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May 18, 2016

Via Federal Express

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

RECEIVED

MAY 19 2016

HEALTH FACILITIES &
SERVICES REVIEW BOARD

Re: Transitional Care of Lake County (Proj. No. 16-012)

Dear Mr. Constantino:

This office represents Transitional Care of Lake County, LLC; IH Mundelein Owner, LLC; Innovative Health, LLC; and OnPointe Health Development, LLC (collectively, the "Applicants"). In that capacity, we are responding to the Illinois Health Facilities and Services Review Board (the "State Board") request for additional information regarding the certificate of need ("CON") application for the above referenced project dated May 6, 2016. Thank you for the opportunity to provide more detail on this project that will ensure residents of Lake County have access to high quality long term care services. For your review, we are submitting the following additional information regarding the proposed project.

1. Private Rooms

The allocation of rooms among short-term, long-term and memory care will be similar to the allocation of these rooms at Winchester House. The significant difference between Winchester House and Transitional Care of Lake County is that Transitional Care of Lake County will have 39 fewer beds than Winchester House. The bed complement for Transitional Care of Lake County will consist of 69 beds in private rooms and 116 beds in 58 semi-private rooms for a total of 185 beds.

2. Projected Payor Mix by Patient Day

The proposed Transitional Care of Lake County is not projected to become operational until June 2019. At this point in the project, the Applicants do not have payor mix data for the

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short term stay, memory care and long term care units. Projected Payor Mix by Patient Day for the proposed facility is provided in the table below:

Payor Mix		
Payor	Patient Days	Payor Mix
Private	2,190	3.86%
Managed Care	3,285	5.80%
Medicaid	43,800	77.28%
Medicare	7,404	13.06%
Total	56,679	100.00%

3. Medicare Certified Beds

All of the skilled nursing beds at the proposed Transitional Care of Lake County will be certified to participate in Medicare.

4. Medicaid Certified Beds

As previously noted, the proposed Transitional Care of Lake County is not projected to become operational until June 2019. At this stage in the project development, the Applicants have not definitively determined the number of Medicaid certified beds for the new facility; however, they anticipate at least 100 beds will be Medicaid certified. Likewise, the Applicants have not decided on how the Medicaid beds will be allocated among the units. At this time, the Applicants estimate 40 Medicaid beds will be memory care unit and 60 Medicaid beds will be long term care unit; however, those numbers are subject to change as the facility moves closer to becoming operational.

5. Average Length of Stay

Average length of stay by resident type is provided in the table below:

Average Length of Stay	
Resident Type	ALOS
Short Term Stay	15 days
Memory Care	13 months
Long Term Care	2.9 years

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6. Projected Financial Statements

Projected Revenue by Payor is provided in the table below:

Revenue by Payor			
Payor	Admissions	Patient Days	Rate
Medicaid	173	43,800	\$194
Medicare	494	7,404	\$540
Managed Care	219	3,285	\$485
Private Pay	9	2,190	\$217
Total	895	56,679	

Occupancy for the first three years after project completion is projected to be as follows:

Year 1	83.94%
Year 2	91.89%
Year 3	91.89%

7. Medicare and Medicaid Certification

The Applicants intend to promptly apply for Medicare and Medicaid certification upon licensure of the facility by the Illinois Department of Public Health (“IDPH”). Medicare and Medicaid enrollment is a multi-step process that can take up to 6 months to complete. The first step in obtaining Medicare and Medicaid certification is licensure. Once the skilled nursing facility is licensed by IDPH, it must submit its Medicare enrollment application (855A) to its Medicare Administrative Contractor (“MAC”) for initial approval. By law, the MAC has 60 days to review the Medicare application. When the MAC completes its review, it will send a recommendation for approval letter to the Applicants and forward the application packet to IDPH. Upon receipt of the application packet from the MAC, IDPH will request additional information from the Applicants to ensure the facility is in substantial compliance with Medicare/Medicaid requirements, demonstrates financial solvency, and meets the requirements of the Office of Civil Rights (“OCR”) of the Department of Health and Human Services (“HHS”). Once IDPH receives the additional information from the facility, it will schedule the Medicare certification survey. Once the facility is found to be in substantial compliance with the Medicare/Medicaid requirements, IDPH will forward the application packet to the CMS Regional Office for final approval. Final CMS approval can take an additional 45 days. The tie-in notice is then submitted

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to the MAC. Once the MAC is in receipt of the tie-in notice it can take 1 to 2 weeks before the provider can bill Medicare for services.

Medicaid enrollment will occur simultaneously with Medicare enrollment.

8. Project Costs

An itemized list of consulting, moveable equipment and other capitalized costs is provided in the table below. The itemized list of equipment and furniture by area is attached at Attachment – 1.

Item	Cost
Consulting and Other Fees	
Developer Fees	\$1,380,000
Legal Fees	\$150,000
Project Audit Fees	\$30,000
Total Consulting and Other Fees	\$1,560,000
Moveable and Other Equipment	
Exterior Furniture	\$30,272
Corridor Furniture	\$17,660
Vestibule/Lobby Furniture	\$5,967
Conference Room Furniture & Equipment	\$36,652
Admissions Furniture & Equipment	\$5,761
Waiting Room Furniture	\$9,570
Business Office Furniture	\$3,149
Clinical Director Office Furniture	\$5,717
Administrator Office Furniture	\$9,868
Director of Nursing Office Furniture	\$3,149
Physician Office Furniture	\$10,517
Exam Room Furniture	\$1,749
Restroom Artwork	\$1,250
Therapy Office Furniture	\$2,945
Bistro Lounge Furniture	\$25,758
Dining/Activity Room Furniture	\$31,680
Beauty Salon Furniture & Equipment	\$9,498

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Item	Cost
Laundry Furniture	\$4,302
Staff Lounge Furniture & Equipment	\$10,563
Dietary Office Furniture	\$2,945
Patient Room Furniture & Equipment	\$1,368,161
Day Room/Dining Room Equipment	\$95,988
Nurse Station Furniture	\$2,244
Medicine Room Equipment	\$430
Bathing Room Furniture	\$2,744
Nursing Equipment	\$218,246
Computer Equipment	\$16,000
Kitchen Furniture & Equipment	\$22,215
Total Furniture & Equipment	\$1,955,000
Other Costs to be Capitalized	
Insurance/Real Estate Tax During Construction	\$25,000
Title/Recording	\$50,000
Lender/Financing Fees	\$580,000
Zoning/Impact Fees	\$250,000
Utility Connection Fees	\$25,000
Building Permit Fees	\$75,000
CON Application Fee	\$65,000
Miscellaneous Expenses	\$25,000
Total Other Costs to be Capitalized	\$1,095,000

9. Property Ownership

A copy of the land contract between IH Capital, LLC and Mundelein Partners 800 RT 45 LLC for the property located at 850 East U.S. Highway 45, Mundelein, Illinois is attached at Attachment – 2. A copy of the Assignment and Assumption of Real Estate Purchase and Sale Agreement from IH Capital, LLC to IH Mundelein Owner, LLC is attached at Attachment – 3.

10. Referral Letters

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As noted in the CON application, the Applicants seek authority from the State Board to replace the existing Winchester House with a new state of the art skilled nursing facility to be located at 850 East U.S. Highway 45, Mundelein, Illinois 60060. The purpose of this project is to ensure the residents of Lake County continue to have access to quality long-term care services, and to ensure that there will be a continued commitment to the provision of care to the underserved and indigent residents of Lake County. The proposed project is the final phase of a three phase plan to transfer ownership and operation of Winchester House from Lake County to the Applicants and to replace the existing facility with a modern, state of the art skilled nursing facility.

A letter from Brian Cloch, Manager, Transitional Care of Lake County, the current operator of Winchester House, stating existing residents of Winchester House who wish to reside in the new facility will transfer to the new facility was submitted with the application. Current census of Winchester House is 150. Assuming all existing residents transfer to the new facility, occupancy at the new facility would be 81% when the new facility becomes operational.

11. Staffing

Staff recruitment will begin as early as 12 months prior to the opening of the facility to ensure all positions are filled with qualified personnel. New staff will be recruited through:

- National advertising;
- Posting job opportunities online and in local nursing schools;
- Focused advertising within the health care professional community;
- Outreach to community, alumni organizations, and others;
- Social media, e.g., LinkedIn, Facebook, Twitter, etc.; and
- Online application system.

12. Ownership

Ownership as presented in the May 6, 2016 letter is correct.

13. Financing

The funding for the project is as stated in the CON application, i.e., a combination of cash and debt. No more than 80 percent of the project will be funded with debt. The remainder will be funded with equity contributions from each of the Applicants. The US Freedom Capital letter was provided as evidence the Applicants have the financial wherewithal to consummate the

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transaction and to address concerns from the State Board regarding the Applicants' ability to fund the project.

In addition, the Applicants have extensive experience with financing transactions. Specifically, the Applicants have financed over a thousand of transactions worth over \$12 billion.

14. Operational Control

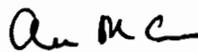
The organizational structure for Transitional Care of Lake County will be identical to the Transitional Care of Lisle and Transitional Care of Fox Valley projects. A letter from Jason Kaplan, the Applicants' corporate counsel, describing the ownership, management and control of Transitional Care of Lake County was submitted to the State Board on February 25, 2016.

15. Transfer of Winchester House Residents

The Applicants have committed that each resident of Winchester House, who wishes to reside at the proposed Transitional Care of Lake County will have the opportunity to do so. All residents of Winchester House at the time the new facility becomes operational, regardless of payor type, will be admitted to Transitional Care of Lake County. The existing Winchester House residents will not be required to resubmit or otherwise undergo the application process to be admitted to the new facility.

Thank you for your time and assistance on this matter. If you have any questions or need any additional information regarding the Transitional Care of Lake County CON application, please feel free to contact me.

Sincerely,



Anne M. Cooper

Attachments

Qty	Style	Description	Unit	Extended
Exterior Furniture				
16	LG-80177	Cast aluminum arm chair mesh seat	\$ 340.00	\$ 5,440.00
4	WD-284800/02737	48" D cast stone top / cast aluminum base	\$ 659.00	\$ 2,636.00
6	BM-5037-3024	Large decorative planters	\$ 800.00	\$ 4,800.00
10	LG83277	Cast Aluminum Settees	\$ 300.00	\$ 3,000.00
4		Occasional tables	\$ 215.00	\$ 860.00
Porte Cochere / Driveway				
4	BM-4001	Bolt down love seats, aluminum 5'W	\$ 1,675.00	\$ 6,700.00
4	BM-TBS	Decorative Trash receptacles	\$ 1,509.00	\$ 6,036.00
4			\$ 200.00	\$ 800.00
Qty	Style	Description	Unit	Extended
Corridors				
16	GM90FFE40	Bench with arms	\$ 510.00	\$ 8,160.00
10		Corridor accent piece	\$ 950.00	\$ 9,500.00
Qty	Style	Description	Unit	Extended
Front Of House				
Vestibule				
2	LG83277	Cast Aluminum Settees	\$ 300.00	\$ 600.00
2	BM-5006-24	Decorative planters	\$ 510.00	\$ 1,020.00
2		Weather resistant wall art	\$ 350.00	\$ 700.00
1		Window Blind	\$ 250.00	\$ 250.00
Lobby				
1	GLB 2852-3	Conference chairs, task style, mesh back	\$ 620.00	\$ 620.00
1	KSM01-18	articulating keyboard mech	\$ 99.00	\$ 99.00
1	KT01	keyboard platform w/mouse tray	\$ 100.00	\$ 100.00
2	SW-T2985	Arm chairs	\$ 595.00	\$ 1,190.00
1	TR-624D22	Round occasional table, 22" D	\$ 488.00	\$ 488.00
1		Table lamp, reduced to 1 8/22	\$ 200.00	\$ 200.00
2		Silk plants FR rated	\$ 350.00	\$ 700.00
Conference 1				
10	GLB-2852-3	Conference chairs, task style, mesh back	\$ 620.00	\$ 6,200.00
1	SV-RTL48120WB	Conference table top, 120x48	\$ 1,173.00	\$ 1,173.00
1	SV-CCL24(3)	Table base, 3 provided	\$ 1,089.00	\$ 1,089.00
1	GLB-GVB4848	Presentation board, 48x48	\$ 675.00	\$ 675.00
5	GLB-6900	Stacking arm chairs	\$ 289.00	\$ 1,445.00
3		Window Blind	\$ 250.00	\$ 750.00
3		Window treatment-Kravet 32183 Round the Block Opal	\$ 500.00	\$ 1,500.00
1		Flat Screen TV 50"	\$ 693.00	\$ 693.00
1		Bracket for above	\$ 70.00	\$ 70.00
Admissions				
1	GL-2237-3	Task chair with arms	\$ 296.00	\$ 296.00
	Finish	Black		
	Fabric	Loomsource Greet Caramel 09100155		
4	SW-T2985	Guest arm chairs	\$ 595.00	\$ 2,380.00
1	SV-RDL42	42" diameter table tops, wood edge	\$ 400.00	\$ 400.00
1	SV-ASA32	Table bases for above	\$ 187.00	\$ 187.00
1	SLG	Self leveling glides for base	\$ 20.00	\$ 20.00
6		Window Blind, side light & 5 interior windows	\$ 250.00	\$ 1,500.00
1		Flat Screen TV 50"	\$ 693.00	\$ 693.00
1		Bracket for above	\$ 70.00	\$ 70.00
1		Mini Fridge, same as guest room	\$ 215.00	\$ 215.00
Waiting				
8	SW-T2985	Arm chairs	\$ 635.00	\$ 5,080.00
5	TR-624D22	Round occasional table, 22" D	\$ 488.00	\$ 2,440.00
5		Table lamp, reduced to 1 8/22	\$ 200.00	\$ 1,000.00
3		Silk plants FR rated	\$ 350.00	\$ 1,050.00
Business				
1	VF3066DS	Desk shell, veneer, 30x66	\$ 517.00	\$ 517.00
1	VF4224R	Desk return, 24x42, veneer	\$ 229.00	\$ 229.00
1	VF22BBF	File Box/Box/File	\$ 283.00	\$ 283.00
1	VF22FF	File: File/File	\$ 273.00	\$ 273.00
1	VF3624F	2 drawer lateral file, veneer	\$ 588.00	\$ 588.00
1	VF36HO	Overhead unit for lateral file	\$ 325.00	\$ 325.00

Qty	Style	Description	Unit	Extended
1	KFKB	Keyboard trays	\$ 45.00	\$ 45.00
1	GL-2237-3	Task chair with arms	\$ 296.00	\$ 296.00
2	GL6900	Guest arm chair	\$ 204.00	\$ 408.00
	Fabric	Maharam Cover Maple 465800 Color #003		
1		Wall art	\$ 185.00	\$ 185.00
Clinical Director				
2	VF3066DS	Desk shell, veneer, 30x66	\$ 517.00	\$ 1,034.00
2	VF4224R	Desk return, 24x42, veneer	\$ 229.00	\$ 458.00
2	VF22BBF	File Box/Box/File	\$ 283.00	\$ 566.00
2	VF22FF	File: File/File	\$ 273.00	\$ 546.00
1	VF3624F	2 drawer lateral file, veneer	\$ 588.00	\$ 588.00
2	VF36HO	Overhead unit for lateral file	\$ 325.00	\$ 650.00
2	KFKB	Keyboard trays	\$ 45.00	\$ 90.00
2	GL-2237-3	Task chair with arms	\$ 296.00	\$ 592.00
2	GL6900	Guest arm chair	\$ 204.00	\$ 408.00
1		Wall art	\$ 185.00	\$ 185.00
1		Window Blind	\$ 250.00	\$ 250.00
1		Silk plants FR rated	\$ 350.00	\$ 350.00
Administrator				
2	SW-T2985	Guest arm chairs	\$ 595.00	\$ 1,190.00
1	HK 7-404	Occasional table	\$ 548.00	\$ 548.00
1		Window Blind	\$ 250.00	\$ 250.00
1		Window treatment-Maharam Ditto Prairie 465993-008	\$ 500.00	\$ 500.00
2		Wall art, omitted from original plan	\$ 195.00	\$ 390.00
1	DMSL7242D	42x72 bow front, b/b/f left	\$ 1,395.00	\$ 1,395.00
1	CD	veneer center drawer	\$ 239.00	\$ 239.00
1	DBT4224TCG	24x42 bridge (top only)	\$ 303.00	\$ 303.00
1	DCL7224E	24x72 cred w/file/file left need to match the 72" top	\$ 1,322.00	\$ 1,322.00
1	KSM01-18	articulating keyboard mech	\$ 99.00	\$ 99.00
1	KT01	keyboard platform w/mouse tray	\$ 100.00	\$ 100.00
1	D72SH36	72" hutch w/doors	\$ 1,010.00	\$ 1,010.00
1	DTS72	tack board	\$ 187.00	\$ 187.00
1	DF3624	2 dr lateral file	\$ 1,082.00	\$ 1,082.00
1	D36SH36	36" hutch w/doors, for lat file	\$ 633.00	\$ 633.00
1	GLB-2852-3	Conference chairs, task style, mesh back	\$ 620.00	\$ 620.00
Director of Nursing				
1	VF22BBF	File Box/Box/File	\$ 283.00	\$ 283.00
1	VF22FF	File: File/File	\$ 273.00	\$ 273.00
1	VF3624F	2 drawer lateral file, veneer	\$ 588.00	\$ 588.00
1	VF36HO	Overhead unit for lateral file	\$ 325.00	\$ 325.00
1	KFKB	Keyboard trays	\$ 45.00	\$ 45.00
1	GL-2237-3	Task chair with arms	\$ 296.00	\$ 296.00
2	GL6900	Guest arm chair	\$ 204.00	\$ 408.00
1		Wall art	\$ 185.00	\$ 185.00
1	VF3066DS	Desk shell, veneer, 30x66	\$ 517.00	\$ 517.00
1	VF4224R	Desk return, 24x42, veneer	\$ 229.00	\$ 229.00
Physician Offices				
3	FLX-C2416-10RT	Lounge chairs w/pivoting tablets	\$ 968.00	\$ 2,904.00
2	LF895-OT1020	Occasional tables	\$ 275.00	\$ 550.00
3		Wall art	\$ 265.00	\$ 795.00
2	GLB 2852-3	Conference chairs, task style, mesh back	\$ 620.00	\$ 1,240.00
2		39" Flat screen TV	\$ 446.00	\$ 892.00
2		Wall mount HD Bracket	\$ 60.00	\$ 120.00
2	HK-5078-10464	Computer Credenza, 66 x 24 x 30	\$ 1,158.00	\$ 2,316.00
2	HK-5078-10467	Computer Hutch, 66 x 14 x 54	\$ 850.00	\$ 1,700.00
Exam Room				
1	VF3066DS	Desk shell, veneer, 30x66	\$ 517.00	\$ 517.00
2	VF22BBF	File Box/Box/File	\$ 283.00	\$ 566.00
1	GL-2237-3	Task chair with arms	\$ 296.00	\$ 296.00
1	6900	Stacking arm chair	\$ 185.00	\$ 185.00
1		Wall art	\$ 185.00	\$ 185.00
Men's Restroom 1				
1		Wall art	\$ 125.00	\$ 125.00
Women's Restroom 1				

Qty	Style	Description	Unit	Extended
1		Wall art	\$ 125.00	\$ 125.00
Conference Room 2				
9	BX2472RES	24x72 flip-top ganging tables	\$ 750.00	\$ 6,750.00
18	1906	Mesh back conf chair w/arms	\$ 435.00	\$ 7,830.00
10	6900	Stacking arm chair	\$ 185.00	\$ 1,850.00
1	VF3624SC	storage credenza, 36W	\$ 560.00	\$ 560.00
4		Applied decals for windows in lieu of blinds	\$ 750.00	\$ 3,000.00
2		Silk plants FR rated	\$ 350.00	\$ 700.00
1		70" Flat Screen TV	\$ 2,225.00	\$ 2,225.00
1		Heavy Duty Bracket for above	\$ 142.00	\$ 142.00

Therapy Office				
1	VF3066DS	Desk shell, veneer, 30x66	\$ 517.00	\$ 517.00
1	VF4224R	Desk return, 24x42, veneer	\$ 229.00	\$ 229.00
1	VF22BBF	File Box/Box/File	\$ 283.00	\$ 283.00
1	VF22FF	File: File/File	\$ 273.00	\$ 273.00
1	VF3624F	2 drawer lateral file, veneer	\$ 588.00	\$ 588.00
1	VF36HO	Overhead unit for lateral file	\$ 325.00	\$ 325.00
1	KFKB	Keyboard trays	\$ 45.00	\$ 45.00
1	GL-2237-3	Task chair with arms	\$ 296.00	\$ 296.00
1	GL6900	Guest arm chair	\$ 204.00	\$ 204.00
1		Wall art	\$ 185.00	\$ 185.00

Bistro Lounge				
24	TRN-1576	Inside curved lounge chair, 30 degree turn	\$ 768.00	\$ 18,432.00
4	TRN-153030	Straight table	\$ 528.00	\$ 2,112.00
2	PM-SPC	Special electrical outlet for 1 straight table see notes	\$ 450.00	\$ 450.00
8	TRN-15180DG16	Half round end table	\$ 483.00	\$ 3,864.00
4		Wall art	\$ 225.00	\$ 900.00

Dining/ Activities				
8	SW-7050-1	Arm chairs	\$ 438.00	\$ 3,504.00
16	SW-7050-1	Arm chairs	\$ 438.00	\$ 7,008.00
4	GM60SFS7244	Custom banquettes, 72W x 44H, (for 60W tables)	\$ 2,182.00	\$ 8,728.00
8	FL-3660_RWL	36 x 60 table tops	\$ 693.00	\$ 5,544.00
16	SLG	Self leveling glides for base, pair	\$ 6.00	\$ 96.00
4		Wall art	\$ 225.00	\$ 900.00
4		Silk plants FR rated	\$ 350.00	\$ 1,400.00
2		Window Blind	\$ 250.00	\$ 500.00
2		Window treatment	\$ 750.00	\$ 1,500.00
2		Decorative accent piece	\$ 1,250.00	\$ 2,500.00

Beauty Salon				
2		Back washing stations	\$ 1,200.00	\$ 2,400.00
2		Sinks for wash stations	\$ 250.00	\$ 500.00
2		Back flow preventor for sinks	\$ 75.00	\$ 150.00
2		All purpose chair	\$ 495.00	\$ 990.00
1		Dryer chair	\$ 571.00	\$ 571.00
1		Portable dryers	\$ 390.00	\$ 390.00
2		Floor Mats	\$ 182.00	\$ 364.00
2	GL6900	Guest arm chair	\$ 204.00	\$ 408.00
1	LF141OT1020	Occasional table, metal frame	\$ 250.00	\$ 250.00
1	7706A	Manicure Table	\$ 550.00	\$ 550.00
1		Manicure operator's chair	\$ 175.00	\$ 175.00
4		Window Blinds, lounge side	\$ 250.00	\$ 1,000.00
1		Window Blind, patio side	\$ 300.00	\$ 300.00
2		Silk plants FR rated	\$ 350.00	\$ 700.00
1		Decorative chest	\$ 750.00	\$ 750.00

Men's Restroom 2				
1		Wall art	\$ 125.00	\$ -

Women's Restroom 2				
1		Wall art	\$ 125.00	\$ -

Back Of House				
Qty	Style	Description	Unit	Extended
Laundry				
6		Wire shelving 60x18x34	\$ 167.00	\$ 1,002.00

Qty	Style	Description	Unit	Extended
6		Laundry Carts	\$ 194.00	\$ 1,164.00
8		Folding Tables	\$ 267.00	\$ 2,136.00
Staff Lounge				
3	FLX-C2416-10RT	Lounge chairs w/pivoting tablets	\$ 968.00	\$ 2,904.00
2	LF895-OT1020	Occasional tables	\$ 275.00	\$ 550.00
6		Wall art	\$ 265.00	\$ 1,590.00
1	STNW-12388	Decorative sink cabinet, 30W w/bowl	\$ 600.00	\$ 600.00
1		Mini Fridge, same as guest room	\$ 215.00	\$ 215.00
2	GLB 2852-3	Conference chairs, task style, mesh back	\$ 620.00	\$ 1,240.00
1		39" Flat screen TV	\$ 446.00	\$ 446.00
1		Wall mount HD Bracket	\$ 60.00	\$ 60.00
1	HK-5078-10464	Computer Credenza, 66 x 24 x 30	\$ 1,158.00	\$ 1,158.00
1	HK-5078-10467	Computer Hutch, 66 x 14 x 54	\$ 850.00	\$ 850.00
2	HK-5078-10450	Corner unit, 14 x 14 x 84H,	\$ 350.00	\$ 700.00
1		Digital safe	\$ 250.00	\$ 250.00
Men's Restroom				
1		Wall art	\$ 125.00	\$ 125.00
Women's Restroom				
1		Wall art	\$ 125.00	\$ 125.00
Dietary Office				
1	VF3066DS	Desk shell, veneer, 30x66	\$ 517.00	\$ 517.00
1	VF4224R	Desk return, 24x42, veneer	\$ 229.00	\$ 229.00
1	VF22BBF	File Box/Box/File	\$ 283.00	\$ 283.00
1	VF22FF	File: File/File	\$ 273.00	\$ 273.00
1	VF3624F	2 drawer lateral file, veneer	\$ 588.00	\$ 588.00
1	VF36HO	Overhead unit for lateral file	\$ 325.00	\$ 325.00
1	KFKB	Keyboard trays	\$ 45.00	\$ 45.00
1	GL-2237-3	Task chair with arms	\$ 296.00	\$ 296.00
1	GL6900	Guest arm chair	\$ 204.00	\$ 204.00
1		Wall art	\$ 185.00	\$ 185.00

Patient Areas

Qty	Style	Description	Unit	Extended
Patient Room, Single 69 total				
69	ZZ8174	Zenith series all electric bed	\$ 1,275.00	\$ 87,975.00
69	ZA85100	Extra wide option 42OAW	\$ 215.00	\$ 14,835.00
69	ZL788000	Nurse control center in foot panel	\$ 115.00	\$ 7,935.00
69	WB	Wall bumper	\$ 15.00	\$ 1,035.00
69	PAB	Pivoting patient assist bar (1 per bed)	\$ 165.00	\$ 11,385.00
69	S500B-4280	Low pressure mattress 42x80	\$ 350.00	\$ 24,150.00
69	A797000/A28	Overbed Table, Thermalfoil top	\$ 185.00	\$ 12,765.00
69	476-30-111-042	Custom Hd &ftboard for 42" wide bed	\$ 250.00	\$ 17,250.00
69	476-7015-042	Night stands drw/door w/locking drw & casters	\$ 280.00	\$ 19,320.00
69	SFT-CLS	Soft close guide on drawer	\$ 16.50	\$ 1,138.50
69	476-5005R-042	Custom Wardrobe 36W	\$ 1,000.00	\$ 69,000.00
69	SFT-CLS	Soft close guide on drawer	\$ 16.50	\$ 1,138.50
69	FLX-CA093-50	Resident room recliner	\$ 945.00	\$ 65,205.00
69	SAN-W2.7	Resident guest arm chair, wood look metal frame	\$ 620.00	\$ 42,780.00
69		39" Flat screen TV	\$ 650.00	\$ 44,850.00
69		Wall mount HD Bracket	\$ 60.00	\$ 4,140.00
69		Mini Fridge for resident room	\$ 275.00	\$ 18,975.00
69		Bed Scarf, 20 x 66 fabric included (20 over)	\$ 165.00	\$ 11,385.00
69		Cubical curtains for res. Bath rooms (10 over)	\$ 380.00	\$ 26,220.00
69		Pieces of wall art for resident rooms	\$ 275.00	\$ 18,975.00
69		Resident blinds	\$ 180.00	\$ 12,420.00
69		Window treatment	\$ 390.00	\$ 26,910.00
Misc. Bed Accessories				
69		Trapeze adapters for bed	\$ 117.00	\$ 8,073.00
35		Trapeze bar for bed, attaches to above	\$ 129.00	\$ 4,515.00
35		Zenith series bed extenders (80-84")	\$ 89.00	\$ 3,115.00
35	ZA84200	Pair of head end side rails 2 rails per set	\$ 117.00	\$ 4,095.00
Patient Room, Double 58 total				
116	ZZ8174	Zenith series all electric bed	\$ 1,275.00	\$ 147,900.00

Qty	Style	Description	Unit	Extended
116	EW-42	Extra wide option 42QAW	\$ 215.00	\$ 24,940.00
116	ZL788000	Nurse control center in foot panel	\$ 115.00	\$ 13,340.00
116	WB	Wall bumper	\$ 15.00	\$ 1,740.00
116	PAB	Pivoting patient assist bar (1 per bed)	\$ 165.00	\$ 19,140.00
116	S500B-4280	Low pressure mattress 42x80	\$ 350.00	\$ 40,600.00
116	A797000/A28	Overbed Table, Thermalfoil top, no drip edge	\$ 185.00	\$ 21,460.00
116	476-30-111-042	Custom Hd &ftboard for 42" wide bed	\$ 250.00	\$ 29,000.00
116	476-7015-042	Night stands drw/door w/locking drw & casters	\$ 280.00	\$ 32,480.00
116	SFT-CLS	Soft close guide on drawer	\$ 16.50	\$ 1,914.00
116	476-5005R-042	Custom Wardrobe 36W	\$ 1,000.00	\$ 116,000.00
116	SFT-CLS	Soft close guide on drawer	\$ 16.50	\$ 1,914.00
116	SAN-W2.7	Resident guest arm chair, wood look metal frame	\$ 428.00	\$ 49,648.00
116		39" Flat screen TV	\$ 650.00	\$ 75,400.00
116		Wall mount HD Bracket	\$ 60.00	\$ 6,960.00
116		Mini Fridge for resident room	\$ 275.00	\$ 31,900.00
116		Bed Scarf, 20 x 66 fabric included (20 over)	\$ 165.00	\$ 19,140.00
116		Cubical curtains for res. Bath rooms (10 over)	\$ 380.00	\$ 44,080.00
116		Pieces of wall art for resident rooms	\$ 275.00	\$ 31,900.00
116		Resident blinds	\$ 180.00	\$ 20,880.00
116		Window treatment	\$ 390.00	\$ 45,240.00
		Misc. Bed Accessories		
116		Trapeze adapters for bed	\$ 117.00	\$ 13,572.00
58		Trapeze bar for bed, attaches to above	\$ 129.00	\$ 7,482.00
58		Zenith series bed extenders (80-84")	\$ 89.00	\$ 5,162.00
58	ZA84200	Pair of head end side rails 2 rails per set	\$ 117.00	\$ 6,786.00

Day Room/Dining 1

48	FS-H2041-10	Arm chairs	\$ 295.00	\$ 14,160.00
12	FL-4242_RWL	42" diameter table tops, urethane edge	\$ 547.00	\$ 6,564.00
12	SLG	Self leveling glides for base	\$ 20.00	\$ 240.00
16	FLX-A2067	Lounge chairs	\$ 1,180.00	\$ 18,880.00
4	TR624D22	Occasional table	\$ 525.00	\$ 2,100.00
8		Wall art	\$ 265.00	\$ 2,120.00
8		Window Blind	\$ 250.00	\$ 2,000.00
6		Window treatment: Loomsource Bistro Lima 09129992	\$ 750.00	\$ 4,500.00
4		Silk plants FR rated	\$ 250.00	\$ 1,000.00
2		Flat Screen TV 50"	\$ 800.00	\$ 1,600.00
2		Bracket for above	\$ 70.00	\$ 140.00

Men's Restroom 1

1		Wall art	\$ 125.00	\$ 125.00
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Women's Restroom 1

1		Wall art	\$ 125.00	\$ 125.00
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Nurse Station 1

2	GL-2237-3	Task chair with arms	\$ 296.00	\$ 592.00
2		Wall art	\$ 265.00	\$ 530.00

Nurse Restroom 1

1		Wall art	\$ 125.00	\$ 125.00
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Medicine Room 1

1		Mini Fridge, undercounted	\$ 215.00	\$ 215.00
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Bathing Room 1

1		Decorative robe rack	\$ 250.00	\$ 250.00
1		Decorative storage chest added 10/13	\$ 500.00	\$ 500.00
1	DMI-CC	Cubicle Curtain: Momentum Serenity Rest 09094567	\$ 300.00	\$ 300.00
1	DP3062	Side chair, metal wood look	\$ 322.00	\$ 322.00

Day Room/Dining 2

48	FS-H2041-10	Arm chairs	\$ 295.00	\$ 14,160.00
12	FL-4242_RWL	42" diameter table tops, urethane edge	\$ 547.00	\$ 6,564.00
6	SLG	Self leveling glides for base	\$ 20.00	\$ 120.00
8	FLX-A2067	Lounge chairs	\$ 1,180.00	\$ 9,440.00
4	TR624D22	Occasional table	\$ 525.00	\$ 2,100.00
4		Wall art	\$ 265.00	\$ 1,060.00
8		Window Blind	\$ 250.00	\$ 2,000.00
6		Window treatment: Loomsource Bistro Lima 09129992	\$ 750.00	\$ 4,500.00
4		Silk plants FR rated	\$ 250.00	\$ 1,000.00
2		Flat Screen TV 50"	\$ 800.00	\$ 1,600.00

Qty	Style	Description	Unit	Extended
2		Bracket for above	\$ 70.00	\$ 140.00
Men's Restroom 2				
1		Wall art	\$ 125.00	\$ 125.00
Women's Restroom 2				
1		Wall art	\$ 125.00	\$ 125.00
Nurse Station 2				
2	GL-2237-3	Task chair with arms	\$ 296.00	\$ 592.00
2		Wall art	\$ 265.00	\$ 530.00
Nurse Restroom 2				
1		Wall art	\$ 125.00	\$ 125.00
Medicine Room 2				
1		Mini Fridge, udercounter	\$ 215.00	\$ 215.00
Bathing Room 2				
1		Decorative robe rack	\$ 250.00	\$ 250.00
1		Decorative storage chest added 10/13	\$ 500.00	\$ 500.00
1	DML-CC	Cubicle Curtain: Momentum Serenity Rest 09094567	\$ 300.00	\$ 300.00
1	DP3062	Side chair, metal wood look	\$ 322.00	\$ 322.00
EQUIPMENT				
Nursing				
2		Ball rack & balls	stationary rack 64"L x 19"W x 58"H	\$ 226.78 \$ 453.56
2		Standing frame	electric	\$ 4,229.59 \$ 8,459.17
4		Weight racks	rack w/weights	\$ 1,242.57 \$ 4,970.28
2		Parallel bars	electric	\$ 9,099.68 \$ 18,199.37
4		2- 6'X8' mat table	electric 6'X8' BLACK	\$ 6,659.33 \$ 26,637.34
6		3-4'X6' mat table	electric 4'X7' BLACK	\$ 5,584.65 \$ 33,507.90
6		Hi-lo treatment/work top tables	27-39in adjust height electric 300lb	\$ 2,498.41 \$ 14,990.48
24		12 rolling stools		\$ 97.33 \$ 2,335.85
2		Rack for walkers, canes, crutches	wall mounted	\$ 211.57 \$ 423.15
2		Storage closet for OT equipment		\$ 774.53 \$ 1,549.05
4		Cabinets for linens & cleaning supplies	25x23x76 single door wood	\$ 181.88 \$ 727.53
4		Dirty linen cabinetry (towels/sheets above & dirty linen below)		\$ 208.88 \$ 835.52
4		balance board	15x18 2.5in rocker 300lbs	\$ 36.72 \$ 146.88
120		w/c cushions and equipment		\$ 26.68 \$ 3,201.66
2		Hydrocollator	24 STANDARD HOT PACKS	\$ 2,597.64 \$ 5,195.28
24		Hydrocollator packs & covers	packs & covers	\$ 39.60 \$ 950.40
1		Cold packs	12/CA 8IN X 12IN	\$ 64.44 \$ 64.44
6		02 storage		\$ 33.26 \$ 199.58
16		Pulse ox fingertip		\$ 49.45 \$ 791.21
40		gait belts		\$ 5.89 \$ 235.62
185		shower chair		\$ 98.95 \$ 18,305.84
120		walkers		\$ 27.67 \$ 3,320.46
4		Wii/x-box		\$ 198.00 \$ 792.00
2		Water fountain		\$ 247.50 \$ 495.00
2		Leg press		\$ 1,385.01 \$ 2,770.02
2		Knee ext.		\$ 692.99 \$ 1,385.98
2		Compound row		\$ 2,573.01 \$ 5,146.02
4		Nustep	TRS 4000	\$ 3,069.00 \$ 12,276.00
4		Dowell rods Therapy Bar	set of 6, 6 resist. Level;	\$ 242.99 \$ 971.94
4		Therapy bar rack	wall unit holds 8	\$ 195.35 \$ 781.39
2		Theraband & storage rack		\$ 396.00 \$ 792.00
2		Swiss balls 3 sizes	18"	\$ 20.15 \$ 40.29
2			22"	\$ 20.15 \$ 40.29
2			26"	\$ 24.19 \$ 48.37
2			30"	\$ 17.75 \$ 35.50
2			34"	\$ 21.22 \$ 42.43
2			38"	\$ 26.00 \$ 51.99
2		Rack for swiss ball	horiz storage stand	\$ 168.77 \$ 337.53
2			pair of wall rack	\$ 91.07 \$ 182.14
4		Bolsters	45° Wedge	\$ 49.79 \$ 199.15
4			half round	\$ 65.90 \$ 263.62
4			20° wedge	\$ 119.50 \$ 478.01
4		Wedges	positioning wedge syst	\$ 338.58 \$ 1,354.32
2		Steps	Health Club Step	\$ 114.00 \$ 228.00

Qty	Style	Description	Unit	Extended
4		nested footstools	\$ 338.58	\$ 1,354.32
4	Restorator	III clinic model	\$ 487.01	\$ 1,948.04
2	Trampoline	WITH ASSIST HANDLE	\$ 108.30	\$ 216.59
2	Wall Mounted Pulley System	double handle chest pull	\$ 383.40	\$ 766.79
20	Goniometers	size 6 small	\$ 8.91	\$ 178.20
20		size 8	\$ 11.37	\$ 227.30
20		size 12	\$ 24.47	\$ 489.46
10		finger Goniometer	\$ 48.94	\$ 489.36
2		3 piece lt hand eval	\$ 513.92	\$ 1,027.84
4	Pinch Tester and grip strength	hydraulic pinch gauge	\$ 180.05	\$ 720.21
4		dynamometer-grip strength	\$ 266.66	\$ 1,066.63
120	Hip Kits	hip kit 1 w/26 reacher	\$ 30.00	\$ 3,599.64
12	Leg Lifters	economy poly 42 grey	\$ 8.42	\$ 100.98
12	Hemi Walkers		\$ 27.08	\$ 324.92
12	Quad Canes	LARGE 7 X 11 (BASE)	\$ 16.10	\$ 193.17
12	Straight Canes	ALUMINUM CANE SILVER	\$ 10.89	\$ 130.68
12	Crutches	push button alum adj	\$ 29.74	\$ 356.88
6	Scissors for Kinesiotape	kinesio scissors with hold	\$ 68.44	\$ 410.63
12	Kinesiotape	boxes	\$ 69.30	\$ 831.60
185	Wheelchairs		\$ 160.00	\$ 29,600.00
	Computer Equip.			
20		Computers/Software	\$ 800.00	\$ 16,000.00
	Kitchen Equip.			
1		Work Table	\$ 850.00	\$ 850.00
2		Dish Cabinet Table	\$ 1,985.00	\$ 3,970.00
1		Toaster, Conveyor	\$ 475.00	\$ 475.00
1		Microwave	\$ 405.00	\$ 405.00
1		Work Table, Flat Top w Undershelf	\$ 2,500.00	\$ 2,500.00
1		Stand, Equipment	\$ 830.00	\$ 830.00
3		Table, Enclosed Base, 18'	\$ 1,200.00	\$ 3,600.00
1		Slicer, Food	\$ 1,245.00	\$ 1,245.00
1		Mixer	\$ 2,575.00	\$ 2,575.00
1		Food Processor	\$ 715.00	\$ 715.00
1		Shelving, Wire	\$ 2,250.00	\$ 2,250.00
1		Dish table, Soiled Straight	\$ 1,400.00	\$ 1,400.00
1		Dish table, Straight	\$ 1,400.00	\$ 1,400.00
Total				\$ 1,955,001.79

REAL ESTATE PURCHASE AND SALE AGREEMENT

THIS REAL ESTATE PURCHASE AND SALE AGREEMENT ("Agreement"), dated as of the Effective Date (as defined herein), is made and entered into by and between **IH CAPITAL, LLC**, an Illinois limited liability company, or its assigns ("**Purchaser**"), and **MUNDELEIN PARTNERS 800 RT 45 LLC**, an Illinois limited liability company ("**Seller**").

RECITALS:

A. Seller owns the following described property (the "**Property**") situated in Mundelein, Illinois, known or described as:

(i) That certain real property consisting of approximately 11 acres (to be confirmed and established by survey), located at 850 East U.S. Highway 45, Mundelein, Illinois 60060, PIN# 15-06-200-022 (legal description in Purchaser's Commitment and Survey to govern) (hereinafter called the "**Land**"), together with any interest of Seller in any alleys, strips or gores of land adjoining the Land;

(ii) The Land together with (a) all right, title and interest of Seller, if any, in any easements, rights-of-way or other interests in, on, under or to, any land, highway, street, road, right-of-way or avenue, open or proposed, in, on, under, across, in front of, abutting or adjoining the Land, (b) Seller's interest, if any, in all buildings, improvements and structures situated thereon and all parking areas and signs situated thereon, and (c) all accessions, rights, privileges, appurtenances and all the estate and rights of Seller, if any, in and to the foregoing or otherwise appertaining to any of the property described in this Section A (hereinafter collectively referred to as the "**Premises**"); and

(iii) All original and supplemental site plans, plans, specifications, warranties and guarantees, if any, covering the Property, together with copies of all original licenses, permits and certificates issued in connection with the occupancy, use and operation of the Property, if any, to the extent any of such items are in Seller's possession or under Seller's control.

B. Purchaser desires to purchase and acquire the Property from Seller, and Seller desires to sell, convey and transfer the Property to Purchaser, on the terms and subject to the conditions set forth below.

NOW, THEREFORE, in consideration of the above Recitals, the mutual covenants and agreements herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Sale of Property. Seller agrees to sell, convey, assign, transfer and deliver to Purchaser, and Purchaser agrees to purchase, acquire and take from Seller, the Property. The Recitals set forth above are incorporated herein by reference.

2. Price. The purchase price (hereinafter referred to as the "**Purchase Price**") to be paid by Purchaser to Seller for the Property shall be Two Million Five Hundred Thousand and

00/100 Dollars (\$2,500,000.00). Purchaser shall pay the Purchase Price to Seller at the following times and in the following manner:

A. Within three (3) business days after the Effective Date, Purchaser shall deposit with Stewart Title, 10 South Riverside Plaza, Chicago, Illinois 60606; Attn: Patricia Garvey; Phone: 312-857-7212; Facsimile: 312-849-4410; Email: patricia.garvey@stewart.com (the "**Title Company**" and/or "**Escrow Agent**"), an initial earnest money deposit in the amount of Fifty Thousand and 00/100 Dollars (\$50,000.00) (the "**Earnest Money**") which shall be held by the Title Company pursuant to a mutually agreeable escrow agreement and disbursed by the Title Company in accordance with Section 3 of this Agreement and the Joinder of Escrow Agent attached hereto.

B. At Closing, Purchaser shall pay to Seller by delivery of a cashier's check or by wire transfer, the balance of the Purchase Price, subject to prorations and other adjustments as set forth herein.

3. **Earnest Money.** The Earnest Money shall be retained and disbursed by the Title Company in accordance with the terms, conditions and provisions of this Agreement. If the sale contemplated hereby is closed, all Earnest Money shall be promptly delivered to Seller and applied against the Purchase Price. If such sale is not closed due to Purchaser's default, all Earnest Money shall be forfeited by Purchaser as full liquidated and stipulated damages and not as a penalty and, except for Purchaser's indemnity obligations under Section 13 hereof, neither party hereto shall have any further liability in connection with this Agreement. If Purchaser terminates this Agreement in accordance with Purchaser's rights herein, subject to Seller's rights under this Agreement, all Earnest Money shall be promptly returned to Purchaser, and, except for Purchaser's indemnity obligations under Section 13 hereof, neither party hereto shall have any further liability in connection with this Agreement. If the sale contemplated hereby is not closed due to Seller's default pursuant to Section 17 hereof and Purchaser elects to terminate this Agreement, all Earnest Money shall be promptly returned to Purchaser (without prejudice to Purchaser's other rights or remedies, at law or in equity).

Should Purchaser determine its sole discretion that the Property is not suitable for Purchaser's intended use for any reason whatsoever, the Purchaser shall have the right to terminate this Agreement prior to expiration of the Initial Contingency Period (as defined below) in which event the full \$50,000.00 Earnest Money deposit will be refunded to Purchaser up to the expiration of the Initial Contingency Period, and, except for Purchaser's indemnity obligations under Section 13 hereof, neither party hereto shall have any further liability in connection with this Agreement. Except in the event of a Seller default or as otherwise provided in this Agreement, upon expiration of the Initial Contingency Period, Twenty Thousand Dollars (\$20,000.00) of the Earnest Money deposit shall become nonrefundable to Purchaser and applied toward the Purchase Price at Closing or paid to Seller upon termination by Purchaser of the Agreement at any time after expiration of the Initial Contingency Period. Except in the event of a Seller default or as otherwise provided in this Agreement, upon expiration of the Primary Contingency Period (as defined below), an additional Twenty Thousand Dollars (\$20,000.00) of the Earnest Money deposit shall become nonrefundable to Purchaser and applied toward the Purchase Price at Closing or paid to Seller (together with all other nonrefundable portions of the Earnest Money) upon termination of the Agreement by Purchaser at any time after expiration of

the Primary Contingency Period. Except in the event of a Seller default or if the Project (as defined below) is not approved by the Illinois Health Facilities & Services Review Board or the City of Mundelein, or as otherwise provided in this Agreement, upon the commencement of the Extension Period (as hereinafter defined), Ten Thousand Dollars (\$10,000.00) of the Earnest Money deposit shall become nonrefundable to Purchaser and applied toward the Purchase Price at Closing or paid to Seller (together with all other nonrefundable portions of the Earnest Money) upon termination of the Agreement by Purchaser at any time after the commencement of the Extension Period.

4. Closing. Subject to satisfaction or waiver of the contingencies and/or conditions contained in this Agreement, the consummation of the transactions contemplated by this Agreement shall occur at a closing to be held at the offices of Title Company at a mutually agreeable time on the date which is the thirtieth (30th) day after the Primary Contingency Expiration Date (as it may be extended), or such earlier or later date as the parties hereto may agree in writing (hereinafter referred to as the “Date of Closing,” the “Closing Date” or “Closing”).

A. Purchaser shall pay (i) all recording fees and costs related to recording the Special Warranty Deed (which shall be substantially in the form of **Exhibit B** attached hereto (the “Deed”)); (ii) all costs and expenses incurred in connection with obtaining Purchaser’s financing, including title commitment charges and title insurance premiums for the lender’s title insurance policy; and (iii) one-half of escrow fees charged by the Title Company in connection with the Closing;

B. Seller shall pay (i) state, county and local revenue stamps and transfer taxes pursuant to ordinance; (ii) all charges related to the release of any deeds of trust or other liens; (iii) the cost of the survey pursuant to the requirements set forth in Section 9 below; (iv) all title commitment charges and title insurance premiums for the issuance of an owner’s title insurance policy in the amount of the purchase price with extended coverage over the general exceptions; and (v) one-half of escrow fees charged by the Title Company in connection with the Closing.

C. Except as otherwise provided in this Agreement, Purchaser and Seller shall pay their own respective costs and expenses, including attorneys’ fees, incidental to this Agreement and the transactions contemplated hereby. The parties agree that the Closing may be set up so that the parties and their respective attorneys, or any of them, need not be physically present and may deliver all necessary documents by overnight mail or other means.

5. Seller’s Obligations at Closing. At Closing, Seller shall execute (where necessary) and deliver to Purchaser or the Title Company, as the case may be, as conditions to Purchaser’s obligation to close hereunder, the following:

A. A Special Warranty Deed, in recordable form, conveying all of the Premises to Purchaser, free and clear of all liens, charges and encumbrances other than:

- (i) the lien for current taxes not in default;

- (ii) the Permitted Exceptions (as hereinafter defined); and
- (iii) any other matters which have been approved in writing by Purchaser.

B. To the extent in Seller's possession or control, all site plans of and to the Property, and a transfer and, to the extent assignable, assignment of Seller's rights and interests, if any, therein and thereto (but expressly waiving any representations and warranties in connection therewith);

C. An Affidavit stating that Seller is not a "foreign person" within the meaning of Section 1445 of the Internal Revenue Code if required by the title company;

D. Possession of the Property;

E. An owner's title affidavit or other undertakings as may be required by the Title Company to remove from Purchaser's owner's policy of title insurance the standard exceptions for unfiled mechanics' liens, materialmen's liens and other liens for services, labor or materials furnished to or created by Seller and for parties in possession;

F. Individual, corporate and entity authorizations;

G. Lender releases, if any;

H. Applicable transfer tax declaration; and

I. Any other document reasonably requested by the Title Company or Purchaser and which are customary for a transaction of this nature.

6. **Purchaser's Obligations at Closing.** At Closing, Purchaser shall execute (where necessary) and deliver to Seller or the Title Company, as the case may be, as conditions to Seller's obligation to close hereunder, the following:

A. wire transfer in an amount equal to the portion of the Purchase Price then payable pursuant to this Agreement;

B. Applicable transfer tax declarations; and

C. Any other document reasonably requested by the Title Company or Seller and which is customary for a transaction of this nature.

7. **Title Report and Permitted Exceptions.**

A. Within seven (7) business days after the Effective Date, Seller shall cause to be delivered to Purchaser (i) a commitment for an ALTA owner's policy of fee title insurance from the Title Company covering the Premises and acceptable in form and content to Purchaser, in Purchaser's sole and absolute discretion (the "**Commitment**"), accompanied by copies of (or a hyperlink to) all recorded documents referred to in the Commitment as conditions or exceptions

to the state of title to the Premises and (ii) an ALTA/ACSM survey of the Premises in accordance with Section 9 hereof. Purchaser shall have until 5:00 p.m. CST on the date which is ninety (90) days after the Effective Date (hereinafter referred to as the **"Initial Contingency Expiration Date"** or **"Initial Contingency Period"**) to deliver to Seller written notice of any objections Purchaser may have to any matters revealed by the Commitment, Survey or any other matters relevant to the title of the Property. Seller shall be required to pay and discharge all deeds of trusts, mortgages and other security interests, delinquent taxes, special assessments, mechanic's and materialmen's liens, monetary liens, judgment liens, and other similar such liens and encumbrances (unless and to the extent of work done by or on behalf of the Purchaser as set forth in Section 11 and Section 12 hereof), which appear as exceptions in the Commitment (collectively, **"Monetary Liens"**), and therefore, Purchaser's failure to object to such items shall not have the effect of making such items Permitted Exceptions. Further, all standard exceptions shall, as a condition to Closing, be deleted and therefore, Purchaser's failure to object to such items shall not have the effect of making such items Permitted Exceptions. In the event Purchaser shall fail to give notice by 5:00 p.m. CST on the Initial Contingency Expiration Date objecting to the state of title, all items listed on the Commitment other than Monetary Liens and standard exceptions shall be deemed to have been approved by Purchaser and shall thereby be deemed **"Permitted Exceptions"** for all purposes of this Agreement.

B. In the event Seller is notified by Purchaser as provided in Section 7(A) of this Agreement of Purchaser's objections to the state of title (such objections being hereinafter referred to as **"Objections"** and such notice being hereinafter referred to as the **"Objection Notice"**), Seller shall, within five (5) days after the receipt of the Objection Notice (the **"Cure Period"**), either:

- (i) notify Purchaser in writing that Seller will not undertake to eliminate or modify some or all of the Objections; or
- (ii) notify Purchaser in writing that Seller shall undertake to eliminate or modify some or all of the Objections.

In the event that Seller is unable with the exercise of due diligence to satisfy all of the Objections to the reasonable satisfaction of Purchaser prior to expiration of the Cure Period, or if Seller fails to respond in writing to Purchaser's Objection Notice prior to expiration of the Cure Period, Purchaser shall by written notice to Seller within five (5) business days of expiration of the Cure Period either:

(a) accept the state of title subject to those Objections Seller was unable or chose not to cure, in which event said Objections shall be accepted for all purposes and shall be deemed Permitted Exceptions; or

(b) reject the state of title to the Property, in which event this Agreement shall terminate, all Earnest Money shall be promptly returned to Purchaser, and except for Purchaser's indemnity obligations under Section 13 hereof, neither party hereto shall have any further liability in connection with this Agreement.

8. **Title Insurance Policy.** Purchaser's obligation to close hereunder is subject to and conditioned upon the issuance by the Title Company, on the Closing Date, of a "**Title Policy**" (or mark-up of proforma thereof) in the form specified in the approved Commitment together with endorsements thereto insuring the accuracy of the legal description vis-à-vis the Survey (ALTA Endorsement 25-06); the zoning of the Premises and the use being made thereof (ALTA Endorsement 3-06); the legality of the Premises, and any subdivision thereof (ALTA Endorsement 26-06); access for the Premises to public streets (ALTA Endorsement 17-06), Covenants, Conditions and Restrictions – Unimproved Land (ALTA Endorsement 9.1-06) and Utility/Facility (Special Endorsement) (collectively, "Purchaser's Required Endorsements"). Purchaser shall use its best efforts, including, but not limited to, requesting Purchaser's Required Endorsements from the Title Company within thirty (30) days of receipt of the last of the Commitment and the Survey, to confirm prior to the Initial Contingency Expiration Date whether the Title Company will issue all of Purchaser's Required Endorsements; provided, however, that if Purchaser complied with the conditions of this Section 8, but the Title Company has not provided such confirmation to Purchaser by the Initial Contingency Expiration Date, then such date shall be extended to three (3) days following the date when Purchaser receives such confirmation. Purchaser shall use good faith efforts to send Seller a copy of Purchaser's request of Purchaser's Required Endorsements contemporaneously with delivery of such request to the Title Company; provided, however, that Purchaser's failure to send such request shall not constitute a breach or default under this Agreement. If the Title Company is unable to provide said Title Policy after the exercise of due diligence and Purchaser's commercially reasonable efforts to obtain the same or a substitute from an equivalent title insurer, Purchaser may terminate this Agreement by providing written notice to Seller and Title Company, all Earnest Money shall be promptly returned to Purchaser, and except for Purchaser's indemnity obligations under Section 13 hereof, neither party hereto shall have any further liability in connection with this Agreement. The cost of obtaining the Commitment (as well as the documents to accompany the Commitment) and the Title Policy shall be paid by Seller at Closing.

9. **Survey.** Within seven (7) business days of the Effective Date, Seller shall provide Purchaser an ALTA/ACSM survey of the Premises that was prepared within the last year by a registered land surveyor duly licensed in the State of Illinois (the "**Survey**"). The Survey shall be prepared in such a manner so as to allow the Title Company to delete the standard survey exceptions from the Commitment and in its place insert the specific survey exceptions based on the Survey. If the Survey discloses any encroachment, matter, gap, gore or other defect or condition unacceptable to Purchaser in its sole discretion (each a "**Survey Defect**" and collectively, the "**Survey Defects**"), Purchaser shall, prior to 5:00 p.m. CST on the Initial Contingency Expiration Date, deliver to Seller written notice of any Survey Defects in writing. Within five (5) days after receipt of Purchaser's notice of Survey Defects, Seller shall provide written notice to Purchaser of which Survey Defects it elects to cure and Seller shall have until Closing to cure said Survey Defects. Seller will use good faith efforts to cure any Survey Defects. If Seller fails to remedy the Survey Defects within said time period, Purchaser shall have the option to (a) terminate this Agreement, in which event the Earnest Money shall be returned to Purchaser and the parties shall have no further rights and liabilities hereunder except with respect to those matters specifically surviving termination of this Agreement, or (b) waive the Survey Defects and consummate the Closing, with an adjusted reduction in the Purchase Price.

10. Delivery of Documents. Within five (5) business days after the Effective Date (the "**Delivery Period**"), Seller shall deliver (or cause to be delivered), the following (collectively, "**Seller's Deliveries**") to Purchaser:

(i) a copy of the latest surveys, if any, that Seller has in its possession or under its control with respect to the Premises;

(ii) a copy of any environmental surveys or inspections and soils reports that Seller has in its possession or under its control with respect to the Premises. To the extent available, but at Purchaser's sole cost and expense, if any, Seller shall provide for a reliance letter benefiting Purchaser in association with Seller's environmental and soils reports.

(iii) a copy of any title policy covering the Premises that Seller has in its possession or under its control; and

(iv) true, correct and complete copies of any contract or agreement, and all amendments thereto, affecting the Property (each an "**Operating Agreement**").

As soon as is practicable following the Parties' execution of this Agreement, Purchaser shall send Seller a due diligence checklist ("**Due Diligence Checklist**"). Seller and Purchaser covenant and agree to finalize the same as soon as practicable thereafter. Seller also agrees to provide all available information requested by Purchaser promptly following Seller's receipt of the Due Diligence Checklist, each of which shall be additional Seller Deliveries; provided, however, that nothing in this paragraph shall be deemed extend the Initial Contingency Period.

Seller shall deliver a cover letter with the delivery of the last of Seller's Deliveries stating that all of Seller's Deliveries have been delivered to Purchaser or Purchaser's agent and that Seller's obligation to deliver Seller's Deliveries has been satisfied (the "**Letter of Satisfaction**"). Such cover letter shall be conclusive evidence of the date that the last of Seller's Deliveries have been made. Failure of Seller to deliver the Letter of Satisfaction prior to expiration of the Delivery Period shall result in the automatic extension of the Initial Contingency Period by one (1) day for each day following expiration of the Delivery Period that the Seller's Deliveries and Letter of Satisfaction are not delivered to Purchaser. Notwithstanding the foregoing, Purchaser reserves the right to request additional documentation (other than what was already requested in the Due Diligence Checklist) as necessary subsequent to the receipt the Letter of Satisfaction and Seller shall promptly deliver all such additional documentation in Seller's possession or reasonable control; provided, however, such additional documents shall not be deemed Seller's Deliveries and the delivery thereof shall not toll or otherwise extend the Initial Contingency Period.

Purchaser shall have until 5:00 p.m. CST on the Initial Contingency Expiration Date to review the foregoing and to deliver to Seller written notice that Purchaser has disapproved of any of said items, in Purchaser's sole and absolute discretion. Purchaser may terminate this Agreement by delivering such notice of disapproval to Seller and Title Company by 5:00 p.m. CST on the Initial Contingency Expiration Date, and in the event Purchaser shall have given such notice of disapproval, this Agreement shall terminate, all Earnest Money shall be promptly refunded to Purchaser, and except for Purchaser's indemnity obligations under Section 13 hereof,

neither party hereto shall have any further liability in connection with this Agreement. If Purchaser shall fail to give such notice prior to 5:00 p.m. CST on the Initial Contingency Expiration Date, Purchaser shall be deemed to have approved the above enumerated items and shall have no further right to object to any matters therein contained. Notwithstanding the foregoing, Purchaser may elect not to assume any Operating Agreements by so notifying Seller in writing by 5:00 p.m. CST on the Initial Contingency Expiration Date and such notification shall not act to terminate said Agreement.

11. Inspection. Purchaser's obligations hereunder are subject to and conditioned upon Purchaser being satisfied, in its sole and absolute discretion, with the results of one or more inspections of the Premises to be performed by qualified contractors and/or professional engineers of Purchaser's selection by 5:00 p.m. CST on the Initial Contingency Expiration Date. Purchaser's review shall include but not be limited to, area and site inspections and reviews, third-party real estate validations, preliminary project design schematics, meetings with local officials, and any other items which Purchaser deems appropriate. Said inspections shall be at Purchaser's sole direction and expense. On or before 5:00 p.m. CST on the Initial Contingency Expiration Date, Purchaser may terminate this Agreement by giving written notice thereof to Seller and Title Company if Purchaser is dissatisfied with the results of any such inspection. If Purchaser shall fail to give such notice prior to 5:00 p.m. CST on the Initial Contingency Expiration Date, Purchaser shall be deemed to have approved the condition of the Premises and shall have been deemed to have waived the Initial Contingency Period. If this Agreement is terminated by Purchaser as provided herein, the Earnest Money shall promptly be returned to Purchaser, and except for Purchaser's indemnity obligations under Section 13 hereof, neither party hereto shall have any further liability in connection with this Agreement. Purchaser agrees to provide copies of all third-party reports to Seller in the event Purchaser does not complete Closing for any reason other than a Seller default.

12. Environmental & Geotechnical Inspection. Purchaser's obligations hereunder are subject to and conditioned upon Purchaser having the right to perform and being satisfied, in its sole and absolute discretion, with the results of environmental and geotechnical surveys and inspections of the Premises that Purchaser chooses to have completed by a qualified engineer acceptable to Purchaser. Said surveys and inspections shall be completed at Purchaser's direction and sole cost and expense by 5:00 p.m. CST on the Initial Contingency Expiration Date. Purchaser may terminate this Agreement on or before 5:00 p.m. CST on the Initial Contingency Expiration Date by giving written notice thereof to Seller and Title Company if Purchaser is dissatisfied with the results of such inspection. If this Agreement is terminated by Purchaser as provided herein, all Earnest Money shall be promptly returned to Purchaser, and except for Purchaser's indemnity obligations under Section 13 hereof, neither party hereto shall have any further liability in connection with this Agreement.

13. Standards of Inspection, Insurance and Indemnification.

A. Purchaser shall at all times conduct such due diligence in compliance with applicable laws, and in a commercially reasonable manner so as to not cause any damage, loss, cost or expense to Seller, the Property or the tenants (and without unreasonably interfering with or unreasonably disturbing any tenant in any material respect). Purchaser shall promptly restore the Property to its condition immediately preceding such inspections and examinations and shall

keep the Property free and clear of any mechanic's liens or materialmen's liens in connection with such inspections and investigations. Purchaser shall conduct its investigations, reviews and examinations of the Property solely during business hours and upon at least twenty-four (24) hours prior written notice (which may be given via email) or telephonic notice to Seller, and Seller shall have the right, at its option, to cause a representative of Seller to be present at all inspections, reviews and examinations and at all meetings or discussions with any tenant or any governmental agency. Any intrusive physical testing (environmental, structural or otherwise) at the Property (such as soil borings or the like) shall be conducted by Purchaser only after obtaining Seller's prior written consent to such testing, which consent shall not be unreasonably withheld and may be conditioned upon, among other things, Seller's reasonable approval of the following: (a) the contractor who will be conducting such testing; (b) such contractor's insurance coverage as provided below; (c) the scope and nature of the testing to be performed by such contractor; and (d) the written agreement by such contractor to be bound by the confidentiality provisions contained in this Agreement. Seller's failure to respond to Purchaser's request within three (3) business days thereof to conduct any tests on the Property shall be deemed consent for Purchaser to proceed with testing. Seller further acknowledges and agrees that no activity at the Property shall prevent Purchaser from completing its diligence in accordance with this Section 13(A).

B. Purchaser shall, at its sole expense, (or cause its inspecting agents to) keep and maintain a policy of commercial general liability insurance with a contractual liability endorsement that covers Purchaser's indemnity obligation set forth above. This insurance policy shall name Seller as an additional insured and afford protection in limits of not less than Two Million Dollars (\$2,000,000) for bodily injury or death in any one accident, and not less than Two Million Dollars (\$2,000,000) for property damage for any event that occurs while Purchaser or its agents are on the Property for inspection or testing purposes. All insurance shall be effected under standard form policies, issued by insurers of recognized responsibility authorized to do business in the state in which the Property is located and having a national rating of A-VII or better. Prior to any entry by Purchaser or its agents onto the Property for the purpose of conducting inspections, tests or studies, and upon request of Seller, Purchaser shall deliver to Seller certificates of such insurance coverage and, if such insurance is scheduled to expire prior to the estimated date of Closing, not less than ten (10) days before the expiration of the policy, a certificate of the renewal of such coverage.

C. Anything contained herein to the contrary notwithstanding, Purchaser shall indemnify and hold Seller its partners, officers, directors, members, shareholders, employees, agents, lenders, contractors and each of their respective successors and assigns (collectively, including Seller, the "**Seller Indemnified Parties**") harmless from any and all loss, liability, liens, cost, damage or expense, including reasonable attorneys' fees and court costs, which any of the Seller Indemnified Parties may suffer or incur by reason of any entry or testing performed upon the Premises pursuant to Sections 9, 11 or 12 of this Agreement unless caused by Seller's (or an agent of Seller) negligence or willful misconduct. Without limiting the generality of any other provision in this Agreement, the provisions of this Section 13 shall survive the termination of this Agreement for a period of six (6) months following such closing or termination.

14. **Taxes.** All real estate taxes and personal property taxes payable with respect to the Property in the calendar year during which the Date of Closing occurs shall be adjusted (on a calendar year basis, Seller to pay for the Date of Closing) between Seller and Purchaser as of the Closing. If the actual amount of said taxes is not known on the Date of Closing, the same shall be so prorated on the basis of the amount of taxes which were payable in the previous calendar year. Seller shall cause all special assessments constituting a lien upon the Premises at Closing to be paid in full on or prior to the Date of Closing.

15. **Cooperation.** Each party acknowledges that approvals of the CON Permit (defined below) and required zoning and entitlement approvals are contingent upon third parties that are not subject to this Agreement. Purchaser and Seller (at no third party out-of-pocket costs or expenses to Seller) shall use commercially reasonable efforts to cooperate and communicate with each other and the regulatory agencies issuing the foregoing approvals to close the transaction contemplated hereby in a timely manner. Should the transaction contemplated hereby fail to close, Purchaser shall furnish Seller with third party reports, including, the survey, Phase I environmental site assessment and soil reports at no cost to either party.

16. **INTENTIONALLY DELETED.**

17. **Default.**

A. If Seller breaches any of its representations, warranties or covenants set forth in this Agreement or defaults in the performance of any of its obligations under this Agreement in any material manner, Purchaser shall by serving notice in writing upon Seller and Title Company in the manner provided herein, elect, either to: (i) terminate this Agreement by giving Seller written notice of such election on or prior to the Closing Date, in which case the entire Earnest Money shall be promptly delivered to Purchaser and thereafter neither party shall have any further rights or obligations hereunder; or (ii) seek an action to enforce specific performance of this Agreement; provided, however, that Purchaser shall bring an action for specific performance, if at all, no later than ninety (90) days after the date upon which Purchaser first delivered written notice of Seller's breach; provided, further, if specific performance is not available to Purchaser due to Seller's willful refusal to complete the sale of the Property or if Seller no longer holds title to the Property as a result of conveying the Property to an unaffiliated third party purchaser for value during the pendency of this Agreement, then Purchaser may pursue an action at law for all losses and damages suffered or incurred by Purchaser arising out of or relating to Seller's default.

B. If Purchaser defaults in the performance of any of its obligations under this Agreement in any material manner, Seller shall be entitled to terminate this Agreement and to receive all Earnest Money as liquidated and stipulated damages and not as a penalty, actual damages being difficult or impossible to measure; and Seller shall have no further remedies (including, without limitation, specific performance) against Purchaser and/or any other person or entity, excepting, however, Purchaser's indemnity obligations under Section 13 hereof, provided, however, Seller may pursue any and all remedies available at law or in equity in the event that following any proper and lawful termination of this Agreement, Purchaser (or any

party related to Purchaser) wrongfully encumbers the Property in a manner that would otherwise delay or prevent Seller from having clear, indefeasible and marketable title to the Premises.

C. Notwithstanding anything contained herein to the contrary, in the event either party is in default of any provision hereof, the non-defaulting party, as a condition precedent to the exercise of its remedies, shall be required to give the defaulting party written notice of the same. The defaulting party shall have ten (10) business days from the receipt of such notice to cure the default. If the defaulting party timely cures the default, the default shall be deemed waived and this Agreement shall continue in full force and effect. If the defaulting party does not timely cure such default, the non-defaulting party shall be entitled to pursue its remedies as set forth above, as applicable.

18. Permitted Assignment of Agreement. This Agreement may be freely assigned by Purchaser to a newly formed entity that is an affiliate of Purchaser and is organized for the proposed transaction as determined by Purchaser in its sole discretion upon notice to Seller. Following such assignment, the Purchaser shall be released of all obligations and liabilities hereunder. For purposes of this Agreement, an affiliate of Purchaser shall include (a) any entity that is owned, controlled by or is under common (albeit not sole) control with Purchaser (a "**Purchaser Controlled Entity**"); (b) any entity in which one or more Purchaser Controlled Entities directly or indirectly is the general partner, managing member, manager or member, or owns more than 50% of the ownership interests of such assignee; or (c) any entity (or subsidiary thereof) that is advised by an affiliate of Purchaser.

19. Representations and Warranties by Seller. In order to induce Purchaser to purchase the Property, Seller makes to Purchaser the following representations and warranties, which representations and warranties shall survive the Closing for a period of twelve (12) months thereafter and shall inure to the benefit of Purchaser, its successors and assigns, and shall be considered made as of the date hereof and as of the Closing Date:

A. Seller has all requisite power and authority to execute this Agreement and the closing documents described in Section 5 hereof, and the individual or individuals who did or will execute the same on behalf of Seller have the power and the authority to do so and to bind Seller, and upon execution of this Agreement by Seller, this Agreement shall constitute a valid and binding agreement enforceable against Seller in accordance with its terms.

B. There are no leases affecting the Property; and no other person has an option to purchase, or a right of first refusal, a right of first offer or other similar right in respect of all or any part of the Property.

C. There are no actions, litigation or condemnation proceedings pending, or to Seller's actual knowledge threatened, in any court or before any governmental agency by any person affecting the Property.

D. No notice of any special assessments or taxes against the Property has been received by Seller.

E. There are no options or rights of first refusal to acquire all or any portion of the Property.

F. All utilities and all public and quasi-public improvements upon the Property (including, without limitation, all applicable electric lines, sewer and water lines, and telephone lines) are, to Seller's knowledge, adequate to service the Property for the use to which the Property is put as of the Effective Date, and, to Seller's knowledge, all necessary easements, permits, licenses and agreements in respect of any of the foregoing are in existence and full force and effect and are fully operational and enforceable. Seller shall not take any action which would cause any of such utility services to be discontinued prior to or after the Closing.

G. All utility charges billable to the owner of the Property, if any, have been paid and, to Seller's actual knowledge, all utility charges billable to any third parties by Seller have been paid.

H. Other than those documents to be delivered pursuant to Section 10 of this Agreement, there are no leases, service agreements, leases of personal property or equipment or any other agreements whatsoever affecting the Property.

I. Seller is the legal and equitable owner of good and merchantable fee simple title to the Property, including all mineral rights, if any, to the Property that have not already been assigned or conveyed as disclosed in the Commitment, and Seller will convey such fee simple title to Purchaser at Closing, free and clear of all liens and other rights in favor of third parties, other than the Permitted Exceptions.

J. To Seller's best information and belief, all written information submitted to Purchaser by Seller, including, without limitation, information previously delivered or to be delivered pursuant to Section 10 above, is true, complete and correct in all respects.

K. Seller has not received written notice of any alleged violation of any federal, state, local or other governmental building, zoning, health, safety, platting, subdivision, environmental, or other law, ordinance, regulation or private restriction affecting the Property which has not prior to the date of this Agreement been corrected or otherwise attended to. Without limiting the generality of the foregoing, Seller has not received written notice:

(i) from any federal, state, county or municipal authority alleging any fire, health, safety, building, pollution, environmental, zoning or other violation of law in respect of the Property or any part thereof, which has not been entirely corrected;

(ii) concerning the possible or anticipated condemnation of any part of the Property, or the widening, change of grade or limitation on use of streets abutting the same or concerning any special taxes or assessments levied or to be levied against the Property or any part thereof;

(iii) from any insurance company or bonding company of any defects or inadequacies in the Property or any part thereof, which would adversely affect the insurability of the same or cause the imposition of extraordinary premiums or charges therefor or of any termination or threatened termination of any policy of insurance or bond; or

(iv) concerning any change in the zoning classification or the Property or any part thereof.

Seller shall advise Purchaser if Seller receives any such notice between the Effective Date and Closing.

L. To the best of Seller's knowledge, and except as may be disclosed by any of the documents delivered to Purchaser pursuant to Section 10 of this Agreement, there has been no generation, storage or disposal of any hazardous substances on the Premises. For the purposes of this, Section 19(L), "hazardous substances" shall mean (i) any "hazardous substance", "toxic substance" or "solid waste" as such terms are presently defined in CERCLA, RCRA and the Hazardous Materials Transportation Act (49 U.S.C. Section 1801 et seq.); (ii) any additional substances or materials which are hereafter incorporated in or added to the definition or "hazardous substance" for the purposes of such laws; (iii) those substances listed in the United States Department of Transportation Table (49 CFR 172.101 and amendments thereto) or by the Environmental Protection Agency (or any successor agency) as hazardous substances (40 CFR Part 302 and amendments thereto); (iv) any material, waste or substance which is (A) petroleum, (B) asbestos or asbestos containing material, (C) polychlorinated biphenyls, (D) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act, 33 U.S.C. 1251 et seq. (33 U.S.C. 1321) or listed pursuant to Section 307 of the Clean Water Act (33 U.S.C. 1317); (E) flammable explosives; or (F) radioactive materials; and (v) any additional substances or materials which are now or hereafter considered to be "hazardous substances" (including, without limitation, any asbestos containing materials) under any applicable law, rule or regulation (whether local, state or Federal) relating to the Premises.

M. EXCEPT AS OTHERWISE SET FORTH IN THIS AGREEMENT, THE PROPERTY IS BEING SOLD IN AN "AS IS, WHERE IS" CONDITION AND "WITH ALL FAULTS" AS OF THE EFFECTIVE DATE AND OF THE CLOSING DATE. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES EXPRESSLY SET FORTH IN THIS AGREEMENT, NO REPRESENTATIONS OR WARRANTIES HAVE BEEN MADE OR ARE MADE AND NO RESPONSIBILITY HAS BEEN OR IS ASSUMED BY SELLER OR BY ANY MEMBER, OFFICER, PERSON, FIRM, AGENT, ATTORNEY, OR REPRESENTATIVE ACTING OR PURPORTING TO ACT ON BEHALF OF SELLER AS TO THE CONDITION OR REPAIR OF THE PROPERTY OR THE VALUE, EXPENSE OF OPERATION, OR INCOME POTENTIAL THEREOF OR AS TO ANY OTHER FACT OR CONDITION WHICH HAS OR MIGHT AFFECT THE PROPERTY OR THE CONDITION, REPAIR, VALUE, EXPENSE OF OPERATION OR INCOME POTENTIAL OF THE PROPERTY OR ANY PORTION THEREOF. THE PARTIES AGREE THAT ALL UNDERSTANDINGS AND AGREEMENTS MADE BETWEEN THEM OR THEIR RESPECTIVE AGENTS OR REPRESENTATIVES PRIOR TO THE EFFECTIVE DATE ARE MERGED IN THIS AGREEMENT AND THE ATTACHED EXHIBITS, WHICH FULLY AND COMPLETELY EXPRESS THEIR AGREEMENT, WITH NEITHER PARTY RELYING UPON ANY STATEMENT OR REPRESENTATION BY THE OTHER UNLESS SUCH STATEMENT OR REPRESENTATION IS SPECIFICALLY EMBODIED IN THIS AGREEMENT OR THE ATTACHED EXHIBITS. FURTHER, TO THE EXTENT THAT SELLER HAS PROVIDED TO BUYER INFORMATION FROM ANY INSPECTION, ENGINEERING OR ENVIRONMENTAL REPORTS CONCERNING ASBESTOS OR ANY HAZARDOUS MATERIALS OR HARMFUL OR TOXIC SUBSTANCES, SELLER MAKES NO REPRESENTATIONS OR WARRANTIES WITH RESPECT TO THE ACCURACY OR

COMPLETENESS, METHODOLOGY OF PREPARATION OR OTHERWISE CONCERNING THE CONTENTS OF SUCH REPORTS.

Seller hereby agrees that the material truthfulness of each of said representations and warranties and all other representations and warranties herein made is a condition precedent to the performance by Purchaser of its obligations hereunder. Upon discovering a breach of any of the aforesaid representations and warranties, Purchaser may, prior to the Closing Date, elect to either terminate this Agreement, whereupon all Earnest Money shall be promptly refunded to Purchaser, and except for Purchaser's indemnity obligations under Section 13 hereof, neither party hereto shall have any further liability in connection with this Agreement, or to close on the purchase of the Property contemplated hereunder.

20. **Covenant of Seller.** In order to induce Purchaser to purchase the Property, Seller hereby covenants to Purchaser that Seller, using commercially reasonable judgement, shall cause all mechanical, electrical, heating, drainage, sewer, water and plumbing systems serving the Property to be maintained until the Closing Date in as good condition as on the date hereof (reasonable and ordinary wear and tear of normal use excepted); provided, however, Seller shall not be required to expend any money on account of capital improvements resulting from normal wear and tear of such systems or as a result of the failure of any such system after such system has exceeded its useful life.

21. **Representations and Warranties of Purchaser.** In consideration of Seller entering into this Agreement and as an inducement to Seller to sell the Property, Purchaser hereby represents and warrants to Seller as of the Effective Date (and which will be deemed remade as of the Closing Date) as follows:

A. This Agreement and all agreements, instruments and documents herein provided to be executed or to be caused to be executed by Purchaser are and on the Closing Date will be duly authorized, executed and delivered by and are binding upon Purchaser. Purchaser has the legal capacity and authority to enter into this Agreement and consummate the transactions herein provided without the consent or joinder of any other party.

B. Neither the execution and delivery of this Agreement and documents referenced herein, nor the inurrence of the obligations set forth herein, nor the consummation of the transactions herein contemplated, nor compliance with the terms of this Agreement and the documents referenced herein conflict with or result in the material breach of any terms, conditions or provisions of, or constitute a default under, any bond, note, or other evidence of indebtedness or any contract, indenture, mortgage, deed of trust, loan, partnership agreement, lease or other agreements or instruments to which Purchaser is a party.

22. **Damage, Destruction and Eminent Domain.** Risk of loss to the Property shall remain in Seller until the Date of Closing.

A. If, prior to the Date of Closing, the Property or any substantial part thereof is damaged or destroyed by fire, the elements, or by any other cause of whatever nature, the cost of repair of which is in excess of Twenty Thousand Dollars (\$20,000.00), Purchaser shall have the option to either: (i) terminate this Agreement by written notice delivered to Seller within ten

(10) days from the date Purchaser receives written notice from Seller notifying Purchaser of such damage (and in the event Purchaser so terminates this Agreement, Purchaser shall be entitled to promptly receive a refund of all of the Earnest Money); or Purchaser may (ii) proceed to close the transaction contemplated hereunder despite said destruction or damage to the Property, in which event Seller shall remit or otherwise irrevocably and unconditionally assign to Purchaser one hundred percent (100%) of the insurance proceeds received by or payable to Seller by reason of such damage or destruction. In the event of destruction or damage on or before the Closing Date, the cost of repair of which is less than Twenty Thousand Dollars (\$20,000.00), this Agreement shall remain in force, and Seller shall remit or otherwise irrevocably and unconditionally assign to Purchaser one hundred percent (100%) of the insurance proceeds received by or payable to Seller by reason of such damage or destruction. If there is any gap between the amount of proceeds received from insurance and the cost of repairs, Seller shall reduce the Purchase Price by such gap amount.

B. If, prior to Closing, the Property or any Material part thereof shall be taken by eminent domain, Purchaser, at Purchaser's option, may elect to terminate this Agreement by written notice to Seller within thirty (30) days after receipt by Purchaser of written notice of any such occurrence. Seller covenants and agrees to provide to Purchaser all available information regarding such proposed eminent domain taking so that Purchaser may determine whether it desires to terminate this Agreement. If there is insufficient information available for Purchaser to make such determination, such thirty (30) day period shall be extended by a reasonable period of time to afford Purchaser access to such information. If Purchaser elects to terminate this Agreement as aforesaid, the Earnest Money shall promptly be refunded to Purchaser and the parties shall have no further liability to each other hereunder. If Purchaser elects to proceed to close the transaction contemplated hereunder, despite said Material taking, or if there is less than a Material taking prior to Closing, Seller shall assign to Purchaser all of Seller's right, title and interest in and to any award made or to be made in the condemnation proceeding to Seller. If there is any gap between the amount of the award received from the condemnation proceeding and the value that the Property has been diminished as a result of the taking (calculating the value of the Property on a price per square foot basis), Seller shall reduce the Purchase Price by such gap amount. For the purpose of this Section 22(B), the term "**Material**" shall mean any taking, the award for which: (i) exceeds One Hundred Twenty Five Thousand and 00/100 Dollars (\$125,000.00); or (ii) any taking which results in any portion of any building on the Premises being taken in a manner that adversely affects Purchaser's ability to develop the Premises for Purchaser's intended use, or any taking which materially interferes with access to the Premises.

C. Seller hereby agrees to notify Purchaser in writing immediately upon the occurrence of any above-described event of damage, casualty, destruction or condemnation relating to the Premises.

D. Notwithstanding anything contained in Section 22.B to the contrary, the Parties acknowledge that the Illinois Department of Illinois ("**IDOT**") has identified a portion of US Route 45 bounding the Property for a possible condemnation action, as referenced in Exhibit C attached hereto (the "**Taking**"). Upon receipt of information from IDOT regarding the amount of the Taking, the Parties shall agree on the appropriate value of the portion of the Property subject to the Taking, taking into account the amount of the award paid (or to be paid) by IDOT

Attn: Jason N. Kaplan, Esq.
Facsimile: 312.207.6400
Email: jkaplan@reedsmith.com

If to Seller: Mundelein Partners 800 RT 45 LLC
817 Elm Street, Suite 206
Winnetka, Illinois 60093
Attention: John Livaditis
Email: livaditisjohn@gmail.com

With a copy to: Dubin Singer PC
123 North Wacker Drive
Suite 1600
Chicago, Illinois 60606
Attn: Richard M. Dubin, Esq.
Facsimile: 312-801-8767
Email: rdubin@dubinsinger.com

26. **CON Approval.** Purchaser's obligations hereunder are subject to and conditioned upon Purchaser obtaining the approval (satisfactory to Purchaser, in Purchaser's sole and absolute discretion) of the Illinois Health Facilities & Services Review Board of the required Certificate of Need permit ("**CON Permit**") for the development by Purchaser or its assigns of an approximately 85,000 square foot skilled nursing/transitional care center on a portion of the Property (the "**Project**"). Purchaser shall use commercially reasonable efforts to obtain approval to transfer its current CON Permit to the Project from a different property. Purchaser shall have until 5:00 p.m. CST on the date that is six (6) months from the expiration of the Initial Contingency Expiration Date (referred to herein as the "**Primary Contingency Expiration Date**" or "**Primary Contingency Period**") to obtain approval to transfer the CON Permit, as aforesaid. Said approval shall be obtained at Purchaser's sole direction and expense but Seller shall cooperate with Purchaser (and at no cost to Seller) in the obtaining of such approval. Purchaser may terminate this Agreement on or before 5:00 p.m. CST on the Primary Contingency Expiration Date by giving written notice thereof to Seller and Title Company if Purchaser is dissatisfied with the results of its attempts to obtain such approval from the Illinois Health Facilities & Services Review Board. If Purchaser terminates this Agreement as provided hereunder prior to the expiration of the Primary Contingency Period, then \$30,000.00 of the Earnest Money shall be promptly returned to Purchaser (as \$20,000.00 of the Earnest Money became non-refundable upon the expiration of the Initial Contingency Period) and except for Purchaser's indemnity obligations under Section 13 hereof, neither party hereto shall have any further liability in connection with this Agreement.

27. **Required Zoning and Entitlement Approval.** Purchaser's obligations hereunder are subject to and conditioned upon Purchaser obtaining the required zoning and entitlement approvals (satisfactory to Purchaser in Purchaser's sole discretion) from the appropriate governmental authorities within the City of Mundelein, or any other agency with jurisdiction, for the development by Purchaser or its assigns of the Project. To Purchaser's best knowledge, attached hereto as **Schedule 25** is a schedule listing the required zoning and entitlements (the "**Zoning and Entitlements List**"), which Purchaser must obtain in order to run

the Project. Purchaser may update the Zoning and Entitlements List from time to time upon written notice from one party hereto to the other and which shall be deemed incorporated herein unless the recipient objects within three (3) business days of receipt. Purchaser shall have until 5:00 p.m. CST on the Primary Contingency Expiration Date to obtain said rezoning and entitlement approvals. Said rezoning and entitlement approvals shall be obtained at Purchaser's sole direction and expense but Seller shall cooperate with Purchaser (and at no cost to Seller) in the obtaining of such zoning and entitlement approvals. Purchaser may terminate this Agreement on or before 5:00 p.m. CST on the Primary Contingency Expiration Date by giving written notice thereof to Seller and Title Company if Purchaser is dissatisfied with the results of its attempts to obtain such rezoning and entitlement approvals from the appropriate governmental authorities. If Purchaser terminates this Agreement as provided hereunder prior to the expiration of the Primary Contingency Period, then \$30,000.00 of the Earnest Money shall be promptly returned to Purchaser (as \$20,000.00 of the Earnest Money became non-refundable upon the expiration of the Initial Contingency Period) and except for Purchaser's indemnity obligations under Section 13 hereof, neither party hereto shall have any further liability in connection with this Agreement.

28. Extension of Primary Contingency Period. If the Project is under active review by the Illinois Health Facilities & Services Review Board or the City of Mundelein Planning Commission or City Council at the end of the Primary Contingency Period, the Primary Contingency Period shall automatically be extended until such time as the applicable foregoing governmental entity approves or denies (and all appeals for such denial have been exhausted) the CON Permit or any required zoning or entitlement applications (the "**Extension**"), such Extension not to exceed three (3) months. At the time of the Extension, Purchaser shall provide Seller with a notice of status of the governmental review. Upon submission of the documentation to the foregoing governmental entities, Purchaser shall use its best efforts to obtain a receipt of such submission and shall comply with Section 44 hereof. Except for lender default or if the Project is not approved by the Illinois Health Facilities and Services Review Board or the City of Mundelein Planning Commission or City Council, an additional Ten Thousand U.S. Dollars (\$10,000.00) of the Earnest Money shall become non-refundable at the time the Extension becomes effective and shall be applied toward the Purchase Price at Closing.

29. Effective Date. This Agreement shall become effective and shall be binding upon the parties hereto only after it has been executed by each of Purchaser and Seller. The "**Effective Date**" shall be the date upon which the last of Purchaser and Seller executes this Agreement.

30. Captions. The Section headings or captions appearing in this Agreement are for convenience only, are not a part of this Agreement and are not to be construed in interpreting this Agreement.

31. Entire Agreement, Modification. This Agreement constitutes the entire and complete agreement between the parties hereto and supersedes any prior oral or written agreements between the parties with respect to the Property. It is expressly agreed that there are no verbal understandings or agreements which in any way change the terms, covenants and conditions herein set forth, and that no modification of this Agreement and no waiver of any of

its terms and conditions shall be effective unless made in writing and duly executed by the parties hereto.

32. **Binding Effect.** All covenants, agreements, warranties and provisions of this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns.

33. **Controlling Law.** This Agreement has been made and entered into under the laws of the State of Illinois, and said laws shall control the interpretation hereof.

34. **Time Is of the Essence.** It is agreed by and between Seller and Purchaser that time is of the essence in this Agreement.

35. **Computation of Time.** If the last day for deposit of the Earnest Money, giving of notice of performance of any obligation or condition hereunder is a Saturday, Sunday or legal holiday, then such last day shall be extended to the next succeeding business day thereafter.

36. **Severability.** Whenever possible, each provision of this Agreement and any other related document shall be interpreted in such manner as to be valid under applicable law; but, if any provisions of any of the foregoing shall be invalid or prohibited under such applicable law, such provision shall be ineffective to the extent of such invalidity or prohibition without invalidating the remainder of such provision or the remaining provisions of such documents.

37. **Waiver.** No claim of waiver, consent, or acquiescence with respect to any provisions of this Agreement shall be made against any party hereto except on the basis of a written instrument executed by or on behalf of such party.

38. **Further Actions.** Purchaser and Seller agree to execute such further documents and take such further actions as may be reasonably required to carry out the provisions and intent of this Agreement or any agreement or document relating hereto or entered into in connection herewith.

39. **Definition of Termination.** Whenever herein it is provided that upon the occurrence or nonoccurrence of an event, this Agreement is to be terminated and all Earnest Money returned to Purchaser, unless otherwise provided for herein, such termination shall mean that this Agreement is cancelled and rescinded so that neither party hereto shall have any further obligation under this Agreement from and after the point of termination except for the obligation on the part of Purchaser to repair any damage to the Property resulting from tests upon the Property and Purchaser's indemnification obligations set forth in this Agreement, and Purchaser's right to prompt return of all Earnest Money.

40. **Contingencies.** All contingencies contained in this Agreement shall be deemed to be for the exclusive benefit of Purchaser and may be waived by Purchaser without consent or acquiescence of Seller.

41. **Attorneys' Fees.** In the event either party brings an action to enforce or remedy any breach under this Agreement, in addition to any other damages or relief awarded, the

prevailing party in such action shall be entitled to an award of reasonable attorneys' fees and any costs of litigation incurred in such action.

42. **Counterparts; Signatures.** This Agreement may be signed in any number of counterparts, and signature to any one counterpart shall be deemed signature to all counterparts, which when taken together shall constitute one contract. The use of facsimile signatures in place of original signatures on this Agreement is expressly allowed. Seller and Purchaser intend to be bound by the signatures on the facsimile document, are aware that the other parties will rely on the facsimile signatures, and hereby waive any defenses to the enforcement of the terms of this Agreement based on the form of signature.

43. **Confidentiality.** Neither Seller nor Purchaser will disclose either the fact or the substance of this Agreement or the negotiations and discussions, except [i] to the extent necessary to enforce its rights hereunder, [ii] to its attorneys, agents and other consultants in connection with the implementation hereof, or [iii] as otherwise permitted by this Agreement.

44. **Disclosure.** Upon Seller's request and subject to Section 43 above, Purchaser shall promptly disclose to Seller the status of (i) Purchaser's due diligence efforts and results, (ii) the CON Permit, (iii) zoning and entitlement approvals and (iv) other matters relative to Purchaser's contingencies under this Agreement. Relative to the foregoing, such disclosure shall include (a) copies of all correspondence, communication, applications and requests made by Purchaser, and (b) information concerning dates of meetings and hearings, and a list of parties in attendance at any such meetings and hearings.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, this Agreement is executed by the parties hereto as of the Effective Date.

PURCHASER:

IH CAPITAL, LLC, an Illinois limited liability company

By: 
Bradley S. Haber, Manager

Date: 12/23/15

SELLER:

MUNDELEIN PARTNERS 800 RT 45 LLC, an Illinois limited liability company

By: 
Name: John S. Livaditis Jr.
Title: Manager

Date: 12/29/15

JOINDER OF ESCROW AGENT

1. Duties. Escrow Agent joins herein for the purpose of agreeing to comply with the terms hereof insofar as they apply to Escrow Agent. Escrow Agent shall receive and hold the Earnest Money in trust, to be disposed of in accordance with the provisions of this joinder and the foregoing Agreement. The Earnest Money shall be invested by Escrow Agent in an interest bearing account at a national bank having assets in excess of ten billion dollars.

2. Indemnity. Escrow Agent shall not be liable to any party except for claims resulting from the negligence or willful misconduct of Escrow Agent. If the escrow is the subject of any controversy or litigation, the parties to the Agreement shall jointly and severally indemnify and hold Escrow Agent harmless from and against any and all loss, cost, damage, liability or expense, including costs of reasonable attorneys' fees to which Escrow Agent may be put or which Escrow Agent may incur by reason of or in connection with such controversy or litigation, except to the extent it is determined that such controversy or litigation resulted from Escrow Agent's negligence or willful misconduct. If the indemnity amounts payable hereunder result from the fault of Purchaser or Seller (or their respective agents), the party at fault shall pay and hold the other party harmless against such amounts.

3. Conflicting Demands. If conflicting demands are made upon Escrow Agent or if Escrow Agent is uncertain with respect to the escrow, the parties to the Agreement expressly agree that Escrow Agent shall have the absolute right to do either or both of the following: (i) withhold and stop all proceedings in performance of this escrow and await settlement of the controversy by final appropriate legal proceedings or otherwise as it may require; or (ii) file suit for declaratory relief and/or interpleader and obtain an order from the court requiring the parties to interplead and litigate in such court their several claims and rights between themselves. Upon the filing of any such declaratory relief or interpleader suit and tender of the Earnest Money to the court, Escrow Agent shall thereupon be fully released and discharged from any and all obligations to further perform the duties or obligations imposed upon it. Purchaser and Seller agree to respond promptly in writing to any request by Escrow Agent for clarification, consent or instructions. Any action proposed to be taken by Escrow Agent for which approval of Purchaser and/or Seller is requested shall be considered approved by the particular party if Escrow Agent does not receive written notice of disapproval within five (5) business days after a written request for approval is received by the party whose approval is being requested. Escrow Agent shall not be required to take any action for which approval of Purchaser and/or Seller has been sought unless such approval has been received. No notice by Purchaser or Seller to Escrow Agent of disapproval of a proposed action shall affect the right of Escrow Agent to take any action as to which such approval is not required.

4. Tax Identification. Purchaser and Seller shall provide to Escrow Agent appropriate Federal Tax Identification Numbers.

Stewart Title

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT A

Intentionally omitted

EXHIBIT B

Form of Special Warranty Deed

After recording mail to:

Send subsequent tax bills to:

SPECIAL WARRANTY DEED

THIS SPECIAL WARRANTY DEED is made as of _____, 20__
between _____, of _____ ("Grantor"),
and _____, of _____ ("Grantee"). For
and in consideration of the sum of Ten and No Dollars and other good and valuable
consideration in hand paid by Grantee, the receipt of which is acknowledged, Grantor
REMISES, RELEASES, ALIENS AND CONVEYS to Grantee and to its successors and
assigns, FOREVER, all of the following described real estate, situated in DuPage County
in the State of Illinois, known and described as follows:

Address: _____

P.I.N.(S): _____

Together with all and singular the hereditaments and appurtenances thereunto belonging, or
in anywise appertaining, and the reversion and reversions, remainder and remainders, rents
issues and profits thereof, and all the estate, right, title, interest, claim or demand
whatsoever, of the Grantor, either in law or equity, of, in and to the above described
premises with the hereditaments and appurtenances; TO HAVE AND TO HOLD the said

premises as above described, with the appurtenances, unto the Grantee and its successors and assigns forever.

And the Grantor, for itself, and its successors, does covenant, promise and agree, to and with the Grantee, its successors and assigns, that it has not done or suffered to be done, anything whereby the said premises hereby granted are, or may be, in any manner encumbered or charged, except as herein recited; and WILL WARRANT AND DEFEND title to the said premises against all persons lawfully claiming, or to claim the same, by, through or under it, **subject to** those exceptions set forth on attached Exhibit A.

(SIGNATURE PAGE FOLLOWS)

IN WITNESS WHEREOF, Grantor has caused its name to be signed to this Special Warranty Deed the day and year first above written.

By: _____

Name: _____

Title: _____

STATE OF ILLINOIS)

) SS

COUNTY OF _____)

I, the undersigned, a Notary Public in and for said County, in the State of Illinois, DO HEREBY CERTIFY that _____, the _____ of _____, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act, for the uses and purposes set forth.

Given under my hand and notarial seal as of _____, 20__.

SEAL

Notary Public

This document was prepared by:

EXHIBIT "1" to EXHIBIT "B"

PERMITTED EXCEPTIONS

EXHIBIT C

Illinois Government Notice Regarding Forthcoming Taking

[See attached]

SCHEDULE 25

Required Zoning and Entitlements

1. Certificate of Need issued by the Illinois Health Facilities and Services Review Board.
2. Conditional and Special Use Permit issued by the Village of Mundelein.
3. Site Plan Review by the Village of Mundelein.

**ASSIGNMENT AND ASSUMPTION OF REAL ESTATE
PURCHASE AND SALE AGREEMENT**

IH Capital, LLC, an Illinois limited liability company ("Assignor") hereby assigns and transfers to IH Mundelein Owner, LLC, a Delaware limited liability company ("Assignee"), all right, title, and interest of Assignor in, to, and under that certain Real Estate Purchase and Sale Agreement (as hereinafter defined), in accordance with Section 18 of the Real Estate Purchase and Sale Agreement. The "Real Estate Purchase and Sale Agreement" means that certain Real Estate Purchase and Sale Agreement made effective as of December 23, 2015, by and between Assignor, as purchaser, and Mundelein Partners 800 RT 45, LLC, an Illinois limited liability company, as seller.

In turn, Assignee covenants and agrees to assume all duties and obligations of Assignor under the Real Estate Purchase and Sale Agreement from and after the effective date noted below.

This assignment shall inure to the benefit of and be binding upon Assignor, Assignee and their respective legal representatives, successors and assigns. This assignment may be executed via facsimile or electronic signatures and in multiple counterparts, each of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, Assignor has caused this Assignment to be executed and delivered by their respective duly authorized representatives as of the date written below.

EFFECTIVE DATE: February 22, 2016.

ASSIGNOR:

IH CAPITAL, LLC

By: 

Name: Bradley S. Haber

Title: Manager

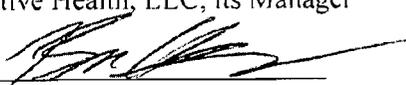
Accepted and agreed to as of February 22, 2016

ASSIGNEE:

IH MUNDELEIN OWNER, LLC

By: IHOP JV, LLC, its Managing
Member

By: Innovative Health, LLC, its Manager

By: 

Name: Bradley S. Haber

Title: Manager