leased the Leased Premises to Tenant because, in Landlord's opinion, Tenant's presence and commercial activity during the Term will significantly contribute to the profitability, viability and success of the Shopping Center. Accordingly, except as otherwise expressly permitted herein, Tenant shall not transfer, assign, sublet, enter into license or concession agreements, change ownership or hypothecate this Lease or Tenant's interest in and to the Leased Premises in whole or in part, or otherwise permit occupancy of all or any part of the Leased Premises by anyone with, through or under it without Landlord's prior written consent which shall not be unreasonably withheld, conditioned or delayed. Any of these acts shall be considered a "transfer" for the purposes of ARTICLE 21. Any attempt at an unpermitted transfer shall be null and void and confer no rights upon a third person. These prohibitions shall be construed to refer to events occurring by operation of law, legal process, receivership, bankruptcy or otherwise.

Notwithstanding the foregoing, and without conferring any rights upon Tenant, Tenant shall submit the request for a transfer, in writing, with sufficient time and information for Landlord to make an informed decision regarding the qualifications of the proposed transferee. In any event, if such request for transfer relates to the entire Leased Premises for the remainder of the Term, Landlord may upon receipt of such a request to transfer, instead of consenting to or denying the proposed transfer, terminate Tenant's obligations under the Lease and regain possession of the Leased Premises. Tenant may, within thirty (30) days of receipt of the notice of termination, withdraw its request for the transfer by written notice to Landlord, and continue in possession under the terms of the Lease. Landlord's right to terminate the Lease because of that request shall in that event be inoperable. If Landlord exercises its termination right, Tenant shall surrender possession of the Leased Premises on the termination date specified in Landlord's notice, which termination date shall not be less than ninety (90) nor more than one hundred and eighty (180) days following receipt of the notice of termination in accordance with the provisions of this Lease.

(b) Landlord's consent to a transfer shall not constitute a waiver of Landlord's right not to consent to a subsequent transfer. The receipt of rental or additional rental from any party other than Tenant shall not be deemed to be a consent to a transfer, nor shall that receipt relieve Tenant of its obligation to pay rental or additional rental for the Term. Tenant shall not have a claim and waives the right to any claim against Landlord for damages because of the refusal, withholding or delaying by Landlord of consent. Tenant's only remedies shall be an action for specific performance or an injunction to enforce a consent requirement.

(c) Each transfer to which Landlord has consented shall be in writing, in a form satisfactory to Landlord and executed by the transferor and transferee. The transferee shall agree, in writing, to assume, be bound by and perform the covenants and conditions of this Lease. Upon Landlord request following a transfer, Tenant shall deliver to Landlord a statement within thirty (30) days after the end of each calendar year, and within thirty (30) days after the expiration or earlier termination of the Term, specifying each transfer in effect during the period covered by the statement, as well as: (i) the date of the transfer document's execution and delivery; (ii) the square footage of the rentable area demised and the term; and (iii) a computation in reasonable detail showing the amounts, if any, paid and payable by Tenant to Landlord for the transfer pursuant to this subsection. Tenant shall not be released from liability or relieved of its obligations, unless Landlord expressly agrees otherwise in writing. If the Minimum Annual Rental, additional rental or other payment to be paid to Tenant from a transfer exceeds the rental and additional rental Tenant is required to pay Landlord under this Lease, then Tenant shall pay to Landlord fifty percent (50%) of the amount of the excess, without prior demand, which shall be deemed additional rental.

(d) Anything herein to the contrary notwithstanding, Tenant, without the consent of Landlord, but after giving Landlord not less than ten (10) days advance written notice thereof, shall have the right to (each a "Permitted Transfer"), (A) transfer, assign or sublease all or a portion of its interest in the Lease (a) to a parent company; or to a subsidiary or affiliate which is controlled by Tenant or its parent (either through ownership of a majority interest in such entity or the ability to direct the day-to-day affairs of such entity); or (b) to an acquiring company in connection with a merger or consolidation or sale of all or substantially all of the assets or stock of the Tenant corporation or one of its hospitals (expressly including without limitation, Advocate Health Care for which advance notice is hereby given and additional notice shall not be required); or (c) to any Institutional Party, any healthcare corporation or any entity whose management team has at least five (5) years of successful experience in operating commercial real estate; or (B) sublet all or a portion of the Premises (including on a timeshare basis) to affiliates of Tenant or to physicians or the professional entities of physicians on staff at Tenant or to other doctors or healthcare providers.

The Landlord's right of recapture set forth in subsection (a) above and the Tenant's obligation to pay excess rental in subsection (c) above shall not apply in the event of a Permitted Transfer. Tenant shall be released from all liability first arising or accruing after the date of an assignment which is a Permitted Transfer under (A) above provided, and only if, the succeeding Tenant assumes all of the obligations for which Tenant is released and has a tangible net worth of not less than One Hundred Million Dollars (\$100,000,000.00). For purposes hereof an "Institutional Party" shall mean an entity (or their respective advisors) that is a bank, investment bank, savings bank, savings and loan association, credit union, commercial bank or trust company or other company including, without limitation, an opportunity fund, that is in the business of making commercial real estate loans or investing in or operating or managing commercial real estate; an insurance company; a publicly or privately held real estate investment trust, a public or private investment entity a significant business of which is investing in real estate assets; a brokerage or investment banking organization; an employees' welfare, benefit, pension, endowment, foundation or retirement fund or an entity or vehicle created by any of the foregoing to implement its investment or loan; an institutional leasing company; or an entity in which, directly or indirectly, one or more entities qualifying as an "Institutional Party" hold the majority of the equity interests.

(e) Tenant agrees to reimburse Landlord for its actual out of pocket third party costs including attorneys' fees for the review, processing or preparation of any document in connection with a transfer which requires Landlord's prior consent (expressly excluding Permitted Transfers), whether or not Landlord's consent to the transfer is obtained, provided such costs shall not exceed, and shall be capped at, \$2,500.00.

(f) If Landlord is not permitted to terminate this Lease because of the provisions of Title 11 of the United States Code relating to Bankruptcy, as amended ("Bankruptcy Code"), Tenant agrees, as a debtor in possession or any trustee for Tenant, within 15 days after Landlord's request to the Bankruptcy Court, to assume or reject this Lease. Tenant, on behalf of itself and any trustee, agrees not to seek or request an extension or adjournment of the application to assume or reject this Lease. In no event after the assumption of this Lease shall an existing default remain uncured for a period more than the earlier of 10 days or the time period specified in this Lease. If a filing of a petition under the Bankruptcy Code occurs, Landlord shall not have an obligation to provide Tenant with services or utilities unless Tenant has paid and is current in all payments of rental and additional rental.

ARTICLE 22. - ACCESS TO LEASED PREMISES

Tenant agrees that Landlord, its agents, employees, servants or any person authorized by Landlord, may enter the Leased Premises to: (a) inspect its condition; (b) make repairs, additions or improvements to any part of the Shopping Center, including the Leased Premises; (c) exhibit the Leased Premises to prospective purchasers of the Shopping Center; (d) place notices during the last sixty (60) days of the Term in the Leased Premises at such places as may be determined by Landlord; (e) perform construction on or near the Leased Premises; and (f) post notices of non-responsibility; provided in each case Landlord shall use reasonable efforts not to disrupt Tenant's business. In all cases in which Landlord is permitted access to the Leased Premises, such access shall be conditioned upon Landlord providing Tenant with reasonable prior notice and the right to require that Landlord be accompanied by a representative of Tenant (except in the case of emergencies requiring immediate access in which case Landlord will give notice promptly following such access).

ARTICLE 23. - DEFAULT

(a) The following shall be a default by Tenant (a "Default"):

(i) The failure to pay when due an installment of rental, or any other payment required to be made in whole or in part, if the failure shall continue for more than five (5) days after written notice that same is past due, provided that any such notice given by Landlord shall be in lieu of, and not in addition to, any notice required by state law; and/or

(ii) Intentionally Omitted;

(iii) The failure to observe or perform any other provision of this Lease, if the failure continues for thirty (30) days after written notice to Tenant; if the default cannot reasonably be cured within thirty (30) days,

Tenant shall not be in default if Tenant begins to cure the default within thirty (30) days and diligently cures the default; and/or

(iv) The making by Tenant of a general assignment for the benefit of creditors; the filing by or against Tenant of a petition to have Tenant adjudged a bankrupt, or of a petition for reorganization or arrangement under any law relating to bankruptcy (unless a petition filed against Tenant is dismissed within ninety (90) days); the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located at the Leased Premises or of Tenant's interest in this Lease if possession is not restored to Tenant within sixty (60) days; or the attachment, execution or other judicial seizure of substantially all of Tenant's assets located at the Leased Premises, or of Tenant's interest in this Lease, if the seizure is not discharged within sixty (60) days; and/or

(v) Intentionally Omitted.

(b) In addition to any other remedies available to Landlord at law or in equity for default, Landlord shall have the immediate option to terminate this Lease and the rights of Tenant by written notice to Tenant. If Landlord elects to terminate, Landlord shall have the right to recover from Tenant as damages:

(i) The worth at the time of the award of any unpaid rental which has been earned at the time of termination; and

(ii) The worth at the time of the award of the amount by which the unpaid rental which would have been earned after termination until the time of award exceeds the amount of rental loss Tenant proves could have been reasonably avoided; and

(iii) The worth at the time of award of the amount by which the unpaid rental for the balance of the Term after the time of award exceeds the amount of rental loss Tenant proves could be reasonably avoided; and

(iv) Any other amount necessary to compensate Landlord for the detriment proximately caused by Tenant's failure to perform its obligations (including the costs and expenses of recovering the Leased Premises and reasonable attorneys' fees) or which would be likely to result from Tenant's failure; and

(v) At Landlord's election, other amounts permitted by applicable law.

(c) The word "rental" shall mean the Minimum Annual Rental and all other sums required to be paid by Tenant under this Lease. The word "award" means a judgment issued or rendered in favor of Landlord in a proceeding or action to recover damages from Tenant. The phrase "at the time of the award" means the date of entry of such a judgment. All sums, other than Minimum Annual Rental, shall be computed based on the average monthly amount accruing during the 24 month period preceding the default. However, if it becomes necessary to compute the rental before the 24 month period has occurred, the rental shall be computed on the basis of the average monthly amount accruing during that shorter period. As used in paragraphs (i) and (ii) above, the "worth at the time of the award" is computed by allowing interest at the Interest Rate. As used in paragraph (iii) above, the "worth at the time of the award" is computed by discounting that amount at the discount rate of the Federal Reserve Bank of Chicago, at the time of award, plus 1%.

(d) Landlord shall also have the right if Tenant Defaults under this Lease to terminate Tenant's right to possession of the Leased Premises (without terminating this Lease) and reenter the Leased Premises and remove all persons and property from the Leased Premises. The property may be stored at Tenant's cost. Landlord shall not be liable to Tenant for loss or damage resulting from an entry by Landlord. Tenant shall pay as additional rental, upon demand, expenses incurred or paid by Landlord because of Landlord's entry. If two or more or any combination of individuals, corporations, partnerships or other business associations ("Individuals") sign this Lease as Tenant or guarantee this Lease as Guarantors, the liability of each individual group to pay rental and perform the obligations under this Lease shall be joint and several. The failure or refusal by Landlord to proceed against all the (or any combination of the) Individuals comprising Tenant or against Tenant or against one or more of the Guarantors shall not be a release or waiver of rights which Landlord may possess against the others, nor shall the granting by Landlord of a release of or execution of a covenant not to sue any one or more of the (or any combination of the)

Individuals comprising the Tenant or the Guarantors be a release or waiver in whole or in part of rights which Landlord may possess against the others. If either party institutes legal suit or action for enforcement of an obligation, the non-defaulting party may determine the venue provided such venue is located within the state in which the Shopping Center is located. Landlord shall not be in default unless and until Landlord shall have failed to perform its obligations under this Lease for thirty (30) days (or within such additional time as is reasonably required) after written notice to Landlord properly specifying Landlord's failure to perform the obligations. To the extent permitted by applicable law, Tenant waives notice of reentry (or institution of legal proceedings), including the right to receive notice pursuant to any statute or judicial decision of law. Notwithstanding anything to the contrary contained in ARTICLE 23, any written notice, other than as specifically set forth in this ARTICLE 23, required by a statute or law enacted now or later is waived by Tenant, to the extent permitted under that statute or law.

(e) If following a Default, Landlord elects to reenter or take possession of the Leased Premises pursuant to legal proceedings or notice, and if Landlord does not elect to terminate this Lease, then Landlord may from time to time, without terminating this Lease, either recover rental as it becomes due or relet the Leased Premises or any part of it for any length of time, rental and conditions that Landlord in its sole discretion deems advisable. Landlord shall have the right to make alterations and repairs to the Leased Premises.

(f) If Landlord elects to relet, rental received by Landlord from reletting shall be applied: 1st, to the payment of indebtedness other than rental due Landlord from Tenant; 2nd, to the payment of the cost of reletting; 3rd, to the payment of the cost of alterations and repairs to the Leased Premises; 4th, to the payment of rental due and unpaid; and the remainder, if any, shall be applied to the payment of future rental that may become due. If the rental received from reletting during any month which is applied to the payment of rental is less than the rental payment during that month by Tenant, Tenant shall pay the deficiency to Landlord. The deficiency shall be calculated and paid monthly. Tenant shall also pay Landlord, as soon as ascertained, the costs and expenses incurred by Landlord to relet or make alterations and repairs not covered by the rental received from the reletting of the Leased Premises.

(g) A reentry or taking possession of the Leased Premises by Landlord shall not be construed to be an election to terminate this Lease, nor shall it cause a forfeiture of rental remaining to be paid during the balance of the Term, unless a written notice of that intention is given to Tenant or the termination is decreed by a court of competent jurisdiction. Notwithstanding a reletting without termination by Landlord because of default by Tenant, Landlord may at any time after reletting elect to terminate this Lease for any default.

(h) Tenant expressly waives any right or defense it may have to claim a merger, and neither the commencement of an action or proceeding nor the settlement of, or entering of judgment for any action or proceeding shall bar Landlord from bringing subsequent actions or proceedings, based upon other or subsequently accruing claims, or based upon claims or events which have previously accrued and not been resolved in any prior action, proceeding or settlement. The parties waive trial by jury in any action, proceeding or counterclaim brought by either of the parties against the other, regardless of whether such action, proceeding or counterclaim is related to a default under this Lease.

(i) Tenant shall be entitled to exercise any and all of its rights and remedies at law and in equity, in the event of a default by Landlord in the performance of any of its obligations hereunder which is not cured within thirty (30) days after written notice thereof by Tenant to Landlord; provided however, if such default is of a nature that it cannot reasonably be cured with such thirty (30) day period and provided Landlord commences to cure such default within thirty (30) days after receipt of notice and thereafter diligently seeks to cure such default, the thirty (30) days shall be extended for such additional time as may be reasonably necessary to cure such default. If Landlord defaults and fails to cure such default following notice (if notice is required) within the applicable cure period, and if such default involves the failure to provide any services which the Landlord is obligated to provide for the benefit of Tenant or the Leased Premises or the failure by Landlord to perform maintenance or repair obligations related to the Leased Premises, the South Parking Lot or other Joint Use Areas, Tenant's remedies shall include, without limitation, the right, upon two (2) business days' prior notice to Landlord of Tenant's intent to perform the same, to perform such service or maintenance or repair obligation on behalf of Landlord and to invoice Landlord for all reasonable costs incurred by Tenant in connection therewith. Landlord shall pay such invoice within thirty (30) days of demand failing which, Tenant shall be immediately entitled to offset such costs from Minimum Annual Rental due hereunder; provided however, if a commercially reasonable good faith dispute exists between Landlord and

Tenant regarding Landlord's performance obligations, Tenant shall not exercise its right to off-set until such dispute has been resolved between the parties or Tenant obtains a judgment in its favor regarding the same.

ARTICLE 24. - SURRENDER OF LEASED PREMISES

Tenant shall, upon expiration of the Term, or the earlier termination of this Lease, surrender to Landlord, without damage, injury, disturbance or payment, the Leased Premises including, without limitation, all apparatus, equipment and Alterations made by either party (except as provided below) in, to, upon or about the Leased Premises (except for Tenant's moveable trade fixtures, equipment, signs and personal property which Tenant shall remove). Tenant shall not be required to remove any Alterations made to the Leased Premises (including any Tenant Work) unless Landlord notified Tenant at the time of Landlord's approval of such Alterations of the requirement to remove such items upon expiration of the Term, nor shall Tenant be obligated to remove its telecommunication wiring and cabling. Tenant, at its sole expense, shall immediately repair damage to the Leased Premises caused by Tenant vacating the Leased Premises or by Tenant's removal of moveable trade fixtures, signs and other personal property. Tenant shall comply with all laws and governmental regulations applicable to the removal and repair of the property. Tenant shall not create a disturbance or health problem for customers, agents, invitees or other parties in the Shopping Center as result of the removal or repair. Any property not removed prior to the Lease expiration and Tenant's vacating of the Leased Premises may be deemed by Landlord to be abandoned by Tenant and may be retained by Landlord or may be removed and stored for Tenant, at Tenant's sole cost. Tenant shall surrender the Leased Premises to Landlord free of any Hazardous Material introduced by Tenant and free of any violation of any environmental rule or regulation by Tenant. Tenant's obligation to observe and perform the provisions of this ARTICLE 24 shall survive the expiration of the Term or earlier termination of this Lease.

ARTICLE 25. - TENANT'S CONDUCT OF BUSINESS

(a) Tenant shall use commercially reasonable efforts to open for business in the Leased Premises by the Opening Date, and in any event, Tenant shall open for business at least one business day during the Term. Tenant shall have access to the Leased Premises twenty-four (24) hours per day, seven (7) days per week, three hundred and sixty-five (365) days per year and shall have the sole right to establish the hours of operation within the Leased Premises. Tenant agrees to conduct its business during its hours of operation in a first-class manner consistent with reputable business standards and practices. Tenant shall keep the Leased Premises in a neat, safe, clean and orderly condition. A vacation or abandonment of other premises by any other tenant, occupant or anchor in the Shopping Center shall not release Tenant from its obligations under this Lease, notwithstanding anything to the contrary contained in this Lease.

If Tenant shall open the Leased Premises for business for periods other than the customary operating hours for the Shopping Center generally, Tenant shall pay for any additional costs incurred by Landlord in connection with such extended hours, including but not limited to the cost of any extra security and any extra maintenance and/or repair to the Joint Use Areas required as a result of such extended operating period. Additionally, Tenant shall be responsible for any such extraordinary additional maintenance, security or other costs which are requested by Tenant and incurred by Landlord as a result of Tenant's use of the Leased Premises during normal operating hours.

(b) Commencing on the Opening Date, if Tenant does not initially open for business within the Leased Premises and remains un-open for more than one hundred and twenty (120) consecutive days after the Opening Date, or, if Tenant does initially open for business within the Leased Premises but thereafter ceases to operate a business on the Leased Premises for more than one hundred and twenty (120) consecutive days (excluding any period the Leased Premises are not being operated due to remodeling, fire or casualty, strike, lockout, or any other cause beyond the reasonable control of Tenant), Landlord shall have the right to terminate this Lease and recapture the Leased Premises to be exercised as hereinafter provided. At any time after the expiration of such one hundred and twenty (120) day period, Landlord may exercise its right of termination by giving Tenant notice thereof not less than ninety (90) days prior to the effective date of termination. Upon such termination, all further obligations of the parties shall cease, except for those accrued as of the termination date. Notwithstanding the foregoing, if Tenant in good faith commences operation of business in the Leased Premises for more than one business day during the ninety (90) day period prior to the effective date of termination specified in Landlord's notice, such notice, and Landlord's election to terminate, shall be null and void and this Lease shall continue in full force and effect.

ARTICLE 26. - RULES AND REGULATIONS

Tenant shall require its employees, agents and contractors to comply with the rules and regulations of general application to the tenants within the Shopping Center made by Landlord from time to time regarding the operation of the Shopping Center or the Leased Premises including, but not limited to, the following:

- (a) Except as permitted hereunder or otherwise by Landlord, Tenant shall not put on the glass and supports of the windows (nor within 24 inches of any window), doors or exterior walls of the Leased Premises any signs, advertising placards, names, insignias, trademarks or descriptive material. Tenant shall not place vents, structures, improvements or obstructions on the exterior of the Leased Premises without Landlord's written consent. The cost of the restoration and removal of any such unpermitted property shall be paid for by Tenant promptly upon receipt of a bill. Tenant shall not place a sign on the roof of the Leased Premises notwithstanding anything in this Lease to the contrary.
- (b) No awning or other projections shall be attached to the outside walls of the Leased Premises or the Shopping Center without the written consent of Landlord.
- (c) Loading and unloading of goods shall be done only at the times, in the areas and through the entrances designated by Landlord.
- (d) Garbage shall be kept in the kind of container approved by Landlord's fire and casualty consultants and shall be removed and deposited daily in mass disposal containers in the manner prescribed from time to time by Landlord. Landlord shall provide or designate a service for collection of garbage from designated mass disposal containers.
- (e) Except solely for Tenant's own internal operations use within the Leased Premises, no radio or television aerials or other receivers and/or related equipment, infrared transmitters/receivers, cabling, telecommunications systems (including but not limited to switching, relay, hub or booster systems) shall be erected or placed within the Leased Premises or on the roof or walls (interior or exterior) of the Leased Premises or the Shopping Center without the written consent of Landlord, which shall not be unreasonably withheld, conditioned or delayed. If Landlord's consent is not received, anything erected or placed on the roof or elsewhere within the Shopping Center may be removed, without notice, and any damage to the walls or roof or elsewhere within the Shopping Center shall be the responsibility of Tenant. Tenant's access to the roof is limited to the maintenance of equipment installed with Landlord's approval and inspections for damage. Tenant shall not go on the roof without the written approval of Landlord except for the routine maintenance and inspection of such installed equipment.
- (f) No loudspeakers, televisions, phonographs, radios, flashing lights, machinery or other devices shall be heard or seen outside of the Leased Premises without the prior written consent of Landlord.
- (g) No auction, fire, bankruptcy or selling-out sales shall be conducted without the written consent of Landlord.
- (h) Intentionally deleted.
- (i) Areas immediately adjoining the Leased Premises shall be kept clear by Tenant, and Tenant shall not place nor permit obstructions, garbage, refuse, improvements, merchandise or displays in those areas.
- (j) Tenant and its employees shall not park motor vehicles in parts of the parking area (other than the South Parking Lot) which may be designated for customer parking. Upon Landlord request, Tenant shall furnish Landlord the state automobile license numbers assigned to the vehicles of Tenant's employees. If Tenant or Tenant's employees continue to park in the customer parking areas (other than the South Parking Lot), after notice is given to Tenant by Landlord, Landlord may, in addition to any other remedies Landlord may have, charge Tenant \$25 per day, for each day or partial day, per vehicle parked in the customer parking areas, attach violation stickers or notices to the vehicles and have the vehicles removed at Tenant's expense.

(k) Tenant shall keep the interior of the Leased Premises pest free and shall use an extermination contractor as and when needed to keep the Leased Premises in such condition. Tenant shall not keep or permit any animals in the Leased Premises, unless expressly allowed by in this Lease. or unless used by disabled persons.

(l) If Landlord installs a central music system in the Shopping Center, and Tenant desires to purchase another music system, Tenant may purchase the system from Landlord (provided Landlord's charge is competitive with any similar service available to Tenant) or another third party reasonably acceptable to Landlord.

(m) Tenant shall not carry on any trade or occupation or operate any instrument, apparatus or equipment which emits an odor or causes a noise outside the Leased Premises or which is offensive.

(n) Tenant shall not put temporary signs or fixtures (including portable trade fixtures, displays and folding tables) outside of any entrance to the Leased Premises.

(o) Intentionally deleted.

(p) Tenant shall not use or permit the Leased Premises to be used for living, sleeping, residential or lodging purposes.

(q) Tenant shall not use the plumbing for a purpose other than that for which it is constructed. No grease or foreign substance shall be put in the plumbing, and the expense of any resulting breakage, stoppage or damage (whether on or off the Leased Premises) shall be borne by Tenant.

(r) Tenant shall not in the Joint Use Areas:

(i) vend, peddle or solicit orders for sale or distribution of any merchandise, device, service, periodical, book, pamphlet or other matter;

(ii) exhibit any sign, placard, banner, notice or other written material;

(iii) distribute any circular, booklet, handbill, placard or other material;

(iv) solicit membership in any organization, group or association or contribution;

(v) parade, patrol, picket, demonstrate or engage in conduct that might interfere with or impede the use of the Joint Use Areas by any customer, invitee or employee, create a disturbance, attract attention or harass, annoy, disparage or be detrimental to the interest of any of the other tenants;

(vi) use the Joint Use Areas located within any of the other buildings within the Shopping Center (expressly excluding any such areas within the Building and the exterior Joint Use Areas), for any purpose when none of the retail establishments within the Shopping Center are open for business;

(vii) panhandle, beg or solicit funds; nor

(viii) solicit business.

(s) Tenant shall have the responsibility for protecting the Leased Premises from theft, robbery and pilferage, and shall keep non-customer doors locked.

(t) No symbol, design, name, mark or insignia adopted for or used by Landlord in the Shopping Center shall be used by Tenant without the prior written consent of Landlord.

(u) In the event Tenant requires the use of telecommunication, high-speed network or data transmission services from the Leased Premises, Landlord may require Tenant to contract for such services through one of the designated service providers which serve the Shopping Center, provided that the cost thereof is comparable to that

available to Tenant from another provider, given a comparable level and quality of service and equipment. Landlord's liability relative to such services shall be the same as that for provision of utilities as set forth in ARTICLE 16(f).

Landlord shall have all remedies provided in this Lease for the breach of any of the provisions of ARTICLE 26. Landlord shall have the right to grant variances of the rules and regulations, and shall enforce the rules and regulations at its sole discretion provided Landlord shall not enact any changes to or enforce any rules and regulations in a manner which discriminates against Tenant.

ARTICLE 27. - EMINENT DOMAIN

(a) If the entire Leased Premises is appropriated or taken under eminent domain by any public or quasi-public authority, this Lease shall terminate on the date of the taking. Landlord and Tenant shall be released from liability accruing after that date. If more than 25% of the square footage of floor area (including a mezzanine, if any) of the Leased Premises is taken under eminent domain by any public or quasi-public authority, or if because of the appropriation or taking, regardless of the amount taken, the remainder of the Leased Premises is not usable for the purposes specified in Reference Provision 1.03, or a material portion of the parking at the Shopping Center (including all or a substantial part of the South Parking Lot) is taken, either Landlord or Tenant shall have the right to terminate this Lease as of the date Tenant is required to vacate a portion of the Leased Premises which has been taken or the date the parking is so taken, by giving notice to the other in writing within sixty (60) days after the date of the taking. Landlord and Tenant shall be released from liability accruing after the date of such taking.

(b) Whether or not this Lease is terminated, Landlord shall be entitled to the entire award or compensation and any portion of any compensation awarded for the diminution in value of the leasehold interest or fee of the Leased Premises, but Tenant's right to receive compensation or damages for Tenant's improvements, fixtures and tangible personal property and moving costs shall not be affected and Tenant shall have a right to make a separate claim against the condemning authority (but not against Landlord) for such losses. If this Lease is terminated, rental, additional rental and other charges for the last month of Tenant's occupancy shall be prorated, and Landlord shall refund to Tenant rental, additional rental or other charges paid in advance.

(c) If Landlord and Tenant elect not to terminate this Lease, Tenant shall remain in the portion of the Leased Premises which has not been appropriated or taken. Landlord agrees, at Landlord's cost and expense, to restore the remaining portion of the Leased Premises to the quality and character that existed prior to the appropriation or taking as soon as reasonably possible, to the extent of the award actually received by Landlord. The Minimum Annual Rental shall be adjusted, on an equitable basis, taking into account the relative value of the portion taken compared to the portion remaining. A voluntary sale or conveyance in lieu of condemnation, but under threat of condemnation, shall be an appropriation or taking under eminent domain. Tenant shall not have a claim against Landlord because of a taking.

ARTICLE 28. - ATTORNEYS' FEES

If, during the Term or afterwards, either party institutes an action, proceeding or counterclaim against the other relating to this Lease, or a default, the unsuccessful party shall reimburse the successful party for the total amount of court costs, expenses and reasonable attorneys' fees actually incurred, the parties waiving any statute, rule of law or public policy to the contrary. The parties agree to confirm this agreement in writing at the start of the action, proceeding or counterclaim. The giving of a notice of default by Landlord or Tenant to the other shall constitute part of an action or proceeding under this Lease, entitling Landlord or Tenant, as appropriate, to reimbursement of its reasonable expenses of attorneys' fees and disbursements, even if an action or proceeding is not commenced in a court of law and whether or not the default is cured. This ARTICLE 28 shall survive the expiration or termination of this Lease.

ARTICLE 29. - SALE OF LEASED PREMISES BY LANDLORD

In the event of the sale or exchange of the Leased Premises or the Shopping Center and the assignment of this Lease, Landlord shall be relieved of all liability for the covenants and obligations in or derived from this Lease, or arising

out of any act, occurrence or omission relating to the Leased Premises or this Lease from and after the date of such conveyance provided the transferee assumes in writing all of the obligations of Landlord hereunder. The covenants, representations and obligations of Landlord shall be binding on Landlord only during the period that Landlord has an ownership interest in the Shopping Center.

ARTICLE 30. - NOTICES

Notices and demands shall be given in writing by personal delivery or by nationally recognized overnight courier service (for next day delivery), addressed to Landlord and to Tenant at the addresses specified in the Reference Provisions or at the addresses which were last specified by notice by Landlord or Tenant. Notices or demands shall be deemed to have been given, made or communicated on the date they are received (or refused to be received). Notices required hereunder by either party may be given by such party's agent or attorney.

ARTICLE 31. - REMEDIES

All rights and remedies of Landlord and Tenant under this Lease or at law are cumulative, and the exercise of one or more rights or remedies shall not exclude or waive the right to the exercise of any others. All rights and remedies may be exercised and enforced concurrently, whenever and as often as desirable.

ARTICLE 32. - SUCCESSORS AND ASSIGNS

All covenants, promises, conditions, representations and agreements shall be binding upon, apply and inure to Landlord and Tenant and their heirs, executors, administrators, successors and assigns. The provisions of ARTICLE 21 hereof shall not be affected by this ARTICLE 32.

ARTICLE 33. - REPRESENTATIONS

Tenant agrees that Landlord, its employees and agents have made no representations, inducements or promises about the Leased Premises, the Shopping Center or this Lease, or about the characteristics or conditions regarding or pertaining to the Leased Premises or the Shopping Center, unless the representations, inducements and promises are in this Lease. Tenant has independently investigated the potential for the success of its operations in the Shopping Center. Therefore, no claim or liability, or cause for termination, shall be asserted by Tenant against Landlord, its employees and agents, for, and they shall not be liable because of, the breach of any representations, inducements or promises not expressly in this Lease.

ARTICLE 34. - WAIVER

The failure by Landlord or Tenant to insist upon strict performance by the other of any of the covenants, conditions, provisions, rules and regulations and agreements in this Lease, or to exercise a right, shall not be a waiver of any rights or remedies and shall not be a waiver of a subsequent breach or default. A surrender of the Leased Premises shall not occur by Landlord's acceptance of rental or by other means unless Landlord accepts the surrender in writing. A payment by Tenant or receipt by Landlord of an amount less than the monthly rental shall not, nor shall the endorsement, statement, check, letter accompanying a check or payment of rental, be an accord and satisfaction. Landlord may accept a check or payment without prejudice to its right to recover the balance of rental due and pursue any other remedy. A waiver by Landlord for one tenant shall not constitute a waiver for another tenant.

ARTICLE 35. - HOLDING OVER

If Tenant remains in possession of the Leased Premises after the expiration of the Term without a new lease (even if Tenant has paid and Landlord has accepted rental), Tenant shall be deemed to be occupying the Leased Premises as a tenant from month to month, subject to the covenants, conditions and agreements of this Lease. The monthly rental shall be computed based on one hundred fifty percent (150%) of the monthly amount of the Minimum Annual Rental and one hundred percent (100%) of the additional rental payable to Landlord during the last 12 month period of the Term. If Tenant fails to surrender the Leased Premises within sixty (60) days after the termination of this Lease, Tenant shall, in addition to other liabilities to Landlord, indemnify, defend and hold Landlord harmless from

any out-of-pocket loss and liability sustained by Landlord resulting from that failure including, but not limited to, damages due a succeeding tenant; provided in no event shall Tenant be liable for consequential or punitive damages. The exercise of Landlord's rights shall not be interpreted to allow Tenant to continue in possession, nor shall it be deemed an election to extend the Term beyond a month-to-month basis. If Landlord, in its sole discretion, determines to permit Tenant to remain in the Leased Premises on a month-to-month basis, the month-to-month tenancy shall be terminable on 30 days prior written notice given by either party to the other party.

ARTICLE 36. - INTERPRETATION

Only the relationship of Landlord and Tenant is created by this Lease. No provision of this Lease or act of either party shall be construed to create the relationship of principal and agent, partnership, or joint venture or enterprise.

ARTICLE 37. - ADVERTISING AND PROMOTIONAL SERVICE

As part of Operating Expenses, Landlord may furnish and maintain professional advertising; marketing and sales promotions which are intended to promote the Shopping Center and/or benefit sales therein. Such advertising and promotion services may be provided in whole or in part by a third party provider or by Landlord or by an affiliate, subsidiary or other related company of Landlord. The nature and extent of such advertising and sales promotion services shall be within Landlord's sole and absolute discretion, and the portion of Minimum Annual Rental and/or Operating Expenses payment used by Landlord for such advertising and sales promotion services as set forth in Article 17 shall constitute the entire obligation of Tenant to contribute to the cost of such services. Tenant shall pay Landlord the initial assessment specified in the Reference Provisions, if any, for advertising and promotional activities, in a lump sum within 10 days after demand.

ARTICLE 38. - QUIET ENJOYMENT

Landlord has the right, power and authority to enter into this Lease. Tenant, or any permitted assignee or sublessee of Tenant, upon the payment of the rental and performance of Tenant's other covenants, shall and may peaceably and quietly have, hold and enjoy the Leased Premises during the Term without interference by Landlord or any person claiming by, through or under Landlord, and in furtherance thereof, Landlord shall take all actions necessary to preserve such quiet enjoyment. This covenant shall be construed as a covenant running with the land.

ARTICLE 39. - WAIVER OF REDEMPTION

Tenant waives any right of redemption if Tenant is evicted or dispossessed for any cause, or if Landlord obtains possession of the Leased Premises because of the default of Tenant or otherwise. The rights given to Landlord are in addition to rights that may be given to Landlord by statute or otherwise.

ARTICLE 40. - FEES

Each party warrants and represents that it has not had negotiations with or dealt with a realtor, broker or agent in connection with this Lease, other than the Brokers specified in Reference Provision 1.23. Each party agrees to indemnify and hold the other harmless from the cost, expense or liability (including the costs of suit and reasonable attorneys' fees) for compensation, commissions or charges claimed by any broker other than the Brokers specified in Reference Provision 1.23, through the actions of, or dealings with, the indemnifying party regarding this Lease. Landlord shall pay any commission due to the Brokers specified in Reference Provision 1.23 in connection with this Lease per separate agreement.

ARTICLE 41. - TENANT'S PROPERTY

Except as otherwise provided herein and except for the negligence or willful misconduct of Landlord, its agents or employees. Landlord, its agents and employees shall not be liable, and Tenant waives all claims, for damage to property and Tenant's business sustained by Tenant (or anyone claiming through Tenant) located on the Leased Premises. Property kept or stored on the Leased Premises shall be kept or stored at the sole risk of Tenant, and

Tenant shall indemnify, defend and hold Landlord harmless from any claims arising out of damage to the same, including subrogation claims by Tenant's insurance carrier.

ARTICLE 42. - LEASE STATUS

Within ten (10) days of Landlord's written request, Tenant shall without charge execute, acknowledge and deliver to Landlord an instrument required under this Lease or an instrument prepared by Landlord containing the Rental Commencement Date and Expiration Date of this Lease, and if true, that (a) this Lease is a true copy of the Lease between the parties, (b) there are no amendments (or stating the amendments), (c) the Lease is in full force and effect and that, to the Tenant's knowledge, there are no offsets, defenses or counterclaims of rental or in the performance of the other covenants and conditions to be performed by Tenant, (d) no default has been declared by either party and that Tenant has no knowledge of any facts or circumstances which it believes would constitute a default by either party and (e) any other matters reasonably requested by Landlord. Anyone transacting with Landlord shall have the right to rely on the accuracy of the statements contained in the instrument signed by Tenant pursuant to this ARTICLE 42.

ARTICLE 43. - RECORDING

Tenant shall not record this Lease, a memorandum, "short form" or other reference to this Lease, without the written consent of Landlord.

ARTICLE 44. - FORCE MAJEURE

If either party is delayed, hindered or prevented from the performance of an obligation because of strikes, lockouts, labor troubles, the inability to procure materials, power failure, restrictive governmental laws or regulations, riots, insurrection, war or another reason not the fault of the party delayed, but not including financial inability, the performance shall be excused for the period of delay. The period for the performance shall also be extended for a period equal to the period of delay. Tenant shall not be excused from the prompt payment of rental, additional rental or other payments nor shall Landlord be excused from making any payments due from Landlord. Each party shall use commercially reasonable efforts to promptly notify the other in writing upon the occurrence of an event of force majeure entitling the party to a delay in performance, specifying the nature of the event and the period of time necessary for performance.

ARTICLE 45. - CONSTRUCTION OF LEASE

Tenant has read and understands this Lease. The rule of construction that a document should be construed most strictly against the party which prepared the document shall not be applied, because both parties have participated in the preparation of this Lease. This Lease shall be governed by the laws of the State in which the Shopping Center is located and shall be deemed made and entered into in the county in which the Shopping Center is located.

ARTICLE 46. – RIGHT OF FIRST OFFER TO PURCHASE

Tenant shall have a right of first offer (the "Right of First Offer") to purchase only the Leased Premises (and if included in the potential sale, the South Parking Lot serving the Leased Premises which for such purposes shall be deemed a part of and included within the Leased Premises if applicable) if, and only if, Landlord desires at any time during the Term to sell the Leased Premises other than in connection with a sale of all or any other portion of the Shopping Center. If Landlord desires to sell the Leased Premises, or it receives an offer that it desires to accept, the Landlord shall provide Tenant with a notice specifying the general terms upon which Landlord desires to sell the Leased Premises, including without limitation, the purchase price, earnest money, due diligence period and other material terms (the "Offer Notice"). Tenant shall then have a period of ten (10) days after receipt of the Offer Notice (the "Review Period") within which to deliver to the Landlord its written notice (the "Exercise Notice") of its desire to purchase the Leased Premises in accordance with the terms and conditions set forth in the Offer Notice. If Tenant timely delivers the Exercise Notice, Landlord and Tenant shall have a period of fifteen (15) days after the delivery of the Exercise Notice within which to negotiate a definitive purchase and sale agreement based on the terms outlined in the Offer Notice. If Tenant fails to timely deliver its Exercise Notice, or if Tenant and Landlord

are unable to timely agree upon a definitive purchase and sale agreement (each party being obligated to negotiate in good faith and accept commercially reasonable terms), then Tenant shall be deemed to have declined to exercise such Right of First Offer. Thereafter, Landlord shall be entitled to sell the Leased Premises for a period of twelve (12) months after the date of Tenant's rejection (or deemed rejection) of its Right of First Offer, such sale by Landlord to be on substantially the same terms as are set forth in the Offer Notice. For purposes hereof, a sale shall be on "substantially the same terms" as are set forth in the Offer Notice if the net economic consideration to be received by Landlord (including without limitation, purchase price and allocation of closing costs or other prorations) is greater than ninety percent (90%) of the net economic consideration to be received by Landlord as set forth in the Offer Notice. If Landlord does not sell the Leased Premises for a period of twelve (12) months after the date of Tenant's rejection (or deemed rejection) of its Right of First Offer, or if Landlord desires to sell the Leased Premises on terms that are not substantially the same terms, then Landlord shall not sell the Leased Premises to another party without again offering the Leased Premises to Tenant.

Tenant shall not have a Right of First Offer, if, at the time Landlord delivers the Offer Notice to Tenant, Tenant: (a) is in Default under this Lease beyond any applicable notice and cure period; or (b) has assigned this Lease or sublet all of the Leased Premises other than pursuant to a Permitted Transfer; or (c) Landlord is entitled to and has exercised its right to terminate the Lease and recapture the Leased Premises pursuant to ARTICLE 25(b).

Tenant's Right of First Offer shall not apply to (each an "Excluded ROFO Transfer"): (a) any sale or transfer of the Leased Premises in connection with a sale of all or substantially all of the Shopping Center; (b) any sale or transfer of the Leased Premises made for legitimate business purposes (and not for the purpose of circumventing or avoiding compliance with Tenant's Right of First Offer) to a partnership, corporation, limited liability company, or trust in which Landlord, Landlord's manager, or Landlord's members have, in the aggregate, not less than a five percent (5%) interest; (c) any sale or transfer of the Leased Premises to a member, partner or shareholder of Landlord, or a spouse or a relative of such member, partner or shareholder, or to a trust for the benefit of the spouse or a relative of such member, partner or shareholder; (d) any transfer without consideration; (e) any transfer in connection with an eminent domain proceeding; or (f) any sale or transfer of the Leased Premises to or from a lender, mortgagee or other party that is receiving the Leased Premises as a result of, or is transferring the Leased Premises pursuant to, a deed in lieu of foreclosure or sale in foreclosure of the Leased Premises.

During the first eight (8) Lease Years, Tenant's Right of First Offer shall be an ongoing right of first offer which shall apply prior to each sale of the Leased Premises. Following the expiration of the eighth (8th) Lease Year, provided Landlord has complied with the terms of this ARTICLE 46 in connection with such sale, upon any sale of the Leased Premises occurring pursuant to an Offer Notice delivered to Tenant after the expiration of the eighth (8th) Lease Year to a third-party person or entity (other than pursuant to an Excluded ROFO Transfer), Tenant's Right of First Offer shall forever terminate and be null and void. Notwithstanding anything herein to the contrary, Tenant's Right of First Offer shall remain in effect and shall not be affected by the occurrence of any Excluded ROFO Transfer.

ARTICLE 47. - CAPTIONS

Captions are for convenience and reference only. The words contained in the captions shall not be deemed to explain, modify, amplify or aid in the interpretation, construction or meaning of this Lease. The use of masculine or neuter genders shall include the masculine, feminine and neuter genders. The singular form shall include the plural if the context requires. "Landlord" and "Tenant" means "Landlord" and "Tenant" and "their agents and employees", unless the context requires otherwise.

ARTICLE 48. - SEVERABILITY

If any provision of this Lease or any paragraph, sentence, clause, phrase or word is judicially or administratively held invalid or unenforceable, that shall not affect, modify or impair any other paragraph, sentence, clause, phrase or word. The parties acknowledge that certain charges, fees and other payments are deemed "additional rental" in order to enforce Landlord's remedies, and shall not be construed to be "rent" if rent controls are imposed.

ARTICLE 49. - OBJECTION TO STATEMENTS

Except as otherwise expressly provided herein, Tenant's failure to object to a statement, invoice or billing within ninety (90) days after receipt shall constitute Tenant's acquiescence. Tenant shall be required to provide Landlord with a specific and detailed list of Tenant's objections at the time Tenant makes its objection to Landlord. The statement, invoice or billing shall be an account stated between Landlord and Tenant.

ARTICLE 50. - LIABILITY OF LANDLORD

Landlord's liability under this Lease or arising out of the relationship of the parties shall be limited to Landlord's interest in the Shopping Center and all revenues and proceeds therefrom. Judgments rendered against Landlord shall be satisfied solely out of the revenues and/or proceeds of the sale of Landlord's interest in the Shopping Center which have been received by Landlord. No personal judgment shall apply against Landlord upon extinguishment of its rights in the Shopping Center. A personal judgment shall not create a right of execution or levy against Landlord's assets. The provisions of this ARTICLE 50 shall inure to Landlord's successors and assigns. These provisions are not designed to relieve Landlord from the performance of its obligations under this Lease, but to limit the personal liability of Landlord in case of a judgment against Landlord. Tenant's right to obtain injunctive relief or specific performance or to have any other right or remedy which may be awarded Tenant by law or under this Lease shall not be limited however. No personal liability is assumed by nor shall at any time be enforceable against Landlord.

ARTICLE 51. - NO OPTION

The submission of this Lease is not a reservation of or option for the Leased Premises or any other space in the Shopping Center, and vests no right in Tenant. This Lease shall become effective only upon proper execution and delivery by the parties.

ARTICLE 52. - PARKING

Landlord shall at all times maintain during the Term (including any extensions thereof) on site parking sufficient to comply with all applicable zoning requirements for Tenant's permitted uses, and in no event less than five (5) parking spaces per 1,000 rentable square feet of leasable space in the Shopping Center, which shall be available for Tenant's (and its employees, agents, guests, patients and invitees) use free of charge on an unreserved, first come first serve basis in common with the other tenants and occupants of the Shopping Center. Landlord acknowledges that Tenant's use of the South Parking Lot is a primary inducement to Tenant's execution of this Lease. Landlord shall be responsible for assuring that the South Parking Lot is available for Tenant's use for parking throughout the Term (including any extensions thereof) on a non-exclusive basis. In no event will Landlord change, reduce or alter or permit any activity other than the surface parking of motor vehicles in the South Parking Lot. Landlord shall not grant any other tenants or occupants of the Shopping Center (other than Tenant) exclusive or reserved rights to park in the South Parking Lot. Landlord shall not expressly or affirmatively designate or direct that the South Parking Lot be used as a parking area for valet parking. When practical to do so, Landlord shall encourage other tenants and occupants of the Shopping Center (and any valet service providers) to use parking areas other than the South Parking Lot; provided Landlord shall not be responsible for any failure or refusal of its other tenants or occupants to comply with such requests. Tenant acknowledges that parking in the Shopping Center is currently on a non-exclusive first come first served unreserved basis. However, Landlord agrees that if Landlord elects to grant any other tenants or occupants of the Shopping Center exclusive or reserved rights to park in any of the other parking areas located within the Shopping Center (other than a nominal one or two space basis to be used for valet drop off), it will offer similar exclusive parking rights to Tenant for reserved parking in the South Parking Lot.

ARTICLE 53. - CORPORATE TENANT

If Tenant is or will be a corporation or partnership or limited liability company of any kind, the persons executing this Lease on behalf of Tenant covenant and represent that Tenant is a duly incorporated or duly qualified (if foreign) corporation or partnership, as the case may be (including without limitation a limited liability corporation and a limited liability partnership) and is authorized to do business in the State where the Shopping Center is located. Tenant also covenants and represents that the person or persons, partner or member executing this Lease on behalf of Tenant is (if a corporation) an officer of Tenant, and is (if a corporation or partnership of any kind) authorized to sign and execute this Lease.

ARTICLE 54. - PRINTED PROVISIONS

The printed provisions of this Lease and written or typed additions shall be given equal weight for the interpretation of this Lease. The deletion of any portion of this Lease shall not create an implication regarding the intent of the parties, and this Lease shall be read and interpreted as if the deleted portion had never been in this Lease.

ARTICLE 55. - ENTIRE AGREEMENT

This Lease is the only agreement between the parties for the Leased Premises. An amendment, modification or supplement to this Lease shall not be effective unless it is in writing and executed by the parties. The EXHIBITS are incorporated by reference into this Lease.

ARTICLE 56. - NO THIRD-PARTY RIGHTS

This Lease shall not confer rights or benefits, including third-party beneficiary rights or benefits to anyone that is not a named party to this Lease, including any individual, corporation, partnership, trust, unincorporated organization, governmental organization or agency or political subdivision.

ARTICLE 57. - FINANCIAL STATEMENTS

(a) Tenant acknowledges that it has provided Landlord with its financial statement or annual report ("Statement") and represents that the Statement is a primary inducement to Landlord's agreement to lease the Leased Premises to Tenant. Landlord has relied on the accuracy of the Statement in order to enter into this Lease. Tenant represents that the information contained in the Statement is true, complete and correct in all material aspects. This representation is a precondition to the Lease.

(b) At the request of Landlord, unless Tenant is a publicly traded company or its certified financial statements are available to the public on the internet, Tenant shall, not later than thirty (30) days following such request, furnish to Landlord its most recent balance sheet for at least the most recent fiscal year, a statement of income and expense for that year and an opinion of an independent certified public accountant satisfactory to Landlord (or a certificate of the chief financial officer, owner or partner of Tenant) indicating the financial statement has been prepared in conformity with generally accepted accounting principles consistently applied and fairly present the financial condition and results of the operations of Tenant for that year.

ARTICLE 58. – INTENTIONALLY DELETED

ARTICLE 59. - TENANT'S FAILURE

If Tenant fails to comply with and perform any of its covenants, conditions or agreements, after notice and the expiration of any applicable cure period hereunder, Landlord shall have the right, but not be obligated, upon prior notice to Tenant, to perform the covenants, conditions or agreements. Tenant shall pay to Landlord on demand as additional rental, a sum equal to the amount spent by Landlord for the performance, plus 15% of such amount to defray supervision and overhead. If Landlord performs any covenants, conditions or agreements, Landlord, its agents or employees may enter the Leased Premises subject to the requirements of ARTICLE 22. That entry and performance shall not constitute an eviction of Tenant in whole or in part, nor relieve Tenant from the performance of the covenants, conditions and agreements. Landlord, its agents and employees shall not be liable for claims for loss or damage to Tenant or anyone claiming through or under Tenant.

ARTICLE 60. - OWNERSHIP

(a) If the ownership of the Shopping Center is in a Real Estate Investment Trust, then Landlord and Tenant agree that Minimum Annual Rental and all additional rental paid to Landlord under this Lease (collectively referred to in this Section as "Rent") shall qualify as "rents from real property" within the meaning of Section 856(d) of the Internal Revenue Code of 1986, as amended (the "Code") and the U.S. Department of Treasury Regulations (the "Regulations"). Should the Code or the Regulations, or interpretations of them by the Internal Revenue Service

contained in Revenue Rulings, be changed so that any Rent no longer qualifies as "rent from real property" for the purposes of Section 856(d) of the Code and the Regulations, other than by reason of the application of Section 856(d)(2)(B) or 856(d)(5) of the Code or the Regulations, then Rent shall be adjusted so that it will qualify (provided however that any adjustments required pursuant to this Section shall be made so as to produce the equivalent (in economic terms) Rent as payable prior to the adjustment).

(b) Any services which Landlord is required to furnish pursuant to the provisions of this Lease may, at Landlord's option, be furnished from time to time, in whole or in part, by employees of Landlord or Landlord's affiliates or by one or more third parties hired by Landlord or Landlord's affiliates. Tenant agrees that upon Landlord's written request it will enter into direct agreements with the parties designated by Landlord to provide such services, provided that no such contract shall result in Tenant having to pay, in the aggregate, more money for the occupancy of the Leased Premises under the terms of this Lease, or Tenant's receiving fewer services or services of a lesser quality than it is otherwise entitled to receive under the Lease.

ARTICLE 61. – REGULATORY COMPLIANCE

(a) It is the parties intention and good faith belief that this Lease complies with all statutes and regulations applicable to healthcare providers including without limitation the Federal Anti-Kickback Statute (42 U.S.C. § 1320a-7a) and related regulations (including, but not limited to, 42 C.F.R. § 1001.952 (b)) and the Stark Law (42 U.S.C. §1395nn) and related regulations (including, but not limited to, 42 C.F.R. § 411.357(a) and 73 Fed. Reg. 48714) and that the provisions of this Lease meet the regulatory requirements for the safe harbor for "space rental" under the Federal Anti-Kickback Statute (42 C.F.R. § 1001.952 (b)), the safe harbor for the "rental of office space" exception under the Stark Law (42 U.S.C. §1395nn(e)(1)(A), 42 C.F.R. § 411.357(a)), and the safe harbor for the "fair market value compensation" exception under the Stark Law (42 C.F.R. § 411.357(l)). Landlord and Tenant acknowledge and agree that the Rent and Additional Rent amounts set forth herein are the parties good faith determination of the fair market rental value of the Premises, facilities and services provided under this Lease for the Term and have been determined by the parties in advance of such Term without reference to the volume or value of any referrals or other business generated between the parties or Immediate Family Members of the parties. The parties acknowledge and agree that neither party or Immediate Family Member of a party shall have any obligation to refer any of its patients to the other. In the event this Lease fails to comply with such statutes and regulations, the parties agree to work cooperatively and in good faith with each other to promptly correct such non-compliance. Landlord has notified Tenant in writing of any immediate family member of Landlord who currently has a compensation arrangement or investment interest with Tenant ("Immediate Family Member" shall include a husband or wife; birth or adoptive parent, child, or sibling; stepparent, stepchild, stepbrother or stepsister; father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law; grandparent or grandchild; or spouse of a grandparent or grandchild) and Landlord shall notify Tenant in writing of any Immediate Family Member of Landlord who hereafter has a compensation arrangement or investment interest with Tenant at any time during the Term of this Lease.

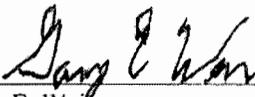
(b) Landlord acknowledges that Tenant is a healthcare provider and is subject to certain regulatory requirements applicable to healthcare providers including certain reporting, disclosure and inspection requirements applicable to Tenant's offices and the Leased Premises in which Tenant conducts its operations. Landlord agrees to use commercially reasonable efforts to cooperate with Tenant in connection with Tenant's compliance with such requirements relating to the Leased Premises and to provide Tenant, promptly upon Tenant's request, with such information and documentation regarding the Leased Premises so as to enable Tenant to comply with such requirements and regulations under applicable laws; provided such cooperation and documentation does not result in additional cost to Landlord unless reimbursed by Tenant pursuant to mutual agreement.

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IN WITNESS WHEREOF, the parties have executed and delivered this Lease as of the Effective Date.

TENANT:

NORTHSHORE UNIVERSITY HEALTHSYSTEM, an Illinois not-for-profit corporation

By: 
Name: Gary E. Weiss
Its: Treasurer

LANDLORD:

CFNX LINSHIRE LLC, a Delaware limited liability company

By: _____
Name: _____
Its: _____

IN WITNESS WHEREOF, the parties have executed and delivered this Lease as of the Effective Date.

TENANT:

NORTHSHORE UNIVERSITY HEALTHSYSTEM, an Illinois not-for-profit corporation

By: _____
Name: Gary E. Weiss
Its: Treasurer

LANDLORD:

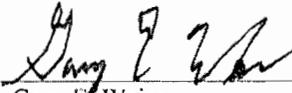
CFNX LINSHIRE LLC, a Delaware limited liability company

By: _____
Name: David Scheible
Its: Authorized Signatory

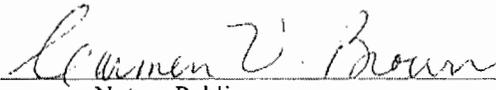
AFFIDAVIT

The undersigned has signed a Lease dated March ^{20 27} 11, 2015, with **CFNX Linshire LLC, a Delaware limited liability company** for the occupancy of **920 N. Milwaukee Avenue, Lincolnshire, Illinois, in Lincolnshire Commons**. The Lease business terms were negotiated with Marc Blum of Next Realty, LLC, as representative of the Landlord. No representative, agent or employee of Landlord made any representations, inducements or promises about the Leased Premises or the entry into the Lease, unless expressly in the Lease. Nor has any representative, agent or employee made any representations, inducements or promises about the characteristics or conditions regarding or pertaining to the Leased Premises or the Shopping Center, unless expressly in the Lease. The undersigned has independently investigated the potential for the success of its operations in the Shopping Center and has not relied upon any representations, inducements or promises by Landlord's representatives, agents or employees, other than those contained in the Lease.

NORTHSHORE UNIVERSITY HEALTHSYSTEM, an Illinois not-for-profit corporation

By: 
Name: Gary E. Weiss
Its: Treasurer

Sworn to before me this 11th day of March, 2015.


Notary Public

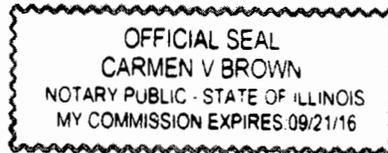
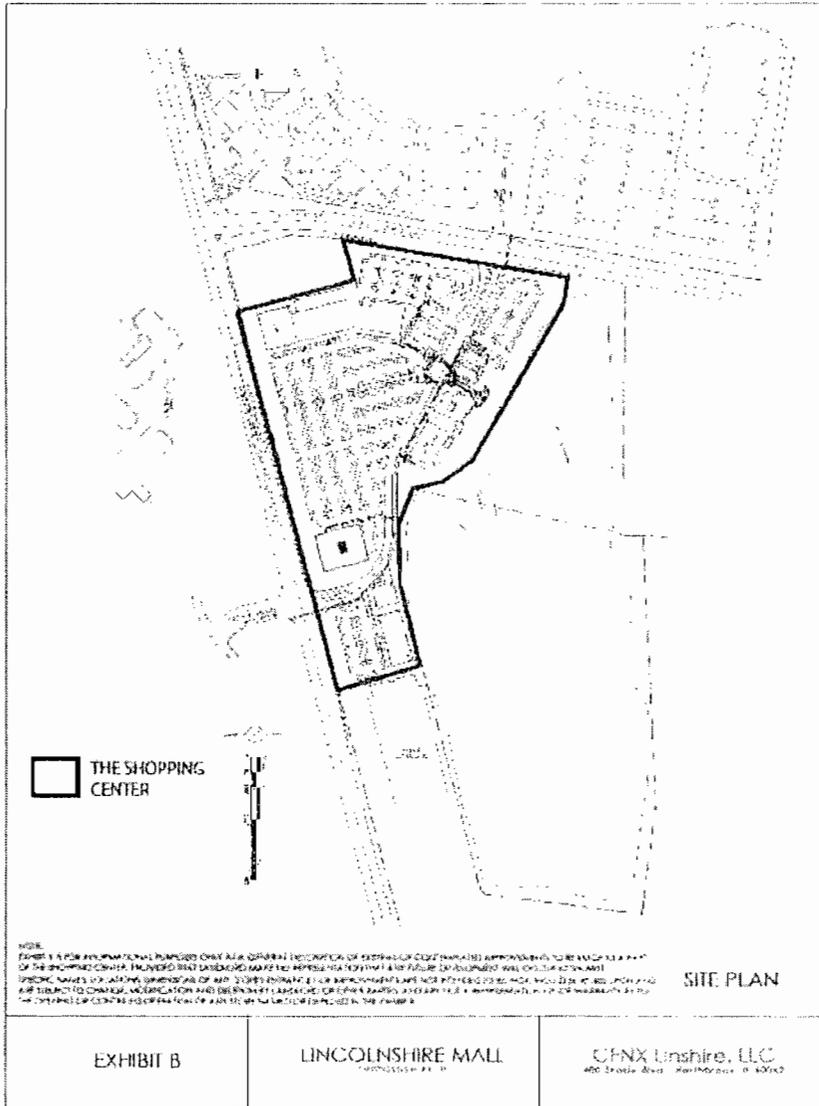


EXHIBIT B
SITE PLAN



**EXHIBIT C
DESCRIPTION OF TENANT WORK
ALL TENANTS**

**Lincolnshire Commons
Lincolnshire, Illinois**

Subject to the representations and warranties contained in the Lease and except as otherwise expressly provided in the Lease, Tenant accepts the Leased Premises in its "as-is" condition. Tenant, at Tenant's expense, shall complete any improvements that Tenant desires for Tenant's use of the Leased Premises. If Tenant's design is not feasible with the existing utility locations, such as mechanical, electrical, plumbing or fire protection, any alterations to the existing utility locations shall be completed by Tenant at Tenant's expense, subject to Landlord's prior approval. All such work shall be in accordance with this EXHIBIT C, the Tenant Criteria Manual and other information contained within the Tenant Package reference below.

A. TENANT PACKAGE

Landlord shall provide a "Tenant Package" to better identify the Leased Premises and provide details in describing conditions of the shell structure. This package may contain such items as:

- a. Lease exhibit drawing indicating approximate Leased Premises.
- b. Dimensional floor plan drawings, if available. Tenant shall not rely on such plans or drawings and must field-verify physical dimensions and existing conditions in the Leased Premises prior to and during Tenant Work (defined in ARTICLE 2 of the Lease).
- c. Criteria Manual containing Tenant-required drawing submissions information, sign criteria, architectural, electrical and mechanical information necessary for the preparation of Tenant's plans, typical detail sheets, and other information.
- d. By the execution of Tenant's Lease, Tenant acknowledges receipt of the Tenant Package and by this reference, it is incorporated in the Lease.

B. TENANT PLAN SUBMITTAL REQUIREMENTS

1. Tenant Working Drawings

Tenant shall provide working drawings consisting of architectural, mechanical, electrical, plumbing, structural, life safety, specifications and supporting calculation data, prepared by a registered architect and licensed engineer of the state in which the Shopping Center is located as deemed necessary by Landlord. Refer to Tenant Package for details. Tenant agrees to comply with the schedule set forth in 2 below.

2. Tenant Plan Submittal & Additional Requirements

- a. By the submittal date for preliminary plans and specifications specified in the Reference Provisions, Tenant agrees to notify Landlord of the identity and mailing address of the licensed architect engaged by Tenant for the preparation of plans for Tenant's Work. At the same time Tenant, at Tenant's expense, shall cause Tenant's architect to prepare and deliver to Landlord for Landlord's approval one (1) preliminary drawing submittal for Tenant's Work, adhering to the requirements as described in the Tenant Package.
- b. Intentionally deleted.
- c. By the submittal date for final plans and specifications specified in the Reference

Provisions, Tenant, at Tenant's expense, shall cause Tenant's architect to prepare and deliver to Landlord for Landlord's approval three (3) sets of final working drawings and specifications for Tenant's Work, adhering to the requirements as described in the Tenant Package.

- d. Landlord's review of Tenant's drawings and specifications shall be limited as set forth in ARTICLE 2(f) of the Lease. Landlord shall review Tenant's drawings and specifications and notify Tenant within 15 days (5 days with respect to subsequent submissions) of their receipt if they do not meet with Landlord's approval and the reasons for Landlord's objections. Tenant shall, within 10 days (5 days with respect to subsequent submissions) of the receipt of notification, revise and resubmit the drawings and specifications. When Landlord has approved Tenant's drawings and specifications, Landlord shall initial and return one (1) set of approved drawings to Tenant. That set shall show the date of Landlord's approval.
- e. If any changes and/or revisions are made in Tenant's working drawings and specifications after Landlord's initial approval which impact matters for which Landlord has approval rights under ARTICLE 2(f), Tenant shall deliver to Landlord one set of revised working drawings and specifications for additional approval pursuant to the process set forth above.
- f. No approval by Landlord shall be valid unless signed in writing by Landlord or Landlord's representative.
- g. Tenant shall prepare its plans and perform Tenant's Work in compliance with Landlord's requirements, governing statutes, ordinances, regulations, codes and insurance rating boards. Landlord's approval does not relieve Tenant of its obligation to complete Tenant's Work in accordance with the terms of the Lease, nor of the necessity of Tenant's compliance with the laws, rules, regulations and ordinances of local governing authorities.
- h. Any approval by Landlord or Landlord's architect shall neither obligate Landlord in any manner whatsoever with respect to the finished product, design and/or construction by Tenant nor be deemed to be a modification or amendment to the provisions of the Lease. Any deficiency in design or construction, with or without prior approval of Landlord, shall be solely the responsibility of Tenant. Tenant shall be solely responsible for corrections in Tenant's Work and its working drawings and specifications required by governmental authority.
- i. Tenant shall comply with the Americans with Disabilities Act of 1990 ("ADA"), and any amendment to the ADA, as well as applicable state, local laws, regulations, ordinances and independent inspections. Compliance will include, but not be limited to, the design, construction, and alteration of the Leased Premises as well as access to, employment of and service to individuals covered by the ADA.
- j. Within 20 days after opening for business in the Leased Premises, Tenant shall provide Landlord with one set of "as-built" drawings and specifications indicating the material changes from the approved plans made during the performance of Tenant's Work. As-built drawings shall accurately locate all underground utilities and equipment installed by Tenant. As-built drawings shall be delivered to Landlord prior to final inspection of the Leased Premises and payment of the final draw of the Construction Allowance.

C. STRUCTURE

1. Building Shell

- a. Intentionally deleted.
- b. Tenant is responsible for maintaining the integrity of the concrete slab. Any alterations to Landlord's slab shall be executed in accordance with the requirements described in the Tenant Criteria Manual.
- c. Upper and lower level suspended slab floor penetrations shall be core-drilled; no saw cutting or trenching is permitted. All floor penetrations shall be sleeved and sealed as required in the Tenant Criteria Manual.
- d. Structural modifications and or additions by Tenant to Landlord's structure is subject to Landlord's prior approval. Tenant shall submit structural calculations, which have been prepared by a licensed structural engineer, to Landlord for review by Landlord's engineer, at Tenant's expense.

2. Roof Penetrations

Roof penetrations by Tenant shall be held to a minimum. Penetrations, flashing and patching of the roofing system shall be made by Landlord's roofing contractor (or a roofing contractor selected by Tenant, reasonably acceptable to Landlord), subject to Landlord's prior approval, at Tenant's expense. Any structural framing or structural calculations required by Landlord as a result of Tenant's roof penetrations shall be performed at Landlord's option by Landlord's contractor, at Tenant's expense. Any associated curbs, rails, skids, etc. which can impact the roof system shall be designed in accordance with the manufacturer's recommendations and installed by Landlord's approved roofing contractor (or a roofing contractor selected by Tenant, reasonably acceptable to Landlord), at Tenant's expense.

Waterproof Membrane – Intentionally Deleted

3. Fireproofing

Landlord may provide, at its option, fire retardant material on its structure within the Leased Premises. Tenant shall be required to protect fireproofing and damage to fireproofing shall be repaired by Tenant as necessary to meet the requirements and recommendations of applicable code and local inspectors, at Tenant's expense.

D. STOREFRONTS

Intentionally deleted

E. DEMISING WALLS AND EXITS

1. Demising Walls

- a. Intentionally Deleted.
- b. Tenant is responsible for furnishing gypboard on all demising partitions and surfaces in accordance with code and as described in the Tenant Criteria Manual.
- c. Tenants are prohibited from allowing music or other sounds to emanate from their space into an adjacent Tenant space or into the Joint Use Area. Tenants who generate sound

levels greater than 40 decibels, or as otherwise deemed necessary by Landlord, shall insulate their space against sound transmission. Methods to prevent sound transmission must be thoroughly detailed on Tenant's plans and is subject to Landlord's approval, as described in the Tenant Criteria Manual.

- d. Tenant is responsible for providing Landlord with anticipated load and weight calculations for any wall hung fixtures. If Landlord deems necessary, Tenant shall provide backing and bracing support to demising walls to compensate for loading imposed by Tenant's wall-hung fixtures at Tenant's expense.
- e. Tenant is responsible for the construction of any wall in which an expansion joint occurs, the construction of such wall shall be in accordance with acceptable construction design practices and applicable codes.

2. Service Doors - Intentionally Deleted.

3. Exit Requirements

Tenant is responsible for providing all exit requirements and exit identifications within the Leased Premises in accordance with requirements of applicable code and subject to approval by the local building authority.

F. INTERIOR FINISHES, FURNISHINGS AND EQUIPMENT

1. Floor Finish

Tenant is responsible for all floor finish covering materials for the Leased Premises and shall make a smooth, level transition with the floor at the lease line.

2. Wall Finish

Tenant is responsible for the installation of finished walls on the demising partitions, including any necessary additional supports, wall blocking, fire tapping and wall finishes, at Tenant's expense.

3. Ceilings

Ceiling height limitations are created by existing conditions. Where building conditions permit, higher ceilings may be allowed with the written approval of Landlord. Any relocation of or modification to existing piping, conduit and/or ductwork necessitated by Tenant's installation of a ceiling shall be at Tenant's expense. If the area above the ceiling is a return air plenum, ceilings are required throughout the Leased Premises including, without limitation, stock and toilet rooms.

4. Access Panels

Tenant is responsible for providing access panels throughout the Leased Premises. Tenant shall at minimum provide 24" x 24" flush mount access panels in the ceiling within the Leased Premises at dampers, HVAC equipment and elsewhere as required by Landlord or as required by code in order to provide access to the equipment.

5. Furnishings and Equipment

Tenant is responsible for furnishing and installing all fixtures, furnishings, equipment, shelving, trade fixtures, leasehold improvements, interior decorations, graphics, signs, mirrors, coves and

decorative light fixtures and other special effects in accordance with all applicable federal, state, local laws, regulations and ordinances.

G. SIGNAGE

1. Tenant Signage Submittal

a. Tenant shall submit sign manufacturer's shop drawings to Landlord depicting sign, lettering dimensions, overall dimensions, color, materials, mounting details, quantities and location of the sign in relation to each elevation, as described in the Tenant Criteria Manual. Signs, permits and related or resulting construction shall be Tenant's responsibility. All signs shall be installed under the supervision of Landlord. The sign contractor shall repair any damage caused by its work.

b. Intentionally Deleted.

2. Interior Signage Requirements

a. Intentionally Deleted.

b. Except as permitted by the Lease, no signs shall be allowed outside of the Building without Landlord's written approval.

c. No flashing, action, moving or audible signs are permitted.

d. No television or projection screens are permitted outside of the Building without Landlord's written approval.

e. Signs may be vertical, horizontal, and be illuminated. Multiple signing may be permitted on multi-directional storefronts but only with Landlord's prior written approval.

f. The length of horizontal lettering shall not exceed 50% of the horizontal storefront length. The proportional ratio of the proposed signage length to the overall horizontal storefront length shall be left to the sole discretion of Landlord.

g. Subject to the Lease, Landlord reserves the right to regulate signage location throughout the Shopping Center.

h. Intentionally Deleted.

i. Intentionally Deleted.

j. No sign manufacturer's identification, decals or registered trademark shall be permitted.

k. Tenant shall keep the sign in good repair at all times.

H. HEATING VENTILATION AND AIR CONDITIONING

1. Intentionally Deleted.

2. Tenant provided Roof Top Unit, "RTU System"

a. Tenant may, at its sole expense, upon prior written approval of Landlord, install and operate a new RTU System on the roof of the Building or Tenant may use the existing equipment and, if desired, add supplemental equipment. Any new or supplemental RTU

System shall be compatible with any existing air conditioning system which Tenant elects to use in all respects including, but not limited to, roof integrity, structure, air flow, electric load, life safety alarm system and utility capacity.

- b. Intentionally Deleted.
- c. Intentionally Deleted.
- d. Tenant shall locate the RTU System and provide structural modifications in order to comply with the Shopping Center's structural load limits. Tenant shall submit structural calculations, which have been prepared by a licensed structural engineer, to Landlord for review by Landlord's engineer, at Tenant's expense. Landlord may require modifications to Tenant's design and construction.
- e. Tenant shall not enter the roof without prior permission from a representative of Landlord except to perform routine inspections and maintenance of the RTU System.
- f. Tenant shall supply Landlord with maintenance agreements, plans and specifications for the installation and operation of the RTU System.
- g. Intentionally Deleted.

3. Additional Tenant Requirements

- a. Tenant is responsible for providing the mechanical system within the Leased Premises, including but not limited to maintenance, supply metal ductwork, grilles, registers, electrical wiring, controls, supplemental heating if desired, heat detection and circuitry necessary for the satisfactory operation of an air conditioning system. Refer to Tenant Criteria Manual for details.
- b. Tenant is responsible for the design of all ductwork and accessories for air distribution in accordance with the procedures described in the American Society of Heating, Refrigerating, and Air Conditioning Engineering Guide ("ASHRAE"), and in accordance with the latest methods recommended in the Sheet Metal and Air Conditioning Contractors National Association ("SMACNA") low velocity duct manual, and as otherwise set forth by code.
- c. Intentionally Deleted.
- d. Tenant is responsible for providing the Leased Premises with its own thermostat(s) in accordance with the requirements of the Tenant Criteria Manual.
- e. Tenant shall provide plans, specifications and calculations required in connection with the installation and operation of Tenant's HVAC System. Any reasonable out-of-pocket costs incurred by Landlord in connection with its review of the plans, specifications and calculations performed by Landlord or Landlord's engineer, shall be at Tenant's expense.
- f. Tenant is required to route HVAC condensation lines as directed by code and the Shopping Center manager.
- g. Tenant is responsible for providing Landlord copies of air test and balance reports upon completion of work.
- h. Intentionally Deleted.

- i. Intentionally Deleted.
- j. Intentionally Deleted.
- k. Tenant may be required to provide and install, at Tenant's expense, heat or smoke detectors within the Leased Premises to shut down the heating, air conditioning and ventilation whenever an abnormal condition is detected. In addition, these devices may be required by local code authorities as part of the fire prevention smoke removal system. Refer to Tenant Criteria Manual for details.
- l. Intentionally Deleted.

I. TOILET EXHAUST SYSTEM

- a. Intentionally Deleted.
- b. Tenant shall design and install the exhaust system for the Leased Premises, per code and as defined in the Tenant Criteria Manual.

J. SPECIAL EXHAUST AND MAKE-UP AIR SYSTEMS

- 1. Special Exhaust Systems - Intentionally Deleted.
- 2. Make-Up Air Systems

Make-up air systems as referenced in 1 above shall be furnished and installed by Tenant, upon Landlord's approval.

- 3. Exhaust Discharge
 - a. Tenant is responsible for providing mushroom-type exhaust discharge outlets. All roof-mounted equipment shall be approved by Landlord and installed on curbs per the specifications in the Tenant Criteria Manual. All roof flashing shall be performed by Landlord's roofing contractor at Tenant's expense. Projections above 3'-0" will require approval by Landlord and may require additional screening by Tenant.
 - b. Intentionally Deleted.

- 4. Damper Control and Interlock

Tenant shall provide damper controls with automatic fan shutdown and interlock to maintain the original design air balance approved by Landlord and in accordance with applicable code. The control system must be able to shut down its fans in case of fire.

K. UTILITIES

- 1. Electric Service
 - a. Subject to the representations and warranties contained in the Lease, Landlord shall provide the main electric distribution system in its AS-IS condition.
- 2. Tenant Electrical Requirements
 - a. Tenant is responsible for providing a complete electrical system within the Leased Premises. This shall include, but not be limited to, all necessary labor, branch and main

circuit breakers, panels, transformers, connection to HVAC power supply, temperature controls and connection to Landlord's smoke detector or smoke evacuation system, if required.

- b. Lighting fixtures shall be furnished and installed by Tenant, and shall be of a type approved by applicable codes. Recessed fixtures in furred spaces shall be connected by a flexible metal conduit and run to a branch circuit outlet box which is independent of the fixture. Fluorescent ballast shall have individual non-resetting overload protection.
- c. Panel board furnished and installed by Tenant for lighting and power within the Leased Premises shall be equal to type NLAB class panels, and shall meet the requirements of applicable code.

3. Water Service

Landlord shall provide in its AS-IS condition.

4. Sanitary Service

Landlord shall provide in its AS-IS condition.

5. Vent Stub

Landlord shall provide in its AS-IS condition.

6. Tenant Plumbing Requirements

- a. Tenant is responsible for providing a complete plumbing system from Landlord's point of service within the Leased Premises. This shall include, but not be limited to, all necessary labor, connections to supply stubs, piping, vents, clean-outs, fixtures, etc. necessary for the satisfactory operation of a plumbing system.
- b. Lower Level - Tenant is responsible for connecting to Landlord's sewer stubs where provided. Upper Level - Tenant is responsible for providing the floor penetrations for connecting plumbing to sanitary sewer stubs. All floor penetrations shall be sleeved and sealed as required in the Tenant Criteria Manual to prevent the penetration of odors or liquids to any space below the Leased Premises. Floor penetrations shall be core-drilled; no saw cutting is permitted. All horizontal sanitary sewer lines shall be installed above the ceiling of a lower level tenant and the lines shall be insulated to prevent condensation.
- c. Tenant is responsible for providing cleanouts in accordance with applicable codes.
- d. Where more than one tenant is required to attach to a single sanitary and/or vent stub, the first installing tenant shall install a plugged "Y" branch fitting for future connections, at that tenant's expense. Tenant shall run piping to the nearest stack and connect to the opening provided by Landlord.

7. Water Meter

Tenant is responsible for connecting at the point of service and installing an accessible water meter or accessible remote readout, and extending service according to Tenant's requirements, in accordance with Code and the Tenant Criteria Manual.

8. Water Heaters

Tenant is responsible for providing electric (or at Tenant's option, gas) water-heaters for domestic water usage in the Leased Premises. Water-heaters shall be automatic. Water heaters must have a pressure relief valve discharge piped to the nearest drain in the Leased Premises.

9. Toilet Facilities

Tenant is responsible for providing toilet facilities in compliance with ADA within the Leased Premises, and shall provide and maintain a Landlord approved waterproof membrane, at Tenant's expense. A minimum of one water closet, one lavatory and one cleanout, in accordance with code, is required in the Leased Premises.

10. Natural Gas Service

Landlord shall provide in its AS-IS condition. All piping, associated work and meter for extension of services to the Leased Premises shall be provided by Tenant, at Tenant's expense, in accordance with applicable code, and subject to Landlord's approval

11. Telephone

Landlord shall provide in its AS-IS condition. All telephone work for extension of services to the Leased Premises shall be provided by Tenant, at Tenant's expense, in accordance with applicable code, and subject to Landlord's approval.

L. SPECIAL FOOD TENANT REQUIREMENTS

Intentionally Deleted.

M. FIRE PROTECTION SYSTEM

1. Tenant Sprinkler System

- a. Landlord shall provide in its AS-IS condition.
- b. Tenant shall design and install an engineered wet sprinkler fire protection system within the Leased Premises.
- c. Tenant's fire protection system shall comply with the requirements of the applicable building codes, fire marshal and be approved by Landlord's insurance carrier. Any modifications or additions to the sprinkler system, main relocation, or installation of any necessary sprinkler heads shall be engineered, fabricated and installed by Tenant at Tenant's expense. Refer to Tenant Criteria Manual for details.
- d. Tenant's sprinkler drawings and hydraulic calculations shall be prepared by a licensed engineer of the state in which the Shopping Center is located. Drawings are subject to Landlord's approval.

2. Tenant Fire System

- a. Landlord shall provide in its AS-IS condition.
- b. Tenant shall design and install an engineered fire alarm system within the Leased Premises. Tenant's fire alarm system shall be compatible with Landlord's system and comply with the requirements of the applicable building codes, fire marshal and be approved by Landlord's insurance carrier. Refer to Tenant Criteria Manual for details.

- c. Tenant's fire alarm drawings shall be prepared by a licensed engineer of the state in which the Shopping Center is located. Drawings are subject to Landlord's approval.

3. Tenant Fire Extinguishers

Tenant shall provide and install fire extinguishers in the Leased Premises. The number of extinguishers provided by Tenant shall be as required by applicable building codes, fire marshal and be approved by Landlord's insurance carrier.

N. CONSTRUCTION REQUIREMENTS

1. Construction Deposit

Intentionally deleted.

2. Construction Barricade

Intentionally deleted.

3. Construction Trash Removal

Tenant is responsible for trash removal during construction, fixturing and stocking at Tenant's expense. Tenant shall break its boxes down and place its trash daily in the containers provided. Trash accumulation shall be in a mutually agreeable location so as not to unreasonably interfere with Shopping Center operations, and shall not be permitted overnight in the Joint Use Areas of the Shopping Center. In the event Landlord provides construction trash removal, Tenant shall pay Landlord for the out-of-pocket costs incurred by Landlord for such removal. Compliance with Landlord's recycling program is mandatory.

4. Temporary Electric

Landlord may provide, at its option, temporary electrical service in general areas during construction. Tenant shall request, in writing, permission to connect to the temporary service and distribute temporary service to the Leased Premises in accordance with applicable code. In the event Landlord provides temporary electrical service, Tenant shall reimburse Landlord for the actual cost (without mark-up) of providing such temporary electrical service.

5. Contractor Requirements

- a. Tenant and or Tenant's contractor shall not commence any work without checking in with Landlord's on-site representative and supplying all required pre-construction documents. Documents shall include but not be limited to a copy of building permit, Certificate of Insurance and contractor's license.
- b. Tenant shall ensure that all Tenant's contractors are bondable and licensed in the state where the Shopping Center is located. Landlord shall have the right to approve Tenant's major contractors and subcontractors ("major" being defined as those involving the electrical, plumbing, heating, mechanical, ventilating or air-conditioning systems or those in excess of \$100,000.00); however, approval shall not constitute the assumption of any responsibility or liability by Landlord for the actions of Tenant's contractors or subcontractors or the quality or sufficiency of Tenant's Work.
- c. Tenant's contractor or subcontractor shall not post signs in any part of the Shopping Center, on construction barricades or in the Leased Premises without approval from Landlord.

- d. Intentionally Deleted.
- e. Tenant's contractors shall park their vehicles only in areas designated by Landlord.
- f. Tenant's contractor shall obtain Landlord's approval regarding all drilling, welding or other attachment to Landlord's structural system. Landlord approval of the drawings does not relieve Tenant's contractor of the responsibility to make a request in writing prior to starting Tenant's Work.
- g. Tenant's contractor shall supply fire extinguishers during construction, in accordance with code.

6. Tenant's Work

- a. Tenant shall conform to and comply with all federal, state, county and local laws, ordinances, permits, rules and regulations in the performance of Tenant's Work or in the performance of any alterations, additions or modifications. Landlord shall reasonably cooperate with Tenant in the procurement of all building permits and approvals from appropriate governmental authorities necessary in connection with Tenant's Work and in the event such governmental authorities impose conditions on the issuance of such permits other than the payment of customary fees which are not directly related to the Tenant Work contemplated herein (e.g. correction of existing building code violations or modifications to comply with current governmental requirements, but only in the event that Landlord had received prior written notice of such violations or had actual notice of such violations prior to such time), or if a variance is required to enable Tenant to complete the contemplated Tenant Work, Landlord shall be responsible at its expense for satisfying such conditions or obtaining such variance.
- b. Tenant's Work shall be coordinated with Landlord's Work as well as with the work of other tenants in the Shopping Center so that Tenant's Work shall not interfere with or delay completion of other construction in the Shopping Center.
- c. Tenant shall and will indemnify, defend and save Landlord harmless from any and all liability and claims arising out of or connected with the performance by Tenant, its agents, contractors and subcontractors of the Tenant Work. Tenant acknowledges that this provision becomes effective beginning upon the date Tenant or its agents first enter the Leased Premises. This obligation to indemnify shall include reasonable attorneys' fees and other reasonable costs, expenses and liabilities incurred by Landlord and its attorneys from the first notice that any claim or demand is to be made or may be made.
- d. Tenant agrees to only use union labor for work at the Shopping Center unless otherwise mutually agreed. Work performed by Tenant or Tenant's contractor shall be performed so as to avoid a labor dispute. If there is a labor dispute, Tenant shall immediately undertake whatever action may be necessary to eliminate the dispute including, but not limited to, (i) removing all disputants from the job site until the labor dispute is over, (ii) seeking an injunction in the event of a breach of contract action between Tenant and Tenant's contractor and (iii) filing appropriate unfair labor practice charges in the event of a union jurisdictional dispute. If, during the period of initial construction of the Leased Premises, any of Tenant's employees, agents or contractors strike, or if picket lines or boycotts or other visible activities objectionable to Landlord are conducted or carried out against Tenant or its employees, agents or contractors, Tenant shall immediately close the Leased Premises and remove all employees until the dispute giving rise to the strike, picket line, boycott or objectionable activity has been settled to Landlord's satisfaction. Notwithstanding the foregoing, if a labor dispute, strike, boycott or picketing arises due to the failure of Landlord or another tenant or occupant of the Shopping Center to use union labor, Landlord shall be responsible for immediately taking such action as may be

- necessary to resolve the dispute and end the strike, boycott or picketing, including, if necessary, ceasing the construction activities and use of non-union labor until such time as Tenant's Work is complete. Any delay in Tenant's Work arising due to the use of non-union labor by Landlord or others within the Shopping Center shall be deemed a Landlord delay hereunder.
- e. Tenant agrees that it will not, at any time prior to or during this Lease, including the period of the performance of Tenant's Work, either directly or indirectly employ or permit the employment of any contractor, or use any materials in the Leased Premises, if the use of the contractor or the materials would, in Landlord's sole opinion, create a difficulty, strike or jurisdictional dispute with other contractors engaged by Tenant or Landlord or others, or would in any way disturb the construction, maintenance or operation of the Shopping Center. If any interference or conflict occurs, Tenant, upon demand by Landlord, shall cause all contractors or all materials causing the interference, difficulty or conflict, to leave or be removed from the Shopping Center immediately.
 - f. Tenant's Work shall be subject to inspection by Landlord during the course of construction, subject to the requirements under ARTICLE 22 of the Lease, for the purpose of determining the quality of the workmanship and adherence to Landlord requirements. Tenant shall require its contractor to cooperate with Landlord and correct any deficiencies noted by Landlord. All work performed by Tenant during the Term of the Lease shall be performed in accordance with this Lease, all exhibits thereto, the Tenant Design Manual and as directed by Landlord's representative.
 - g. All work by Tenant, including repair work, shall be performed in a first-class workmanlike manner and shall be in a good and usable condition at completion. Tenant shall require any person performing work to guarantee that the work is free from any and all defects in workmanship and materials for one (1) year from the date of completion. Tenant shall also require any such person to be responsible for the replacement or repair, without additional charge, of work done or furnished by or through such person which shall become defective within one (1) year after substantial completion of the work. The correction of work shall include, without additional charge, all expenses and damages in connection with the removal, replacement or repair of any part of work which may be damaged or disturbed. All warranties or guarantees for materials or workmanship on or regarding Tenant's Work shall be contained in the contract or subcontract. The contract shall be written so that all warranties and guarantees shall inure to the benefit of both Landlord and Tenant, as their respective interests appear, and so that either party can directly enforce the contract.
 - h. Tenant's obligation to pay Minimum Annual Rental and additional rent shall commence on the Rental Commencement Date irrespective of whether Tenant has substantially completed the Tenant's Work; provided however, such date shall be extended for each day of delay in the substantial completion of the Tenant's Work which is directly caused by the acts or omissions of Landlord, its agents, contractors or persons employed by any of such persons. Events which constitute a delay by Landlord hereunder shall include without limitation (i) the failure to respond to a request for approval or to furnish requested information within the time period required hereunder (or if no time period is specified, within five (5) business days after request), (ii) delays in or Landlord's failure to fulfill its obligations hereunder which are not cured within five (5) days after notice from Tenant, (iii) unreasonable interference by Landlord, its agents, contractors or persons employed by any of such persons which are not cured within five (5) days after notice from Tenant and (iv) the occurrence of a delay attributable to Landlord under Section N. 6(d) above.

O. INSURANCE REQUIREMENTS

Exhibit C-12

Tenant's contractor and all subcontractors of every tier must fulfill the following insurance requirements, and shall maintain at no expense to Landlord:

- a. Workers' Compensation Insurance within statutory limits and Employer's Liability Insurance with limits of not less than \$500,000 for each employee, each employee disease and disease policy limit.
- b. General Liability Insurance with limits of not less than \$1,000,000 per occurrence/\$2,000,000 aggregate for bodily injury and property damage, including personal injury, Contractual Liability coverage specifically endorsed to cover the indemnity provisions contained herein, Contractor's Protective Liability coverage if contractor uses subcontractors, and products and completed operations liability coverage for an extended period of time of at least two years.
- c. Motor Vehicle Liability Insurance in the Contractor's name, including owned, non-owned, leased and hired car coverage with limits of not less than \$1,000,000 combined single limit per occurrence for bodily injury and property damage.
- d. Pollution liability insurance with limits of not less than \$1,000,000 per occurrence if any Contractor either brings Hazardous Materials to the Shopping Center or the Premises or requires any underground digging.
- e. Umbrella liability insurance in excess of the underlying coverage listed in paragraphs (a), (b) and (c) above, with limits of not less than \$3,000,000 per occurrence/\$5,000,000 aggregate.
- f. Tenant shall cause each of its contractors to agree to name Landlord, the parents, subsidiaries and affiliates of Landlord, any Mortgage holder of the Shopping Center and any parties in interest it elects, and if Landlord elects, any owner in the Shopping Center, as Additional Insureds on Contractor's Commercial General Liability Insurance and Motor Vehicle Liability Insurance. In addition to the insurance Tenant is required to maintain under ARTICLE 19, Tenant shall maintain Completed Value Form "All Physical Loss" Builders Risk Insurance including water damage and earth movement for the full replacement cost of Tenant's Work, naming Landlord and its agents as additional insured.
- g. Each of Tenant's contractors shall also, to the fullest extent permitted under the law, protect, defend, save harmless and indemnify Landlord, the parents, subsidiaries and affiliates of Landlord, and if Landlord elects, any owner in the Shopping Center, and their employees, officers and agents against any and all liability claims, demands or expenses incurred on account of any injury or damage, alleged or real, arising out of or in any way connected with any act or omission to act on the part of the indemnitor.
- h. Certificate evidence of the required insurance shall be furnished to Landlord before the start of Tenant's Work. Insurance carriers shall have an AM Best's rating of A-VII or better, and shall be registered or authorized to do business in the state in which the Shopping Center is located.

P. GENERAL

1. Landlord's Access

Landlord, Tenant or any local utility company shall have the right, subject to Landlord's approval, to run utility lines, pipes, ducts, etc. above the Leased Premises. It shall be Tenant's responsibility to provide flush-mounted access panels in its finished work where required by Landlord.

2. Additional Landlord's Work -- Intentionally Deleted.

3. Hazardous Materials

Tenant shall comply with any existing or future city, state, county or federal regulations or legislation regarding the control of pollution. Tenant shall not use or install, nor shall permit its contractors to use or install, any building materials containing asbestos or other Hazardous Material. Landlord shall have the right, at its expense, to have the Leased Premises inspected for the presence of Hazardous Material. If Hazardous Materials are present in the Leased Premises which were introduced by Tenant, Landlord may take all actions which are necessary to return the Leased Premises to the condition it was in prior to the presence of Hazardous Material in the Leased Premises, all at Tenant's expense. This obligation by Tenant shall survive the Expiration Date or earlier termination of this Lease and shall survive any transfer of Landlord's interest in the Shopping Center.

4. Tenant's Refuse

Tenant is responsible for keeping the Leased Premises and the area adjacent to the Leased Premises broom clean and free of trash. If Landlord removes Tenant's or Tenant's contractor's trash, Tenant shall pay Landlord for the out-of-pocket costs incurred by Landlord for such removal. Any material, whether trash or otherwise, placed outside of the Leased Premises for more than 48 hours after notice to Tenant shall be subject to removal and disposal without further notice.

5. Certificate of Occupancy

Tenant is responsible for obtaining a Certificate of Occupancy promptly following completion of Tenant's Work, and shall promptly forward a copy of it to Landlord prior to Tenant opening for business in the Leased Premises. Tenant shall not be permitted to open for business without a Certificate of Occupancy. Upon completion of Tenant's Work or any alterations under ARTICLE 12 of the Lease, Tenant shall submit an original contractor's notarized affidavit, all subcontractors' original notarized affidavits and all original notarized final waivers of lien that Landlord may require from contractors, subcontractors, laborers, and material suppliers. The documents must be in a form and detail satisfactory to Landlord.

6. Lien Protection

a. Neither Landlord nor any mortgage lender of Landlord shall be liable for any labor or materials furnished to Tenant upon credit, and no mechanics or other lien for labor or materials shall attach to or affect any interest of Landlord or the mortgage lender in the Leased Premises or the Shopping Center. Nothing in this Lease shall be deemed or construed to constitute Tenant as Landlord's agent or contractor for the performance of Tenant's Work. Tenant acknowledges that Tenant's Work is to be performed solely for the benefit of Tenant. Nothing in this Lease shall be construed as constituting the consent or request of Landlord to any contractor for the performance of labor or the furnishing of any materials for Tenant, nor as giving Tenant authority to contract as the agent of or for the benefit of Landlord.

b. If Landlord's insurance premium or real estate tax assessment increases solely as a result of Tenant's improvements to the Leased Premises, Tenant shall pay the increase solely attributable to its improvements as additional rental upon notice from Landlord.

7. Square Footage Calculations

The calculations of the dimensions and square footage of the Leased Premises are from the outside face of exterior walls. No deductions are allowed for the space occupied by corridors, shaft walls, columns, interior partitions, or other interior construction or equipment installed or placed in the Leased Premises. The Leased Premises shall not include any space above the bottom of the structural framework supporting the upper level or roof of the Shopping Center, as the case may be, or below the floor level of the Leased Premises.

certificate of good standing operating entity

File Number 0567-540-5



To all to whom these Presents Shall Come, Greeting:

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

NORTHSHORE UNIVERSITY HEALTHSYSTEM, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON DECEMBER 04, 1891, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



Authentication #: 1428501484
Authenticate at: <http://www.cyberdriveillinois.com>

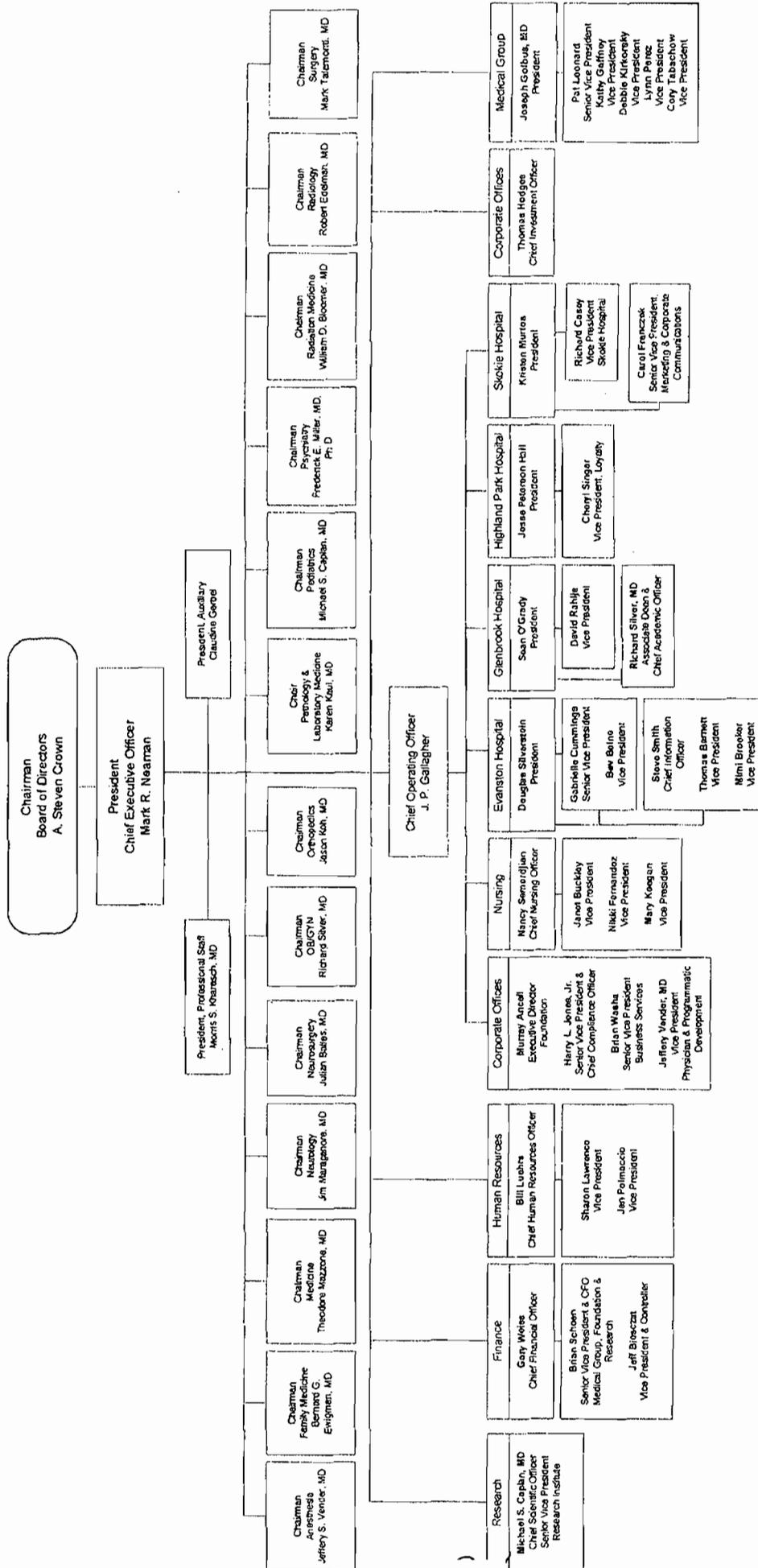
In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 10TH day of OCTOBER A.D. 2014

Jesse White

SECRETARY OF STATE

NorthShore University HealthSystem Organization Chart

2014 - 2015



FLOOD PLAIN DOCUMENTATION



September 23, 2015

Angelo Roncone
Integrated Facilities Solutions
5270 Lincoln Avenue
Skokie, IL 60077

RE: 920 Milwaukee Avenue, Lincolnshire, IL

Dear Mr. Roncone,

After review of the available engineering plans and maps, I have determined that the building located at 920 Milwaukee Avenue in Lincolnshire is not within a flood plain. It appears to me that at the time of development that all engineering regulations related to storm water management and floodplain were accommodated by the design of a professional engineer and reviewed by the municipality. All the related design appears to be in accordance with flood plain protective measures so none of the land occupied by the building is within flood plain.

Feel free to call me to further discuss this matter.

Sincerely,



Jason R. Doland, P.E., P.L.S.

334 EAST COLIAX STREET, SUITE C, PALATINE, ILLINOIS 60067
647.991.5088 • FAX 647.934.4422 • WWW.DOLANDENGINEERING.COM



**Illinois Historic
Preservation Agency**

1 Old State Capitol Plaza, Springfield, IL 62701-1512

FAX (217) 524-7525
www.illinoishistory.gov

Lake County
Lincolnshire

CON - Rehabilitation to Establish a Medical Clinics Building
920 Milwaukee Ave.
IHPA Log #019092115

September 23, 2015

Jeffrey Mark
JSMA LLC
1182 S. Plymouth Ct., 1SW
Chicago, IL 60605

Dear Mr. Mark:

This letter is to inform you that we have reviewed the information provided concerning the referenced project.

Our review of the records indicates that no historic, architectural or archaeological sites exist within the project area.

Please retain this letter in your files as evidence of compliance with Section 4 of the Illinois State Agency Historic Resources Preservation Act (20 ILCS 3420/1 et seq.). This clearance remains in effect for two years from date of issuance. It does not pertain to any discovery during construction, nor is it a clearance for purposes of the Illinois Human Skeletal Remains Protection Act (20 ILCS 3440).

If you have any further questions, please contact me at 217/785-5031.

Sincerely,

Rachel Leibowitz, Ph.D.
Deputy State Historic
Preservation Officer

For TTY communication, dial 306-440-0000. It is not a voice or fax line.

PROJECT COSTS AND SOURCES OF FUNDS

The following is an outline of the entire project costs. Note that approximately 20 percent are associated with reviewable clinical service areas, and 80 percent are non-reviewable, non-clinical service areas.

USE OF FUNDS		TOTAL
Preplanning Costs		\$102,019.07
• Rezoning property from Retail to Healthcare	102,019.17	
Site Survey and Soil Investigation		
Site Preparation		\$283,386.30
• Structural Infill	283,386.30	•
Off Site Work		
New Construction Contracts		\$70,400.00
• Avg \$100/SF	70,400.00	
Modernization Contracts,		\$5,597,326.00
• Avg \$161/SF	5,597,326.00	
Contingencies (15% Schematic Phase)		\$850,158.90
Architectural/Engineering Fees		\$470,421.26
Consulting and Other Fees		
• CON Consulting and Application Fees	62,000.00	
• Legal Fees	36,000.00	\$218,000.00
• Project Management Fees	120,000.00	
Movable or Other Equipment (not in construction contracts)	See Below	\$3,453,950.00
Bond Issuance Expense (project related)		
Net Interest Expense During Construction (project related)		
Fair Market Value of Leased Space or Equipment (5 year Fair Market Value, See Attachment 7)	See Attachment 2	\$4,396,140
Other Costs To Be Capitalized		
Acquisition of Building or Other Property (excluding land)		
TOTAL USES OF FUNDS		\$15,441,801.53
SOURCE OF FUNDS		TOTAL
Cash and Securities		\$15,441,801.53
Pledges		
Gifts and Bequests		
Bond Issues (project related)		
Mortgages		
Leases (fair market value)		
Governmental Appropriations		
Grants		
Other Funds and Sources (Tenant Improvement Included in Lease, See Attachment 7)		
TOTAL SOURCES OF FUNDS		\$15,441,801.53

NorthShore University HealthSystem 920 North Milwaukee Avenue Conceptual Equipment Estimate 9/17/2015			
			Total
Signage			
Exterior Signs	\$ 65,000.00	\$ 1.00	\$ 65,000.00
Signs	\$ 20,000.00	1	\$ 20,000.00
Misc Equipment			
Keys, Locks, & Special Hardware	\$ 17,800.00	1	\$ 17,800.00
Video Conferencing System	\$ 50,000.00	1	\$ 50,000.00
Artwork			
In Room Art	\$ 400.00	70	\$ 28,000.00
Corridor Art	\$ 650.00	25	\$ 16,250.00
Postings	\$ 18,000.00	1	\$ 18,000.00
Furniture			
Staff Lounge/ Conference Table	\$ 1,800.00	6	\$ 10,800.00
Staff Lounge/Conference Chairs	\$ 400.00	24	\$ 9,600.00
Keyboard Trays	\$ 250.00	180	\$ 45,000.00
CPU Holder	\$ 250.00	110	\$ 27,500.00
Monitor Mount	\$ 250.00	180	\$ 45,000.00
Task Chairs	\$ 700.00	120	\$ 84,000.00
Ped Mice	\$ 250.00	40	\$ 10,000.00
Patient Side Chair	\$ 650.00	100	\$ 65,000.00
Office Set-up	\$ 4,500.00	1	\$ 4,500.00
Family Waiting Area Seating	\$ 750.00	70	\$ 52,500.00
Coffee Tables	\$ 700.00	27	\$ 18,900.00
Overhead Bin/Task Surface/ Light	\$ 700.00	70	\$ 49,000.00
Medical Equipment			
Exam Table	\$ 2,000.00	44	\$ 88,000.00
Powered Exam Table	\$ 7,500.00	3	\$ 22,500.00
Patient Monitor	\$ 2,500.00	4	\$ 10,000.00
Otoscope Integrated Wall System	\$ 1,500.00	44	\$ 66,000.00
Procedure Light	\$ 6,500.00	3	\$ 19,500.00
Exam Light	\$ 1,000.00	44	\$ 44,000.00
ADA Scale	\$ 3,000.00	4	\$ 12,000.00
Exam Scale	\$ 350.00	44	\$ 15,400.00
PAC's Station	\$ 20,000.00	4	\$ 80,000.00
General X-ray	\$ 550,000.00	2	\$ 1,100,000.00
Chair	\$ 85,000.00	1	\$ 85,000.00
PT Hand Tables	\$ 300.00	4	\$ 1,200.00
PT BTE Equipment	\$ 60,000.00	1	\$ 60,000.00
PT Treatment Tables	\$ 6,000.00	12	\$ 72,000.00
PT Alter G	\$ 55,000.00	1	\$ 55,000.00
PT Treadmill	\$ 7,500.00	2	\$ 15,000.00
PT NU Spec	\$ 3,500.00	1	\$ 3,500.00
PT Reformer	\$ 15,000.00	1	\$ 15,000.00
PT Suspension System	\$ 15,000.00	1	\$ 15,000.00
PT Bikes	\$ 3,000.00	2	\$ 6,000.00
PT Total Gym	\$ 11,000.00	1	\$ 11,000.00
PT Parallel Bars	\$ 10,000.00	1	\$ 10,000.00
PT Traction Table	\$ 10,000.00	1	\$ 10,000.00
Misc. Equipment	\$ 100,000.00	1	\$ 100,000.00
Installation Owner Furnished Equipment	\$ 85,000.00	1	\$ 85,000.00
Equipment			
Upright Refrig Freezer	\$ 1,000.00	3	\$ 3,000.00
Microwave	\$ 1,000.00	3	\$ 3,000.00
Coffee Maker	\$ 750.00	2	\$ 1,500.00
Ice Maker	\$ 7,500.00	1	\$ 7,500.00
Clean Supply Storage	\$ 15,000.00	1	\$ 15,000.00
Kan Ban Cart	\$ 1,500.00	22	\$ 33,000.00
Misc Equipment	\$ 2,500.00	4	\$ 10,000.00
Paper towel	\$ 15.00	100	\$ 1,500.00
Sops	\$ 15.00	100	\$ 1,500.00
Innervireless	\$ 3.50	35000	\$ 122,500.00
Security Systems	\$ 3.50	35000	\$ 122,500.00
Communication/IS			
Phones	\$ 600.00	160	\$ 108,000.00
Computers	\$ 1,500.00	10	\$ 15,000.00
Webcs	\$ 1,500.00	180	\$ 270,000.00
Printer/Fax	\$ 4,500.00	6	\$ 27,000.00
Integrated Facilities Solutions, INC Data Closet	\$ 75,000.00	1	\$ 75,000.00
Project Total			\$ 3,453,950.00

9/17/2015

Dept. / Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
CLINICAL REVIEWABLE							
Radiology	\$159,229.00	0	989		989		
Rehabilitation Services	\$1,016,876.00	0	6316		6316		
Total Clinical	\$1,176,105.00		7305				
NON-CLINICAL NON REVIEWABLE							
Physician Offices	\$3,316,117.00	0	20597		20597		
Public Areas (vestibule, lobby, public toilets at lobby)	\$133,952.00	832	832		832		
Building Services (mech, elect, shafts, exterior walls, etc.)	\$750,260.00	4660	4,660		4660		
Canopy	\$70,400.00		704	704			
Vertical Circ (elevators and stairways)	\$220,892.00	1372	1,372		1372		
Total Non-clinical	\$4,491,621.00		28165				
PROJECT TOTAL	\$5,667,726.00	6864	35470	704	34766		

October 1, 2015

(847) 570-5151
(847) 570-5179 Fax
jgallagher@northshore.org

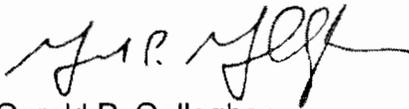
Health Facilities and Services Review Board
2nd Floor
525 West Jefferson Street
Springfield, Illinois 62761

To Whom It May Concern:

This hereby affirms that no adverse actions have been taken against any facility owned and/or operated by NorthShore University HealthSystem during the three years prior to the filing of this application.

This also authorizes HFSRB and IDPH access to any documents necessary to verify the information submitted, including, but not limited to: official records of IDPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations.

Sincerely,

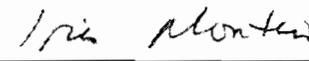


Gerald P. Gallagher
Chief Operating Officer

State of Illinois
County of Cook

This instrument was acknowledged before me on October 1, 2015 by Gerald P. Gallagher.





Notary

October 1, 2015

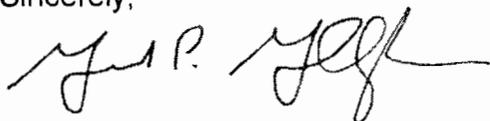
(847) 570-5151
(847) 570-5179 Fax
jgallagher@northshore.org

Health Facilities and Services Review Board
2nd Floor
525 West Jefferson Street
Springfield, Illinois 62761

To Whom It May Concern:

Background Information was provided to the Board in CON Permit Application #15-043 on August 31, 2015. This is to attest that the information remains unchanged, is current and applicable to this application for permit.

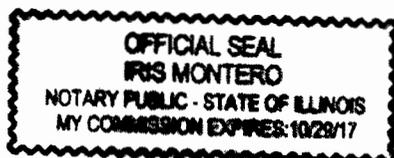
Sincerely,



Gerald P. Gallagher
Chief Operating Officer

State of Illinois
County of Cook

This instrument was acknowledged before me on October 1, 2015 by Gerald P. Gallagher.



Iris Montero

Notary

PURPOSE OF PROJECT

The purpose of this Medical Clinics project is to establish outpatient services for the market area population of Lincolnshire and surrounding area. It is anticipated that a majority patient presentations will originate from zip codes 60069, 60089, 60047, 60015 and 60061. Additional patients will originate in zip codes within a 10 mile radius.

The services to be provided include:

- Orthopedic Clinics,
- 2 general radiology units to support the Orthopedic practice;
- Medical Office Suite;
- Rehabilitation services including Physical Therapy and Occupational Therapy.

The goal of the project is to provide convenient access for patients. It will also provide an appropriate, contemporary environment for the practices of the NorthShore Medical Group physicians and delivery of care for our patients. Upon opening, the needs of the market area defined above will be met.

ALTERNATIVES

Current Northshore University HealthSystem outpatient medical clinic sites were determined to be insufficient in specialties capacity and/or access for the population to be served by this project.

The proposed project and the applicant's need to provide additional physician office space, aside from the selection of an alternative site, other alternatives were not considered. Had a different site in the area been selected, the capital cost associated with the alternative project would likely be either higher or lower than that of the proposed project, the quality of care provided would be identical to that of the proposed project, and access and associated operating costs would have been similar to those associated with the proposed project.

SIZE OF PROJECT

The following table indicates Departmental Gross Square Feet (DGSF) for reviewable areas.

SIZE OF PROJECT				
DEPARTMENT/SERVICE	PROPOSED BGSF/DGSF	STATE STANDARD	DIFFERENCE	MET STANDARD?
General Radiology – 2 units	989	1300 DGSF each 2600 DGSF total	(1611)	Yes
Rehabilitation Services	6316	None		NA

The remaining area of the building consists of 27,461 square feet. The first floor consists of clinic space for an Orthopedics practice. The second floor includes Rehabilitation Services and Medical Office Suite space. All spaces have been planned and designed by a team experienced in the development of medical clinic space and in accordance with standards adopted by NorthShore University HealthSystem.

PROJECT SERVICES UTILIZATION:

The following service utilization projections are provided based upon the applicant's familiarity with services in similar venues.

UTILIZATION					
	DEPT./ SERVICE	HISTORICAL UTILIZATION (PATIENT DAYS) (TREATMENTS) ETC.	PROJECTED UTILIZATION	STATE STD	MET STANDARD?
YR 1	General Radiology 2 units		8,000 procedures	8000 each	No
	Rehabilitation Services		44,000 visits	None	NA
YR 2	General Radiology 2 units		12,000 procedures	8000 each	Yes*
	Rehabilitation Services		48,000 visits	None	NA

*To justify 2 units.

PROJECT TYPE	REQUIRED REVIEW CRITERIA
New Services or Facility or Equipment	(b)(1) & (3) - Background of the Applicant (c) - Need Determination - Establishment

BACKGROUND OF APPLICANT

See Attachment 10

NEED DETERMINATION

The applicant is proposing to establish Medical Office Clinics for the market area population of Lincolnshire and surrounding area. It is anticipated that a majority patient presentations will originate from zip codes 60069, 60089, 60047, 60015 and 60061. Additional patients will originate in zip codes within a 10 mile radius, including:

#	Zip	City	County	St	Country	Distance	
1	60070	PROSPECT HEIGHTS	COOK	IL	US	5.70 miles	
2	60040	HIGHWOOD	LAKE	IL	US	5.86 miles	
3	60004	ARLINGTON HEIGHTS	COOK	IL	US	5.95 miles	
4	60035	HIGHLAND PARK	LAKE	IL	US	6.14 miles	
5	60047	LAKE ZURICH	LAKE	IL	US	6.29 miles	
6	60017	FORT SHERIDAN	LAKE	IL	US	6.38 miles	
7	60062	NORTHBROOK	COOK	IL	US	6.43 miles	
8	60063	NORTHBROOK	COOK	IL	US	6.51 miles	
9	60048	LIBERTYVILLE	LAKE	IL	US	6.53 miles	
10	60054	PALATINE	COOK	IL	US	6.64 miles	
11	60005	ARLINGTON HEIGHTS	COOK	IL	US	7.46 miles	
12	60053	LAKE BLUFF	LAKE	IL	US	7.53 miles	
13	60073	PALATINE	COOK	IL	US	7.67 miles	
14	60078	PALATINE	COOK	IL	US	7.75 miles	
15	60054	PALATINE	COOK	IL	US	7.75 miles	
16	60078	PALATINE	COOK	IL	US	7.75 miles	
17	60054	PALATINE	COOK	IL	US	7.75 miles	
18	60045	GLENVIEW	COOK	IL	US	7.95 miles	
19	60060	MUNDELEIN	LAKE	IL	US	8.08 miles	
20	60002	TECHNY	COOK	IL	US	8.48 miles	
21	60046	MOUNT PROSPECT	COOK	IL	US	8.69 miles	
22	60022	GLENCOE	COOK	IL	US	8.97 miles	
23	60068	GREAT LAKES	LAKE	IL	US	9.10 miles	
24	60025	GLENVIEW	COOK	IL	US	9.14 miles	
25	60064	NORTH CHICAGO	LAKE	IL	US	9.31 miles	
26	60008	ROLLING MEADOWS	COOK	IL	US	9.38 miles	
27	60005	ARLINGTON HEIGHTS	COOK	IL	US	9.47 miles	
28	60067	PALATINE	COOK	IL	US	9.47 miles	
29	60016	DES PLAINES	COOK	IL	US	9.55 miles	
#	Zip	City	County	St	Country	Distance	

The proposed project involves two clinical areas, per the IHFSRB definition of clinical areas.

Two General Radiology rooms will be provided to support the physician office practices. The need for the units was determined based upon the applicant's familiarity with other facilities and patient populations of this type. A total of 8,000 procedures are anticipated under the first full year of operation increasing to 12,000 procedures the following year. By the second year of operation the project will be compliant with the Board's standard of 8000 procedures to justify the 2 units for General Radiology.

Rehabilitation Services have been planned based upon the applicant's familiarity with the needs of the patient populations in similar facilities. The project includes 6 treatment bays, 7 treatment rooms and an OT/Activities of Daily Living (ADL) space. These areas and sizes have been determined to be appropriate for the anticipated population in order to provide comprehensive Physical Therapy and Occupational Therapy modalities. A total of 44,000 are anticipated during the first full year of operation increasing to 48,000 visits during the second year. Board standards do not exist for this service.

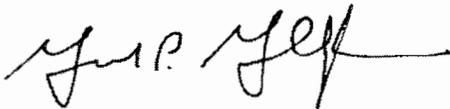
October 1, 2015

Health Facilities and Services Review Board
2nd Floor
525 West Jefferson Street
Springfield, Illinois 62761

To Whom It May Concern:

I hereby attest that the total estimated project costs associated with the development of a medical clinics building to be located at 940 Milwaukee Ave, Lincolnshire, Illinois will be funded through the use of cash and other liquid assets.

Sincerely,



Gerald P. Gallagher
Chief Operating Officer

State of Illinois
County of Cook

This instrument was acknowledged before me on October 1, 2015 by Gerald P. Gallagher.





Notary

MOODY'S

INVESTORS SERVICE

Rating Update: Moody's affirms NorthShore University HealthSystem's (IL) Aa2 and Aa2/VMIG 1; outlook stable

Global Credit Research - 07 Oct 2014

Action affects \$300M of debt

ILLINOIS FINANCE AUTHORITY
Hospitals & Health Service Providers
IL

Opinion

NEW YORK, October 07, 2014 –Moody's Investors Service has affirmed the Aa2 and Aa2/VMIG 1 bond ratings on NorthShore University HealthSystem's (NorthShore) outstanding bonds as listed in the RATED DEBT section. The rating outlook is stable.

SUMMARY RATINGS RATIONALE

The Aa2 long-term rating is based on NorthShore University HealthSystem's good geographic coverage with four hospitals in attractive service areas and a close integration with a large physician group, very advanced IT strategy, strong investment position that supports a moderate debt load, and recent rebound in operating margins. Challenges include the presence of competition and heightened consolidation activities in the broader service area, and a comparatively less liquid asset allocation. The VMIG 1 short-term rating is based on the provision of standby bond purchase agreements with several banks to support unremarketed tenders of variable rate bonds, as listed below.

NorthShore and Advocate Health Care (Aa2 stable) announced their intention to merge, which is credit positive for both organizations as they combine to form Advocate NorthShore Health Partners. The systems' aligned strategies, proven management, and strong financial resources will position the new organization to meet the challenges of a rapidly changing industry. The combination, expected to close the beginning of CY 2015, will create the largest health system in Illinois and one of the largest among Moody's-rated health systems nationally with almost \$7 billion in total revenue. Because the transaction has not yet closed, it is not incorporated into the current credit assessment.

STRENGTHS

*NorthShore maintains a strong balance sheet position with 289 days of cash on hand and 363% cash-to-debt as of June 30, 2014.

*The system has a leading market share of 22% in an attractive service area with a large commercial patient base. The system's strong market position and patient demand is supported by a centralized and integrated patient care model, a large consolidated employed multi-specialty and primary care medical group, and very advanced information technology capabilities.

*The debt position is low, resulting in strong adjusted debt measures including a favorably low 20% debt-to-operating revenue and 1.2 times debt-to-cashflow and very strong 12.9 times peak debt service coverage based on 9-month annualized fiscal year 2014 results. There are no plans for additional debt.

*The system quickly implemented initiatives to improve operating performance through nine months of fiscal year 2014 to a solid 11.4% operating cashflow margin.

*NorthShore has manageable debt structure risks with almost 500% cash-to-demand debt and diversification of banks and facility expiration dates, which mitigates a relatively high 66% variable rate debt exposure (as of fiscal year end 2013).

CHALLENGES

*Cash and investments are comparatively less liquid with 59% available monthly, driven by a 30% allocation to alternative investments (as of fiscal year end 2013)

*The system faces competition from several hospitals in the broader service area and there has been an increase in the pace of consolidation across the region.

DETAILED CREDIT DISCUSSION

LEGAL SECURITY: The bonds are unsecured obligations of the Corporation, which includes Evanston Hospital, Glenbrook Hospital, Highland Park Hospital, and Skokie Hospital.

INTEREST RATE DERIVATIVES: None

RECENT DEVELOPMENTS/RESULTS

NorthShore maintains a solid market position and good geographic coverage in an attractive service area, despite competition and increasing hospital consolidation in the secondary service area. NorthShore maintains a leading and generally stable market share of approximately 22% in a 50-zip code area centered around Evanston, IL and the area north and west of Evanston.

The system benefits from its tightly integrated model comprised of four hospitals, a large 900-physician employed medical group, and an independent practice association (IPA) which includes the medical group and 500 affiliated physicians. The system continues to advance key strategic initiatives, including physician alignment, ambulatory growth, and information technology. NorthShore's employed and aligned physician model has been a consistent strategy for many years, enabling the development of a highly integrated and consolidated physician staff and platform to integrate new physicians into the organization quickly and efficiently.

NorthShore's very advanced information technology strategies and investments have supported the system's strategies related to physician alignment, quality of patient care and clinical outcomes, and building a distinct brand based on a uniform customer experience. Additionally, these capabilities position the system to meet the goals of healthcare reform, providing higher quality at a lower cost, and position the system for population management. NorthShore fully implemented electronic medical records ten years ago, which allows standardized clinical protocols, centralized scheduling, electronic scheduling, among other benefits that aim to improve quality of care and patient satisfaction. Among the leading health systems in the country, NorthShore is now on the forefront of developing data analytics capabilities, including the ability to do predictive modeling of patient populations.

Fiscal year 2013 ended as expected with a 8.6% operating cashflow margin, based on nine-month performance that was the basis for the last report. The decline from 2012 was driven by inpatient volume declines, higher costs related to physician practice acquisition, and higher insurance expenses.

The system responded to lower margins quickly and effectively, as reflected in significant operating improvement through nine months of fiscal year 2014. Through nine months, admissions declined by 2.5%; including observation cases, total inpatient volume was up 0.4%, which is generally better than the trend in the broader market. Excluding investment income (which the system includes as support for operations as part of a spending rate policy), operating income was \$70 million (4.9%) through the nine months ended June 30, 2014, compared with \$20 million (1.5%) for nine months ended June 30, 2013. Operating cashflow was \$162 million (11.4%), compared with \$114 million (8.5%) in the prior year period.

NorthShore has implemented sizable cost reductions of approximately \$60 million including initiatives related to early retirement and a workforce reduction, as well as supply and other costs. Effective December 31, 2013 the defined benefit pension plan was frozen to all employees, reducing pension expense next year.

NorthShore's strong balance sheet is likely to be maintained. Capital spending is expected to increase to approximately \$200 million annually, higher than recent history but under operating cashflow expected in fiscal year 2014. The largest projects relate to finishing investments in the Skokie campus, including a surgical pavilion, ambulatory care center and infrastructure investments, as well as modernization projects at Highland Park. No new debt is anticipated.

OUTLOOK

The stable rating outlook reflects our expectations that NorthShore will sustain recent improvement in operating margins and maintain balance sheet strength.

WHAT COULD CHANGE THE RATING UP

Given the system's high rating category and location in a single region, there is a low likelihood of a rating upgrade in the short-term. Longer-term, a rating upgrade may be considered with significant and sustained improvement in operating margins and absolute cash flow generation, growth in market share to provide a distinct leading position, and significant diversification of cash flow among multiple markets.

WHAT COULD CHANGE THE RATING DOWN

A rating downgrade will be considered if the system's margins decline from FY 2014 interim levels or investments decline notably; while not expected, a significant increase in debt without cashflow growth could cause a downgrade.

KEY INDICATORS

Assumptions & Adjustments:

- Based on financial statements for NorthShore University HealthSystem
- First number reflects audit year ended September 30, 2013
- Second number reflects unaudited nine-month results through June 30, 2014, annualized
- Investment returns normalized at 6% unless otherwise noted
- Comprehensive debt includes direct debt, operating leases, and pension obligation, if applicable
- Monthly liquidity to demand debt ratio is not included if demand debt is de minimis
- Non-recurring items: No adjustments
- *Inpatient admissions: 43,110; 41,941
- *Observation stays: 17,711; 18,968
- *Medicare % of gross revenues: 40%; N/A
- *Medicaid % of gross revenues: 7%; N/A
- *Total operating revenues (\$): \$1.8 billion; \$1.9 billion
- *Revenue growth rate (%) (3 yr CAGR): 5.4%; N/A
- *Operating margin (%): 1.5 %; 4.9%
- *Operating cash flow margin (%): 8.6%; 11.4%
- *Debt to cash flow (x): 1.6 times; 1.2 times
- *Days cash on hand (excluding self-insurance funds): 270 days; 289 days
- *Maximum annual debt service (MADS) (\$): \$24 million; \$24 million
- *MADS coverage with reported investment income (x): 11 times; 15 times
- *Moody's-adjusted MADS Coverage with normalized investment income (x): 10.0 times; 12.9 times
- *Direct debt (\$): \$376 million; \$369 million
- *Cash to direct debt (%): 323%; 363%
- *Comprehensive debt: \$577 million; N/A
- *Cash to comprehensive debt (%): 210%; N/A
- *Monthly liquidity to demand debt (%): 402%; N/A

RATED DEBT (as of June 30, 2014)

-Series 1995 (\$45 million) variable rate bonds supported by standby bond purchase agreements from Wells Fargo Bank, NA, expiring September 22, 2016: Aa2/VMIG 1

-Series 2001C (\$39 million) variable rate bonds supported by standby bond purchase agreements from Wells Fargo Bank, NA,, expiring November 15, 2016: Aa2/VMIG 1

-Series 1996 (\$46 million), and Series 2001B (\$39 million), variable rate bonds supported by standby bond purchase agreements from JPMorgan Chase Bank, expiring September 22, 2015 and November 15, 2017, respectively: Aa2/VMIG 1

-Series 2010 fixed rate bond (\$123 million): Aa2

-Series 1990A, 1992, 1998 variable rate bonds (no debt publicly outstanding; bonds held by NorthShore): Aa2 long-term rating

The principal methodology used in this rating was Not-for-Profit Healthcare Rating Methodology published in March 2012. An additional methodology used was Variable Rate Instruments Supported by Conditional Liquidity Facilities published in May 2013. Please see the Credit Policy page on www.moody.com for a copy of these methodologies.

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Department (list below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New	Mod.	Gross Sq. Ft. New Circ.*		Gross Sq. Ft. Mod. Circ.*		Const. \$ (A x C)	Mod. \$ (B x E)	
REVIEWABLE									
Radiology		\$161			989			\$159,229.00	\$159,229.00
Rehabilitation Services		\$161			6316			\$1,016,876.00	\$1,016,876.00
Total Clinical					7305			\$1,176,105.00	\$1,176,105.00
NON REVIEWABLE									
Physician Offices		\$161			20597			\$3,316,117.00	\$3,316,117.00
Public Areas (vestibule, lobby, public toilets at lobby)		\$161			832			\$133,952.00	\$133,952.00
Building Services (mech, elect, shafts, exterior walls, etc.)		\$161			4660			\$750,260.00	\$750,260.00
Canopy	\$100		704				\$70,400.00		\$70,400.00
Vertical Circ (elevators and stairways)		\$161			1372			\$220,892.00	\$220,892.00
Total Non Reviewable			704		27461				
Contingency									
Project Total			704		34766		\$70,400.00	\$5,597,326.00	\$5,667,726.00

* Include the percentage (%) of space for circulation

Charity Care

See page 23.