

**ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD  
APPLICATION FOR EXEMPTION FOR THE  
CHANGE OF OWNERSHIP FOR AN EXISTING HEALTH CARE FACILITY**

**1. INFORMATION FOR EXISTING FACILITY**

Current Facility Name Musculoskeletal Surgery Center, LLC  
Address 303 N. Wm Kumpf Boulevard  
City Peoria Zip Code 61605 County Peoria  
Name of current licensed entity for the facility Great Plains, LLC  
Does the current licensee: own this facility \_\_\_\_\_ OR lease this facility X (if leased, check if sublease )  
Type of ownership of the current licensed entity (check one of the following:): \_\_\_\_\_ Sole Proprietorship  
\_\_\_\_\_ Not-for-Profit Corporation \_\_\_\_\_ For Profit Corporation \_\_\_\_\_ Partnership \_\_\_\_\_ Governmental  
\_\_\_\_\_ Limited Liability Company X Other, specify \_\_\_\_\_  
Illinois State Senator for the district where the facility is located: Sen. Chuck Weaver  
State Senate District Number 37th Mailing address of the State Senator 5415 N. University Street,  
Peoria, IL 61614 (Ste: 104)  
Illinois State Representative for the district where the facility is located: Rep. David R. Leitch  
State Representative District Number 73rd Mailing address of the State Representative  
5407 N. University Street (Ste: B) Peoria, IL 61614

2. **OUTSTANDING PERMITS.** Does the facility have any projects for which the State Board issued a permit that will not be completed (refer to 1130.140 "Completion or Project Completion" for a definition of project completion) by the time of the proposed ownership change? Yes  No X If yes, refer to Section 1130.520(f), and indicate the projects by Project # \_\_\_\_\_

3. **FACILITY'S OTHER CATEGORIES OF SERVICE AS DEFINED IN 77 IAC 1100** (Complete "APPENDIX A" attached to this application)

4. **NAME OF APPLICANT** (complete this information for each co-applicant and insert after this page).

Exact Legal Name of Applicant Musculoskeletal Surgery Center, LLC  
Address 303 N. Wm Kumpf Blvd.  
City, State & Zip Code Peoria, IL 61605  
Type of ownership of the current licensed entity (check one of the following:): \_\_\_\_\_ Sole Proprietorship  
\_\_\_\_\_ Not-for-Profit Corporation \_\_\_\_\_ For Profit Corporation \_\_\_\_\_ Partnership \_\_\_\_\_ Governmental  
\_\_\_\_\_ Limited Liability Company X Other, specify \_\_\_\_\_

5. **NAME OF LEGAL ENTITY THAT WILL BE THE LICENSEE/OPERATING ENTITY OF THE FACILITY NAMED IN THE APPLICATION AS A RESULT OF THIS TRANSACTION.**

Exact Legal Name of Entity to be Licensed Musculoskeletal Surgery Center, LLC  
Address 303 N. Wm Kumpf Blvd  
City, State & Zip Code Peoria, IL 61605  
Type of ownership of the current licensed entity (check one of the following:): \_\_\_\_\_ Sole Proprietorship  
\_\_\_\_\_ Not-for-Profit Corporation \_\_\_\_\_ For Profit Corporation \_\_\_\_\_ Partnership \_\_\_\_\_ Governmental  
\_\_\_\_\_ Limited Liability Company X Other, specify \_\_\_\_\_

6. **BUILDING/SITE OWNERSHIP. NAME OF LEGAL ENTITY THAT WILL OWN THE "BRICKS AND MORTAR" (BUILDING) OF THE FACILITY NAMED IN THIS APPLICATION IF DIFFERENT FROM THE OPERATING/LICENSED ENTITY**

Exact Legal Name of Entity That Will Own the Site Cullinan Kumpf Medical, LLC  
Address 470 North Main Street  
City, State & Zip Code East Peoria, IL 61611  
Type of ownership of the current licensed entity (check one of the following:): \_\_\_\_\_ Sole Proprietorship  
\_\_\_\_\_ Not-for-Profit Corporation \_\_\_\_\_ For Profit Corporation \_\_\_\_\_ Partnership \_\_\_\_\_ Governmental  
\_\_\_\_\_ Limited Liability Company X Other, specify \_\_\_\_\_

7. **TRANSACTION TYPE. CHECK THE FOLLOWING THAT APPLY TO THE TRANSACTION:**
- Purchase resulting in the issuance of a license to an entity different from current licensee;
  - Lease resulting in the issuance of a license to an entity different from current licensee;
  - Stock transfer resulting in the issuance of a license to a different entity from current licensee;
  - Stock transfer resulting in no change from current licensee;
  - Assignment or transfer of assets resulting in the issuance of a license to an entity different from the current licensee;
  - Assignment or transfer of assets not resulting in the issuance of a license to an entity different from the current licensee;
  - Change in membership or sponsorship of a not-for-profit corporation that is the licensed entity;
  - Change of 50% or more of the voting members of a not-for-profit corporation's board of directors that controls a health care facility's operations, license, certification or physical plant and assets;
  - Change in the sponsorship or control of the person who is licensed, certified or owns the physical plant and assets of a governmental health care facility;
  - Sale or transfer of the physical plant and related assets of a health care facility not resulting in a change of current licensee;
  - Any other transaction that results in a person obtaining control of a health care facility's operation or physical plant and assets, and explain in "Attachment 3 Narrative Description"
8. **APPLICATION FEE.** Submit the application fee in the form of a check or money order for \$2,500 payable to the Illinois Department of Public Health and append as **ATTACHMENT #1**.
9. **FUNDING.** Indicate the type and source of funds which will be used to acquire the facility (e.g., mortgage through Health Facilities Authority; cash gift from parent company, etc.) and append as **ATTACHMENT #2**.
10. **ANTICIPATED ACQUISITION PRICE:** \$ 4,900,000
11. **FAIR MARKET VALUE OF THE FACILITY:** \$ 4,900,000 (appraisal included)  
(to determine fair market value, refer to 77 IAC 1130.140)
12. **DATE OF PROPOSED TRANSACTION:** July 15, 2016
13. **NARRATIVE DESCRIPTION.** Provide a narrative description explaining the transaction, and append it to the application as **ATTACHMENT #3**.
14. **BACKGROUND OF APPLICANT** (co-applicants must also provide this information). Corporations and Limited Liability Companies must provide a current Certificate of Good Standing from the Illinois Secretary of State. Limited Liability Companies and Partnerships must provide the name and address of each partner/ member and specify the percentage of ownership of each. Append this information to the application as **ATTACHMENT #4**.
15. **TRANSACTION DOCUMENTS.** Provide a copy of the complete transaction document(s) including schedules and exhibits which detail the terms and conditions of the proposed transaction (purchase, lease, stock transfer, etc). Applicants should note that the document(s) submitted should reflect the applicant's (and co-applicant's, if applicable) involvement in the transaction. The document must be signed by both parties and contain language stating that the transaction is contingent upon approval of the Illinois Health Facilities and Services Review Board. Append this document(s) to the application as **ATTACHMENT #5**.
17. **FINANCIAL STATEMENTS.** (Co-applicants must also provide this information) Provide a copy of the applicants latest audited financial statements, and append it to this application as **ATTACHMENT #6**. If the applicant is a newly formed entity and financial statements are not available, please indicate by checking YES \_\_\_\_ , and indicate the date the entity was formed \_\_\_\_\_

*No longer applicable*

18. **PRIMARY CONTACT PERSON.** Individual representing the applicant to whom all correspondence and inquiries pertaining to this application are to be directed. (Note: other persons representing the applicant not named below will need written authorization from the applicant stating that such persons are also authorized to represent the applicant in relationship to this application).

Name: Janet E. Smith, Chief Operating Officer  
Address: 303 N. Wm Kumpf Blvd  
City, State & Zip Code: Peoria, IL 61605  
Telephone ( ) Ext. 309.676.5546

19. **ADDITIONAL CONTACT PERSON.** Consultant, attorney, other individual who is also authorized to discuss this application and act on behalf of the applicant.

Name: Deb Stegall, attorney  
Address: 300 Hamilton Blvd, PO Box 6199  
City, State & Zip Code: Peoria, IL 61601  
Telephone ( ) Ext. 309.677.2500

20. **CERTIFICATION**

I certify that the above information and all attached information are true and correct to the best of my knowledge and belief. I certify that the number of beds within the facility will not change as part of this transaction. I certify that no adverse action has been taken against the applicant(s) by the federal government, licensing or certifying bodies, or any other agency of the State of Illinois. I certify that I am fully aware that a change in ownership will void any permits for projects that have not been completed unless such projects will be completed or altered pursuant to the requirements in 77 IAC 1130.520(f) prior to the effective date of the proposed ownership change. I also certify that the applicant has not already acquired the facility named in this application or entered into an agreement to acquire the facility named in the application unless the contract contains a clause that the transaction is contingent upon approval by the State Board.

Signature of Authorized Officer Jeffrey R. Garst  
Typed or Printed Name of Authorized Officer Jeffrey R. Garst, MD  
Title of Authorized Officer: President  
Address: 303 N. Wm Kumpf Blvd  
City, State & Zip Code: Peoria, IL 61605  
Telephone (309) 676-5546 Date: August 15, 2016

**NOTE:** complete a separate signature page for each co-applicant and insert following this page.

E-030-16



MUSCULOSKELETAL SURGERY CENTER, LLC  
August 15, 2016

**RECEIVED**

AUG 15 2016

HEALTH FACILITIES &  
SERVICES REVIEW BOARD

Ms. Courtney Avery, Administrator  
Illinois Health Facilities Planning Board  
525 West Jefferson Street, Second Floor  
Springfield, Illinois 62761-0001

**RE: Application for Exemption Change of Ownership  
For Existing Health Care Facility**

Dear Ms. Avery:

Please find enclosed our completed application accompanied by all requested attachments and transaction documents to support our request.

Should you have any additional questions please feel free to contact me directly at 309.272.0201, or my cell phone 309.657.5878.

We look forward to hearing back from you and your Planning Board soon.

Have a great day!

Most sincerely,

Janet E. Smith  
Chief Operating Officer

Great Plains Orthopaedics/Musculoskeletal Surgery Center, LLC

Enclosures

303 North Kumpf Boulevard ~ Peoria, Illinois 61605  
Telephone: 309.676.5546 ~ Facsimile: 309.676.5045

E-030-16

ILLINOIS HEALTH FACILITIES PLANNING BOARD  
APPLICATION FOR EXEMPTION FOR THE  
CHANGE OF OWNERSHIP FOR AN EXISTING HEALTH CARE FACILITY

RECEIVED

AUG 15 2016

HEALTH FACILITIES &  
SERVICES REVIEW BOARD

1. INFORMATION FOR EXISTING FACILITY

Current Facility Name: **Musculoskeletal Surgery Center, LLC**  
**303 N Wm Kumpf Boulevard**  
**Peoria, Illinois 61605** County: **Peoria**

Name of current licensed entity for the facility: **Great Plains, LLC**  
Does the current licensee: own this facility \_\_\_\_\_ OR lease this facility Yes (if leased, check if sublease )

Type of ownership of the current licensed entity (check one of the following:) \_\_\_\_\_ Sole Proprietorship  
\_\_\_\_\_ Not-for-Profit Corporation \_\_\_\_\_ For Profit Corporation \_\_\_\_\_ Partnership \_\_\_\_\_  
Governmental  
**Yes Limited Liability Company** \_\_\_\_\_ Other, specify \_\_\_\_\_

Illinois State Senator for the district where the facility is located:  
**Senator Chuck Weaver**  
**37<sup>th</sup> District**  
**5415 North University Street**  
**Suite 105**  
**Peoria, Illinois 61614**  
**309.693.4921**

Illinois State Representative for the district where the facility is located:  
**Representative David R. Leitch, Deputy Republican Leader**  
**73<sup>rd</sup> District**  
**5407 North University Street**  
**Arbor Hall, Suite B**  
**Peoria, Illinois 61614**  
**309.690.7373**

2. **OUTSTANDING PERMITS.** Does the facility have any projects for which the State Board issued a permit that will not be completed (refer to 1130.140 "Completion or Project Completion" for a definition of project completion) by the time of the proposed ownership change? Yes  **No X**. If yes, refer to Section 1130.520(f), and indicate the projects by Project #

3. **FACILITY'S OTHER CATEGORIES OF SERVICE AS DEFINED IN 77 IAC 1100**  
Please see Appendix "A", titled:  
**Great Plains Orthopaedics/Musculoskeletal Surgery Center, LLC**  
**Year end 2015 Procedure Listing**  
**Dates of Service 01-01-2015 thru 12-31-2015**

4. **NAME OF APPLICANT** (complete this information for each co-applicant and insert after this page).  
Exact Legal Name of Applicant: **Musculoskeletal Surgery Center, LLC**  
**303 N Wm Kumpf Boulevard**  
**Peoria, Illinois 61605**

Type of ownership of the current licensed entity: **Limited Liability Company**

**5. NAME OF LEGAL ENTITY THAT WILL BE THE LICENSEE/OPERATING ENTITY OF THE FACILITY NAMED IN THE APPLICATION AS A RESULT OF THIS TRANSACTION.**

Exact Legal Name of Entity to be Licensed: **Musculoskeletal Surgery Center, LLC**  
**303 N Wm Kumpf Boulevard**  
**Peoria, Illinois 61605**

Type of ownership of the current licensed entity: **Limited Liability Company**

**6. BUILDING/SITE OWNERSHIP. NAME OF LEGAL ENTITY THAT WILL OWN THE "BRICKS AND MORTAR" (BUILDING) OF THE FACILITY NAMED IN THIS APPLICATION IF DIFFERENT FROM THE OPERATING/LICENSED ENTITY**

Exact Legal Name of Entity That Will Own the Site: **Cullinan Kumpf Medical, LLC**  
**420 North Main Street**  
**East Peoria, Illinois 61611**

Type of ownership of the current licensed entity: **Limited Liability Company**

**7. TRANSACTION TYPE. CHECK THE FOLLOWING THAT APPLY TO THE TRANSACTION:**

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- Lease resulting in the issuance of a license to an entity different from current licensee;
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- Change of 50% or more of the voting members of a not-for-profit corporation's board of directors that controls a health care facility's operations, license, certification or physical plant and assets;
- Change in the sponsorship or control of the person who is licensed, certified or owns the physical plant and assets of a governmental health care facility;
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 (to determine fair market value, refer to 77 IAC 1130.140)

**12. DATE OF PROPOSED TRANSACTION: July 15, 2016**

**13. NARRATIVE DESCRIPTION.** Provide a narrative description explaining the transaction, and append it to the application as **ATTACHMENT #3**.

**14. BACKGROUND OF APPLICANT** Please see (2) two attachments labeled **ATTACHMENT #4**, illustrating the members of the Limited Liability Company and the Certificate of Good Standing registered in the State of Illinois under File Number 0021191-5.

**15. TRANSACTION DOCUMENTS.** Provide a copy of the complete transaction document(s) including schedules and exhibits which detail the terms and conditions of the proposed transaction (purchase, lease, stock transfer, etc). Applicants should note that the document(s) submitted should reflect the applicant's (and co-applicant's, if applicable) involvement in the transaction. The document must be signed by both parties and contain language stating that the transaction is contingent upon approval of the Illinois Health Facilities Planning Board. Append this document(s) to the application as **ATTACHMENT #5**.

**16. NO LONGER APPLICABLE**

**17. FINANCIAL STATEMENTS.** (Coapplicants must also provide this information) Provide a copy of the applicants latest audited financial statements, and append it to this application as **ATTACHMENT #6**. If the applicant is a newly formed entity and financial statements are not available, please indicate by checking YES  , and indicate the date the entity was formed \_\_\_\_\_

**NO LONGER APPLICABLE**

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**Janet E. Smith, Chief Operating Officer**  
**Great Plains Orthopedics/Musculoskeletal Surgery Center, LLC.**  
**303 N Wm Kumpf Boulevard**  
**Peoria, Illinois 61605**  
**309.676.5546 ext: 2201**

**19. ADDITIONAL CONTACT PERSON.** Consultant, attorney, other individual who is also authorized to discuss this application and act on behalf of the applicant.

**Ms. Deb Stegall, Attorney**  
**Heyl, Royster, Voelker, and Allen**  
**300 Hamilton Boulevard**  
**P.O. Box 6199**  
**Peoria, Illinois 61601-6199**

**CERTIFICATION**

I certify that the above information and all attached information are true and correct to the best of my knowledge and belief. I certify that the number of beds within the facility will not change as part of this transaction. I certify that no adverse action has been taken against the applicant(s) by the federal government, licensing or certifying bodies, or any other agency of the State of Illinois. I certify that I am fully aware that a change in ownership will void any permits for projects that have not been completed unless such projects will be completed or altered pursuant to the requirements in 77 IAC 1130.520(f) prior to the effective date of the proposed ownership change. I also certify that the applicant has not already acquired the facility named in this application or entered into an agreement to acquire the facility named in the application unless the contract contains a clause that the transaction is contingent upon approval by the State Board.

Signature of Authorized Officer: \_\_\_\_\_

*Jeffrey R. Garst, MD*

Typed or Printed Name of Authorized Officer: **Jeffrey R. Garst, MD**

Title of Authorized Officer: **President**

Address: **303 N Wm Kumpf Boulevard, Peoria, Illinois 61605**

Telephone; **(309) 676-5546** Date:

**NOTE: complete a separate signature page for each co-applicant and insert following this page.**

## GREAT PLAINS ORTHOPAEDICS/MUSCULOSKELETAL SURGERY CENTER, LLC

## Year End 2015 Procedure Listing

Dates of Service: 01/01/2015 thru 12/31/2015

PROCEDURES PERFORMED	TOTAL # UNITS
26951 FACILITY FEE - Amputation finger or thumb primary or secondary any joint or phalanx	1
26952 FACILITY FEE - Amputation finger or thumb primary or secondary any joint with closure with V-Y hood	1
20690 FACILITY FEE - Application of a uniplane (pins or wires in one plane), unilateral, external fixation system	1
20600 FACILITY FEE - Arthrocentesis, aspiration and or injection small joint or bursa	5
20610 FACILITY FEE - Arthrocentesis, aspiration and/or injection: major joint or bursa	14
26860 FACILITY FEE - Arthrodesis, interphalangeal joint, with or without internal fixation;	2
26850 FACILITY FEE - Arthrodesis, metacarpophalangeal joint, w/or w/out internal fixation	1
23472 FACILITY FEE - Arthroplasty, glenohumeral joint; total shoulder (glenoid and proximal humeral replacement (eg, total shoulder))	1
25447 FACILITY FEE - Arthroplasty, interposition, intercarpal or carpometacarpal joints	16
29888 FACILITY FEE - Arthroscopically aided anterior cruciate ligament repair/augmentation or reconstruction	13
29875 FACILITY FEE- Arthroscopy knee with excision of plica	1
29834 FACILITY FEE - Arthroscopy, elbow, surgical; with removal of loose body or foreign body	3
29879 FACILITY FEE - Arthroscopy, knee, surgical; abrasion arthroplasty (includes chondroplasty where necessary) or multiple drilling or microfracture	17
29877 FACILITY FEE - Arthroscopy, knee, surgical; debridement/shaving of articular cartilage (chondroplasty)	126
29887 FACILITY FEE - Arthroscopy, knee, surgical; drilling for intact osteochondritis dissecans lesion with internal fixation	1
29880 FACILITY FEE - Arthroscopy, knee, surgical; with meniscectomy (medial AND lateral, including any meniscal shaving)	9

29881 FACILITY FEE - Arthroscopy, knee, surgical; with meniscectomy (medial OR lateral, including any meniscal shaving)	14
29882 FACILITY FEE - Arthroscopy, knee, surgical; with meniscus repair (medial OR lateral)	4
29806 FACILITY FEE - Arthroscopy, shoulder, surgical; capsulorrhaphy	6
29823 FACILITY FEE - Arthroscopy, shoulder, surgical; debridement, extensive	27
29822 FACILITY FEE - Arthroscopy, shoulder, surgical; debridement, limited	8
29826 FACILITY FEE - Arthroscopy, shoulder, surgical; decompression of subacromial space with partial acromioplasty, with or without coracoacromial release	66
29824 FACILITY FEE - Arthroscopy, shoulder, surgical; distal claviclectomy including distal articular surface (Mumford procedure)	78
29807 FACILITY FEE - Arthroscopy, shoulder, surgical; repair of SLAP lesion	9
29827 FACILITY FEE - Arthroscopy, shoulder, surgical; with rotator cuff repair	34
29846 FACILITY FEE - Arthroscopy, wrist, surgical; excision and/or repair of triangular fibrocartilage and/or joint debridement	14
11730 FACILITY FEE - Avulsion of Nail Plate, Partial or Complete	1
23120 FACILITY FEE - Claviclectomy, Partial	21
25605 FACILITY FEE - Closed treatment of distal radial fracture (eg, Colles or Smith type) or epiphyseal separation, with or without fracture of ulnar styloid; with manipulation	1
25565 FACILITY FEE - Closed treatment of radial and ulnar shaft fractures; with manipulation	3
25505 FACILITY FEE - Closed treatment of radial shaft fracture; with manipulation	1
64722 FACILITY FEE - Decompression radial nerve	1
25111 FACILITY FEE - Excision of ganglion, wrist (dorsal or volar); primary	7
27347 FACILITY FEE - Excision of lesion of meniscus or capsule knee	1
26160 FACILITY FEE - Excision of lesion of tendon sheath or joint capsule (eg, cyst, mucous cyst, or ganglion), hand or finger	14
25130 FACILITY FEE - Excision or curettage of bone cyst or benign tumor of carpal bones;	1

24120 FACILITY FEE - Excision or curettage of bone cyst or benign tumor of head or neck of radius or olecranon process	1
24105 FACILITY FEE - Excision, olecranon bursa	3
26116 FACILITY FEE - Excision, tumor or vascular malformation, soft tissue of hand or finger; deep (subfascial or intramuscular)	1
26115 FACILITY FEE - Excision, tumor or vascular malformation, soft tissue of hand or finger; subcutaneous	4
26121 FACILITY FEE - Fasciectomy, palm only, with or without Z-plasty, other local tissue rearrangement, or skin grafting (includes obtaining graft)	2
26125 FACILITY FEE - Fasciectomy, partial palmar w/ release of single digit including proximal interphalangeal joint, w/ or w/o Z-plasty, other local tissue rearrangement, or skin grafting (includes obtaining graft);	1
26123 FACILITY FEE - Fasciectomy, partial palmar with release of single digit including proximal interphalangeal joint, with or without Z-plasty, other local tissue rearrangement, or skin grafting (includes obtaining graft);	4
25000 FACILITY FEE - Incision, extensor tendon sheath, wrist (eg, deQuervains disease)	14
20526 FACILITY FEE - Injection therapeutic carpal tunnel	1
20551 FACILITY FEE - Injection(s); single tendon origin/insertion	2
64721 FACILITY FEE - Neuroplasty and/or transposition; median nerve at carpal tunnel	131
64718 FACILITY FEE - Neuroplasty and/or transposition; ulnar nerve at elbow	47
64719 FACILITY FEE - Neuroplasty and/or transposition; ulnar nerve at wrist	1
25608 FACILITY FEE - Open Treatment Distal Radial Intraarticular Fracture with Internal Fixation	1
27814 FACILITY FEE - Open treatment of bimalleolar ankle fracture, with or without internal or external fixation	1
27524 FACILITY FEE - Open treatment of patellar fracture, with internal fixation and/or partial or complete patellectomy and soft tissue repair	1
26735 FACILITY FEE - Open tx phalangeal shaft prox or middle phalanx w/internal fixation	2
26727 FACILITY FEE - Percutaneous skeletal fixation of unstable phalangeal shaft fracture, proximal or middle phalanx, finger or thumb, with manipulation, each	1
25115 FACILITY FEE - Radical excision of bursa, synovia of wrist, or forearm tendon sheaths; flexors	1
24342 FACILITY FEE - Reinsertion of ruptured biceps or triceps tendon distal with or without graft	2

20520 FACILITY FEE - Removal of foreign body in muscle tendon sheath simple	1
20680 FACILITY FEE - Removal of implant; deep (eg, buried wire, pin, screw, metal band, nail, rod or plate)	12
20694 FACILITY FEE - Removal, under anesthesia, of external fixation system	1
26540 FACILITY FEE - Repair of collateral ligament, metacarpophalangeal or interphalangeal joint	1
11760 FACILITY FEE - Repair of Nail Bed	4
23412 FACILITY FEE - Repair of ruptured musculotendinous cuff (eg, rotator cuff) open; chronic	18
27650 FACILITY FEE - Repair, primary, open or percutaneous, ruptured Achilles tendon;	1
64831 FACILITY FEE - Suture of digital nerve, hand or foot; one nerve	1
27380 FACILITY FEE - Suture of infrapatellar tendon; primary	1
25118 FACILITY FEE - Synovectomy, extensor tendon sheath, wrist, single compartment;	4
26055 FACILITY FEE - Tendon sheath incision (eg, for trigger finger)	65
23430 FACILITY FEE - Tenodesis of long tendon of biceps	1
24358 FACILITY FEE - Tenotomy, elbow, lateral or medial debridement	17
14040 FACILITY FEE Adjacent tissue transfer or rearrangement forehead cheeks chin mouth neck axillae genitalia hands or feet 10 sq cm or less	1
20692 FACILITY FEE Application of multiplane, unilateral, external fixation system	1
25825 FACILITY FEE- Arthrodesis wrist limited with autograft	1
29838 FACILITY FEE Arthroscopy elbow with debridement extensive	1
29873 FACILITY FEE -Arthroscopy knee with lateral release	4
29828 FACILITY FEE Arthroscopy shoulder biceps tenodesis	1
29825 FACILITY FEE- Arthroscopy shoulder with lysis and resection of adhesions with or without manipulation	1
27331 FACILITY FEE Arthrotomy knee including joint exploration, biopsy, or removal of loose or foreign bodies	1
26516 FACILITY FEE Capsulodesis metacarpophalangeal joint single digit	1
25320 FACILITY FEE Capsulorrhaphy or reconstruction wrist open capsulodesis, ligament repair tendon transfer	2

26432 FACILITY FEE- Closed treatment of distal extensor tendon insertion, with or without percutaneous pinning ( mallet finger)	1
27532 FACILITY FEE Closed treatment of tibia fracture, proximal (plateau) with or without manipulation, with skeletal traction	1
27752 FACILITY FEE Closed treatment of tibial shaft fracture w or wo fibular fracture with manipulation	1
35045 FACILITY FEE Direct repair of aneurysm, pseudoaneurysm and associated occlusive disease, radial or ulnar artery	1
11420 FACILITY FEE Excision benign lesion including margins except skin tag scalp neck hands feet genitalia excised diameter .5cm or less	1
11402 FACILITY FEE Excision benign lesion including margins except skin tag trunk arms or legs excised diameter 1.1 to 2.0 cm	1
11426 FACILITY FEE EXCISION BENIGN LESION INCLUDING MARGINS SCALP, NECK, HANDS, FEET, GENITALIA; EXCISED DIAMETER OVER 4.0CM	1
11404 FACILITY FEE Excision benign lesion including margins trunk, arms or legs; excised diameter 3.1 to 4.0 cm	1
26170 FACILITY FEE Excision of tendon palm flexor or extensor single each tendon	1
26200 FACILITY FEE- Excision or curretage of bone cyst or benign tumor of metacarpal	1
24071 FACILITY FEE Excision tumor soft tissue of upper arm or elbow area subcutaneous 3 cm or greater	1
15240 FACILITY FEE Full thickness graft free including direct closure of donor site forehead cheeks chin mouth neck axillae genitalia hands or feet 20 sq cm or less	1
62311 FACILITY FEE Injection of diagnostic or therapeutic substance lumbar or sacral	1
20550 FACILITY FEE Injection single tendon sheath or ligament aponeurosis	3
27570 FACILITY FEE Manipulation knee	3
23700 FACILITY FEE -Manipulation of shoulder	1
64702 FACILITY FEE- Neuroplasty digital 1 or both same digit	2
64708 FACILITY FEE Neuroplasty major peripheral nerve, arm or leg open	1
23550 FACILITY FEE Open treatment of acromioclavicular dislocation acute or chronic	1
25607 FACILITY FEE- Open treatment of distal radial extra articular fracture with internal fixation	

25652 FACILITY FEE Open treatment of ulnar styloid fracture	4
28118 FACILITY FEE- Ostectomy, calcaneus	1
27350 FACILITY FEE Patellectomy or hemipatellectomy	1
26608 FACILITY FEE- Percutaneous skeletal fixation of metacarpal fracture each bone	1
24149 FACILITY FEE Radical resection of capsule, wsoft tissue, and heterotopic bone, elbow, with contracture release	1
27422 FACILITY FEE Reconstruction of dislocating patella with extensor realignment and/or muscle advancement or release	1
13131 FACILITY FEE Repair complex forehead cheeks chin mouth neck axillae genitalia hands or feet 1.1cm to 2.5cm	1
27676 FACILITY FEE Repair dislocating peroneal tendons; with fibular osteotomy	1
24343 FACILITY FEE Repair lateral collateral ligament, elbow, with local tissue	1
26546 FACILITY FEE Repair non-union metacarpal or phalanx	2
27696 FACILITY FEE Repair primary disrupted ligament ankle both collateral ligaments	3
27695 FACILITY FEE Repair primary disrupted ligament ankle collateral	1
25270 FACILITY FEE Repair tendon or muscle extensor forearm and or wrist primary single each tendon or muscle	2
64836 FACILITY FEE Suture of 1 nerve hand or foot common sensory nerve ulnar motor	1
26445 FACILITY FEE- Tenolysis extensor tendon hand or finger each tendon	1
27130 FACILITY FEE Total Hip Arthroplasty	2
26480 FACILITY FEE -Transfer or transplant of tendon carpometacarpal area or dorsum of hand without free graft each tendon	3
26485 FACILITY FEE Transfer or transplant of tendon palmar without free tendon graft each tendon	1
20605 FACILITY FEE-Arthrocentesis, aspiration or injection intermediate joint or bursa	11
29898 FACILITY FEE-Arthroscopy of ankle with debridement extensive	2
29844 FACILITY FEE-Arthroscopy wrist with partial synovectomy	

**APPENDIX "A"**

11010 FACILITY FEE-Debridement associated with open fx's skin and subcutaneous tissue	1
10120 FACILITY FEE-Excision foreign body	2
11750 FACILITY FEE-EXCISION OF NAIL AND NAIL MATRIX PARTIAL OR COMPLETE	1
64774 FACILITY FEE-Excision of neuroma; cutaneous nerve	1
26765 FACILITY FEE-Open tx distal phalanx fx with internal fixation	1
25360 FACILITY FEE-Osteotomy ulna	2
26437 FACILITY FEE-Realignment of extensor tendon hand each tendon	1
27658 FACILITY FEE-Repair flexor tendon leg primary without graft each tendon	1
26433 FACILITY FEE-Repair of extensor tendon, distal insertion primary or secondary without graft	2
26145 FACILITY FEE-Synovectomy tendon sheath radical (tenosynovectomy) flexor tendon palm and or finger each tendon	1
25310 FACILITY FEE-Tendon transplantation or transfer flexor or extensor forearm and or wrist single each tendon	1
27447 FACILITY FEE-Total knee arthroplasty	14
64772 FACILITY FEE-Transection or avulsion of other spinal nerve, extradural	7
	<u>1</u>
<b>TOTAL</b>	<b>987</b>

## **Attachment #2**

### **Funding**

The building owner will fund the purchase of the property from Great Plains, LLC, an Illinois limited liability company, with funds derived from two sources:

- Cash contributed to Cullinan Kumpf Medical, LLC by its 100% parent, Cullinan Companies L.L.C., in the approximate amount of \$900,000 from cash on hand;
- Loan and mortgage of approximately \$4,000,000 in favor of a third party financial institution.

**Section 13, Narrative Description****Narrative Description**

Musculoskeletal Surgery Center, LLC owns and operates an Ambulatory Surgery Center located at 303 N WM Kumpf Boulevard, Peoria, Illinois 61605.

The surgery center leases its space from Great Plains, LLC. Great Plains, LLC is owned by seven (7) physicians who own all of the membership interests in equal portions at 14.9% each.

Pursuant to a Real Estate Purchase Agreement executed between Great Plains, LLC, and OSF Multi Specialty Group. OSF Multi Specialty Group proposes to purchase the real estate located at 303 N Wm Kumpf Boulevard, Peoria, IL 61605. OSF Multi Specialty Group reserves the right to assign this purchase/transaction to a developer (Cullinan Kumpf Medical, LLC) with written consent to lease to both OSF Multi Specialty Group and Musculoskeletal Surgery Center, LLC for the sole use of Medical services, made up of clinical evaluation and surgical procedures.

Specifically, Cullinan Kumpf Medical, LLC, will use \$900,000 cash from internally available financial resources and finance \$4,000,000 in order to purchase the real estate for Four Million Nine Hundred Thousand Dollars (\$4,900,000). The purchase price of \$4,900,000 reflects the entire purchase price.

The real estate located at 303 N Wm Kumpf Boulevard, Peoria, Illinois 61605, is situated on a corner lot made up of 107,775 square feet in rectangular shape. It utilizes a public utility sanitary sewer, water, electricity, telephone, and natural gas. It is located in a B-1 downtown business district zone designated by the City of Peoria. It is not located in a HUD identified Flood Hazard Area based upon FEMA flood map Community Panel Number 1705360020B dated February 1, 1980. This site features concrete sidewalks; asphalt paved parking areas with 105 parking spaces, concrete curbing, and an 8 car carport.

The building itself hosts 24,714 square feet, of which the Surgery Center occupies 5,931 square feet on the second floor of the Medical building. The Surgery Center area is made up of a large waiting area with reception and an administration office. The lobby opening to the waiting area hosts an elevator as well as stairs leading to the first floor lobby area of the main entrance of the building. The surgical suite hosts 2 Operating Suites, a sterilization suite, a preoperative exam area, first and second phase post-operative spaces, as well as 2 bathrooms and locker space for patient use. Common areas include storage, lunchroom for staff, and changing/locker rooms for physicians and support personnel.

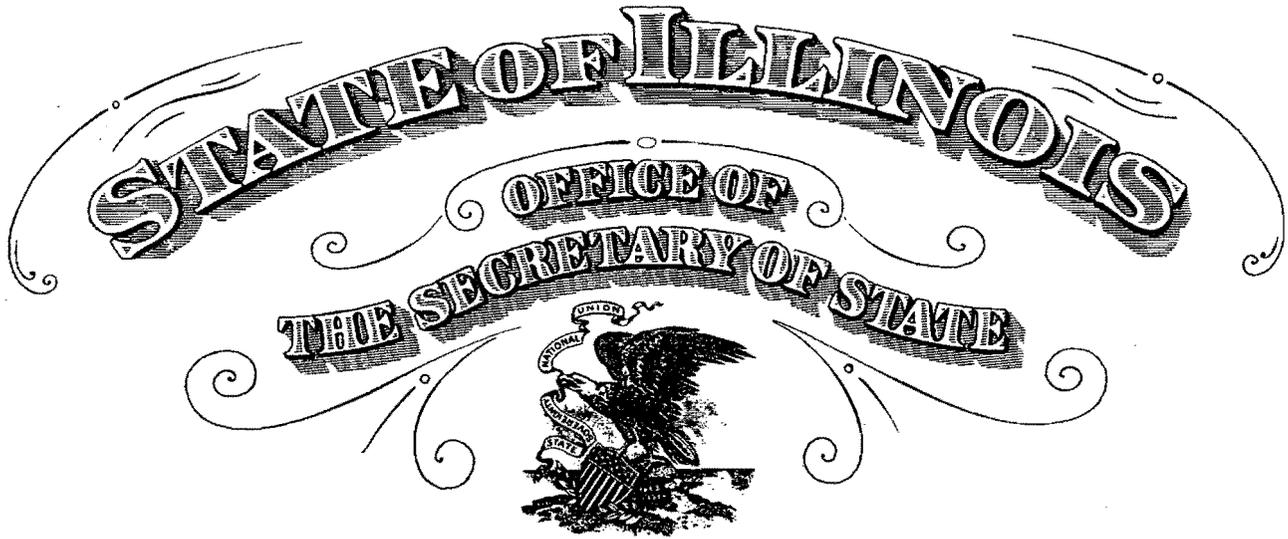
The proposed lease has been included, as well as supporting documents for all transactions.

**Great Plains, LLC**  
303 N William Kumpf Boulevard ~ Peoria, Illinois 61605  
309.676.5546

<b>Names of Owners</b>	<b>Address</b>	<b>Profession</b>	<b>Business Name</b>
Steven K Below, MD	303 N WM Kumpf Boulevard, Peoria, IL 61605	Physician	Great Plains Orthopaedics
Richard P. Driessnack, MD	Same as above	Physician	Great Plains Orthopaedics
Jeffrey R Garst, MD	Same as above	Physician	Great Plains Orthopaedics
Brian Ted Maurer, MD	Same as above	Physician	Great Plains Orthopaedics
James W Maxey, MD	Same as above	Physician	Great Plains Orthopaedics
Stephen R Orlevitch, MD	Same as above	Physician	Great Plains Orthopaedics
Mark R Phillips, MD	Same as above	Physician	Great Plains Orthopaedics

**NOTE: Each of the above mentioned owners are equal owners at 14.29%**

File Number 0021191-5



**To all to whom these Presents Shall Come, Greeting:**

*I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that*

GREAT PLAINS L.L.C., HAVING ORGANIZED IN THE STATE OF ILLINOIS ON JULY 31, 1998, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LIMITED LIABILITY COMPANY IN THE STATE OF ILLINOIS.



***In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 22ND day of APRIL A.D. 2016 .***

*Jesse White*

SECRETARY OF STATE

## **ATTACHMENT #5**

### **15. Transaction Documents**

**Including:**

- **Letter from Cullinan Properties, LTD.**
- **Copy of Lease**
- **Supporting Documents leading up to transaction**
- **All Sale of Building Documents**
- **Appraisal of Building**



July 6, 2016

Janet E. Smith  
Chief Operating Officer  
**Great Plain Orthopaedics**  
303 N. Wm. Kumpf Boulevard  
Peoria, IL 61605

Dear Janet,

Cullinan Kumpf Medical is in the process of acquiring 303 William Kumpf Boulevard, Peoria, IL 61605. The purpose of this letter is to confirm that we would like Musculoskeletal Surgery Center, LLC to continue as a medical user in the building.

Sincerely,

Cullinan Kumpf Medical, LLC  
An Illinois limited liability company

By: Cullinan Companies, LLC  
An Illinois limited liability company

A handwritten signature in black ink, appearing to read 'Michael C. Owens', is written over a horizontal line.

Michael C. Owens  
Manager

MCO/npr

Enclosures

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**SUMMARY OF LEASE TERMS**

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- A. BUILDING AND ADDRESS:** 303 North William Kumpf Blvd  
Peoria, IL, 61605
- B. LANDLORD AND ADDRESS:** Cullinan Kumpf Medical, LLC  
c/o Cullinan Companies, L.L.C.  
420 North Main Street  
East Peoria, IL 61611
- C. LANDLORD'S MANAGEMENT AGENT & ADDRESS:** Cullinan Properties, Ltd.  
c/o Cullinan Companies L.L.C.  
420 North Main Street  
East Peoria, IL 61611
- D. TENANT & CURRENT ADDRESS:** Musculoskeletal Surgery Center, LLC  
303 N. William Kumpf Blvd.  
Peoria, IL 61605
- E. BUILDING:** 24,714 Total Square-Feet  
22,479 Leasable Square Feet (area  
exclusive of lobby and stairwells)
- F. RENTABLE AREA OF THE PREMISES:** 5,931 Square Feet +/- (inclusive of  
percentage of lobby, stairwells, etc.)
- G. LOCATION OF THE PREMISES:** See Exhibit "A"
- H. TENANT'S PROPORTIONATE SHARE OF TAXES, COMMON UTILITIES, CAM:** 24%  
Rentable Area of Premises (5,931)/  
Building Square Footage (24,714)
- I. LEASE TERM:** 5 Years subject to options to extend
- J. COMMENCEMENT DATE OF TERM:** Upon Occupancy

**K. EXPIRATION DATE OF TERM:** 60<sup>th</sup> Month, Subject to Options to Extend

**L. MONTHLY BASE RENT:** \$17.75 psf, adjusted annually

**M. ADDITIONAL RENT:** Common Area Maintenance, Insurance and Real Estate Taxes, including prorata share of all maintenance, repairs (including capital repairs and replacements) required at the Real Estate

**N. SECURITY DEPOSIT:** None

**O. TENANT'S PERMITTED USES OF PREMISES:** Medical and General Office

**P. LEASING BROKERS:** Cullinan Properties, Ltd.

## LEASE

### 1. PARTIES

This "Lease" is made as of \_\_\_\_\_, 2016, by and between Cullinan Kumpf Medical, LLC, an Illinois limited liability company (hereinafter called "**Landlord**"); and Musculoskeletal Surgery Center, LLC, an Illinois limited liability company (hereinafter called "**Tenant**").

### 2. PREMISES

In consideration of the mutual covenants and agreements set forth herein, Landlord leases to Tenant and Tenant leases from Landlord, for the rental and on the terms and conditions hereinafter set forth, a portion of the real estate commonly known as 303 North William Kumpf Blvd, Peoria, Illinois, which is more particularly described on Exhibit A attached hereto and made a part hereof (the "Real Estate") which leased space consists of those portions of the Building designated as "ASC" on the Site Plan attached hereto as Exhibit B (5,394 square feet exclusive of applicable percentage of building core factor of 537 square feet for a total of 5,931 square feet) (the "Premises"), which Premises are part of a medical office building located on the Real Estate (the "Building"). Tenant shall also have (i) a non-exclusive right of access over those portions of the Real Estate open to the public for access to and from the Premises from and to all public and private roadways adjacent to the Real Estate; (ii) a non-exclusive right to use the parking areas on the Real Estate; and (iii) a non-exclusive right to use the stairways and lobby with other tenants of the Building.

### 3. TERM

The term of this Lease shall be for five (5) years ("**Initial Term**"), commencing on the "**Commencement Date**" (hereinafter defined) of the Lease and continuing for any Extension Term properly and timely elected pursuant to this Paragraph. The "**Term**" of this Lease shall be the Initial Term and any Extension Term hereunder. The "**Commencement Date**" of this Lease shall be defined as that date upon which Landlord acquires title to the Real Estate.

Tenant shall have the right, at its option, to extend the Initial Term of this Lease for two (2) consecutive extension terms ("**Extension Terms**"), each Extension Term being five (5) years in length. Each Extension Term (i) must be exercised by Tenant at least one (1) year prior to the last day of the Initial Term or Extension Term being extended, (ii) shall commence on the day after the expiration of the preceding Lease Term, and (iii) shall expire on the fifth (5th) anniversary of the last day of the Initial Term or Extension Term, as the case may be. Failure of Tenant to timely exercise any extension right shall terminate all further extension rights. The terms and conditions of this Lease shall apply to each Extension Term with the same force and effect as if such Extension Term had originally been included in the Initial Term of the Lease. The right of Tenant to exercise its right to extend the Initial Term and for any Extension Term shall be conditioned upon this Lease being in full force and effect, Tenant occupying the Premises, Tenant accepting the Premises during such Extension Term in its "AS IS" condition, and no default by Tenant under this Lease existing as of both the date that Tenant notifies Landlord of Tenant's decision to extend the Term of this Lease for any of the Extension Terms and the date of commencement of such Extension Terms. The Initial Term, together with any

Extension Term which Tenant properly exercises its option with respect to, and for which the conditions related thereto are satisfied, shall constitute the "Term" of this Lease. As used in this Lease, the term "Lease Year" means each period of twelve (12) full calendar months during the Term of this Lease, and in the event that the Commencement Date is a day other than the first day of the month, then the first Lease Year shall also include the remainder of the month in which the Commencement Date occurred.

**4. TENANT FIT OUT**

Tenant accepts the Premises in AS-IS condition.

**5. USE**

Tenant shall not occupy or use, or permit any portion of the Premises to be occupied or used, for any business or purpose other than as set forth in the Summary of Terms. Tenant shall not create any nuisance or commit waste.

Tenant shall not permit the Premises or any part thereof to be used to perform or participate in the performance of abortion or euthanasia. "Abortion" shall mean the directly intended termination of pregnancy by any means (whether surgical, chemical, or other means) before viability or the directly intended destruction of a viable fetus and includes such actions in the interval between conception and implantation of the embryo. "Euthanasia" shall mean an action or omission that of itself or by intention causes death in order to alleviate suffering and includes physician assisted suicide.

**6. RENT**

Beginning on the Commencement Date, Tenant agrees to pay Landlord, on the first day of each month at such place as the Landlord may from time to time designate, "Base Rent" in the amounts as set forth below:

Total Building SF	24,714
Tenant	<5,931> (includes core factor %)
OSF	<u>18,783 (includes core factor %)</u>

	Year	PSF	Extended	Monthly
Initial Term	1	\$ 17.75	\$105,275.25	\$8,772.94
	2	\$ 18.13	\$107,529.03	\$8,960.75
	3	\$ 18.51	\$109,782.81	\$9,148.57
	4	\$ 18.90	\$112,095.90	\$9,341.32
	5	\$ 19.30	\$114,468.30	\$9,539.03
Option 1	6	\$ 19.70	\$116,840.70	\$9,736.73
	7	\$ 20.12	\$119,331.72	\$9,944.31
	8	\$ 20.54	\$121,822.74	\$10,151.90
	9	\$ 20.97	\$124,373.07	\$10,364.42
	10	\$ 21.41	\$126,982.71	\$10,581.90

Option 2	11	\$ 21.86	\$129,651.66	\$10,804.31
	12	\$ 22.31	\$132,320.61	\$11,026.72
	13	\$ 22.78	\$135,108.18	\$11,259.02
	14	\$ 23.26	\$137,955.06	\$11,496.23
	15	\$ 23.74	\$140,801.94	\$11,733.50

The Base Rent shall be payable in advance in 12 equal, consecutive monthly installments, on the first day of each calendar month of the Term. Base Rent shall commence on the Commencement Date and shall be prorated on a daily basis if the Commencement Date is not the first day of a month for the remainder of that month. Rent shall be payable without notice, set-off or abatement, except as otherwise permitted under this Lease.

Tenant shall also pay Additional Rent as follows:

Monthly CAM Charges as defined in Section 13 below; and

Annually, real property taxes attributable to the Premises as described in Section 13 below.

**7. SECURITY DEPOSIT**

Intentionally Deleted

## **8. QUIET ENJOYMENT**

Landlord hereby warrants that Landlord has the right to lease the Premises to Tenant and that the individuals executing this Lease are fully authorized to and legally capable of executing this Lease on behalf of Landlord. Landlord covenants that Tenant shall, while Tenant is not in default of the terms of this Lease, peaceably and quietly hold and enjoy the Premises for the Term, without interference or hindrance from Landlord or persons claiming by or through Landlord.

## **9. LANDLORD'S ACCESS TO THE PREMISES**

Provided that the exercise of such rights does not unreasonably interfere with Tenant's use or occupancy of the Premises, Landlord shall have the right to enter the Premises at reasonable times during normal business hours and upon reasonable advance notice to Tenant (except in the case of an emergency) for any lawful purposes.

Landlord acknowledges that Tenant is subject to the provisions of the Health Insurance Portability and Accountability Act of 1996 and related regulations, as codified at 42 U.S.C. § 1320d through d-8. ("HIPAA"), and that HIPAA requires Tenant to ensure the safety and confidentiality of patient medical records. Landlord further acknowledges that, in order for Tenant to comply with HIPAA, Tenant must restrict access to the portions of the Premises where patient medical records are kept or stored. Landlord hereby agrees that, notwithstanding the rights granted to Landlord pursuant to this Article, except for an emergency entry into the Premises taken pursuant to this Lease or when accompanied by an authorized representative of Tenant, which accompaniment shall not be unreasonably withheld, conditioned or delayed, neither Landlord nor its employees, agents, representatives or contractors shall be permitted to enter those areas of the Premises designated by Tenant as locations where patient medical records are kept and/or stored.

## **10. COMPLIANCE WITH LAWS**

During the Term of this Lease, Tenant shall, at Tenant's sole cost and expense, promptly comply with any and all present and future applicable laws, ordinances, rules, regulations, orders, and covenants, whether promulgated by state, federal, municipal or any other agency or body having jurisdiction over the Premises. After delivery of the Premises to Tenant, Tenant shall perform, or cause to be performed, any alterations, repairs, improvements or replacements related to the use, condition or occupancy of the Premises, including but not limited to laws relating to design, construction, energy conservation, environmental, fire, health, and safety laws.

## **11. ALTERATIONS AND FIXTURES**

Tenant shall not, except with Landlord's prior written consent, which shall not be unreasonably withheld or delayed, make or cause to be made any major alterations, decorations, additions or improvements to the Premises. It is further understood and agreed by and between the parties hereto that if Tenant installs furniture, fixtures or other equipment with the written consent of Landlord, the furniture, fixtures or other equipment may be detached and removed by Tenant at the expiration of this Lease by the lapse of time or otherwise, provided the rent or other charges upon Tenant are fully paid.

## 12. END OF TERM HOLDOVER

If Tenant remains in possession of the Premises at the expiration of the Initial Term or any Extension Term, Tenant shall be deemed to be occupying the Premises as a Tenant from month to month, at one hundred fifty percent (150%) of the monthly rental that applied during the last month of the Initial Term or any Extension Term. In the event of a holdover, Tenant's occupancy of the Premises shall be subject to all other provisions of this Lease, but only as they are applicable to a month-to-month tenancy.

## 13. REAL ESTATE TAXES

- (a) **Real Estate Taxes and Assessments.** During the Term hereof, Tenant agrees to pay as Additional Rent Tenant's proportionate share of all real estate taxes and assessments ("Taxes"), both general and special, levied, or assessed during any Lease Year against the Real Estate. For each Lease Year, Tenant's proportionate share of the Taxes shall be the total amount of the Taxes for such year multiplied by a fraction, the numerator of which shall be the Rentable Area of the Premises (as set forth on the Summary of Lease Terms), and the denominator of which shall be the Building Square Footage (as set forth on the Summary of Lease Terms). For any partial Lease Year during the Term hereof, Tenant's proportionate share of the Taxes shall be prorated for such years as of the commencement or termination of the tenancy, as the case may be. To facilitate Tenant's payment of Taxes, Tenant shall, during the term hereof, at the same time installments of Base Rent are due, pay to Landlord, monthly, in advance, one-twelfth (1/12) of Tenant's pro-rata share of Taxes as estimated by Landlord based on the prior year's Taxes. If the estimated payments were greater than Tenant's actual proportionate share of Taxes, the excess shall be credited against such payments next becoming due. If Tenant's actual proportionate share of Taxes for any Lease Year shall be more than the total amount paid by Tenant for such year, Tenant shall pay such deficiency to Landlord within thirty (30) days after such determination by Landlord.
- (b) **Contest of Taxes.** Either Landlord or Tenant may, in its own name, contest the validity or amount of any Taxes. If any rebate of such Taxes is made, Tenant shall be entitled to its proportionate share of such rebate, to the extent Tenant has paid Landlord for such Taxes for the Lease Year for which the rebate is received. The party initiating any tax contest may deduct from any recovery the legal fees and costs of obtaining reductions in Taxes, provided that such legal fees and other costs shall not exceed the amount of the reduction of said Taxes.
- (c) **Municipal, County, State or Federal Taxes.** Tenant shall pay, when due, all municipal, county, state and federal taxes assessed against any fixtures, furnishings, equipment, stock-in-trade or other personal property of any kind owned, installed, or used in the Premises by Tenant.

## 14. MAINTENANCE AND REPAIRS

(a) **Common Areas.** Common Areas shall include Building exterior including windows, parking lot and landscaping.

(b) **Common Area Expenses.** From and after the Commencement Date and thereafter during the Lease Term, Tenant shall pay as Additional Rent, its proportionate share of costs related to maintenance of the Common Areas on the Real Estate ("CAM Charges"). The CAM charges are Tenant's proportionate share of all expenses incurred by Landlord in operating, maintaining, repairing, insuring, improving, or maintaining reasonable reserves for replacing the Common Areas of the Building and lot on which it is located, including, cleaning, lighting, snow and ice removal, resurfacing and repaving of parking areas or drives, repair and maintenance of all non-structural components of any buildings or structures located upon the Real Estate, acquiring and maintaining equipment to provide such services, landscaping, and management or administrative fees not to exceed three percent (3%) of total Base Rent in any year. Tenant's proportionate share shall be the total of such CAM Charges incurred by Landlord for the current Lease Year multiplied by a fraction, the numerator of which shall be the Rental Area of the Premises (as set forth on the Summary of Lease Terms) and the denominator of which shall be the Building Square Footage (as set forth on the Summary of Lease Terms). For any partial Lease Year, Tenant's proportionate share of CAM Charges shall be prorated as of the commencement or termination of the term hereof, as the case may be. To facilitate Tenant's payment of CAM Charges, Tenant shall, during the term hereof, at the same time installments of Base Rent are due, pay to Landlord, monthly, in advance, one-twelfth (1/12) of Tenant's proportionate share of CAM Charges as estimated by Landlord for the current Lease Year.

If the estimated costs were greater than the actual costs, the excess shall be credited against such payments next becoming due. If Tenant's actual proportionate share of CAM Charges for any Lease Year shall be more than the total amount paid by Tenant for such year, Tenant shall pay such deficiency to Landlord within thirty (30) days after such determination by Landlord. Tenant shall have the right to audit the records of Landlord to ensure the accuracy and reasonableness of CAM Charges, which are passed on to Tenant.

(c) **Landlord's Obligation:** Landlord shall maintain the exterior and structural elements of the Building consistent with first class office buildings, including maintenance, repair or replacement of structural elements and equipment, including the structural portion of walls, broken windows, roof and roofing, and foundation, and shall replace as needed heat, ventilation and air conditioning systems, exterior electrical system and exterior plumbing. All such costs shall be included in the CAM Charges. In addition, Landlord shall be responsible for maintaining, repairing, resurfacing and repaving the parking areas or drives, snow and ice removal, and landscaping which cost shall be included in the CAM Charges.

(d) **Tenant's Obligations:** Tenant shall maintain the Premises in a clean, orderly and sanitary condition. Tenant shall, throughout the Lease Term, take good care of the

Premises and fixtures and appurtenances therein, and make all minor and nonstructural repairs thereto as and when needed to preserve the Premises in good order and condition. Tenant shall be responsible for maintenance and repair of all interior plumbing, interior electrical, emergency interior lighting, windows, glass and doors and heat, ventilation, and air conditioning systems contained within Tenant's space including the front door and specifically excluding all plumbing and electrical facilities that are installed within the walls, below the floors, and above the ceilings. At the expiration or other termination of this Lease, Tenant will surrender peaceable possession of the Premises in as good condition as they were at the Commencement Date, excepting reasonable wear and tear, and damage by fire or other casualty. Tenant shall reimburse Landlord for all expenses of the repair of any damage to the Premises or to any other part of the Building caused by or resulting from any act or neglect of Tenant. Any such damage to nonstructural parts of the Premises shall be repaired promptly by Tenant, at its sole expense, to the reasonable satisfaction of the Landlord. Tenant shall give Landlord prompt notice of any accident or needed repairs or replacements.

**15. UTILITIES**

From and after the date Landlord delivers the Premises to Tenant, and thereafter during the Term of this Lease, Tenant shall promptly pay all separately metered charges for water, gas, heat, air conditioning, electricity, sewer (including user charges), trash removal and any and all other utilities furnished to the Premises, and Tenant shall pay along with its CAM Charges, Tenant's proportionate share of any non-separately metered charges for said utilities. If Tenant fails to pay any utilities, Landlord shall have the right but not the obligation to pay utilities and to charge such payments to Tenant as additional rent.

**16. Intentionally Deleted.**

**17. TENANT'S COVENANTS WITH RESPECT TO OCCUPANCY**

During the Term of this Lease, Tenant shall at all times:

- (a) Occupy the Premises in a reasonably safe and careful manner, without committing or permitting waste, and in compliance with all laws, regulations and orders of all governmental bodies having jurisdiction over the Premises.
- (b) Neither do nor suffer anything to be done or kept in or about the Premises which contravenes any insurance policies covering the Premises.
- (c) Permit no excessive reproduction of sound which is audible outside the Premises, nor permit noxious odors to be unreasonably dispelled from the Premises.
- (d) Place no merchandise, sign or material of any kind in the vestibule or entry of the Premises or on the sidewalks or other common areas adjacent thereto or elsewhere on the exterior of the Building without the prior written consent of Landlord, which consent shall not be unreasonably withheld.

- (e) Keep all garbage and refuse in the type of container specified by law for collection of such materials.
- (f) Keep the Premises in a reasonably neat and clean condition.
- (g) Permit no lien or other charges (whether arising out of work of Tenant or any contractor, subcontractor, mechanic, laborer or materialman of Tenant or any mortgage, conditional sale, security agreement, chattel mortgage or otherwise) which might become a lien or encumbrance or charge upon the Premises or any part thereof or the income therefrom. If any such lien or claim of lien is filed, Tenant shall remove or bond over the same within twenty (20) days after the Tenant's receipt of such lien or claim of lien. If Tenant fails to remove or bond over such lien or claim of lien within such twenty (20) day period, Landlord may do so and recover the cost thereof from Tenant, with interest as permitted herein, upon demand.
- (h) When knowledgeable, give immediate notice to Landlord in the event of a fire, casualty or accident in the Premises.

**18. ASSIGNMENTS AND SUBLEASES**

Tenant shall be allowed to sublet all or any of the Premises for the uses as set forth in this Lease with notice to Landlord provided that Tenant shall remain obligated under the terms of this Lease. Tenant agrees not to assign this Lease without Landlord's prior written consent, which consent can be withheld in Landlord's sole discretion.

**19. INDEMNIFICATION AND HOLD HARMLESS**

Landlord and Tenant shall indemnify and save each other harmless from and against any and all liabilities, claims and costs (including reasonable attorney's fees, penalties and fines) for death, injury or damages to persons or property during the Term of this Lease, arising from (a) any default by either in the performance of its obligations under this Lease, (b) the manner of either party's use and occupancy of the Premises, or (c) any acts, omissions, or negligence of either party or its agents, employees, contractors or invitees. If any action or proceeding is brought against the other based upon any such claim, the party at fault shall cause such action to be defended, at its expense, by counsel reasonably satisfactory to the other party. This hold harmless and indemnity shall survive termination of this Lease.

**20. FORCE MAJEURE**

In the event Landlord or Tenant is delayed, hindered or prevented from performing any act or thing required hereunder by reason of strikes, lockouts, labor troubles, casualties, failure or lack of utilities, governmental laws or regulations, riots, insurrection, war, acts of God, or other causes beyond the reasonable control of Landlord or Tenant, neither party shall be liable for the delay, and the period for the performance by either party shall be extended for a period equivalent to the period of such delay. The foregoing shall be inapplicable to the payment of rent by Tenant.

## 21. HAZARDOUS MATERIALS

Landlord warrants that it has no knowledge of the presence of any regulated or environmentally hazardous substances in, on or within reasonable proximity to the Premises, or of any existing violations of any laws, rules, regulations or ordinances, including without limitation, any environmental laws against or upon the Premises.

Should Landlord or Tenant, during the Lease Term, or any extensions thereof, become aware of the existence of any regulated or environmentally hazardous substance being present on the demised Premises (other than those used in the ordinary course of Tenant's business), Tenant shall promptly remove the source of said substance. Tenant further warrants that it will indemnify and hold Landlord harmless from any and all losses, claims, injuries, or causes of action (including reasonable attorney's fees) arising out of or caused by the existence of any such hazardous or regulated substances, not created by or brought on the demised Premises by Landlord, during the term and any Extension Term of this Lease. This indemnification and hold harmless provision shall survive termination of this Lease.

Medical Waste. Notwithstanding anything to the contrary contained herein, Tenant may use, generate, and temporarily store on the Premises Hazardous Material typically used, generated, and stored in connection with Tenant's use of the Premises in accordance with the provisions of Section 5 hereof (such Hazardous Material is hereinafter called "Medical Waste"); provided, however that Tenant must store, handle, remove, and dispose of the Medical Waste in compliance with all applicable governmental requirements and in accordance with all provisions of this Lease pertaining to any Hazardous Material. The foregoing shall not release Tenant from any indemnification of Landlord for Hazardous Material as set forth in this Section, such indemnity being equally applicable to Medical Waste. If Tenant shall have any Medical Waste on the Premises, Tenant shall submit to Landlord on an annual basis copies of its approved Medical Waste communication plan, OSHA monitoring plan, and all necessary governmental permits to the extent Tenant is required to prepare, file or obtain any such plans or permits. Tenant shall be responsible, at Tenant's sole cost and expense, for the disposal of such Medical Waste in accordance with all applicable laws and regulations. Tenant shall not place or permit to be placed any Medical Waste in any trash dumpster or other garbage collection bin provided by Landlord for the disposal of non-Medical Waste. If Tenant fails to dispose of such Medical Waste in accordance with the provisions of this Lease, Landlord may, but is not required, to dispose of same and Tenant shall pay Landlord for the cost thereof as Additional Rent hereunder. Nothing contained in this Lease shall be deemed to impose an obligation on Landlord to see that Tenant properly disposes of Medical Waste stored or generated on the Premises.

## 22. INSURANCE

- (a) Tenant's Insurance. Tenant shall at all times during the Term hereof and at its own cost and expense procure and continue in force a policy or policies as follows:
- i. Commercial general liability insurance (also known as broad form comprehensive general liability insurance), insuring against liability for

bodily injury , property damage and personal injury arising out of the use, operation or occupancy of the Premises in an amount of not less than one million (\$1,000,000.00) per occurrence and Two Million Dollars (\$2,000,000.00) general aggregate. Tenant shall provide to Landlord upon written request a certificate of insurance reflecting such coverage. Tenant shall name Landlord and its lender, property manager, successors and assigns and beneficiaries as additional insured on a primary & non-contributory basis with a waiver of subrogation in favor of Landlord.

ii. Worker's compensation as may be required by law with limits at least as required by statute with Employer's Liability Limits of \$500,000. Waiver of subrogation in favor of the Landlord.

iii. "Special Form" property insurance coverage, including against fire and such other risks as are, from time to time, included in standard extended coverage endorsements, insuring Tenant's stock-in-trade, trade fixtures, furniture, furnishings, special equipment, plate glass, floor and wall coverings and all other items of personal property of Tenant located in the Premises, in an amount equal to not less than eighty percent (80%) of replacement cost thereof, together with insurance against vandalism and malicious mischief. Landlord shall have no interest in the proceeds of insurance maintained by Tenant under this section and will sign all documents which are necessary or appropriate in connection with the settlement of any claim or loss by Tenant.

iv. Whenever Tenant shall undertake any alterations, additions, improvements or other work in, to or about the Premises, including, without limitation, Tenant's Work, Tenants' insurance must extend to and include coverage for injuries to persons and damage to property arising in connection with such work, including without limitation liability under an applicable structural work act. In addition to Tenant's insurance, any general contractor or subcontractor performing work for Tenant or any other occupant of the Premises shall maintain during such work (a) commercial general liability insurance naming the Landlord Entities as additional insured's, with limits of not less than \$1,000,000 per occurrence, \$2,000,000 aggregate on a primary/non-contributory basis with a waiver of subrogation in favor of the Landlord. The additional insured status is to be maintained for a minimum of 2 years after completion of the work on a primary/non-contributory basis for completed operations in favor of the Landlord with a waiver of subrogation. (b) Insurance protecting against liability under workers' compensation Laws with limits at least as required by statute, \$500,000 for Employer's Liability and a waiver of subrogation in favor of Landlord. Landlord shall have the right to require additional coverage from Tenant in connection with any work performed by Tenant in and about the Premises on the same terms as set forth above. Insurance shall be delivered to Landlord prior to the inception of work to be performed for Tenant.

- (b) **Landlord's Insurance.** Landlord agrees to:
- i. Insure or continue to be insured, the Building and all improvements owned by Landlord or not, but excluding anything insured by Tenant in Section 22(a) above, against loss or damage by any perils covered by a standard broad form all risk property insurance policy in an amount equal to the full replacement value and including business interruption insurance in such amounts as the Landlord may deem, in its sole discretion, necessary.
  - ii. Maintain commercial general-public liability insurance against claims for personal injury, death or property damage occurring in, on or about the Real Estate, portions of the Building not leased to Tenant and the sidewalks and areas adjacent to the Real Estate under Landlord's control to afford protection to the minimum limit of One Million Dollars (\$1,000,000.00), Two Million Dollars (\$2,000,000.00 aggregate) for any personal injury, death or property damage.
  - iii. Provide Tenant, upon written request, a certificate of insurance reflecting coverages in force.
- (c) **Premium.** Tenant shall pay Tenant's proportionate share of insurance premiums for coverage in Section 22(b)(i) and (ii) as part of Common Area Charges.
- (d) **Waiver.** Landlord and Tenant each hereby waive any and all rights of recovery against each other and the officers, employees, agents and representatives of such other party for loss of or damage to such waiving party or its property or the property of others under its control, arising from any cause insured against or by any insurance policy in force (whether or not described herein) carried by such waiving party in lieu thereof, and each party shall cause each insurance policy obtained by it to provide that the insurance company waives all right of recovery by way of subrogation against either party in connection with any damage covered by any policy.
- (e) **Policies.** All insurance policies required to be carried hereunder shall be issued by insurance companies having a rating of at least A-VI, as set forth in the most recent issue of "Best's Insurance".
- (f) **Release of Landlord.** Tenant releases Landlord and Landlord's agents from all damage to persons or uninsured property sustained by Tenant or Tenant's agents, servants, or employees or any occupant within or about the Premises, except for injuries caused by the negligent acts or omissions of Landlord or Landlord's agents, servants or employees. All property on the Premises belonging to Tenant shall be there at the risk of Tenant, and Landlord shall not be liable for damage thereto or theft or misappropriation thereof, except for damage or loss caused by the negligent acts or omissions of Landlord or Landlord's agents, servants or employees.

(g) **Indemnification of Landlord.** Tenant shall protect, indemnify, save and keep harmless Landlord and Landlord's agents, servants and employees against and from all damages, suits, liability, claims, loss, cost, or expense (including court costs and reasonable attorneys' fees) arising out of or from any of the following:

- a. Any accident or other occurrence in the Premises or arising in connection with the business of Tenant (including but not limited to, any product liability claim or any claim relating to the sale of liquor in or from the Premises);
- b. Tenant's occupancy or use of the Premises; Tenant's construction in, on or about the Premises; or any act or omission of Tenant, Tenant's employees, agents, invitees, subtenants, licensees, customers, suppliers, assignees or contractors;
- c. Any violation by Tenant (or Tenant's agents, employees, invitees, or subtenants) of any law or ordinance in, on, at, or in any way related to the Premises; or
- d. Any damage, liens or expenses arising as a result of Tenant's default in any of the terms of this Lease.

(h) **Indemnification of Tenant.** Landlord shall protect, indemnify, save and keep harmless Tenant and Tenant's agents, servants and employees against and from all damages, suits, liability, claims, loss, cost, or expense (including court costs and reasonable attorneys' fees) arising out of or from any of the following:

- a. Any accident or other occurrence in the Premises or arising in connection with the business of Landlord or arising from, in connection with or the result of any negligent or willful act or omission, of Landlord its agents, employees or contractors (including but not limited to, any product liability claim or any claim relating to the sale of liquor in or from the Premises);
- b. Landlord's occupancy or use of the Premises; Landlord's construction in, on or about the Premises; or any act or omission of Landlord, Landlord's employees, agents, invitees, subtenants, licensees, customers, suppliers, assignees or contractors;
- c. Any violation by Landlord (or Landlord's agents, employees, invitees, or subtenants) of any law or ordinance in, on, at, or in any way related to the Premises; or
- d. Any damage, liens or expenses arising as a result of Landlord's default in any of the terms of this Lease.

23. **DESTRUCTION OF THE PREMISES**

If during the Term of this Lease, the Premises are destroyed or damaged in whole or in part by fire or other casualty, Landlord shall promptly and diligently repair the Premises unless this Lease is terminated as hereinafter provided. Rent shall abate until such repairs and restoration are made, or until this Lease is terminated as hereinafter provided; further provided, however, that if such fire or other casualty is caused by the fault or negligence of Tenant, its employees or agents, Tenant shall not be entitled to any such abatement.

Within fourteen (14) days of the date of such damage, Landlord shall notify Tenant whether Landlord can restore the Premises within twelve (12) months of the casualty. Landlord shall provide Tenant with a determination (i) of Landlord's anticipated time frame for such restoration, or (ii) that the restoration cannot be completed within a twelve (12) month period. If the damage, whether to the Premises alone, another part of the Building, or both, renders the Premises untenable for Tenant's intended purposes in whole or in part, and is so extensive that Landlord cannot restore or repair the Premises to pre-casualty condition within a period of twelve (12) months from the date of such fire or other casualty, either party shall have the right to terminate this Lease by notice to the other party, in which case Tenant shall be released from all liability under the terms of this Lease effective as of the date of the casualty or damage. In the event the damage, in Landlord's reasonable opinion, can be restored to pre-casualty condition within twelve (12) months from the date of such fire or other casualty, Landlord shall undertake to restore the Premises and the Building in a prompt and diligent manner.

#### **24. EMINENT DOMAIN**

If any part of the Premises or Building shall be taken or condemned by eminent domain and renders the Premises unsuitable for the business of Tenant, the Term of this Lease shall cease and terminate as of the date title to the Premises vests in the condemning authority.

All compensation awarded for any taking under the power of eminent domain, whether for the whole or a part of the Premises, shall be the property of Landlord whether awarded compensation for diminution in the value of the leasehold or to the fee of the Premises or otherwise, and Tenant hereby assigns to Landlord all of the Tenant's right, title and interest in and to any and all such compensation; provided, however, that Landlord shall not be entitled to any award properly belonging to Tenant, including, but not limited to, the taking of Tenant's trade fixtures, furniture or for an award for moving expenses.

#### **25. DEFAULT**

- (a) **Landlord**: If Landlord defaults in the performance of any term, covenant or condition required to be performed by it under this Lease, Tenant may elect either one of the following:
  - (i) After not less than thirty (30) days written notice to Landlord, Tenant may remedy such default by any necessary action, and in connection with such remedy may pay expenses and employ counsel; all sums expended or obligations incurred by Tenant in connection therewith shall be paid by Landlord to Tenant on demand, and on failure of such reimbursement, Tenant may, in addition to any other right or remedy that Tenant may have, deduct the cost and expenses thereof from rent due hereunder; or,

- (ii) Elect to terminate this agreement on giving at least sixty (60) days notice to Landlord, thereby terminating this agreement on the date designated in such notice, unless Landlord shall have cured such default prior to expiration of the sixty (60) day period.
- (b) **Default; Landlord's Remedies:** If Tenant defaults in the payment of rent or other monetary charges due hereunder and fails to remedy such default within seven (7) days after the date such payment is due, or defaults in the performance of any other obligations hereunder and fails to remedy such default within thirty (30) days after written notice of such default from Landlord, or if any proceeding shall be commenced to declare Tenant bankrupt or insolvent or to obtain relief under any chapter or provision of any bankruptcy or debtor relief law, or if any assignment of Tenant's property be made for the benefit of creditors, or if a receiver or trustee be appointed for Tenant or Tenant's property or business, or if Tenant abandons the Premises, or if Tenant shall refuse to accept possession of the Premises and after the commencement date of this Lease, then, without further notice to Tenant, Landlord, in addition to all of Landlord's other rights and remedies at law and equity, may immediately enter upon the Premises and terminate this Lease. In the event of such termination, the obligations of Landlord shall cease without prejudice; however, Landlord shall have the right to recover from Tenant: (a) any sums due Landlord for rent or otherwise to date of such entry; (b) damages equal to any deficiency between the then rental value of the Premises or the for the unexpired portion of the Term of this Lease and the Base Rent for that portion of the Term; (c) the cost of all repairs to correct any damage to the Premises or the Building; (d) Landlord's costs in advertising the Premises for reletting; and (e) all other costs incurred by Landlord to effect the termination. In addition, or alternatively, Landlord may enter into the Premises without terminating this Lease and may relet them in its own name for the account of Tenant for the remainder of the Term of this Lease and immediately recover from Tenant any deficiency for the balance of the Term between the amount of Base Rent and other payments of Tenant required hereunder and the amount for which the Premises are relet, less expense or reletting (including all necessary repairs, alterations and attorney's fees).
- (c) **Non-Waiver of Default; Cumulative Remedies:** No failure of Landlord to enforce rights or remedies upon any default of Tenant shall prejudice or affect the rights of Landlord upon any subsequent or similar default. All rights and remedies of Landlord hereunder shall be cumulative, and shall not exclude any other remedies allowed at law or in equity.

## 26. **AMERICAN WITH DISABILITIES ACT**

The Building is in compliance with all requirements of the Americans with Disabilities Act (Public Law 101-336 (July 26, 1990)) to accommodate Tenant's employees, invitees and customers. From and after the Commencement Date, Tenant acknowledges and agrees that it shall be wholly responsible for any accommodations or alterations which need to be made to the Premises to accommodate Tenant's employees, customers and invitees and for making any

additional accommodations or alterations which need to be made to the Premises to accommodate Tenant's employees, invitees and customers.

**27. NO JOINT VENTURE**

Nothing contained herein and no acts of the parties shall be deemed or construed to create the relationship of principal and agent, partnership, joint venture, or similar relationship or arrangement, it being understood that the relationship between the parties is solely that of Landlord and Tenant.

**28. WAIVER OF SUBROGATION**

Landlord and Tenant hereby mutually waive their respective rights of recovery against each other for any loss insured by Fire, Extended Coverage or All Risk Property Insurance Policy.

**29. ATTORNEY'S FEES**

If either party herein brings an action to enforce the terms of this Lease, the prevailing party in such action shall be entitled to reasonable attorney's fees to be paid by the non-prevailing party.

**30. SUCCESSORS AND ASSIGNS**

Each of the provisions of this Lease shall extend to and shall, as the case may require, bind or inure to the benefit of Landlord and Tenant, and their respective subsidiaries, affiliates, heirs, legal representatives, successors and assigns.

**31. HEADINGS**

The titles and headings of this Lease are for convenience of reference only and shall not in any way be deemed a part of this Lease for the purpose of construing or interpreting the meaning thereof, or for any other purpose.

**32. GOVERNING LAW**

This Lease shall be governed by and construed in accordance with the laws of the State of Illinois.

**33. ENTIRE AGREEMENT**

This Lease and the exhibits attached hereto contain the entire agreement and understanding between Landlord and Tenant relating to the leasing of the Premises and obligations of Landlord and Tenant. This Lease supersedes any and all prior or contemporaneous agreements, negotiations and understandings between Landlord and Tenant, and shall not be modified or amended unless both Landlord and Tenant agree in writing.

**34. NOTICES**

The parties can be notified by certified or registered mail or overnight delivery service with verification of delivery as follows:

**Landlord:** Cullinan Kumpf Medical, LLC  
Attn: Michael C. Owens  
420 N. Main Street  
East Peoria, IL 61611

**Tenant:** Musculoskeletal Surgery Center, LLC  
Attn: \_\_\_\_\_  
303 N. William Kumpf Blvd.  
Peoria, IL 61605

### **35. MORTGAGE SUBORDINATION**

Upon request by Landlord, Tenant agrees to subordinate Tenant's rights under this Lease to the liens of any mortgages, deeds of trust or any other security instruments of Landlord now or hereafter place upon the Premises, and to any and all advances, replacements, renewals, extensions or modifications thereof and to the interest thereon, provided the mortgagee, trustee or holder of said mortgages, deeds of trust or other security instruments shall agree to recognize Tenant's rights under this Lease in the event of foreclosure, provided Tenant is not then in default hereunder. Tenant also agrees that any mortgagee, trustee, or holder of such mortgage, deed of trust or other security instrument, may elect to have this Lease made prior in right to the lien of its mortgage, deed of trust or other security instrument, and upon notification by such mortgagee, trustee or holder of such other security instrument to Tenant to that effect, this Lease shall be deemed prior in lien to the said mortgage, deed of trust or other security instrument, whether this Lease is dated prior to or subsequent to the date of said mortgage, trust deed or other security instrument. Upon ten (10) days' written notice request from Landlord, Tenant shall execute and deliver a Subordination, Non-Disturbance and Attornment Agreement ("SNDA") in the form of Exhibit C attached hereto or in such form as is otherwise reasonably requested by Landlord to effectuate the provisions of this paragraph.

### **36. ESTOPPEL CERTIFICATES**

Within twenty (20) days following Tenant's receipt of a written request from Landlord, Tenant shall execute and deliver to Landlord, for the benefit of such persons as Landlord names in such request, a statement in writing and in form and substance reasonably satisfactory to Landlord, setting forth and certifying to any information reasonably requested by the Landlord relating to this Lease and Tenant's occupancy of the Premises, including, but not limited to, the following:

- (a) That this Lease constitutes the entire agreement between Landlord and Tenant concerning this Lease and Tenant's operations in the Premises, and is unmodified and in full force and effect (or if there have been any modifications, that this Lease is in full force and effect as modified, and stating the modifications);
- (b) The amount of Base Rent for the Initial Term, as adjusted to reflect the periodic rent increases in accordance with Paragraph 6 of this Lease, and the dates through which the Base Rent and other charges hereunder have been paid;

- (c) That all conditions precedent to the effectiveness of this Lease have been satisfied;
- (d) That Tenant has accepted possession of the Premises, that the Lease Term has commenced, that Tenant knows of no defaults under the Lease by Landlord (or if there are any such defaults, stating such defaults), and there are no offsets which Tenant has against enforcement of this Lease by Landlord (or if there are any offsets, stating such offsets);
- (e) The commencement and expiration dates of this Lease; and,
- (f) That the Premises are open for business.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed this Lease as of the day and year first above written.

**LANDLORD:**  
**CUELLINAN KUMPF MEDICAL, LLC**  
an Illinois limited liability company

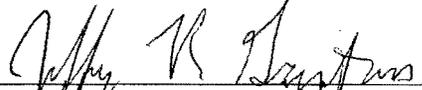
**TENANT:**  
**MUSCULOSKELETAL SURGERY CENTER, LLC**  
An Illinois limited liability company

By: Cullinan Companies L.L.C.  
An Illinois limited liability company  
Its Manager

By: 

Its: Manager

Date: July 8, 2016

By: 

Its: Member

Date: 7-8-16

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

## EXHIBIT A

### Legal Description

A PART OF LOTS 1 THROUGH 6, ALL OF LOTS 7 THROUGH 12, THE VACATED ALLEY EXTENDING FROM WILLIAM KUMPF BOULEVARD TO SANFORD STREET AND THE VACATED SANFORD STREET RIGHT OF WAY LYING WEST OF SAID LOTS 6 AND 7, AS VACATED BY ORDINANCE RECORDED JULY 20, 1990 AS DOCUMENT #90-16245, ALL IN BLOCK 49 OF AIKEN, MONSON AND SANFORD'S ADDITION IN THE NORTHWEST ¼ OF SECTION 9, TOWNSHIP 8 NORTH, RANGE 8 EAST OF THE FOURTH PRINCIPAL MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHEAST CORNER OF SAID LOT 12, THENCE SOUTH 00 DEGREES 08 MINUTES 11 SECONDS WEST (BEARING ASSUMED FOR PURPOSE OF DESCRIPTION ONLY), ALONG THE WEST LINE OF WILLIAM KUMPF BOULEVARD, 294.00 FEET; THENCE NORTH 89 DEGREES 54 MINUTES 39 SECONDS WEST, PARALLEL TO THE NORTH LINE OF THIRD AVENUE, 366.68 FEET TO THE WEST LINE OF THE VACATED SANFORD STREET; THENCE NORTH 00 DEGREES 08 MINUTES 26 SECONDS EAST, ALONG THE WEST LINE OF THE VACATED SANFORD STREET, 293.86 FEET TO THE SOUTH LINE OF FOURTH AVENUE; THENCE SOUTH 89 DEGREES 55 MINUTES 58 SECONDS EAST, ALONG THE SOUTH LINE OF FOURTH AVENUE, 366.66 FEET TO THE POINT OF BEGINNING, AS SHOWN ON THE SURVEY PREPARED BY AUSTIN ENGINEERING CO., INC. DATED JULY 26, 1990 AND RECORDED OCTOBER 2, 1990 IN TRACT SURVEY 25, PAGE 9 AS DOCUMENT #90-23580, SITUATE, LYING, AND BEING IN THE COUNTY OF PEORIA AND STATE OF ILLINOIS

Commonly known as:                   Great Plains Orthopaedics Medical Office Building  
  303 North William Kumpf Boulevard  
  Peoria, IL, 61605

PIN:

# EXHIBIT B

## Site Plan

3/22/2016 10:55:08 AIS (Region:06 Peoria)6153\_303 Wm Kumpf Bldg Facilities Planning Operations\Floorplans\Revit6153.rvt

# 303 WILLIAM KUMPF

PEORIA, ILLINOIS

# OSF SAINT FRANCIS MEDICAL CENTER

PEORIA, ILLINOIS

BUILDING INFORMATION:

22,479 SF  
Rentable Square Footage Summary

UTILITY CONTACTS:



**OSF**  
DESIGN GROUP, INC.  
3300 W. WILLOW KNOLLS PEORIA, IL 61614  
PHONE: (309) 677-0763 FAX: (309) 677-0766  
PROFESSIONAL DESIGN FIRM NUMBER: 164-004145

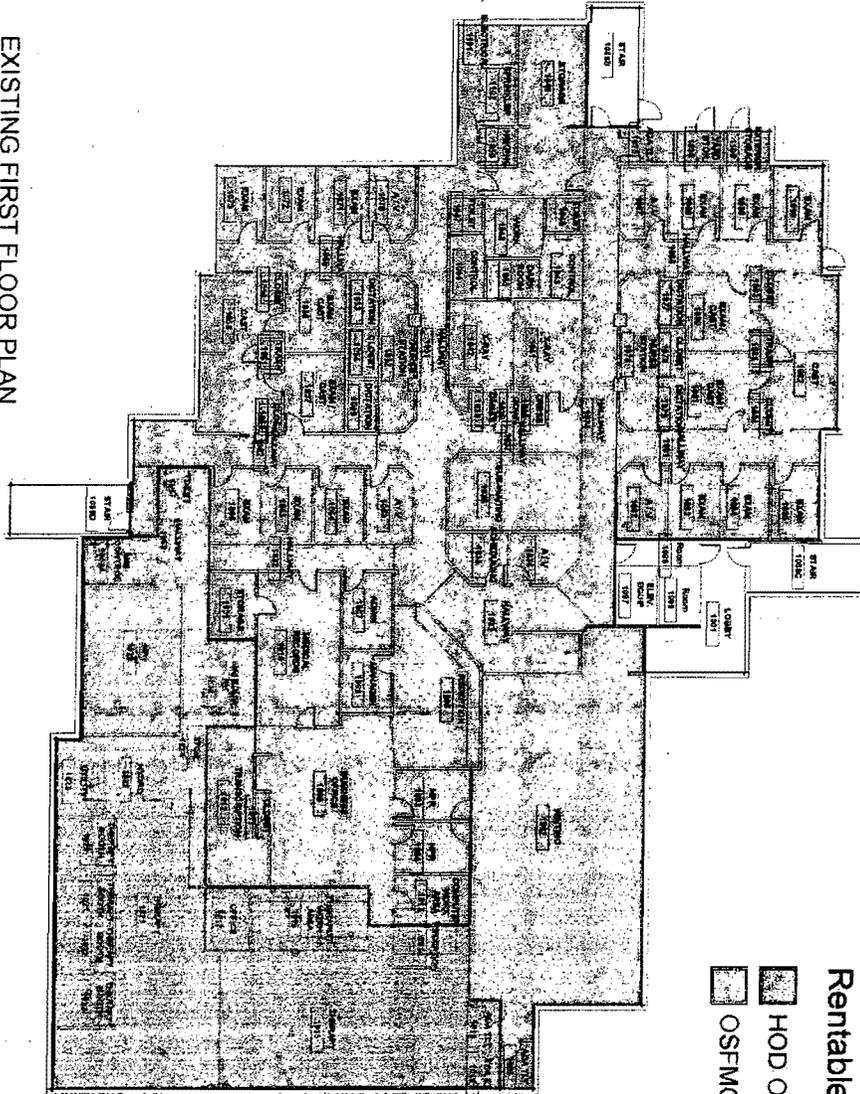
6153 - 303  
KUMPF

COVER SHEET

DATE	02/20/15
DESIGNED BY	AMOR
CHECKED BY	CHADLER
DATE	02/20/15
SCALE	AS SHOWN

0

**EXISTING FIRST FLOOR PLAN**  
1/16" = 1'-0"



**Rentable Area Legend**

- HOD OSFMG
- OSFMG

First Floor Area Schedule (Rentable)	
Area	Name
3,645 SF	HOD OSFMG
11,442 SF	OSFMG
15,087 SF	

**OSF**  
DESIGN GROUP, INC.

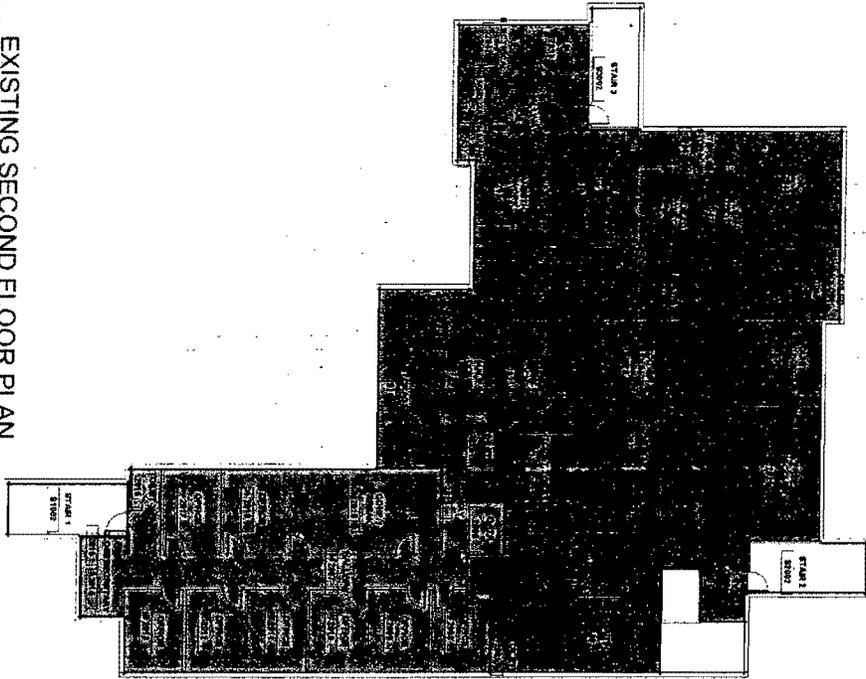
3300 W. WILLOW KNOLLS PEORIA, IL 61614  
PHONE: (309) 677-0763 FAX: (309) 677-0766  
PROFESSIONAL DESIGN FIRM NUMBER: 164-004145

6153 - 303  
KUMIPF

FIRST FLOOR  
PLAN

NO. 1	DATE	BY	CHKD.	SCALE
	03/22/16	AKR		1/16" = 1'-0"
	DESIGNED BY	CHECKED BY		

**1**  
EXISTING SECOND FLOOR PLAN  
1/16" = 1'-0"



**Rentable Area Legend**

- ASC
- OSFMG

**Second Floor area Schedule (Rentable)**

Area	Name
5,394 SF	ASC
1,998 SF	OSFMG
7,392 SF	

**OSF**  
**DESIGN GROUP, INC.**  
3300 W. WILLOW KNOLLS PEORIA, IL 61614  
PHONE: (309) 677-0763 FAX: (309) 677-0765  
PROFESSIONAL DESIGN FIRM NUMBER: 184-004145

6153 - 303  
KUMPF

SECOND FLOOR  
PLAN

Proj #	Project Name
Date	08/28/16
Designer	Author
Checker	Checker
Scale	1/16" = 1'-0"

## EXHIBIT C

**LEASE SUBORDINATION,  
NONDISTURBANCE AND  
ATTORNMENMENT AGREEMENT**  
*Peoria County*

This document prepared by and  
after recording return to:

Richard M. Joseph  
Miller, Hall & Triggs, LLC  
416 Main Street, Suite 1125  
Peoria, IL 61602-1161

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**LEASE SUBORDINATION,  
NONDISTURBANCE AND ATTORNMENMENT AGREEMENT**

THIS LEASE SUBORDINATION, NONDISTURBANCE AND ATTORNMENMENT AGREEMENT (this "Agreement"), dated as of \_\_\_\_\_, \_\_\_\_\_, is made and entered into by and among the following parties:

("Lender"), having a mailing address of \_\_\_\_\_; Musculoskeletal Surgery Center, LLC, an Illinois limited liability company ("Tenant"), having a mailing address of 303 N. William Kumpf Blvd., Peoria, IL 61605; and Cullinan Kumpf Medical, LLC, an Illinois limited liability company ("Borrower"), having a mailing address of c/o Cullinan Companies L.L.C., 420 N. Main Street, East Peoria, IL 61611. The following recitals form the basis for this Agreement and are a material part hereof:

A. Tenant is the "tenant" or "lessee" under that certain Lease (as amended from time to time, the "Lease"), dated \_\_\_\_\_, a copy of which Lease has been previously delivered to Lender, for certain premises leased as described in the Lease (the "Premises").

B. Lender has made or is about to make a loan or extend credit (the "Loan") to Borrower, to be secured by a mortgage, security agreement, assignment of leases and rents and fixture filing (as amended or renewed from time to time, the "Mortgage"), covering the land described on **Exhibit A** attached hereto and all improvements and fixtures thereon, and all personal property and other assets described therein (collectively, the "Mortgaged Property"), which includes the Premises. The Mortgage has been or will be recorded in the official real estate records of the County of Peoria, Illinois (the "Recorder's Office").

C. As a condition to making the Loan, Lender has required that Tenant agree to subordinate the Lease to the Mortgage, attorn to Lender, and otherwise agree as set forth herein, subject to Lender's agreement not to disturb the Lease or Tenant's possession of the Premises upon the terms set forth herein.

NOW, THEREFORE, for and in consideration of the foregoing recitals, and for \$1.00 paid to and received by Tenant, and for other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, Tenant, Borrower and Lender hereby covenant and agree as follows:

1. Lease Subordination. Subject to the terms and conditions of this Agreement, the Lease and the leasehold estate created by the Lease and all of Tenant's rights under the Lease are and shall remain subject and subordinate to the Mortgage and the lien of the Mortgage, to all rights of Lender under the Mortgage, and to all renewals, amendments, modifications and extensions of the Mortgage.

2. Notice of Assignment. Tenant acknowledges and agrees that Tenant has notice that the Lease and the rent and other sums due under the Lease have been or are to be assigned to Lender as security for the Loan. If Lender notifies Tenant in writing of a default under the Mortgage and requests that Tenant pay its rent and other sums due under the Lease to Lender, then Tenant shall pay such sums directly to Lender or as Lender may otherwise request. Tenant further agrees that this Agreement satisfies any condition or requirement in the Lease relating to the granting of a nondisturbance agreement, and Landlord agrees that Tenant may rely upon Lender's notice and upon Tenant's receipt thereof. Landlord consents to Tenant making rent and other payments directly to Lender, all such amounts being deemed paid in satisfaction of Tenant's corresponding obligations under the Lease.

3. Foreclosure and Sale; Attornment.

3.1 Tenant covenants and agrees to make full and complete attornment, without the necessity of any other or further attornment than in this paragraph contained (and this paragraph shall be considered a self-operative attornment), to Lender, its successors and assigns, or to the purchaser or grantee of the Mortgaged Property at foreclosure or sale under the Mortgage or by deed in lieu thereof (Lender and all such other persons are each referred to herein as a "Successor Owner"), as the case may be, and upon such Successor Owner's election. Such attornment shall be for the balance of the term of the Lease, including any extensions thereof, if extended, and shall be upon the same terms, covenants and conditions as provided in the Lease so as to establish direct privity of estate and contract between Tenant and such Successor Owner, with the same force and effect as though the Lease was made directly between Tenant and such Successor Owner, whether or not Tenant is then in possession of the Premises under the Lease; provided, however, that neither Lender nor any other Successor Owner shall be: (i) liable for any act or omission of any prior lessor (including Borrower) in connection with the Lease, except to the extent continuing beyond the date of attornment; (ii) subject to any offsets or defenses which Tenant might have against any prior lessor (including Borrower); (iii) bound by any rent or additional rent which Tenant might have paid to any prior lessor (including Borrower) more than thirty (30) days in advance of the due dates thereof, for any period after the occurrence of the event that gave rise to attornment by Tenant, unless such Successor Owner actually receives such amounts; (iv) liable for the return of any security deposit, cleaning deposit or other sum that Tenant may have paid in advance to any prior

landlord (including Borrower), unless such Successor Owner actually receives such amounts; (v) liable for any representation, warranty or indemnity given by any prior landlord (including Borrower); (vi) liable for indirect or consequential damages or (vii) bound by any amendment, modification assignment or termination of the Lease or by any waiver or forbearance on the part of any prior lessor (including Borrower) made or given without the written consent of Lender or such other Successor Owner. Notwithstanding anything to the contrary in the Lease, Lender and any other Successor Owner shall be discharged from all responsibility under the Lease which accrues or arises after Lender or such other Successor Owner disposes of its interest in the Mortgaged Property.

3.2 Notwithstanding anything to the contrary in the Lease, (i) the liability of Lender and any other Successor Owner shall be limited to its ownership interest in the Mortgaged Property and the income, profits, insurance and proceeds derived therefrom, and no Successor Owner shall have any obligation to incur any liability in excess of its ownership interest in the Mortgaged Property and the income, profits, insurance and proceeds derived therefrom, and (ii) no disputes under the Lease shall be subject to arbitration unless the Successor Owner and Tenant agree to submit a particular dispute to arbitration.

#### 4. Nondisturbance Agreement.

4.1 Subject to Tenant's attornment upon the terms set forth above, Lender agrees, for itself and any other Successor Owner, that the Lease and Tenant's right of possession and enjoyment of the Premises shall be and remain undisturbed and unaffected by any foreclosure or other proceedings involving the Mortgage, subject to the terms and conditions of the Lease, and shall continue in full force and effect as a direct lease between the Successor Owner and Tenant; provided, however, that such agreement on the part of Lender and any Successor Owner shall terminate and expire upon the occurrence of any breach or default on the part of Tenant under the Lease which is not cured within any cure or grace period expressly provided in the Lease.

4.2 So long as the Lease is in full force and effect and Tenant is not in default under the Lease beyond any applicable notice and cure period, Lender shall not name or join Tenant as a defendant in any exercise of Lender's rights and remedies arising upon a default under the Mortgage unless applicable law requires Tenant to be made a party thereto as a condition to proceeding against Borrower or pursuing such rights and remedies. In the latter case, Lender may join Tenant as a defendant in such action only for such purpose and not to terminate the Lease or otherwise adversely affect Tenant's rights under the Lease or this Agreement in such action.

5. Tenant Covenants. Tenant agrees that, so long as the Mortgage shall remain outstanding, Tenant shall not, without the prior written consent of Lender: (a) prepay any of the rents, additional rents or other sums due under the Lease more than one (1) month in advance of the due dates thereof; (b) voluntarily surrender the Premises or terminate the Lease without cause or shorten the term thereof, except to the extent such right is expressly granted in the Lease; (c) voluntarily subordinate the

Lease to any lien or encumbrance; or (d) assign the Lease or sublet the Premises or any portion, except to the extent such right is expressly granted in the Lease.

6. Tenant Representations and Warranties. Tenant represents and warrants that, as of the date hereof, the Lease is in full force and effect and has not been modified or amended, except by such modifications and amendments as have been delivered by Tenant to Lender.

7. Subordination and Release of Purchase Options and Rights of First Refusal. Tenant represents and warrants that it has no right or option of any nature to purchase the Mortgaged Property, the Premises or any part thereof, or any interest in Borrower, or any rights of first refusal to lease or purchase the Mortgaged Property, the Premises or any part thereof except for a right of first offer to lease additional premises as is stated in the Lease. To the extent Tenant has or acquires any such options or rights, (a) such options or rights are acknowledged to be subject and subordinate to the Mortgage, (b) shall be terminated upon any foreclosure sale conducted under the Mortgage, or upon any conveyance of the Mortgaged Property in lieu of foreclosure, and (c) such options or rights are waived and released, and shall be of no force or effect, as to Lender and any other Successor Owner.

8. Lender's Right to Cure Defaults. If Tenant shall send any notice pursuant to or in connection with the Lease, then Tenant shall simultaneously send a copy of said notice to Lender by certified mail, return receipt requested, addressed to Lender at its mailing address specified above, or such other address as Lender may notify Tenant in writing. Tenant agrees that Lender shall have thirty (30) days after its actual receipt of any notice of default of the lessor under the Lease to cure such default, during which period Tenant shall not exercise any remedies available to it under the Lease (including, without limitation, any right of termination). In the event Lender is only able to cure the default by possession of the Mortgaged Property through foreclosure proceedings pursuant to the Mortgage, Lender shall express its intent to foreclose, possess and cure by written notice to Tenant within sixty (60) days after Lender's actual receipt of the notice of default, and Lender shall then have such additional amount of time reasonably necessary to cure the default, up to a maximum of one hundred twenty (120) days, and Tenant shall not exercise any remedies available to it under the Lease during such period. So long as any receiver of the Mortgaged Property has been appointed and is continuing to serve, Lender shall be deemed to have possession and control of the Mortgaged Property. Notwithstanding the foregoing, it is expressly agreed that, although Lender shall have the right under this Agreement to cure lessor's defaults under the Lease, nothing herein shall be construed as requiring or obligating Lender to cure Lessor's defaults.

9. Miscellaneous.

9.1 This Agreement shall run with the land and shall inure to the benefit of Lender and any other Successor Owner, and their respective successors and assigns, and be binding upon Tenant, its successors, assigns, heirs and legal representatives. This Agreement may be modified only by a writing signed by both of the parties hereto, and shall be governed by and construed in accordance with the laws

of the state where the Premises are located. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but together shall constitute one and the same instrument. If any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, that invalidity, illegality or unenforceability shall not affect the other provisions of this Agreement.

9.2 This Agreement constitutes the entire agreement among Lender, Borrower and Tenant regarding the rights and obligations of Tenant, Borrower and Lender as to the subject matter of this Agreement.

9.3 At any time, and from time to time, Lender may elect, by recording an appropriate instrument in the Recorder's Office to subordinate the lien and priority of the Mortgage to the Lease, in which event, neither a foreclosure of the lien of the Mortgage, entry by Lender, nor any other action by Lender with respect to the Mortgage will affect the continued existence of the Lease or the rights and obligations of the Tenant thereunder. Until such time as such election is made, if at all, the Lease will be subject and subordinate to the Mortgage, subject to the terms of this Agreement.

9.4 Neither Lender nor any other Successor Owner shall be subject to any provision of the Lease that is inconsistent with this Agreement.

9.5 Unless otherwise specified herein, all notices or other communications under this Agreement shall be in writing and shall be sent by registered or certified mail, return receipt requested, or by a reputable overnight carrier that provides a receipt, and shall be deemed given when addressed to the parties at their addresses listed in the first paragraph above (or such other addresses and the parties may provide to the other party in writing), on the second business day after being deposited in the mail, if sent by registered or certified mail, or on the next business day after being deposited with an overnight courier.

9.6 The individuals executing this Agreement hereby represent and warrant that they are empowered and duly authorized to so execute this Agreement on behalf of the parties they represent.

9.7 The provisions of this Agreement shall be effective and self-operative without any need for Successor Owner or Tenant to execute any further documents. Tenant and Successor Owner shall, however, confirm the provisions of this Agreement in writing upon request by either of them.

[See next pages for signatures.]

SIGNATURE PAGE FOR  
LEASE SUBORDINATION, NONDISTURBANCE AND  
ATTORNMEN T AGREEMENT

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

Tenant:

Musculoskeletal Surgery Center, LLC  
an Illinois limited liability company

By \_\_\_\_\_

Title: Member

STATE OF \_\_\_\_\_ )

) ss.

COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me on \_\_\_\_\_,  
2016, by \_\_\_\_\_, as \_\_\_\_\_ of Musculoskeletal Surgery  
Center, LLC, an Illinois limited liability company ("Tenant") on behalf of said company.  
In testimony whereof, I have hereunto set my hand and affixed my official seal in the  
County and State aforesaid, the day and year first above written.

GIVEN under my hand and notarial seal this \_\_\_\_\_ day of \_\_\_\_\_,  
A.D. 2016.

\_\_\_\_\_  
Notary Public

SIGNATURE PAGE FOR  
LEASE SUBORDINATION, NONDISTURBANCE AND  
ATTORNMMENT AGREEMENT

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

BORROWER:

Cullinan Kumpf Medical, LLC  
An Illinois limited liability company

By: Cullinan Companies L.L.C.  
An Illinois limited liability company  
Its Manager

By: *[Signature]*  
Michael C. Owens, Its Manager

STATE OF Illinois )  
COUNTY OF Stark ) ss.

The foregoing instrument was acknowledged before me on July 8,  
2016, by Michael C. Owens, as Manager of Cullinan Companies L.L.C., an  
Illinois limited liability company, the Manager of Cullinan Kumpf Medical an Illinois limited  
liability company, ("Borrower") on behalf of said company. In testimony whereof, I have  
hereunto set my hand and affixed my official seal in the County and State aforesaid, the  
day and year first above written.

GIVEN under my hand and notarial seal this 8th day of July,  
A.D. 2016.

*Nancee P. Redding*  
Notary Public





EXHIBIT A

A PART OF LOTS 1 THROUGH 6, ALL OF LOTS 7 THROUGH 12, THE VACATED ALLEY EXTENDING FROM WILLIAM KUMPF BOULEVARD TO SANFORD STREET AND THE VACATED SANFORD STREET RIGHT OF WAY LYING WEST OF SAID LOTS 6 AND 7, AS VACATED BY ORDINANCE RECORDED JULY 20, 1990 AS DOCUMENT #90-16245, ALL IN BLOCK 49 OF AIKEN, MONSON AND SANFORD'S ADDITION IN THE NORTHWEST ¼ OF SECTION 9, TOWNSHIP 8 NORTH, RANGE 8 EAST OF THE FOURTH PRINCIPAL MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHEAST CORNER OF SAID LOT 12, THENCE SOUTH 00 DEGREES 08 MINUTES 11 SECONDS WEST (BEARING ASSUMED FOR PURPOSE OF DESCRIPTION ONLY), ALONG THE WEST LINE OF WILLIAM KUMPF BOULEVARD, 294.00 FEET; THENCE NORTH 89 DEGREES 54 MINUTES 39 SECONDS WEST, PARALLEL TO THE NORTH LINE OF THIRD AVENUE, 366.68 FEET TO THE WEST LINE OF THE VACATED SANFORD STREET; THENCE NORTH 00 DEGREES 08 MINUTES 26 SECONDS EAST, ALONG THE WEST LINE OF THE VACATED SANFORD STREET, 293.86 FEET TO THE SOUTH LINE OF FOURTH AVENUE; THENCE SOUTH 89 DEGREES 55 MINUTES 58 SECONDS EAST, ALONG THE SOUTH LINE OF FOURTH AVENUE, 366.66 FEET TO THE POINT OF BEGINNING, AS SHOWN ON THE SURVEY PREPARED BY AUSTIN ENGINEERING CO., INC. DATED JULY 26, 1990 AND RECORDED OCTOBER 2, 1990 IN TRACT SURVEY 25, PAGE 9 AS DOCUMENT #90-23580, SITUATE, LYING, AND BEING IN THE COUNTY OF PEORIA AND STATE OF ILLINOIS

Commonly known as: Great Plains Orthopaedics Medical Office Building  
303 North William Kumpf Boulevard  
Peoria, IL, 61605

PIN:

**LEASE TERMINATION AGREEMENT**

This Lease Termination Agreement (this "**Termination**") is made as of the 12 day of July, 2016, by and between **GREAT PLAINS L.L.C.** ( "**Landlord**") and **ORTHOPEDIC ASSOCIATES OF PEORIA, S.C.** (the "**Tenant**").

**WHEREAS**, the Landlord and Tenant entered into a Medical Building Lease made August 1, 1998, and amended August 1, 2009, for the premises set forth in Exhibit A (the "**Lease**"); and

**WHEREAS**, Landlord and Tenant now desire to terminate the Lease.

**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. Landlord and Tenant each hereby agree, confirm and acknowledge that the Lease is terminated as of the 14th day of July, 2016, and that all obligations of the parties under the Lease are hereby terminated, cancelled and extinguished.
2. Tenant acknowledges that there are no other leases, written or oral, of the property described on Exhibit "A" other than the Lease defined herein.
3. Tenant acknowledges that he has no other interest in the property described on Exhibit "A".
4. Landlord and Tenant enter into this Termination of the Lease in consideration of the Purchase and Sale Agreement for Real Estate dated 15th day of February 2016, by and between the Landlord and OSF MULTI-SPECIALTY GROUP.
5. This Termination shall be governed and construed in accordance with the laws of the State of Illinois.

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**IN WITNESS WHEREOF**, the parties have executed this Termination as of the date first above written.

LANDLORD:

TENANT:

**GREAT PLAINS L.L.C.**

**ORTHOPEDIC ASSOCIATES OF PEORIA,  
S.C.**

By: Jeffrey R. Garst, M.D.  
JEFFREY R. GARST, M.D., AS MEMBER  
AND PRESIDENT OF ORTHOPEDIC  
ASSOCIATES, S.C., sole manager of Great  
Plains L.L.C.

By: Jeffrey R. Garst, M.D.  
JEFFREY R. GARST, M.D.,  
PRESIDENT

## **EXHIBIT A**

### **LEGAL DESCRIPTION**

A PART OF LOTS 1 THROUGH 6, ALL OF LOTS 7 THROUGH 12, THE VACATED ALLEY EXTENDING FROM WILLIAM KUMPF BOULEVARD TO SANFORD STREET AND THE VACATED SANFORD STREET RIGHT OF WAY LYING WEST OF SAID LOTS 6 AND 7, AS VACATED BY ORDINANCE RECORDED JULY 20, 1990 AS DOCUMENT #90-16245, ALL IN BLOCK 49 OF AIKEN, MONSON AND SANFORD'S ADDITION IN THE NORTHWEST ¼ OF SECTION 9, TOWNSHIP 8 NORTH, RANGE 8 EAST OF THE FOURTH PRINCIPAL MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHEAST CORNER OF SAID LOT 12, THENCE SOUTH 00 DEGREES 08 MINUTES 11 SECONDS WEST (BEARING ASSUMED FOR PURPOSE OF DESCRIPTION ONLY), ALONG THE WEST LINE OF WILLIAM KUMPF BOULEVARD, 294.00 FEET; THENCE NORTH 89 DEGREES 54 MINUTES 39 SECONDS WEST, PARALLEL TO THE NORTH LINE OF THIRD AVENUE, 366.68 FEET TO THE WEST LINE OF THE VACATED SANFORD STREET; THENCE NORTH 00 DEGREES 08 MINUTES 26 SECONDS EAST, ALONG THE WEST LINE OF THE VACATED SANFORD STREET, 293.86 FEET TO THE SOUTH LINE OF FOURTH AVENUE; THENCE SOUTH 89 DEGREES 55 MINUTES 58 SECONDS EAST, ALONG THE SOUTH LINE OF FOURTH AVENUE, 366.66 FEET TO THE POINT OF BEGINNING, AS SHOWN ON THE SURVEY PREPARED BY AUSTIN ENGINEERING CO., INC. DATED JULY 26, 1990 AND RECORDED OCTOBER 2, 1990 IN TRACT SURVEY 25, PAGE 9 AS DOCUMENT #90-23580, SITUATE, LYING, AND BEING IN THE COUNTY OF PEORIA AND STATE OF ILLINOIS

## **SUBLEASE TERMINATION AGREEMENT**

This Sublease Termination Agreement (this "**Termination**") is made as of the 14th day of July, 2016, by and between **ORTHOPEDIC ASSOCIATES OF PEORIA, S.C.** ("**Sublessor**") and **MUSCULOSKELETAL SURGERY CENTER, LLC** (the "**Sublessee**").

**WHEREAS**, the Sublessor and Sublessee entered into an Ambulatory Surgical Center Sublease made August 1, 1998, and amended on August 1, 2009, for a portion of the premises set forth in Exhibit A (the "**Lease**"); and

**WHEREAS**, Sublessor and Sublessee now desire to terminate the Lease.

**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. Sublessor and Sublessee each hereby agree, confirm and acknowledge that the Lease is terminated as of the 14th day of July, 2016, and that all obligations of the parties under the Lease are hereby terminated, cancelled and extinguished.
2. Sublessee acknowledges that there are no other leases, written or oral, of the property described on Exhibit "A" other than the Lease defined herein.
3. Sublessee acknowledges that he has no other interest in the property described on Exhibit "A".
4. Sublessor and Sublessee enter into this Termination of the Lease in consideration of the Purchase and Sale Agreement for Real Estate dated 15th day of February 2016, by and between the Sublessor and OSF MULTI-SPECIALTY GROUP.
5. This Termination shall be governed and construed in accordance with the laws of the State of Illinois.

**[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]**

**IN WITNESS WHEREOF**, the parties have executed this Termination as of the date first above written.

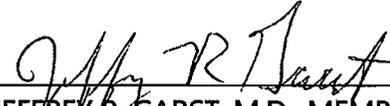
SUBLESSOR:

**ORTHOPEDIC ASSOCIATES OF PEORIA, S.C.**

By:   
JEFFREY R. GARST, M.D., PRESIDENT

SUBLESEE:

**MUSCULOSKELETAL SURGERY CENTER,  
LLC**

By:   
JEFFREY R. GARST, M.D., MEMBER

30480352\_1

## EXHIBIT A

### LEGAL DESCRIPTION

A PART OF LOTS 1 THROUGH 6, ALL OF LOTS 7 THROUGH 12, THE VACATED ALLEY EXTENDING FROM WILLIAM KUMPF BOULEVARD TO SANFORD STREET AND THE VACATED SANFORD STREET RIGHT OF WAY LYING WEST OF SAID LOTS 6 AND 7, AS VACATED BY ORDINANCE RECORDED JULY 20, 1990 AS DOCUMENT #90-16245, ALL IN BLOCK 49 OF AIKEN, MONSON AND SANFORD'S ADDITION IN THE NORTHWEST ¼ OF SECTION 9, TOWNSHIP 8 NORTH, RANGE 8 EAST OF THE FOURTH PRINCIPAL MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHEAST CORNER OF SAID LOT 12, THENCE SOUTH 00 DEGREES 08 MINUTES 11 SECONDS WEST (BEARING ASSUMED FOR PURPOSE OF DESCRIPTION ONLY), ALONG THE WEST LINE OF WILLIAM KUMPF BOULEVARD, 294.00 FEET; THENCE NORTH 89 DEGREES 54 MINUTES 39 SECONDS WEST, PARALLEL TO THE NORTH LINE OF THIRD AVENUE, 366.68 FEET TO THE WEST LINE OF THE VACATED SANFORD STREET; THENCE NORTH 00 DEGREES 08 MINUTES 26 SECONDS EAST, ALONG THE WEST LINE OF THE VACATED SANFORD STREET, 293.86 FEET TO THE SOUTH LINE OF FOURTH AVENUE; THENCE SOUTH 89 DEGREES 55 MINUTES 58 SECONDS EAST, ALONG THE SOUTH LINE OF FOURTH AVENUE, 366.66 FEET TO THE POINT OF BEGINNING, AS SHOWN ON THE SURVEY PREPARED BY AUSTIN ENGINEERING CO., INC. DATED JULY 26, 1990 AND RECORDED OCTOBER 2, 1990 IN TRACT SURVEY 25, PAGE 9 AS DOCUMENT #90-23580, SITUATE, LYING, AND BEING IN THE COUNTY OF PEORIA AND STATE OF ILLINOIS

**LEASE SUBORDINATION,  
NONDISTURBANCE AND  
ATTORNMEN T AGREEMENT**  
*Peoria County*

This document prepared by and  
after recording return to:

Richard M. Joseph  
Miller, Hall & Triggs, LLC  
416 Main Street, Suite 1125  
Peoria, IL 61602-1161

**LEASE SUBORDINATION,  
NONDISTURBANCE AND ATTORNMEN T AGREEMENT**

THIS LEASE SUBORDINATION, NONDISTURBANCE AND ATTORNMEN T AGREEMENT (this "Agreement"), dated as of July \_\_, 2016, is made and entered into by and among the following parties: First Mid-Illinois Bank & Trust, N.A. ("Lender"), having a mailing address of 230 SW Adams Street, Suite 100, Peoria, IL 61602; Musculoskeletal Surgery Center, LLC, an Illinois limited liability company ("Tenant"), having a mailing address of 303 N. William Kumpf Blvd., Peoria, IL 61605; and Cullinan Kumpf Medical, LLC, an Illinois limited liability company ("Borrower"), having a mailing address of c/o Cullinan Companies L.L.C., 420 N. Main Street, East Peoria, IL 61611. The following recitals form the basis for this Agreement and are a material part hereof:

A. Tenant is the "tenant" or "lessee" under that certain Lease (as amended from time to time, the "Lease"), dated July \_\_, 2016, a copy of which Lease has been previously delivered to Lender, for certain premises leased as described in the Lease (the "Premises").

B. Lender has made or is about to make a loan or extend credit (the "Loan") to Borrower, to be secured by a mortgage, security agreement, assignment of leases and rents and fixture filing (as amended or renewed from time to time, the "Mortgage"), covering the land described on **Exhibit A** attached hereto and all improvements and fixtures thereon, and all personal property and other assets described therein (collectively, the "Mortgaged Property"), which includes the Premises. The Mortgage has been or will be recorded in the official real estate records of the County of Peoria, Illinois (the "Recorder's Office").

C. As a condition to making the Loan, Lender has required that Tenant agree to subordinate the Lease to the Mortgage, attorn to Lender, and otherwise agree as set forth herein, subject to Lender's agreement not to disturb the Lease or Tenant's possession of the Premises upon the terms set forth herein.

NOW, THEREFORE, for and in consideration of the foregoing recitals, and for \$1.00 paid to and received by Tenant, and for other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, Tenant, Borrower and Lender hereby covenant and agree as follows:

1. Lease Subordination. Subject to the terms and conditions of this Agreement, the Lease and the leasehold estate created by the Lease and all of Tenant's rights under the Lease are and shall remain subject and subordinate to the Mortgage and the lien of the Mortgage, to all rights of Lender under the Mortgage, and to all renewals, amendments, modifications and extensions of the Mortgage.

2. Notice of Assignment. Tenant acknowledges and agrees that Tenant has notice that the Lease and the rent and other sums due under the Lease have been or are to be assigned to Lender as security for the Loan. If Lender notifies Tenant in writing of a default under the Mortgage and requests that Tenant pay its rent and other sums due under the Lease to Lender, then Tenant shall pay such sums directly to Lender or as Lender may otherwise request. Tenant further agrees that this Agreement satisfies any condition or requirement in the Lease relating to the granting of a nondisturbance agreement, and Landlord agrees that Tenant may rely upon Lender's notice and upon Tenant's receipt thereof. Landlord consents to Tenant making rent and other payments directly to Lender, all such amounts being deemed paid in satisfaction of Tenant's corresponding obligations under the Lease.

3. Foreclosure and Sale; Attornment.

3.1 Tenant covenants and agrees to make full and complete attornment, without the necessity of any other or further attornment than in this paragraph contained (and this paragraph shall be considered a self-operative attornment); to Lender, its successors and assigns, or to the purchaser or grantee of the Mortgaged Property at foreclosure or sale under the Mortgage or by deed in lieu thereof (Lender and all such other persons are each referred to herein as a "Successor Owner"), as the case may be, and upon such Successor Owner's election. Such attornment shall be for the balance of the term of the Lease, including any extensions thereof, if extended, and shall be upon the same terms, covenants and conditions as provided in the Lease so as to establish direct privity of estate and contract between Tenant and such Successor Owner, with the same force and effect as though the Lease was made directly between Tenant and such Successor Owner, whether or not Tenant is then in possession of the Premises under the Lease; provided, however, that neither Lender nor any other Successor Owner shall be: (i) liable for any act or omission of any prior lessor (including Borrower) in connection with the Lease, except to the extent continuing beyond the date of attornment; (ii) subject to any offsets or defenses which Tenant might have against any prior lessor (including Borrower); (iii) bound by any rent or additional rent which Tenant might have paid to any prior lessor (including Borrower) more than thirty (30) days in advance of the due dates thereof, for any period after the occurrence of the event that gave rise to attornment by Tenant, unless such Successor Owner actually receives such amounts; (iv) liable for the return of any security deposit, cleaning deposit or other sum that Tenant may have paid in advance to any prior landlord (including Borrower), unless such Successor Owner actually receives such

amounts; (v) liable for any representation, warranty or indemnity given by any prior landlord (including Borrower); (vi) liable for indirect or consequential damages or (vii) bound by any amendment, modification assignment or termination of the Lease or by any waiver or forbearance on the part of any prior lessor (including Borrower) made or given without the written consent of Lender or such other Successor Owner. Notwithstanding anything to the contrary in the Lease, Lender and any other Successor Owner shall be discharged from all responsibility under the Lease which accrues or arises after Lender or such other Successor Owner disposes of its interest in the Mortgaged Property.

3.2 Notwithstanding anything to the contrary in the Lease, (i) the liability of Lender and any other Successor Owner shall be limited to its ownership interest in the Mortgaged Property and the income, profits, insurance and proceeds derived therefrom, and no Successor Owner shall have any obligation to incur any liability in excess of its ownership interest in the Mortgaged Property and the income, profits, insurance and proceeds derived therefrom, and (ii) no disputes under the Lease shall be subject to arbitration unless the Successor Owner and Tenant agree to submit a particular dispute to arbitration.

#### 4. Nondisturbance Agreement.

4.1 Subject to Tenant's attornment upon the terms set forth above, Lender agrees, for itself and any other Successor Owner, that the Lease and Tenant's right of possession and enjoyment of the Premises shall be and remain undisturbed and unaffected by any foreclosure or other proceedings involving the Mortgage, subject to the terms and conditions of the Lease, and shall continue in full force and effect as a direct lease between the Successor Owner and Tenant; provided, however, that such agreement on the part of Lender and any Successor Owner shall terminate and expire upon the occurrence of any breach or default on the part of Tenant under the Lease which is not cured within any cure or grace period expressly provided in the Lease.

4.2 So long as the Lease is in full force and effect and Tenant is not in default under the Lease beyond any applicable notice and cure period, Lender shall not name or join Tenant as a defendant in any exercise of Lender's rights and remedies arising upon a default under the Mortgage unless applicable law requires Tenant to be made a party thereto as a condition to proceeding against Borrower or pursuing such rights and remedies. In the latter case, Lender may join Tenant as a defendant in such action only for such purpose and not to terminate the Lease or otherwise adversely affect Tenant's rights under the Lease or this Agreement in such action.

5. Tenant Covenants. Tenant agrees that, so long as the Mortgage shall remain outstanding, Tenant shall not, without the prior written consent of Lender: (a) prepay any of the rents, additional rents or other sums due under the Lease more than one (1) month in advance of the due dates thereof; (b) voluntarily surrender the Premises or terminate the Lease without cause or shorten the term thereof, except to the extent such right is expressly granted in the Lease; (c) voluntarily subordinate the Lease to any lien or encumbrance; or (d) assign the Lease or sublet the Premises or any portion, except to the extent such right is expressly granted in the Lease.

6. Tenant Representations and Warranties. Tenant represents and warrants that, as of the date hereof, the Lease is in full force and effect and has not been modified or amended, except by such modifications and amendments as have been delivered by Tenant to Lender.

7. Subordination and Release of Purchase Options and Rights of First Refusal. Tenant represents and warrants that it has no right or option of any nature to purchase the Mortgaged Property, the Premises or any part thereof, or any interest in Borrower, or any rights of first refusal to lease or purchase the Mortgaged Property, the Premises or any part thereof except for a right of first offer to lease additional premises as is stated in the Lease. To the extent Tenant has or acquires any such options or rights, (a) such options or rights are acknowledged to be subject and subordinate to the Mortgage, (b) shall be terminated upon any foreclosure sale conducted under the Mortgage, or upon any conveyance of the Mortgaged Property in lieu of foreclosure, and (c) such options or rights are waived and released, and shall be of no force or effect, as to Lender and any other Successor Owner.

8. Lender's Right to Cure Defaults. If Tenant shall send any notice pursuant to or in connection with the Lease, then Tenant shall simultaneously send a copy of said notice to Lender by certified mail, return receipt requested, addressed to Lender at its mailing address specified above, or such other address as Lender may notify Tenant in writing. Tenant agrees that Lender shall have thirty (30) days after its actual receipt of any notice of default of the lessor under the Lease to cure such default, during which period Tenant shall not exercise any remedies available to it under the Lease (including, without limitation, any right of termination). In the event Lender is only able to cure the default by possession of the Mortgaged Property through foreclosure proceedings pursuant to the Mortgage, Lender shall express its intent to foreclose, possess and cure by written notice to Tenant within sixty (60) days after Lender's actual receipt of the notice of default, and Lender shall then have such additional amount of time reasonably necessary to cure the default, up to a maximum of one hundred twenty (120) days, and Tenant shall not exercise any remedies available to it under the Lease during such period. So long as any receiver of the Mortgaged Property has been appointed and is continuing to serve, Lender shall be deemed to have possession and control of the Mortgaged Property. Notwithstanding the foregoing, it is expressly agreed that, although Lender shall have the right under this Agreement to cure lessor's defaults under the Lease, nothing herein shall be construed as requiring or obligating Lender to cure Lessor's defaults.

9. Miscellaneous.

9.1 This Agreement shall run with the land and shall inure to the benefit of Lender and any other Successor Owner, and their respective successors and assigns, and be binding upon Tenant, its successors, assigns, heirs and legal representatives. This Agreement may be modified only by a writing signed by both of the parties hereto, and shall be governed by and construed in accordance with the laws of the state where the Premises are located. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but together shall

constitute one and the same instrument. If any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, that invalidity, illegality or unenforceability shall not affect the other provisions of this Agreement.

9.2 This Agreement constitutes the entire agreement among Lender, Borrower and Tenant regarding the rights and obligations of Tenant, Borrower and Lender as to the subject matter of this Agreement.

9.3 At any time, and from time to time, Lender may elect, by recording an appropriate instrument in the Recorder's Office to subordinate the lien and priority of the Mortgage to the Lease, in which event, neither a foreclosure of the lien of the Mortgage, entry by Lender, nor any other action by Lender with respect to the Mortgage will affect the continued existence of the Lease or the rights and obligations of the Tenant thereunder. Until such time as such election is made, if at all, the Lease will be subject and subordinate to the Mortgage, subject to the terms of this Agreement.

9.4 Neither Lender nor any other Successor Owner shall be subject to any provision of the Lease that is inconsistent with this Agreement.

9.5 Unless otherwise specified herein, all notices or other communications under this Agreement shall be in writing and shall be sent by registered or certified mail, return receipt requested, or by a reputable overnight carrier that provides a receipt, and shall be deemed given when addressed to the parties at their addresses listed in the first paragraph above (or such other addresses and the parties may provide to the other party in writing), on the second business day after being deposited in the mail, if sent by registered or certified mail, or on the next business day after being deposited with an overnight courier.

9.6 The individuals executing this Agreement hereby represent and warrant that they are empowered and duly authorized to so execute this Agreement on behalf of the parties they represent.

9.7 The provisions of this Agreement shall be effective and self-operative without any need for Successor Owner or Tenant to execute any further documents. Tenant and Successor Owner shall, however, confirm the provisions of this Agreement in writing upon request by either of them.

[See next pages for signatures.]

SIGNATURE PAGE FOR  
LEASE SUBORDINATION, NONDISTURBANCE AND  
ATTORNMENT AGREEMENT

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

Tenant:

Musculoskeletal Surgery Center, LLC  
an Illinois limited liability company

By Jeffrey R. Garst  
Title: Member

STATE OF Illinois )

COUNTY OF Peoria )

ss:

The foregoing instrument was acknowledged before me on July 11, 2016, by  
Jeffrey R. Garst, as member of Musculoskeletal Surgery Center,  
LLC, an Illinois limited liability company ("Tenant") on behalf of said company. In  
testimony whereof, I have hereunto set my hand and affixed my official seal in the  
County and State aforesaid; the day and year first above written.

GIVEN under my hand and notarial seal this 11 day of July, A.D. 2016.

Sarah J. Shane  
Notary Public

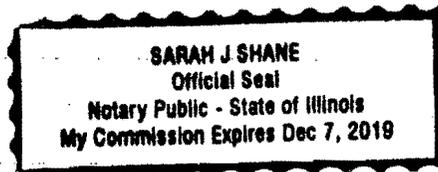






EXHIBIT A

A PART OF LOTS 1 THROUGH 6, ALL OF LOTS 7 THROUGH 12, THE VACATED ALLEY EXTENDING FROM WILLIAM KUMPF BOULEVARD TO SANFORD STREET AND THE VACATED SANFORD STREET RIGHT OF WAY LYING WEST OF SAID LOTS 6 AND 7, AS VACATED BY ORDINANCE RECORDED JULY 20, 1990 AS DOCUMENT #90-16245, ALL IN BLOCK 49 OF AIKEN, MONSON AND SANFORD'S ADDITION IN THE NORTHWEST ¼ OF SECTION 9, TOWNSHIP 8 NORTH, RANGE 8 EAST OF THE FOURTH PRINCIPAL MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHEAST CORNER OF SAID LOT 12; THENCE SOUTH 00 DEGREES 08 MINUTES 11 SECONDS WEST (BEARING ASSUMED FOR PURPOSE OF DESCRIPTION ONLY), ALONG THE WEST LINE OF WILLIAM KUMPF BOULEVARD, 294.00 FEET; THENCE NORTH 89 DEGREES 54 MINUTES 39 SECONDS WEST, PARALLEL TO THE NORTH LINE OF THIRD AVENUE, 366.68 FEET TO THE WEST LINE OF THE VACATED SANFORD STREET; THENCE NORTH 00 DEGREES 08 MINUTES 26 SECONDS EAST, ALONG THE WEST LINE OF THE VACATED SANFORD STREET, 293.86 FEET TO THE SOUTH LINE OF FOURTH AVENUE; THENCE SOUTH 89 DEGREES 55 MINUTES 58 SECONDS EAST, ALONG THE SOUTH LINE OF FOURTH AVENUE, 366.66 FEET TO THE POINT OF BEGINNING, AS SHOWN ON THE SURVEY PREPARED BY AUSTIN ENGINEERING CO., INC. DATED JULY 26, 1990 AND RECORDED OCTOBER 2, 1990 IN TRACT SURVEY 25, PAGE 9 AS DOCUMENT #90-23580, SITUATE, LYING, AND BEING IN THE COUNTY OF PEORIA AND STATE OF ILLINOIS

Commonly known as:

Great Plains Orthopaedics Medical Office Building  
303 North William Kumpf Boulevard  
Peoria, IL, 61605

PIN:

**EXECUTION COPY**

**PURCHASE AND SALE AGREEMENT FOR REAL ESTATE  
(GREAT PLAINS ORTHOPAEDICS MEDICAL OFFICE BUILDING)**

THIS PURCHASE AND SALE AGREEMENT FOR REAL ESTATE ("Agreement") is made and entered into as of February 15, 2016, by and between OSF MULTI-SPECIALTY GROUP, an Illinois not-for-profit corporation, or its assignee ("Buyer") and GREAT PLAINS, L.L.C., an Illinois limited liability company ("Seller").

**RECITALS:**

A. Seller is the owner of certain real estate located in the City of Peoria, Peoria County, Illinois, which real estate is legally described on the attached Exhibit A ("Property"), said Property consisting of real estate and improvements located at 303 North William Kumpf Boulevard, Peoria, Illinois 61605 consisting of approximately 2.4742 acres of land improved with a building of approximately 24,714 square feet, the true dimensions of which shall be verified by the Survey.

B. The closing of this transaction is subject to and contingent upon the terms of the Asset Purchase Agreement between Buyer and Orthopaedics Associates of Peoria, S.C., an Illinois service corporation, d/b/a Great Plains Orthopaedics dated as of February 15, 2016 ("APA") and the date of execution of the APA shall be the effective date of this Agreement ("Effective Date") and Buyer desires to purchase and Seller desires to sell the Property for the purchase price and on the terms hereinafter set forth.

C. The Buyer and Seller acknowledge and agree that Buyer intends to assign all of its rights and obligations hereunder to a third party real estate investor or developer prior to closing on the purchase and sale transaction described in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, and in reliance upon the recitals set forth above, which are incorporated herein by reference, it is hereby agreed between the parties hereto as follows:

1. Purchase and Sale. Seller shall sell and convey to Buyer or its assignee, and Buyer or its assignee shall purchase from Seller upon and subject to the terms and conditions set forth in this Agreement, the following described property:

- A. Fee simple title to the Property, together with all rights, privileges, easements, licenses, hereditaments and other appurtenances relating thereto;
- B. All of Seller's right, title and interest, if any, in and to (i) any land lying in the bed of any street, road, or highway, open or proposed, in front of or adjoining all or any part of the Property, (ii) any alleys, walls, sidewalks or other property abutting the Property, (iii) any award made or to be made to the owner of the Property by reason of change of grade or the closing of any street, road or highway, and (iv) all strips and gores of land within the boundaries of the Property;
- C. All of Seller's right, title and interest in and to all buildings, structures, and improvements located on the Property (collectively the "Improvements");

As used in this Agreement, the word "Premises" shall mean all of the property described in subparagraphs 1(A) through (C).

2. Purchase Price. The purchase price for the Premises shall be Four Million Nine Hundred Thousand and 00/100 Dollars (\$4,900,000.00) ("Purchase Price"). At Closing, as defined in paragraph 3 herein, Buyer shall pay the Purchase Price in cash, by wire transfer, plus or minus prorations as set forth in paragraph 9.

3. Closing; Possession. This transaction shall be closed and possession of the Real Estate given to Buyer as follows:

3.1. Closing shall take place contemporaneously with, and contingent upon, the closing of the APA (the "Closing" or "Closed"). This Contract shall terminate upon the termination of the APA. Closing shall take place at the offices of Chicago Title Company, 416 Main Street, Peoria, IL ("Title Company").

3.2. Documents delivered at Closing.

A. Seller: At Closing, or prior to Closing in escrow with the Title Agent, Seller shall deliver or cause to be delivered to Buyer the following documents, each in form and substance satisfactory to Buyer in its sole but reasonable discretion:

(i) Recordable special warranty deed executed by Seller (the "Deed") conveying the Property to Buyer or its nominee, subject only to the following "Permitted Encumbrances":

(a) Local, state and federal building and zoning laws and ordinances;

(b) Real estate taxes for assessment year 2015 and beyond not yet due and payable; and

(c) Rights of the public, state of Illinois, and the municipality in and to any part of the Premises taken, used or dedicated for roads, streets, alleys or highways; and

(d) Any recorded covenants, conditions or easements of records identified in the Title Commitment or Survey (as defined below) and not objected to by Purchaser;

(ii) An assignment of warranties, if any and to the extent assignable, executed by Seller, assigning to Buyer or its nominee all of Buyer's right, title and interest in and to any existing warranties with respect to any Improvements, together with an original copy of each such warranty;

(iii) An assignment of permits, if any and to the extent assignable,

executed by Seller assigning to Buyer or its nominee all of Seller's right, title and interest in and to any permits issued by any governmental authority with respect to the Premises, together with an original copy of each such permit;

- (iv) An affidavit of Seller certifying that Seller is not a "foreign" person for purposes of Section 14.45 of the Internal Revenue Code of 1986, as amended;
- (v) All plans and specifications relating to the Premises to the extent that they are in Seller's possession, including all architectural, structural and mechanical drawings and plans;
- (vi) Evidence of termination of the Ambulatory Surgical Center Sublease dated June 1, 1998 between Orthopedic Associates of Peoria, S.C. and Musculoskeletal Surgical Center, S.C. ("Termination of Sublease");
- (vii) Evidence of termination of the lease between Commerce Bank, N. A. (formerly the First National Bank of Peoria), as Trustee under Trust Agreement dated January 1, 1990 and known as Trust No. 77-6678-00-5 and Orthopedic Associates of Peoria, S.C. ("Termination of Lease");
- (viii) Prior to, at or post closing, such other documents and certificates as Buyer or the Title Agent may reasonably request in order to consummate the transactions described herein.

B. Buyer: At Closing, or prior to Closing in escrow with the Title Agent, Buyer shall deliver or cause to be delivered to Seller the following:

- (i) The Purchase Price in accordance with Paragraph 2; and
- (ii) Such other documents and certificates as Seller or the Title Company may reasonably request in order to consummate the transactions described herein.

C. Joint Documents: At Closing, Seller and Buyer shall jointly execute and deliver the following:

- (i) A closing statement prepared in accordance with this Agreement;
- (ii) All real estate tax declarations, statements, or certificates required by any applicable laws.
- (iii) An ALTA Loan and Extended Coverage Owners Policy Statement, commonly referred to as the "ALTA Statement";
- (iv) The Seller and Buyer shall cooperate in performing their respective obligations to ensure delivery of the Title Policy (as

defined in Paragraph 6 below);

4. Contingencies.

4.1. This Agreement is contingent upon the following items which items must be completed to Buyer's satisfaction prior to closing, provided however that the following conditions be deemed satisfied if the closing of the APA occurs:

A. Inspection Period. Notwithstanding any provision of this Agreement to the contrary, Buyer, its agents and consultants, shall have from the date Buyer receives a fully executed original of this Agreement ("Effective Date") through and continuing for a period ending upon the earlier of sixty (60) days from the Effective Date or the closing of the APA (the "Inspection Period") in which to undertake, at Buyer's expense, any and all inspections, studies, investigations and other evaluations of and concerning the Premises and its intended use as Buyer, in Buyer's sole and absolute discretion, deems appropriate, including, but not limited to, determination by Buyer as to sufficiency of soil, environmental tests, utilities, titles, licenses, permits and easements, and physical inspections of the improvements and mechanical, electrical, hydraulic and HVAC and other systems located thereon. For those purposes, Seller hereby grants to Buyer, its consultants, agents or assigns, a license and full right of entry upon the Premises during the Inspection Period until termination of this Agreement; provided, however, that such inspections shall not disturb Seller's business operations. Buyer agrees that it shall cause any physical damage to the Premises occasioned as a result of any soil borings or any physical tests or examinations to be repaired to the original condition thereof promptly upon completion of any such test or examination. Buyer shall serve notice ("Inspection Notice") upon Seller of any material defects disclosed by any inspection for which Buyer requests a resolution by Seller, together with copies of the pertinent pages of the inspection reports prior to the expiration of the Inspection Period. If within ten (10) calendar days after Buyer's receipt of the Inspection Notice written agreement is not reached by the parties with respect to resolution of all inspection issues, then either party may terminate this Agreement by serving notice to the other party whereupon this Agreement shall be null and void.

B. Buyer shall be satisfied in its reasonable discretion during the Inspection Period as to the zoning of the Premises and related land use approvals, plat approvals, conditional use permits, re-zonings and other approvals necessary from applicable governmental authorities in order for Buyer to satisfactorily conduct Buyer's intended use on the Premises. Buyer shall undertake commercially reasonable efforts to obtain such approvals and/or permits. Seller agrees to cooperate, at no cost or liability to Seller (except as stated in this Agreement) with Buyer in connection with Buyer's efforts to secure any approvals, permits, licenses, agreements,

and rezoning required for Buyer's use of the Premises including, without limitation, executing all applications and other documents that are required therefore.

- C. Seller's Deliveries During Inspection Period. Within ten (10) days from the Effective Date, Seller shall, at no cost to Buyer, deliver, or cause to be delivered to Buyer copies of the following documents within Seller's possession or control:
- (i) Capital Expenditures. A summary of all capital and operating expenditures made by Seller relating to the Premises during the last three (3) years and, to the extent available, the current year (collectively, the "Capital Expenditures").
  - (ii) Tests, Studies, Reports. Copies of any site specific soil reports, title reports, engineering studies, site studies, utility studies, environmental reports, wetland delineations or reports, surveys, topographical surveys or other studies or reports in Seller's or its agents possession which affect or relate to the Premises.
- D. Environmental Audit. Buyer may obtain, at Buyer's expense, a current Phase I Environmental Audit satisfactory to Buyer in Buyer's sole discretion, from a reputable engineering firm within sixty (60) days of Buyer's receipt of a fully executed original of this Agreement.
- E. New Lease. Buyer or its assignee shall have executed a new lease ("MSC Lease") with Musculoskeletal Surgical Center, S.C., an Illinois corporation ("MSC") on terms and conditions satisfactory to Buyer and to MSC.

Buyer shall give notice of its desire to terminate this Agreement for failure to fulfill any of the above contingencies on or before the date as may be specified above. If this Agreement shall be so terminated, neither party shall have further rights and obligations hereunder. In the event no notice of termination is given within the specified time period with respect to any such section hereof, such condition shall be deemed to be waived by Buyer and Buyer shall proceed to closing in accordance with the other terms and conditions hereof.

- 4.2. This Agreement is contingent upon the following item which must be completed to Seller's satisfaction prior to closing, provided however that the following condition will be deemed satisfied if the closing of the APA occurs:
- A. New Lease. Buyer or its assignee and MSC shall have executed the MSC Lease on terms and conditions satisfactory to Buyer or its assignee and to MSC.
- 4.3. Conditions Precedent to Closing. Performance of Buyer's obligations at Closing and subject to the following conditions precedent:

- A. The contingencies set forth in Section 4.1 shall have been satisfied or waived;
- B. as of Closing, all of the covenants in this Agreement to be performed by Seller at or prior to Closing shall have been duly performed;
- C. as of Closing, all of Seller's representations and warranties set forth herein shall be true and correct;
- D. as of Closing, the Premises shall not be located within any conservation, historic preservation or similar district designated as such by any governmental authority having jurisdiction thereof;

If any of the above conditions is not satisfied by the date specified therefor, Buyer shall have the right to either waive such condition or terminate this Agreement by notice delivered to Seller. No such termination of this Agreement shall be deemed to limit Buyer's rights and remedies if Seller is in default hereunder.

5. Survey. Buyer may obtain a current ALTA certified survey map ("Survey") of the Premises from an Illinois licensed surveyor, the cost of which shall be borne by Buyer, and which Survey shall be satisfactory to Buyer in Buyer's sole discretion. If obtained, a copy of the Survey shall be provided to Seller. Said certified Survey shall disclose:

- 5.1. Location. The location and land area of the Premises and its relationship to adjoining properties.
- 5.2. Possession. Any and all evidence of possession and the location of physical improvements and structures thereon.
- 5.3. Easements/Servitudes. Observable evidence of easements and or servitudes of all kinds, as those created by roads; right-of-way; water courses; drains; telephone, telegraph, or electric lines; water, sewer, oil or gas pipelines on or across the surveyed Premises and on adjoining properties if they appear to effect the surveyed Premises.
- 5.4. Location of Structures. The character and location of all walls, buildings, or fences within two feet of either side of the boundary line, annotations of all encroaching structural appurtenances and projections with the extent of such encroachment or projection.
- 5.5. Ingress/Egress. Appropriate ingress and egress to and from the Premises.
- 5.6. Flood Plain Certification. A Certification that the Premises are not located in a flood plain.

Said Survey shall also be delivered to the Title Agent who shall agree to remove its exceptions contained in the Title Policy with regard to items that an accurate survey might show and certified to Buyer, Buyer's lender, and Title Agent.

6. Title Insurance. Upon acceptance of this Agreement, Buyer at its own expense, shall obtain evidence of merchantable title in the form of a current title insurance commitment (the "Title Commitment") and a final policy of title insurance with extended coverage ("Title Policy") from Chicago Title Insurance Company or other title company satisfactory to Buyer ("Title Agent") in the amount of the Purchase Price, subject to the Permitted Encumbrances.

7. Exceptions. Buyer shall have ten (10) days after receipt of the Title Commitment and Survey to deliver to Seller written objections to marketability of title, and Seller shall have the greater of (i) the number of days remaining until the Date of Closing or (ii) thirty (30) days to have such objections removed or satisfied. If Seller shall fail to have such objections removed within said time, Buyer may, at its sole election: (a) terminate this Agreement without any liability on its part; (b) waive its objections and take title to the Property subject to such objections with the right to deduct from the Purchase Price liens or encumbrances of a definite or ascertainable amount.

8. Representations, Warranties and Covenants of Seller; Indemnification. All representations, warranties and covenants of Seller set forth in this Agreement shall be true and correct as of the date of this Agreement is executed and as of the date of Closing, and shall survive the Closing:

8.1. General Representations, Warranties and Covenants. Seller represents, warrants and covenants that:

- A. Seller has good and marketable title to, and owns of record, the Property.
- B. Seller has full capacity, right, power and authority to execute, deliver and perform this Agreement and all required action and approvals therefore have been duly taken and obtained.
- C. There are no contracts, options, licenses, leases, occupancy agreements or any other management, operating or maintenance agreements affecting the Premises.
- D. Seller is not a party to any dispute which could materially adversely interfere with or affect the Premises or the use, occupancy or operation thereof.
- E. There are no unpaid assessments or capital contributions for public improvements against the Premises or owed by Seller.
- F. There are no pending (or to Seller's knowledge, threatened) matters of litigation, administrative actions, or arbitration against the Premises or against the Seller with respect to the Premises, or any pending (or to Seller's knowledge, threatened) eminent domain, condemnation proceeding or other governmental taking of the Premises or any party thereof.
- G. To Seller's knowledge, that adequate electric, gas and telephone utilities and adequate public water, sewer, storm water detention and storm water drainage facilities and easements are currently available at the Premises, and are available for use in connection with the Premises without the

payment of any assessments, capital contributions or line charges other than customary tap fees, and the Premises has access to one or more public rights-of-way.

- H. Seller knows of no fact or condition that exists which would result in the termination or impairment of access to the Premises or discontinuation of necessary sewer, water, electric, gas, telephone, storm water detention, storm water drainage or other utilities or services, and such utilities are in full compliance with all governmental rules and regulations.
- I. All documents being delivered by Seller pursuant to the terms hereof are, to Seller's knowledge, true, accurate and complete and fairly present the information set forth in a manner which is not misleading.
- J. Seller is not a party to, and the Premises is not subject to, any contract or lease or other contract, written or oral, that cannot be terminated at Closing, other than Permitted Encumbrances.
- K. Between the date hereof and the Closing, no part of the Premises will be alienated, encumbered or transferred in favor of or to any party whatsoever.
- L. To Seller's knowledge (i) there are no underground storage tanks under the surface of the Premises, (ii) there are no facilities on the Premises which are subject to reporting under Section 312 of the Emergency Planning and Community Right to Know Act of 1986, 42 U.S.C. Section 11022 and the regulations promulgated thereunder, (iii) the Premises are not in violation of any applicable environmental laws, (iv) there are no Hazardous Substances (as hereinafter defined) on, in, under or about the Premises, with the exception of de minimus amounts of Hazardous Substances that are commonly used in the operation of a medical clinic, which Hazardous Substances and de minimus amounts are used in compliance with applicable laws, and (v) the Premises have never been used as a sanitary land fill or dump, or for industrial waste disposal, chemical storage or similar uses. As used herein, a "Hazardous Substance" is any substance, material or waste which is or becomes designated, classified or regulated as being "toxic" or "hazardous" or a "pollutant" or which is or becomes similarly designed, classified or regulated, under any environmental law, including asbestos and petroleum products and derivatives thereof.
- M. To Seller's knowledge, no portion of the Premises is the subject of a threatened or pending investigation or lawsuit or administrative action by any person, firm, governmental body or other entity relating to or arising from any matter or circumstance subject to regulation pursuant to any statute, ordinance, rule or regulation, and Seller has received no official or unofficial notice of any alleged violation of any statute, ordinance, rule or regulation.

- N. To Seller's knowledge, there is no current and there has been no past release or substantial threat of a release of a Hazardous Substance from or onto the Premises or the environment adjacent to the Premises that are or may be subject to regulation under Illinois law or the Comprehensive Environmental Response Compensation and Liability Act, 42 U.S.C. §9601, et seq., or any action that may make the Buyer of the Premises liable in tort under a common law public or private nuisance action.
- O. To Seller's knowledge, the Premises and all of Seller's operations on the Premises comply fully with all Federal, State, County and Municipal laws and regulations, including all requirements for permits created under such laws and regulations.
- P. To Seller's knowledge, the Property is zoned B-1 Downtown Business District under the zoning code of the City of Peoria and that the current use of the Property is a permitted conforming use thereunder.
- Q. To Seller's knowledge, there are no violations of any laws relating to the Premises, including the use, occupancy, operation or condition thereof and no violations of any restrictive covenants affecting the Premises.
- R. There is no existing, pending, or to Seller's knowledge, threatened limitation on use of streets abutting the Premises, special taxes or assessments to levied against the Premises, change in zoning classification or change in the tax assessment for the Premises.
- S. To Seller's knowledge, (i) all improvements have been constructed in a good and workmanlike manner and are structurally safe and sound and habitable, and (ii) there are no material defects in or about the Improvements, either structural or non-structural, and there are no materially latent defects in or about the Improvements, either structural or non-structural.
- T. No real estate broker or agent has been given any authority, either written or oral, to act as a leasing agent for space in the Premises.
- U. From the date of this Agreement, and continuing through the Closing Date, Seller shall:
- (i) Maintain, at its sole cost and expense, the Premises in good condition and repair and shall manage and operate the Premises in the same manner as it is presently managed and operated;
  - (ii) At its own cost and expense, keep the Property fully insured for the full replacement value of the Property;
  - (iii) Without Buyer's prior written consent, Seller shall not execute or make any proposals for:

- (a) any new leases or other contracts or agreements with respect to the Premises, or any portion thereof,
- (b) any extensions, amendments, modifications or renewals of any other contracts or agreements with respect to the Premises, without Buyer's written consent.
- (iv) Seller shall immediately notify Buyer of any change in the condition of the Property or the improvements thereon, or the equipment and systems contained therein, and Seller shall immediately notify Buyer of any knowledge, notices or information it has or receives as to violations of any laws or other requirements (including any covenants, conditions and restrictions of record) related to ownership, use or operations on the Property.

Seller shall indemnify and hold harmless Buyer, its employees, and agents from and against any and all material loss, damage and expense including, but not limited to, legal fees, any claim or action for injury, liability or damage to persons or Premises, and any and all claims or actions brought by any person, firm, governmental body or other entity alleging or resulting from or arising from or in connection with the breach or violation of any of the representations, warranties or covenants set forth in this Agreement or the contamination of or adverse effects on the environment, or violation of any environmental or other statute, ordinance, rule, regulation, judgment or order of any government or judicial entity set forth in this Agreement, and from and against any damages, liabilities, costs and penalties assessed as a result of any breach or violation of the representations, covenants and warranties set forth in this Agreement for a period of one (1) year following the Closing. As used herein, the term "Seller's knowledge" or "knowledge of Seller" shall mean information that has come to the attention of a shareholder of Seller.

9. Prorations.

- 9.1. Seller shall pay real estate taxes for 2015 in full if real estate tax bills are available; otherwise general real estate taxes for the year or years which are, as of the Closing Date, a lien on the Premises, but not yet due and payable shall be prorated as of the Closing Date based upon one hundred five percent (105%) of the most recent tax bills available at closing, and Buyer shall be given a final credit against the Purchase Price in the amount of Seller's share thereof. Any special assessments which are a lien as of the Closing Date, whether or not the same shall then be due and payable, shall be paid by Seller, which payment may, at Buyer's option, be in the form of a credit against the Purchase Price.
- 9.2. Utilities. Seller shall take, or cause to be taken, final readings as of Closing for all utilities and shall pay all such charges through the Closing Date.
- 9.3. Other Income and Expenses. All other income from, and expenses of, the Premises not described herein shall be apportioned between the parties hereto as of the Closing Date and a credit given to the party entitled thereto. Any portion of such expense items which is the responsibility of the owner of the Premises and not the Tenants shall be prorated when finally determined.

9.4. Transfer Tax. Seller shall pay the amount of any stamp or transfer tax imposed by state, city, or county law that may be imposed pursuant to this transaction. Both parties agree to execute and deliver such transfer tax forms or declarations as may be necessary.

In Cash. Unless otherwise provided for herein, all prorations shall be in cash at the time of Closing.

10. Condemnation; Inspection.

10.1. Condemnation or Eminent Domain. In the event, prior to Closing, a condemnation or eminent domain suit is filed against the Premises, or any substantial portion thereof, Buyer hereto shall have the option, within thirty (30) days after receipt of notice of same to: (i) rescind this Agreement, in which case all sums paid by Buyer and any interest earned thereon shall be paid to Buyer, and this Agreement shall be null and void and all obligations hereunder shall terminate; or (ii) elect to close this transaction and, in such event, all proceeds from the eminent domain suit shall belong to Buyer.

10.2. Inspection. Buyer shall have the right to inspect the Premises within 48 hours prior to Closing to determine if the Premises are in the same condition as of the date of acceptance of this Agreement, ordinary wear and tear excepted.

11. Casualty Loss.

A. If prior to Closing, the Premises, or any portion thereof, are damaged to the extent of ten percent (10%) or more of the aggregate value of the Purchase Price by fire or other casualty, Buyer shall have the right, upon notice to Seller delivered within five (5) days after Buyer receives notice of such loss or damage, to terminate this Agreement, in which case neither party hereto shall have any further rights, obligations or liability hereto. In the absence of such notice within such five (5) day period, Buyer shall take title to the Premises and Seller shall, at closing, assign to Buyer whatever rights Seller may have to receive and collect the proceeds of any insurance maintained by Seller against such loss and Buyer shall have the right to deduct from the Purchase Price the amount of any deductible under such insurance.

B. If prior to Closing, the Premises, or any portion thereof, shall have been damaged to the extent of less than ten percent (10%) of the Purchase Price in an aggregate value by fire or other casualty covered by insurance carried by Seller, Seller shall assign to Buyer and Buyer shall be entitled to receive the proceeds of such insurance. Buyer shall also have the right to deduct from the Purchase Price the amount of any deductible under such insurance. In the event that the casualty is not covered by the net proceeds of such insurance, and said loss is less than ten percent (10%) of the Purchase Price in the aggregate value, the Purchase Price shall be reduced by the amount of such loss.

C. Seller shall forthwith deliver notice to Buyer of the occurrence of any fire or other casualty with respect to the Premises.

12. Entrance on Premises. Upon acceptance of this Agreement, Buyer and his agent(s) shall have the right to enter upon the Premises, at its sole risk and cost, for the purpose of inspecting, surveying, testing and otherwise examining the subject Premises; provided that there shall be no disruption to Seller's business operations and with twenty-four hours prior notice. Buyer shall indemnify and save Seller harmless from and against any and all loss, cost or expenses (including without limitation reasonable attorney's fees) from any claim for death, bodily injury or damage arising from its entry upon the Premises.

13. Default.

13.1. By Buyer. Should Buyer fail to perform this Agreement promptly on its part at the time and in the manner herein specified, and after failing to cure such default within five days of receipt of written notice from Seller, Seller shall be entitled as a matter of right to obtain relief in any court of competent jurisdiction to every remedy now or hereafter existing at law or in equity, or by statute, including court costs and attorneys' fees and specifically the right to specific performance, and the Seller shall have the right to possession of the Premises.

13.2. By Seller. Should Seller fail to perform this Agreement promptly on its part at the time and in the manner herein specified, Buyer shall be entitled as a matter of right to obtain relief in any court of competent jurisdiction enjoining such breach or violation, in addition to every other remedy now or hereafter existing at law or in equity, or by statute, including court costs and attorneys' fees, and including specifically the right to specific performance.

14. Miscellaneous.

14.1. Notice. Any and all notices shall be deemed adequately given only if in writing and personally delivered, sent by electronic facsimile (provided the facsimile is followed by certified mail delivery with return receipt) or sent first class registered or certified mail, postage prepaid, to the party for whom such notices are intended, or sent by other means at least as fast and reliable as first class mail. A notice shall be deemed to have been given to the recipient party on the earlier of (a) the date it shall be delivered to the address required by this Agreement; (b) with respect to notices sent by mail, the date as of which the notice is deposited with the postal service, properly addressed, postage prepaid; or (c) with respect to notices sent by electronic facsimile, the date delivered by facsimile (provided proved by certified mail receipt). Any and all such notices referred by this Agreement, or which either party desires to give to the other shall be addressed as follows:

If to Buyer:

OSF Multi-Specialty Group  
Attention: Director of Real Estate  
800 N.E. Glen Oak Avenue  
Peoria, IL 61603

With a copy to:  
Stephen T. Moore, Esq.  
Hinshaw & Culbertson LLP  
100 Park Ave.  
Rockford, IL 61101

If to Seller:

Great Plains, L.L.C.  
Attn: Jeffrey R. Garst, M.D.  
303 N. Wm. Kumpf Blvd.  
Peoria, IL 61605

With a copy to:  
Heyl, Royster, Voelker & Allen  
Attn: Deb Stegall, Esq.  
300 Hamilton Blvd.  
P.O. Box 6199  
Peoria, IL 61601-6199

The above addresses may be changed by notice of such change, as provided herein, to the last address designated.

- 14.2. Time of the Essence. Time is of the essence as to all obligations and deadlines set forth in this Agreement.
- 14.3. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State in which the Premises are located.
- 14.4. Attorneys' Fees. In the event of any litigation between the parties hereto with respect to this Agreement, the prevailing party shall be entitled to recover from the other party all reasonable costs and expenses incurred by the prevailing party in connection with such litigation, including reasonable attorneys' fees.
- 14.5. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument. If executed in multiple counterparts, this Agreement shall become binding when two or more counterparts hereto, individually or taken together, bear the signatures of all of the parties reflected hereon as the signatories.
- 14.6. Entire Agreement. This Agreement embodies the entire understanding of the parties, and there are no further or other agreements or understandings, written or oral, in effect between the parties relating to the subject matter hereof. This Agreement shall not be altered, modified or changed unless in writing and executed by all parties hereto. This Agreement shall be binding upon the parties, their heirs, executors, administrators, personal representatives, successors and

assigns.

- 14.7. Severability. If any provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by all applicable laws.
- 14.8. Business Days. Whenever under the terms of this Agreement the time for performance of a covenant or condition falls upon a Saturday, Sunday or legal holiday of the United States Government, such time for performance shall be extended to the next business day.
- 14.9. Waiver. No consent or waiver by a party hereto (either expressed or implied) to or of a breach of any representation, warranty or covenant contained herein shall be construed as a consent or waiver to or of any other or subsequent breach of the same or any other representation, warranty or covenant.
- 14.10. Headings. The article headings are inserted only for convenience and in no way define, limit or describe the scope or intent of any article in this Agreement.
- 14.11. Commission. Buyer and Seller each represent and warrant to the other that, upon closing of this Agreement, no person or entity is entitled to any brokerage commission or finder's fee in connection with this transaction based upon dealings with the party making such representation and warranty. This warranty shall survive closing or the cancellation or termination of this Agreement for any reason. Seller and Buyer shall each indemnify the other party against any claim, loss, suit or action (including reasonable attorney fees and costs) incurred or suffered by the other party by reason of any claim by any other broker or finder for commissions or fees due, or claimed to be due, based upon such brokerage or finders dealings or purported dealings with the indemnifying party.
- 14.12. Assignment. Buyer may assign its right, title, and interest in and to this Agreement without prior written consent of the Seller. In the event of such assignment and the assumption by assignee of all of Buyer's liabilities and obligations under this Agreement, Buyer shall be discharged from all liabilities and obligations hereunder. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

(Remainder of page intentionally left blank; signature pages follows)

IN WITNESS WHEREOF, the parties to this Agreement have hereunto set their hands the day and year first above written.

**BUYER:**

OSF MULTI-SPECIALTY GROUP,  
an Illinois not-for-profit corporation

By: *K. D. Schreif*  
Title: CEO

**SELLER:**

GREAT PLAINS, L.L.C.,  
an Illinois limited liability company

By: *Jeffrey R. Duestmo*  
Title: \_\_\_\_\_

**ASSIGNMENT AND MODIFICATION OF  
PURCHASE AND SALE AGREEMENT FOR REAL ESTATE**

This Assignment and Modification of Purchase and Sale Agreement for Real Estate ("Assignment") is made as of this 6 day of July, 2016, by and between OSF Multi-Specialty Group, an Illinois not-for-profit corporation ("Assignor"), Cullinan Kumpf Medical, LLC, an Illinois limited liability company ("Assignee"), and Great Plains, L.L.C., an Illinois limited liability company ("Seller").

**WHEREAS**, Assignor and Seller entered into a Purchase and Sale Agreement for Real Estate dated as of February 15, 2016 ("Agreement"), whereby Assignor agreed to purchase and Seller agreed to sell certain property located at 303 North William Kumpf Boulevard, Peoria, Illinois 61605, consisting of approximately 2.4742 acres of land improved with a building of approximately 24,714 square feet as more fully described in the Agreement; and

**WHEREAS**, Assignor desires to assign its rights under the Agreement to Assignee subject to certain modifications to the Agreement as provided in this Assignment; and

**WHEREAS**, Assignee desire to assume Assignor's rights under the Agreement subject to certain modifications to the Agreement as provided in this Assignment; and

**WHEREAS**, Seller consents to the assignment by Assignor to Assignee and agrees to modify the Agreement as provided herein.

**NOW, THEREFORE**, in consideration of the mutual promises, covenants and conditions herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Assignor does hereby assign all of its rights, title, and interest in and to the Agreement to Assignee. Assignee hereby acknowledges and accepts the assignment and assumes all of Assignor's obligations under the Agreement, subject to the modifications contained herein. Seller hereby acknowledges and consents to Assignment and further agrees to the modifications contained herein.
2. Assignee, Assignor, and Seller acknowledge that the Agreement referenced the legal description of the Property as that which was contained in Exhibit A to the Agreement, but that Exhibit A was inadvertently excluded from the executed copy of the Agreement. Assignee, Assignor, and Seller hereby agree that Exhibit A, which is attached to this Assignment, is the same as that which was intended to be attached to the Agreement and further hereby ratify the same as the legal description of the Property, subject to any modification by survey.
3. Assignee, Assignor, and Seller acknowledge that the Asset Purchase Agreement between Assignor and Orthopaedics Associates of Peoria, S.C., an Illinois service corporation, d/b/a Great Plains Orthopaedic, dated as of February 15, 2016 ("APA") has not been assigned by this Assignment and the Agreement remains subject to and contingent upon the terms of the APA.
4. Section 3.1 of the Agreement is hereby deleted in its entirety and replaced with the following:

3.1 Subject to the terms of this Agreement, and the Assignment, the closing shall take place contemporaneously with, and contingent upon, the closing of the APA (the "Closing" or "Closed"). This Agreement shall terminate upon the termination of the APA. Closing shall take place at the offices of Chicago Title Company, 416 Main Street, Peoria, IL ("Title Company").

5. Section 4.1.A. of the Agreement is amended such that the Effective Date of the Agreement shall be the date of this fully executed Assignment and that the Inspection Period shall continue through that period which is the earlier to occur of (i) forty-five (45) days from the Effective Date or (ii) Closing.
6. Seller acknowledges its duty to make deliveries to Assignee pursuant to the terms of Section 4.1.C. of the Agreement.
7. Section 4.1.D. of the Agreement is amended such that Assignee shall have forty (45) days from the Effective Date to obtain the Environmental Audit described therein.
8. Section 4.1.E. of the Agreement is deleted in its entirety and the following substituted in lieu thereof:

New Leases. Assignee, as Buyer, shall have executed a new lease with Musculoskeletal Surgery Center, LLC, an Illinois limited liability company ("MSC") (the "MSC Lease") and a new lease with OSF Healthcare System, an Illinois not-for-profit corporation (the "OSF Lease") on terms and conditions satisfactory to Assignee, as Buyer.

9. Section 4.3 is hereby amended by the addition of the following:
  - E. At or before Closing, Seller shall provide Assignee, as Buyer, evidence satisfactory to Assignee that the Illinois Health Facilities and Services Review Planning Board ("Board") has approved of the change of ownership of the Property and/or a certificate of exemption. Assignee agrees to cooperate with Seller in obtaining such approval and to timely provide such information and execute such documents as may be reasonably necessary to submit an application for change of ownership and/or a certificate of exemption.
10. Section 7 of the Agreement is amended to provide that Buyer shall have ten (10) days after the Effective Date to deliver to Seller written objections as described therein.
11. Section 14.1 of the Agreement is amended to provide the following addresses of the parties:

IF TO BUYER:

Cullinan Kumpf Medical, LLC  
Attn: Michael Owens  
420 N. Main Street  
East Peoria, IL 61611

WITH A COPY TO: Richard M. Joseph  
Miller, Hall & Triggs, LLC  
416 Main Street, Suite 1125  
Peoria, IL 61602

IF TO SELLER: Great Plains, LLC  
Attn: Janet Smith  
303 N. William Kumpf Blvd  
Peoria, IL 61605

WITH A COPY TO: Debra Stegall  
Heyl Royster Voelker & Allen  
300 Hamilton Boulevard  
PO Box 6199  
Peoria, IL 61601-6199

12. Except as amended herein, the terms and conditions of the Agreement shall remain in full force and effect. If any provision of this Assignment is inconsistent with the terms of the Agreement, the provisions of this Assignment shall control.

**IN WITNESS WHEREOF**, the parties have hereto executed this Assignment and Modification as of the date and year first above written.

(Signatures contained on the following page)

**ASSIGNOR:**

OSF MULTI-SPECIALTY GROUP,  
An Illinois not-for-profit corporation

By: *R. D. Scripps*  
Its: CEO

**BUYER/ASSIGNEE:**

CULLINAN KUMPF MEDICAL, LLC,  
An Illinois limited liability company

By: Cullinan Companies L.L.C.  
An Illinois limited liability company  
Its Manager

By: *Michael C. Cullinan*  
Its: Manager

**SELLER:**

Great Plains, L.L.C., an Illinois  
limited liability company

By: *Jeffrey R. Hartman*  
Its: PRESIDENT

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

To be confirmed by Survey:

A part of Lots 1 through 6, all of Lots 7 through 12, the vacated alley extending from William Kumpf Boulevard to Sanford Street and the vacated Sanford Street right of way lying West of said Lots 6 and 7, as vacated by Ordinance recorded July 20, 1990 as Document #90-16245, all in Block 49 of Aiken, Monson and Sanford's Addition in the North West ¼ of Section 9, Township 8 North, Range 8 East of the Fourth Principal Meridian, more particularly described as follows: beginning at the North East corner of said Lot 12, thence South 00 degrees 08 minutes 11 seconds West (bearing assumed for purpose of description only), along the West line of William Kumpf Boulevard, 294.00 feet; thence North 89 degrees 54 minutes 39 seconds West, parallel to the North line of Third Avenue, 366.68 feet to the West line of the vacated Sanford Street; thence North 00 degrees 08 minutes 26 seconds East, along the West line of the vacated Sanford Street, 293.86 feet to the South line of Fourth Avenue; thence South 89 degrees 55 minutes 58 seconds East, along the South line of Fourth Avenue, 366.66 feet to the point of beginning, as shown on the survey prepared by Austin Engineering Co., Inc, dated July 26, 1990 and recorded October 2, 1990 in Tract Survey 25, Page 9 as Document #90-23580, situate, lying and being in the County of Peoria and State of Illinois.

Parcel Identification Number: 18-09-178-014

71190054v4 0972377

## **BILL OF SALE AND ASSIGNMENT**

### **AND ASSUMPTION**

**THIS BILL OF SALE AND ASSIGNMENT AND ASSUMPTION** dated as of the \_\_\_ day of July 2016, is made between Great Plains L.L.C., an Illinois limited liability company ("Assignor") and Cullinan Kumpf Medical, LLC, an Illinois limited liability company (the "Assignee").

**THIS BILL OF SALE** is made with reference to the following facts:

A. Assignor and Assignee are parties to that certain Purchase and Sale of Real Estate Agreement dated as of February 15, 2016, (the "Agreement") between the Assignor and Assignee, the terms of which are incorporated herein by reference, pursuant to which Assignor has agreed to transfer to Assignee warranties and permits as defined in Section 3.2 A. (ii) and (iii) of the Agreement, some of which are more particularly identified on Exhibit 1 hereof, hereafter (collectively, the "Warranties and Permits").

B. For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by Assignor, Assignor desires to execute and deliver this Bill of Sale and Assignment and Assumption for the purpose of effecting such transfer pursuant to the terms and conditions of the Agreement.

**NOW, THEREFORE**, in consideration of the foregoing and intending to be legally bound hereby, Assignor agrees as follows:

**TO HAVE AND TO HOLD**, pursuant to the terms and conditions of the Agreement as of the date hereof and if assignable, Assignor does hereby assign, transfer, convey and deliver to Assignee, its successors and assigns, all rights, interests and titles of Assignor in and to the Warranties and Permits for Assignee's use and benefit forever, with full power and authority vested in Assignee with respect to the Warranties and Permits, to demand, receive and to sue for, either in the name of Assignee or in the name of Assignor, or otherwise to obtain possession of the Warranties and Permits and enforce the rights transferred hereunder, hereby ratifying and confirming all that Assignee may do by virtue hereof.

**No Rights in Third Parties.** Nothing expressed or implied in this Bill of Sale and Assignment and Assumption is intended to confer upon any person, other than Assignor and Assignee, and their respective successors and assigns, any rights, remedies, obligations or liabilities under or by reason of this Bill of Sale and Assignment and Assumption.

**Successors and Assigns.** This Bill of Sale and Assignment and Assumption is executed pursuant to the Agreement and shall be binding upon and inure to the benefit of Assignor and Assignee and their respective successors and legal representatives. All rights, liabilities and obligations of Assignor and Assignee under the Agreement shall survive the execution and delivery hereof in accordance with the terms of the Agreement.

**Assumption of Liabilities.** Pursuant to the terms and conditions of the Agreement, Assignee does hereby accept the foregoing assignment and agrees to assume as of the date hereof, and from and after the date hereof Assignee agrees to pay, perform and discharge when due, any liability, obligation or commitment of Assignor. Other than as specifically stated above or in the Agreement, Assignee assumes no debt, liability or obligation of Assignor by this undertaking, and it is expressly understood and agreed that all debts, liabilities and obligations not assumed hereunder by Assignee shall remain the sole obligation of Assignor, its successors and assigns.

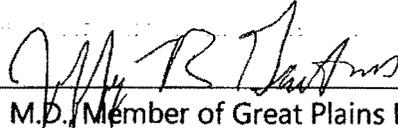
**No Merger/Survival.** All representations, warranties, covenants and agreements made by the parties in the Agreement shall survive this Bill of Sale and Assignment and Assumption and not be merged herein.

**IN WITNESS WHEREOF,** the parties have caused this Bill of Sale and Assignment and Assumption to be executed on the date first above written.

**ASSIGNOR:**

**GREAT PLAINS L.L.C.**

By: \_\_\_\_\_

  
Jeffrey R. Garst, M.D. Member of Great Plains L.L.C and  
President of Great Plains Orthopaedic, sole manager of  
Great Plains L.L.C.

**ASSIGNEE:**

**CULLINAN KUMPF MEDICAL, LLC**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

**Exhibit 1**

City of Peoria Community Right to Know Permit in accordance with Chapter 11 of the City of Peoria Fire Prevention Code pertaining to Hazardous Materials. License No. 14309.

Illinois Office of the State Fire Marshall Division of Elevator Safety.

**APPRAISAL OF**

Great Plains Orthopaedics Medical Office Building  
303 North William Kumpf Boulevard  
Peoria, Illinois 61605  
Owner: Great Plains, L.L.C.

**FOR**

Ms. Tracey Orsini, Manager of Real Estate Services  
OSF Healthcare  
3300 W. Willow Knolls Rd.  
Peoria, Il 61614

**BY**

Brian A. Finch, Inc.  
Appraiser: Brian A. Finch, MAI

**DATE OF VALUATION**

June 17, 2014

July 24, 2014

Ms. Tracey Orsini, Manager of Real Estate Services  
OSF Healthcare  
3300 W. Willow Knolls Rd.  
Peoria, IL 61614

Dear Ms. Orsini:

In accordance with your request, I have made a personal inspection of the property captioned below for the purpose of estimating the Market Value. The requested property rights to be appraised are those of the owner of the Fee Simple interest in the property. No furniture, fixtures, or equipment are included in this appraisal. You have also requested the appraisal estimate the market rent value under 3 premises: Net Net Net (NNN) rent, True Gross Rent, and 4-Hour Block Time Share Rent.

The property is legally described in the report that follows and is commonly known and numbered as:

Great Plains Orthopaedics Medical Office Building  
303 North William Kumpf Boulevard  
Peoria, Illinois 61605

This is an **Appraisal Report** which is intended to comply with the reporting requirements set forth under Standards Rule 2-2 of the 2014-2015 Edition of the Uniform Standards of Professional Appraisal Practice. The appraiser is not responsible for unauthorized use of this report.

As a result of my personal inspection of the subject property and surrounding neighborhood, and subject to the assumptions and limiting conditions in this report, an opinion has been formed that the Market Value of the unencumbered Fee Simple interest in the subject property (and the market rents), as of June 17, 2014, is:

<b>VALUE PREMISE</b>	<b>CONCLUSION</b>
As Is, Fee Simple	<b>\$4,900,000</b>

**Brian A. Finch, MAI**  
Brian A. Finch, Inc.  
901 E. Grove St., Suite C-4, Bloomington, IL 61701

Phone: (309) 821-0303  
FAX: (877) 825-6433  
brianfinchmai@BrianAFinchInc.com

Further, it is my opinion that the indicated market rents are as follows:

MARKET RENT PREMISE	MARKET RENT
True Gross/Sf/year	\$29.50
NNN/sf/year	\$19.00
4-Hr Block Time Share - \$/sf	\$0.0851

Respectfully submitted,



**Brian A. Finch, MAI**

Illinois State Certified General Real Estate Appraiser 553.000184 (Expires 9/30/2015)

## SUMMARY OF FACTS AND CONCLUSIONS

REPORT DATE: July 24, 2014

PROPERTY TYPE: Commercial

PROPERTY SUBTYPE: Medical Office

PROPERTY NAME: Great Plains Orthopaedics Medical Office Building

OWNER NAME: Great Plains, L.L.C.

LOCATION: 303 North William Kumpf Boulevard  
Peoria, Illinois 61605

DATE OF APPRAISAL: June 17, 2014

TAX PARCEL NUMBER: 18-09-178-014

PROPERTY RIGHTS APPRAISED: Fee Simple

HIGHEST & BEST USE: Present Use - Medical Office

LAND AREA: 2.4742± Acres; or 107,775± Square Feet

GROSS BUILDING AREA: 24,714± Square Feet

ZONING: B-1, Downtown Business District

ESTIMATED TOTAL VALUE: \$4,900,000

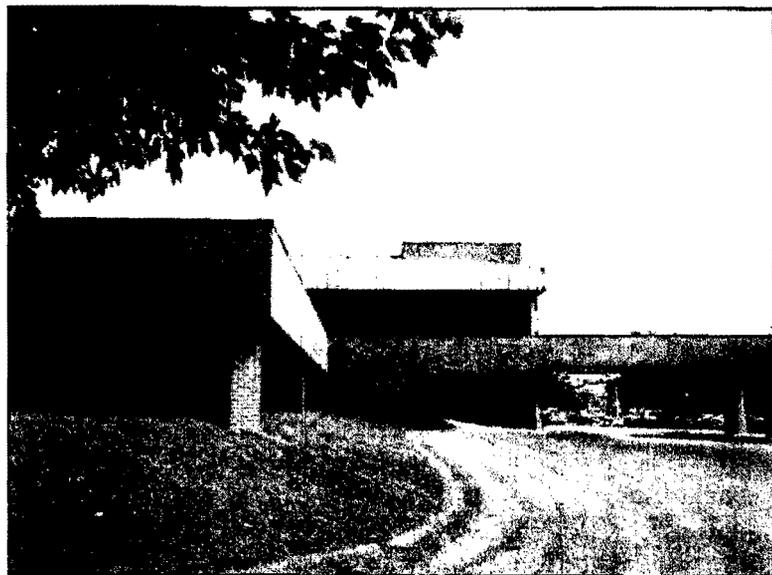
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**SUBJECT PHOTOGRAPHS**



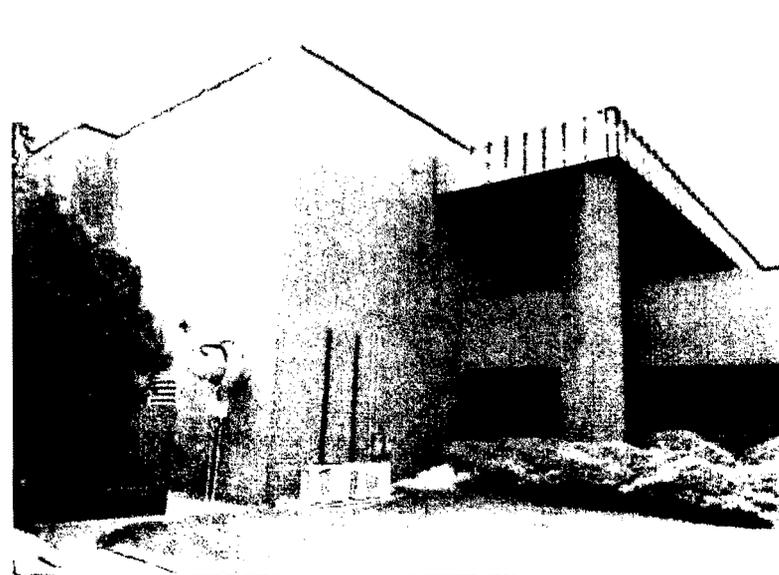
South and east sides, facing north



Southwest side, facing northeast



West side, facing southeast

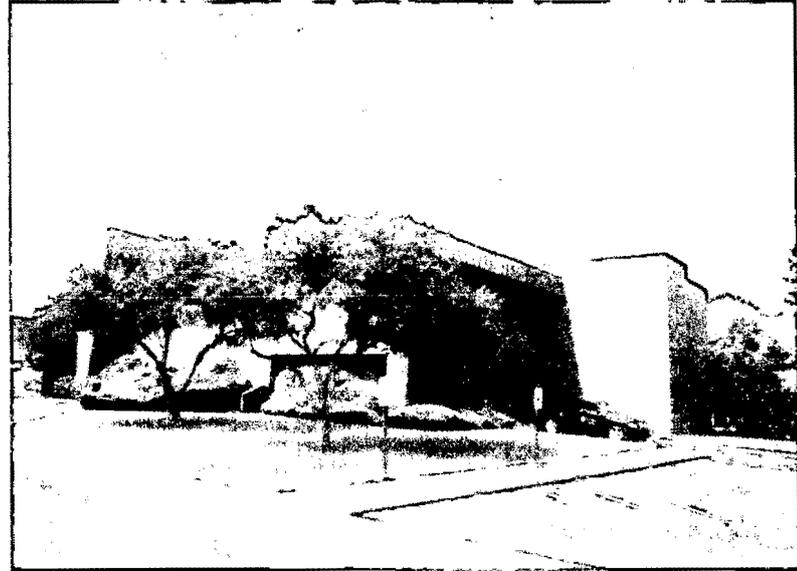


Northwest corner, facing southeast

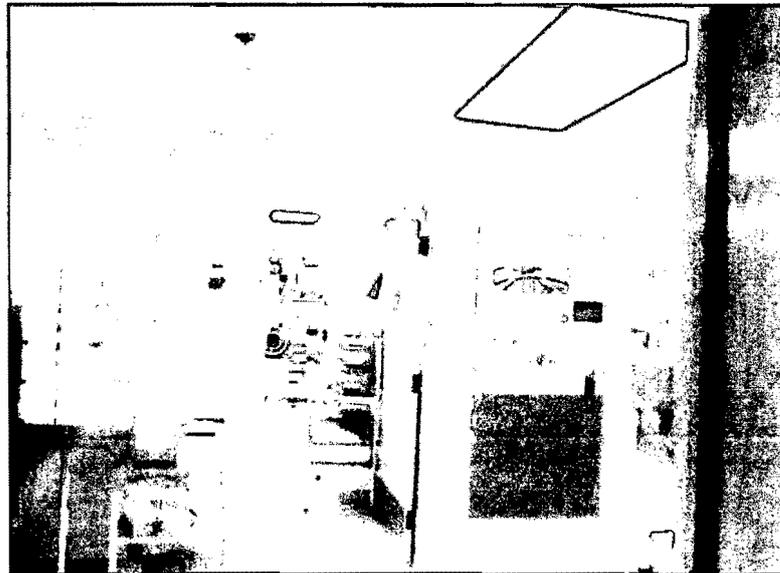
**SUBJECT PHOTOGRAPHS**



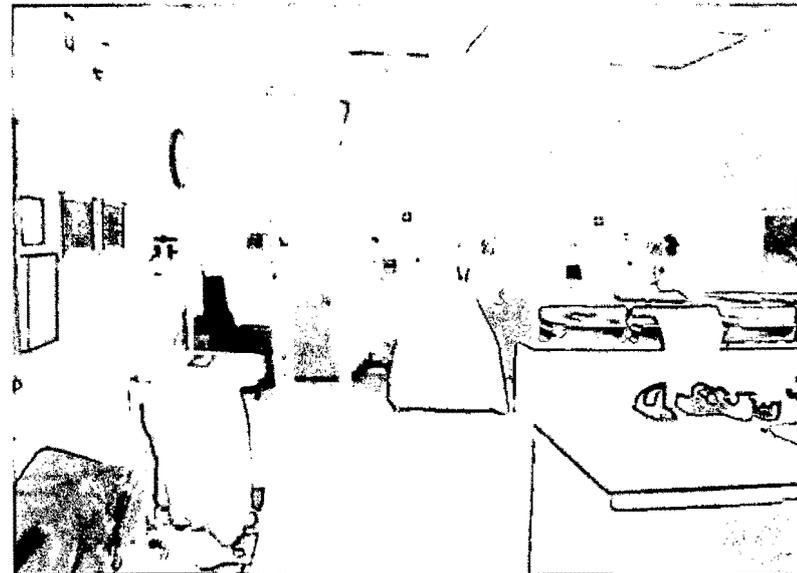
Carport view, facing west



East and north sides, facing southwest



View toward operating room in surgical area



Recovery area within surgical area

**SUBJECT PHOTOGRAPHS**



Imaging room



Procedure area



Exam room

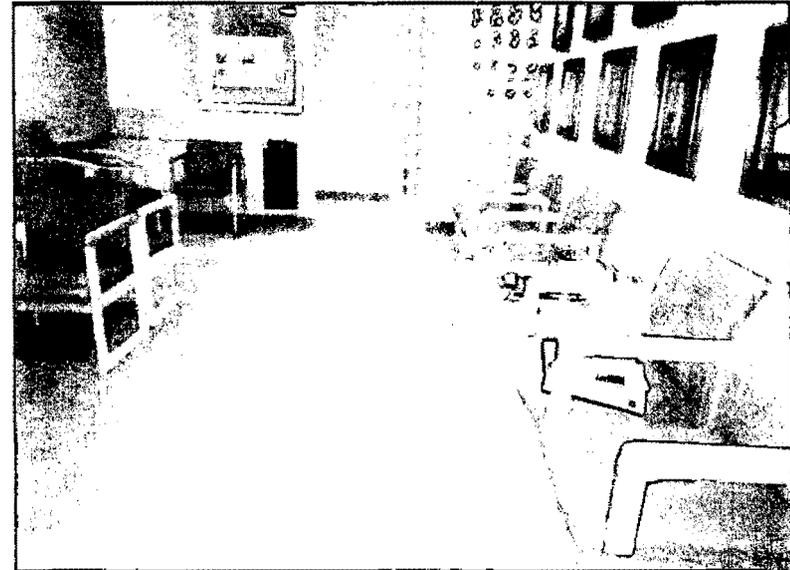


Nurses' station and hallway

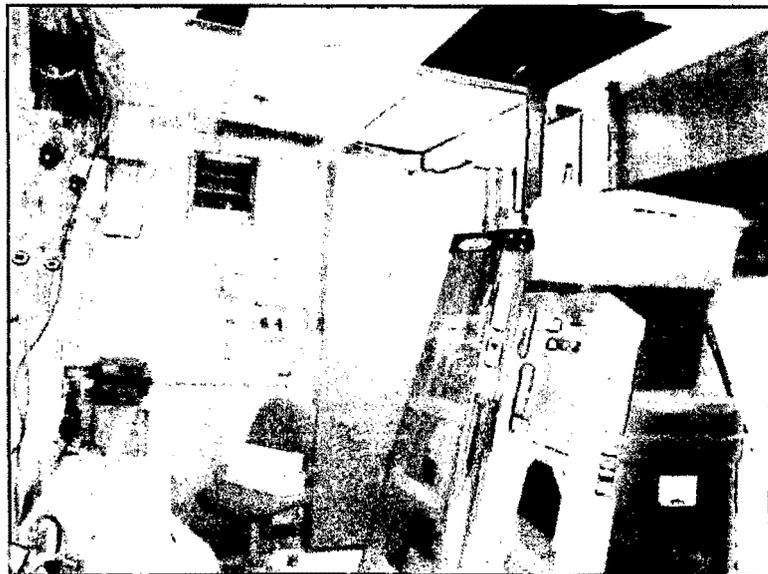
**SUBJECT PHOTOGRAPHS**



Physical Therapy area

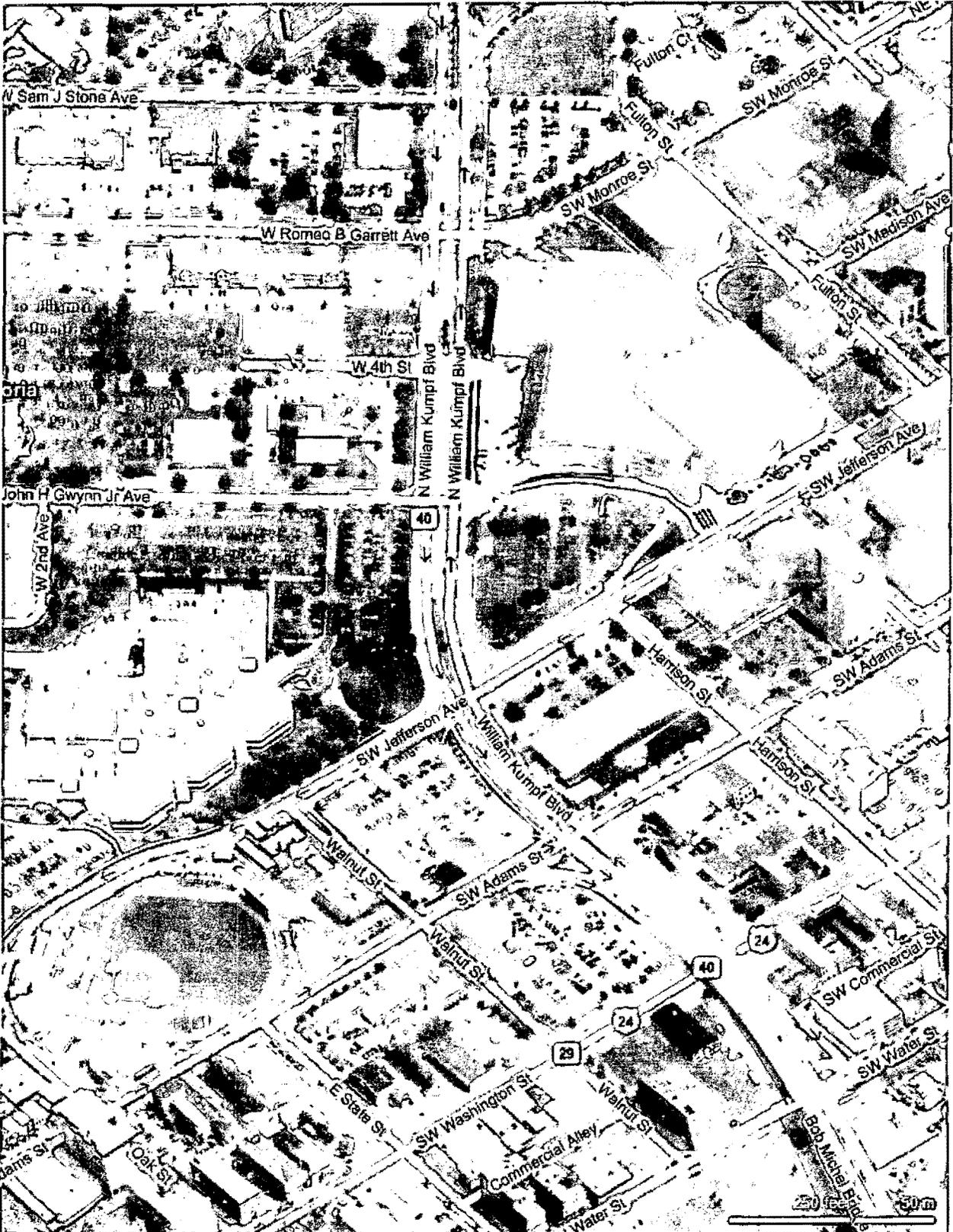


Sub-waiting room



Electrical room

# NEIGHBORHOOD AERIAL PHOTO



## SCOPE OF THE APPRAISAL

Scope of Work is defined in the 2014-2015 USPAP (effective January 1, 2014) as "the type and extent of research and analyses in an appraisal or appraisal review assignment"<sup>1</sup>.

According to the 2014-2015 USPAP, "for each appraisal, an appraiser must:

1. identify the problem to be solved;
2. determine and perform the scope of work necessary to develop credible assignment results; and
3. disclose the scope of work in the report

An appraiser must gather and analyze information about those assignment elements that are necessary to properly identify the appraisal problem to be solved. In an appraisal assignment identification of the problem to be solved requires the appraiser to identify the following assignment elements:

- client and any other intended users;
- intended use of the appraiser's opinions and conclusions;
- type and definition of value;
- effective date of the appraiser's opinions and conclusions;
- subject of the assignment and its relevant characteristics; and
- assignment conditions"<sup>2</sup>

These elements are identified throughout the appraisal in various places. For example, the subject of the assignment and its relevant characteristics are identified/detailed in the title page, neighborhood map, photographs, neighborhood description, site analysis, improvements description and in many other areas of the appraisal.

In the performance of this assignment, I inspected the subject property and the surrounding area, secured current assessment and zoning data, and formed an opinion as to the highest and best use of the subject property. Also, I investigated sales and rentals of similar properties, analyzed pertinent data, and developed an estimate of the Market Value of the subject property as if unaffected by hazardous substances.

The consideration of the effect of possible toxic or hazardous substances upon the subject property is beyond the scope of this appraisal, which is intended solely to provide Market Value, as if unaffected by hazardous substances, for the client's internal purposes and is subject to revision if hazardous materials are subsequently confirmed and quantified by qualified experts in this field.

This appraisal has involved the collection, confirmation, and reporting of all available significant market data. Only the most relevant data has been included in this report, with additional consideration given to office file data of a more general nature. Market data, including land sales, building costs, rental rates, operating expenses, comparable improved sales, and supply and demand, are among the items researched, analyzed, and presented. In this appraisal, I have relied on some or all of the following sources: public data acquired from governmental/municipal sources, private sources, real estate professionals, published data, and in-house data.

<sup>1</sup> Uniform Standards of Professional Appraisal Practice; page U-4 © 2014-2015 by The Appraisal Foundation.

<sup>2</sup> Uniform Standards of Professional Appraisal Practice; page U-13 © 2014-2015 by The Appraisal Foundation.

The land area and shape characteristics were estimated by reliance on the recorded plat, GIS tax plat, and tax assessment information.

The building size and sketch are the result of reliance on the owner's building plans; the building was not field measured.

## **TYPE AND DEFINITION OF MARKET VALUE**

There are many types of value in the real estate industry. Unless otherwise noted, the interest appraised is the unencumbered fee simple interest, and the type of value is Market Value.

A current economic definition agreed upon by federal financial institutions in the United States of America is:

"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."<sup>3</sup>

The current USPAP definition of Market Value is: "a type of value, stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the definition of the term identified by the appraiser as applicable in an appraisal."<sup>4</sup>

## **DEFINITION OF MARKET RENT VALUE**

"The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the lease agreement, including permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TI)."<sup>5</sup>

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<sup>3</sup> 12 C.F.R., Part 34, Subpart C-Appraisal (34.42 Definitions), Office of the Comptroller of Currency.

<sup>4</sup> USPAP 2014-2015 Edition, © The Appraisal Foundation, page U-3.

<sup>5</sup> The Dictionary of Real Estate Appraisal, Fifth Edition, Appraisal Institute, ©2010, pages 119-120

## **EFFECTIVE DATE OF THE APPRAISER'S OPINIONS & CONCLUSIONS**

The effective date of my opinions and conclusions is June 17, 2014.

## **CLIENT, INTENDED USERS, AND INTENDED USE**

The intended use of this appraisal is to estimate the current market value and market rent of property for the client's possible acquisition or lease of the property. The client is OSF Healthcare, and this report is intended for their *sole* use; there are no other intended users, unless noted herein.

Copies may not be distributed to any third party without the appraiser's written consent; possession of a copy does not make the possessor an intended user.

## **COMPETENCY**

I certify that I have the professional competency to appraise this property in conformance with generally acceptable appraisal methodology and techniques by virtue of my 35+ years of appraisal experience appraising this and other property types, extensive appraisal work with several other appraisers that hold the MAI designation, successful completion of all education requirements for the MAI designation - both to earn the designation and have completed the continuing education program of the Appraisal Institute every 5-year cycle since 1984 (100 hours per cycle), and successful completion of numerous specialized appraisal seminars and classes. I have been licensed by the State of Illinois as a Certified General Real Estate Appraiser since the implementation of licensing of appraisers by the State of Illinois. I have been appraising this type of property in this market for over 25 years.

## **LEGAL DESCRIPTION**

See legal description from recent Title Policy copy on following page. While this policy is several years old, reportedly it has not changed and it is assumed to be correct for appraisal purposes.

**CHICAGO TITLE INSURANCE COMPANY**  
**COMMITMENT FOR TITLE INSURANCE**  
**SCHEDULE A (CONTINUED)**

ORDER NO. : 1245 450164347 PEO

**5. THE LAND REFERRED TO IN THIS COMMITMENT IS DESCRIBED AS FOLLOWS :**

A PART OF LOTS 1 THROUGH 6, ALL OF LOTS 7 THROUGH 12, THE VACATED ALLEY EXTENDING FROM WILLIAM KUMPF BOULEVARD TO SANFORD STREET AND THE VACATED SANFORD STREET RIGHT OF WAY LYING WEST OF SAID LOTS 6 AND 7, AS VACATED BY ORDINANCE RECORDED JULY 20, 1990 AS DOCUMENT #90-16245, ALL IN BLOCK 49 OF AIKEN, MONSON AND SANFORD'S ADDITION IN THE NORTH WEST 1/4 OF SECTION 9, TOWNSHIP 8 NORTH, RANGE 8 EAST OF THE FOURTH PRINCIPAL MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTH EAST CORNER OF SAID LOT 12, THENCE SOUTH 00 DEGREES 08 MINUTES 11 SECONDS WEST (BEARING ASSUMED FOR PURPOSE OF DESCRIPTION ONLY), ALONG THE WEST LINE OF WILLIAM KUMPF BOULEVARD, 294.00 FEET; THENCE NORTH 89 DEGREES 54 MINUTES 39 SECONDS WEST, PARALLEL TO THE NORTH LINE OF THIRD AVENUE, 366.68 FEET TO THE WEST LINE OF THE VACATED SANFORD STREET; THENCE NORTH 00 DEGREES 08 MINUTES 26 SECONDS EAST, ALONG THE WEST LINE OF THE VACATED SANFORD STREET, 293.86 FEET TO THE SOUTH LINE OF FOURTH AVENUE; THENCE SOUTH 89 DEGREES 55 MINUTES 58 SECONDS EAST, ALONG THE SOUTH LINE OF FOURTH AVENUE, 366.66 FEET TO THE POINT OF BEGINNING, AS SHOWN ON THE SURVEY PREPARED BY AUSTIN ENGINEERING CO., INC. DATED JULY 26, 1990 AND RECORDED OCTOBER 2, 1990 IN TRACT SURVEY 25, PAGE 9 AS DOCUMENT #90-23580, SITUATE, LYING, AND BEING IN THE COUNTY OF PEORIA AND STATE OF ILLINOIS.

## ASSIGNMENT CONDITIONS

An appraisal assignment may include Assignment Conditions. Assignment Conditions most commonly include extraordinary assumptions and/or hypothetical conditions, and could also involve supplemental standards (which are requirements issued by government agencies, government sponsored enterprises, or other entities that establish public policy) or Jurisdictional Exception.

An Extraordinary Assumption is "an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis."<sup>6</sup>

Examples of Extraordinary Assumptions include: exterior only inspections, partial inspections, or if the date of value is a prospective (future) date. Assumptions in these and other situations would be extraordinary because, if false, the value could be significantly impacted.

A Hypothetical Condition is "a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. Hypothetical Conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis."<sup>7</sup>

A prime example of a Hypothetical Condition is proposed construction, with a current date of value; the property is appraised as though the construction is complete as of today (the effective date of value).

The Addenda contains a number of Assumptions and Limiting Conditions that should be carefully considered by the user of this appraisal; they apply to all of my appraisals, while Extraordinary Assumptions and Hypothetical Conditions specific to the subject of this appraisal, if any, will be detailed in this section.

This appraisal has disregarded any leases (there may be a lease between related entities); the property is appraised as if unencumbered.

The Hypothetical Condition of this appraisal assumes that the typical 4 hour time share block lease would be entirely True Gross, and that the sublease tenant(s) would be leasing exam rooms and/or offices on a 1 year lease basis (52 weeks for occasional use), including use of the waiting room, breakroom, bathrooms and other common areas (which in effect increases the effective area). The estimated 4 hour time block can be applied to varying number of days per week of committed use - as specified by individual time share leases.

The formula for this Hypothetical assumes a 52 week year, calculation of rent to be on a per square foot basis per 4 hour block (so that the unit value of rent will be the same regardless of variation in Net Rentable Area - the Net Rentable Area being variable and rent in absolute \$ terms will vary accordingly). The appraisal basic assumption for rate estimation is of 5 business days per week,

<sup>6</sup> USPAP 2014-2015 Edition, © The Appraisal Foundation, page U-3.

<sup>7</sup> USPAP 2014-2015 Edition, © The Appraisal Foundation, page U-3.

and a day contains two 4 hour time blocks. It is recognized that the rent per sublease will vary by agreed lease terms as to frequency of use. Multiple day frequency can be calculated by multiplying the number of weekly blocks by the 4 hour time block \$ rate estimate.

## **ESTIMATED EXPOSURE TIME**

Exposure Time is defined as: the "estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective opinion based on an analysis of past events assuming a competitive and open market."<sup>8</sup>

Based upon information gathered in the appraisal process and conversations with knowledgeable market participants, it is my opinion that a reasonable exposure time for subject property would have been in the range of twelve to twenty-four months, assuming correct pricing and professional marketing at correctly targeted, informed buyers.

## **ESTIMATED MARKETING TIME**

The estimated marketing time in this appraisal is defined as "an opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal"<sup>9</sup>.

Marketing time can depend on many factors. Some of these factors are: asking price, available financing (owner and/or market), condition of the property, other properties on the market, and market conditions. Based upon discussions with various individuals in the subject's marketplace, it is my opinion that the estimated marketing time for the subject property is twelve to twenty-four months.

## **USE, OCCUPANCY, AND OWNERSHIP, HISTORY**

Subject is owned by Great Plains, L.L.C. and is a medical office building constructed in 1991 (the facility was opened in July of 1991, and the surgery center opened in August of 1991).

Public records and other sources indicate that subject has not sold within the past three years; the facility was built for this medical practice and there have been no arm's length transactions involving this property since. The property reportedly is not for sale or lease. If there are any leases, they are between related entities and have therefore been disregarded; the property will be appraised as if available to be leased at market rent.

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<sup>8</sup> USPAP 2014-2015 Edition © The Appraisal Foundation, page U-3.

<sup>9</sup> USPAP 2014-2015 Edition © The Appraisal Foundation, page A-13.

## **LOCATION**

Subject is located at the Northwesterly corner of North Wm. Kumpf Boulevard and John Gwynn Jr. Avenue, on the Westerly periphery of the downtown Peoria Central Business District, directly West of the Peoria Civic Center facility.

## **ACCESS**

Access to subject is from John Gwynn Jr. Avenue, a minor arterial street along the Southerly side of the site, just off of Wm. Kumpf Boulevard. Access is considered average. While there is no direct ingress/egress from Kumpf, the entrances to the subject site are just off of Kumpf; Kumpf is a significant traffic artery, with three lanes in both directions plus turn lane.

## **NEIGHBORHOOD**

Subject neighborhood is the downtown Peoria Central Business District; subject is located on its Westerly fringe.

The most significant neighborhood property is the Peoria Civic Center complex which is located directly across Kumpf from subject, which completed a major expansion in 2007. In 2008 plans were announced for a \$100± Million project to renovate the Pere Marquette hotel and add a high end hotel next to it by demolishing nearly an entire block and redeveloping it, to the immediate East of the Civic Center, one block East of subject; the project was finished June of 2014. The new Marriott Hotel is 10 stories (scaled back from the original proposal of 14 stories), containing 106 rooms and 10 suites; the existing 1920s vintage 286 room Pere Marquette was renovated, and an existing parking deck was replaced by a new 500 space deck, and a \$5 Million glass skywalk (pedestrian bridge) connects the facility to the Civic Center, all part of a newly created "Hospitality Improvement Zone" the City of Peoria recently created for the Civic Center and the three existing downtown hotels:

To the immediate South of subject is the Caterpillar Training Center site; to the Southeast of that is the Peoria Chiefs baseball stadium (opened in 2002). To the immediate West of subject is the Red Cross office building, and a crematorium. Other properties in the immediate neighborhood to the North include: Busey Bank branch office in a historic building that was formerly known as the "Musicians Hall", a Staybridge Motel and Suites, and several other medical and professional offices along Kumpf and to the West between RB Garrett and John Gwynn Jr Avenue, extending West to Hightower Street, all a part of what is known as the "Southtown" redevelopment area. On the far North end along the North side of Sam J. Stone is an elderly housing high-rise, and to the Northwest of that is the existing former (now vacant) VA Clinic. Located two blocks from the subject at 500 W. Romeo B. Garrett is the nearly new Kindred Hospital (originally known as Triumph Greater Peoria Specialty Hospital) - a \$26 Million, 60,000 sf, 3-story, 50-bed, long-term acute care facility which opened in August of 2009.

Two blocks North/Northeast is the Peoria School of Medicine campus, and adjacent Illinois Medical Center Condominium project, a 113,560 square foot, 5-story medical office complex completed in

2008 at 1001 Main Street. About one half mile Northeast is the campus of UnityPoint Health Methodist Medical Center.

Separating Methodist and OSF Saint Francis hospitals is I-74, with OSF located on the East side of I-74, just over one half mile from subject. In July of 2010 the OSF Saint Francis campus dedicated its new Children's Hospital of Illinois - a 464,000 sf, 10-story facility. Also part of the project was the construction of a new 1,800± car parking deck, which replaced an older 600 car deck. According to a Peoria Journal Star article the project cost was \$280,000,000 to build and equip the facility. Another big addition to the Saint Francis campus was the Jump Trading Simulation & Education Center – a 160,000± building, opened in 2013.

The proximity of the two major Peoria hospitals and the University of Illinois Peoria School of Medicine create the underlying demand for medical office space in this neighborhood.

The downtown Peoria central business district is anchored by the World Headquarters of Caterpillar, Inc., which has a dominating presence in the office sector of downtown Peoria, both within owned and leased office facilities throughout downtown Peoria. Recently, Caterpillar announced plans to construct a new world headquarters building, with the likely site in the Peoria CBD. This project has the potential to stabilize the local economy for an extended period of time as a result of Caterpillar's deep commitment to the local economy by this announcement, but the timing is uncertain. The long-awaited, proposed Caterpillar Museum and the Riverfront Museum were completed in late 2012.

## REAL ESTATE TAXES

### 2013 Real Estate Taxes Payable 2014

**18-09-178-014**

<b>A.V. Land</b>	\$187,990
<b>A.V. Building</b>	\$861,690
<b>A.V. Total (33 1/3%)</b>	\$1,049,680
<b>A.V. Total (100%)</b>	\$3,149,040
<b>Tax Rate</b>	0.0909546
<b>Real Estate Taxes</b>	\$95,473.22
<b>RET/SF GBA</b>	<b>\$3.86</b>
<b>GROSS BUILDING AREA</b>	24,714

## SITE ANALYSIS

DIMENSIONS: 294.00' x 366.68' x 293.86' x 366.68'

LAND AREA-ACRES: 2.4742± Acres

LAND AREA-SQUARE FEET: 107,775± Square Feet

SHAPE: Rectangular

LOCATION: Corner

TOPOGRAPHY: Level to very gently rolling.

DRAINAGE: Appears adequate.

UTILITIES: Public utility sanitary sewer, water, electricity, telephone, and natural gas are available to the site.

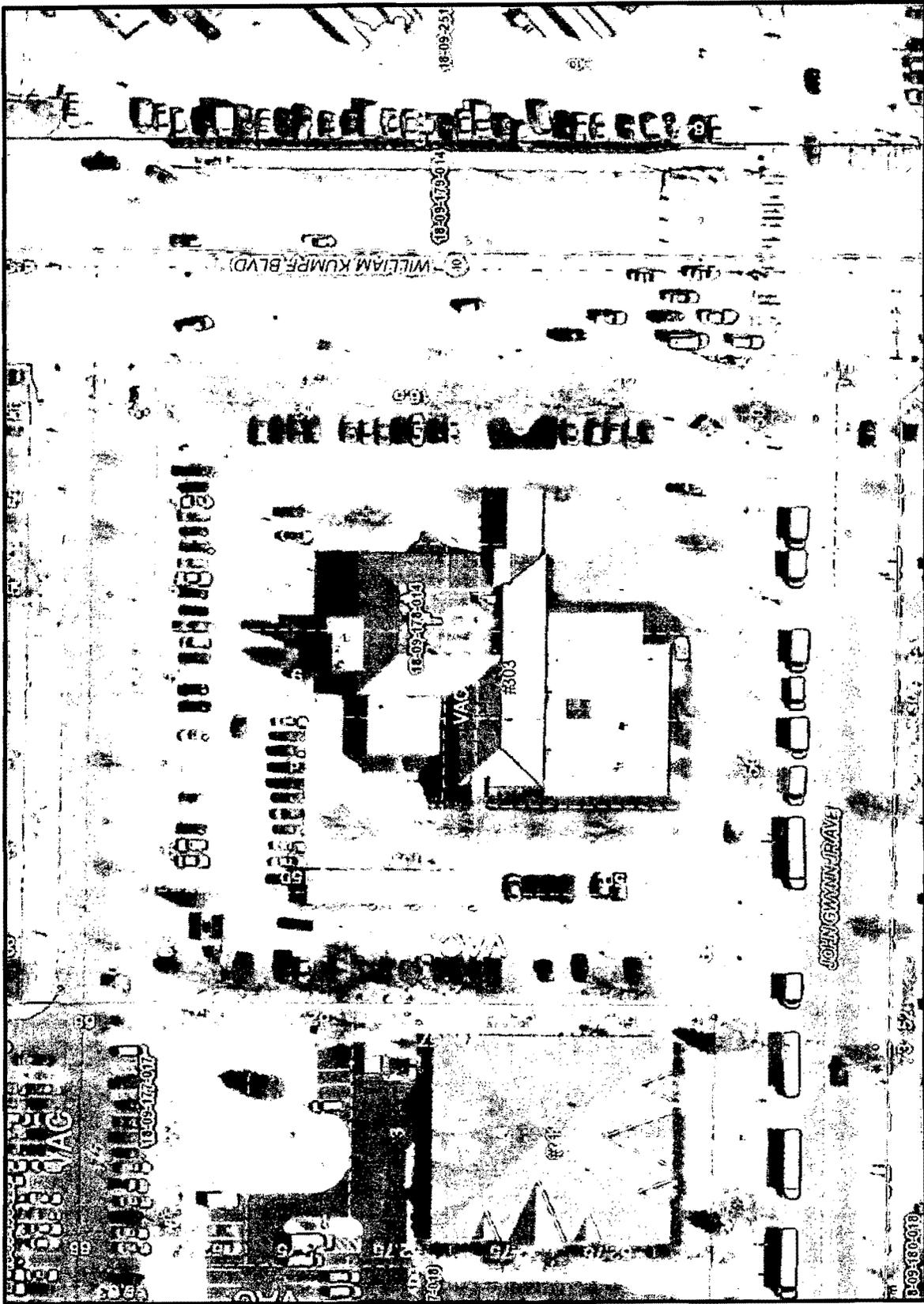
EASEMENTS: Ordinary utility easements. No survey was available

ZONING: B-1, Downtown Business District Zoning, by the City of Peoria. The present use appears to be legal and conforming; this appraisal assumes, but does not warrant, that the property qualifies "as is" for a Certificate of Zoning Compliance" which is required in Peoria for a transfer of title.

FLOOD INSURANCE: In my opinion, it appears that the subject site **is not** located in a HUD identified Flood Hazard Area (based upon FEMA flood map Community Panel Number 1705360020B, dated February 1, 1980)

SITE IMPROVEMENTS: Concrete sidewalks; asphalt paved parking areas with 105± parking spaces, concrete curbing, and an 8-car (19' x 86') carport (included in the 105 parking spaces).

GIS TAX MAP



## IMPROVEMENTS DESCRIPTION

NO. STORIES: One and Two

BUILDING SIZE: 24,714± Square Feet Gross Building Area

YEAR BUILT: 1991

FOUNDATION: Concrete block; poured, reinforced concrete footings

BASEMENT: None; slab

BUILDING FRAME: Structural Steel

EXTERIOR WALLS: Brick over concrete block; fixed insulating glass in aluminum frames.

WALL HEIGHT: 12± feet average story height

INTERIOR WALLS: ½" Drywall on metal studs; many interior walls are sound walls; steel door frames with solid core wood doors.

CEILINGS: Predominantly "Tegular" 2' x 2' suspended type, part is 2' x 4' suspended; finished height ranges from 8' to 9'.

ROOF: Part wood truss with copper finish, standing seam metal roof; part built-up roof on rigid insulation, over poured concrete deck, supported by corrugated metal on steel bar joists. There has a roof skylight that was recently repaired. The roof is original, but is routinely repaired as needed.

INSULATION: 1.5" rigid foundation perimeter insulation; 1.5" rigid exterior wall insulation; R-30 batt insulation above ceiling in the areas with standing seam roof.

FLOORS: Reinforced concrete slab (both levels).

FLOOR COVERINGS: Predominantly Carpeting; sheet Vinyl; ceramic tile.

HVAC: RTUs (Natural gas fired forced air furnaces with central air units). All were replaced in 2007 at a cost of \$70,000±.

ELECTRICAL SERVICE: 800 Amp, 3 phase, 4 wire service; transformer

QUALITY: Good "Class A" medical; good functional design.

CONDITION: Excellent

**SPECIAL FEATURES:**

Fully sprinklered. There is a fire alarm system, emergency lighting system, and security system; employee entrance doors are card reader controlled. There is a drop-off canopy.

There are three stairwells, one elevator, and air-lock front entry with automatic sliding doors. There are extensive built-in laminated cabinets and storage units and workstations.

The first floor is very densely partitioned, with numerous exam rooms, large waiting area, reception station, business office, records storage, nurses' station, ancillary administrative offices, consultation rooms, (2) x-ray rooms with control room, custodians room, clerical rooms, large physical therapy exercise area and related rooms, cast rooms, and storage rooms.

Approximately 5,600 sf (2/3rds) of the second floor is devoted to the surgery center, which includes two surgery suites, pre-op and recovery areas, nurses' station, clean and soiled utility rooms, sterile storage, two surgeons' scrub stations, locker rooms, and medical gasses, oxygen, reception, waiting, and mechanical and storage rooms. There are also eight physician offices, conference/break room, and several Handicap accessible restrooms.

**OBSOLESCENCE:**

In my opinion, there is no Functional Obsolescence. There is some Economic Obsolescence due to lingering effects of the national recession and persistent high local unemployment (however, the medical office sector has out-performed all other real estate types locally).

There is Physical Deterioration due to normal wear and tear to the existing building. Based upon the observed condition and actual age, the building has an estimated Effective Age of approximately 10 years. This kind of building has a typical Economic Life Expectancy of approximately 50 years. Depreciation is estimated by the age-life/straight line method. Depreciation is therefore 10/50ths, or 20%.

# BUILDING SKETCH

File No 2014049

Property Address 303 N. Wm. Kumpf Blvd.

City Peoria

County Peoria

State IL

Zip 61605

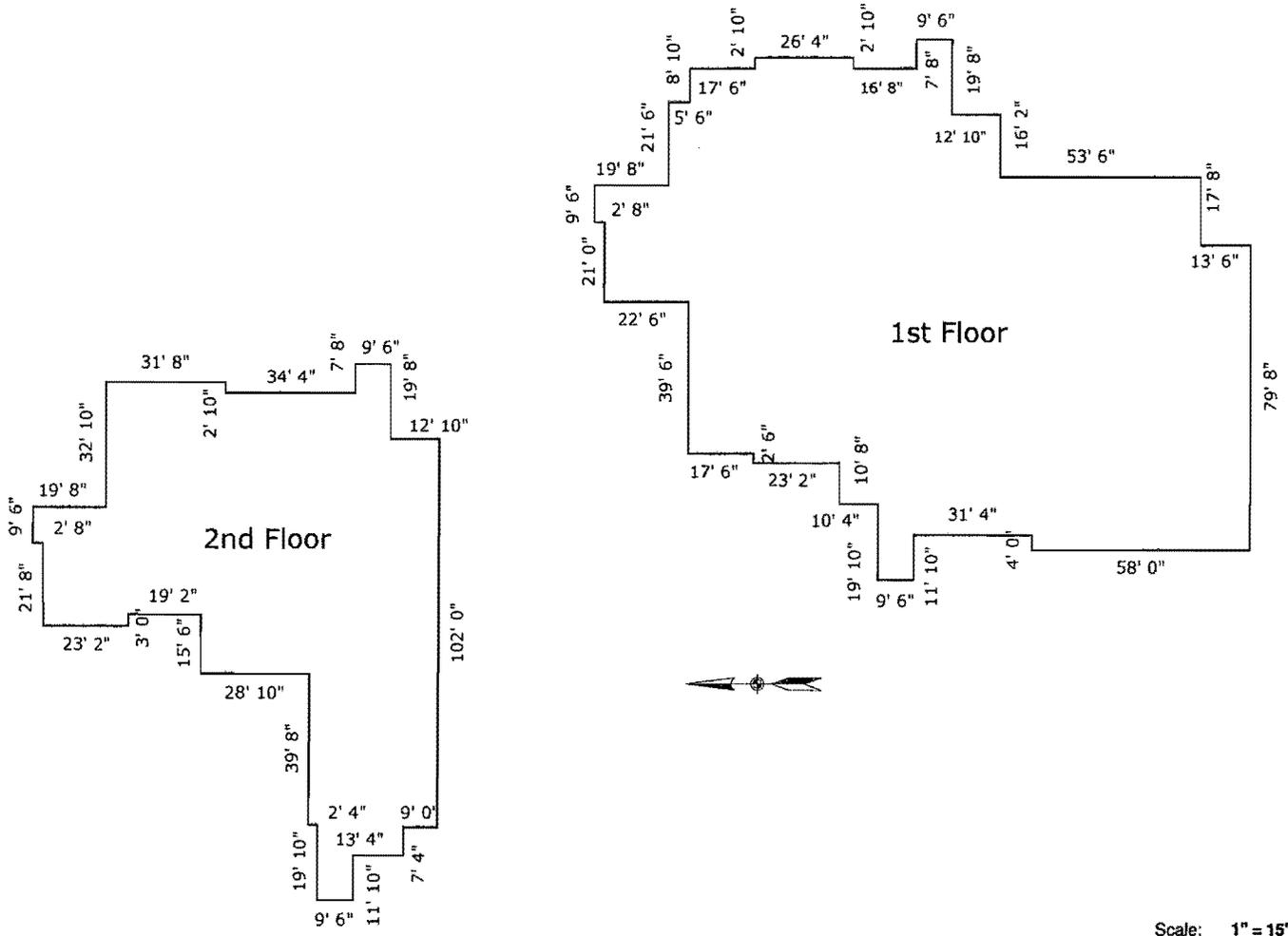
Borrower

Lender/Client Great Plains Orthopaedics

L/C Address 303 N. Wm. Kumpf Blvd., Peoria, IL 61605

Appraiser Name Brian A. Finch, MAI

Appr Address 901 E. Grove St., Suite C-4, Bloomington, IL



Scale: 1" = 15'

### AREA CALCULATIONS SUMMARY

Code	Description	Net Size	Net Totals
GBA1	First Floor	16361.2437	16361.2437
GBA2	Second Floor	8353.1364	8353.1364

### BUILDING AREA BREAKDOWN

Breakdown		Subtotals
<b>First Floor</b>		
58.00	x 4.00	232.0000
6.00	x 158.83	952.9998
15.00	x 172.33	2584.9995
39.50	x 149.83	5918.4154
2.50	x 132.33	330.8333
10.67	x 109.17	1164.4484
11.83	x 9.50	112.4164
8.00	x 98.83	790.6664
16.17	x 88.33	1428.0580
2.17	x 141.83	307.2960
9.50	x 161.50	1534.2500
3.17	x 75.50	239.0859
7.67	x 9.50	72.8337
2.83	x 26.33	74.6101
8.83	x 70.00	618.3310
<b>Second Floor</b>		
75.50	x 12.00	906.0000
88.33	x 18.00	1589.9994
2.83	x 31.67	89.7213
7.67	x 9.50	72.8337
8		5694.5821
27 Items	(rounded)	24714

Net BUILDING Area (rounded) 24714

## HIGHEST AND BEST USE

Highest and Best Use has been defined as:

"The reasonably probable and legal use of vacant land or an improved property, that is physically possible, appropriately supported, financially feasible and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity."<sup>10</sup>

It is to be recognized that in cases where a site has existing improvements on it, the highest and best use may very well be determined to be different from the existing use. The existing use will continue, however, unless and until the land value in its highest and best use exceeds the total value of the property.

Implied within these definitions is recognition of the contribution of that specific use to community environmental or to community development goals in addition to wealth maximization of individual property owners. Also implied is that the determination of highest and best use results from the appraiser's judgment and analytical skills, i.e., that the use determined from analysis represents an opinion, not a fact to be found. In appraisal practice, the concept of highest and best use represents the premise upon which value is based.

As a result of logic and convention, the site is valued as if vacant and available to be put to its highest and best use. This procedure is followed whether or not the site is actually vacant.

In estimating the highest and best use, there are essentially four stages of analysis.

1. Permissible Use (Legal). The uses that are permitted by zoning and deed restrictions on the site in question.
2. Possible Use. The uses to which it is physically possible to put the site in question.
3. Feasible Use. The possible and permissible uses that will produce any net return to the owner of the site.
4. Highest and Best Use. Among the feasible uses, the use that will produce the highest net return or the highest present worth.

The Highest and Best Use of the land (or site) if vacant and available for use may be different from the Highest and Best Use of the improved property. This will be true when the improvement is not an appropriate use and yet makes a contribution to total property value in excess of the value of the site.

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<sup>10</sup> *The Dictionary of Real Estate Appraisal Fifth Edition*, © Appraisal Institute, 2010, page 93.

### PERMISSIBLE USE (LEGAL)

Legal restrictions on developing the property are of two types, i.e., private and public restrictions. The only known restrictions affecting title are public restrictions of zoning and utility easements.

The subject site is currently zoned B-1, Downtown Business District. The present use appears to be legal and conforming. This district is intended for a very wide variety of commercial, office, and retail uses, and is limited to the downtown area.

### POSSIBLE USE

The first constraint imposed on the possible use of the property is that dictated by the physical aspects of the site itself. The size and location within a given block are the most important determinants in value.

The subject site contains 107,775± square feet, and is a rectangular corner site. The size and configuration and topography will permit the site to be developed to its highest and best use. The size affords a wide variety of development opportunities.

### FEASIBLE USE

In my opinion, feasible uses of the site (as if vacant) consist of office, commercial, and retail uses. These would be consistent with the surrounding development, zoning, access, visibility, and likely future trend. A medical office use is likely due to the proximity to Peoria's two largest hospitals and the University of Illinois School of Medicine, and other neighborhood medical facilities.

### HIGHEST AND BEST USE AS IF VACANT

The Highest and Best Use of the site as if vacant, in my judgment, is for its present use - Medical Office.

### HIGHEST AND BEST USE AS IMPROVED

It is my opinion that the property value, as improved, far exceeds the value of the site as if vacant, and is considered to be the highest and best use of the property. The property improvements, in my opinion, are an optimal use of the site.

## **VALUATION**

There are three approaches to valuing real estate, being the Cost, Sales Comparison, and Income Approaches. Each of these approaches has been considered with only the sales comparison and income approaches pursued in this report to estimate the value of the subject property. Due to the age of the improvements and lack of recent land sales in the neighborhood, the Cost Approach would not yield a reliable indication of value and has therefore not been pursued.

## **SALES COMPARISON APPROACH**

The Sales Comparison Approach is a method of estimating the value of real estate based upon an analysis of similar-type properties which have sold recently or are offered for sale in direct competition with the property being appraised.

This approach is defined as: "The process of deriving a value indication for the subject property by comparing market information for similar properties with the property being appraised, identifying appropriate units of comparison, and making qualitative comparisons with or quantitative adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison"<sup>11</sup>

The scope of the appraisal included a personal inspection of each comparable sale, including a photograph of each. Verification has been made through "green sheets," deeds, and mortgage documents as well as tax assessor's records.

A number of sales of comparable properties have been reviewed and analyzed of which the following are considered the most comparable:

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<sup>11</sup> The Dictionary of Real Estate Appraisal Fifth Edition, © Appraisal Institute, 2010, page 175

# MEDICAL OFFICE SALE NO. 1

Fresenius Medical Center

10405 North Juliet Court

Peoria IL

09-29-352-002



<b>RECORDING DATE</b>	10/17/2012	<b>DATE OF DEED</b>	10/05/2012
<b>SALES PRICE</b>	\$2,825,000	<b>DOC NO</b>	2012-27446
<b>GRANTOR</b>	Kenneth W. Fuller		
<b>GRANTEE</b>	JPS PEORIA, LLC		
<b>ACRES LAND</b>	1.7218	<b>SQFT LAND</b>	75,000
<b>ZONING</b>	O-1, Arterial Office	<b>BUILDING SQFT</b>	8,652
<b>YEAR BUILT</b>	2000	<b># STORIES</b>	One
<b>CONSTRUCTION</b>	2" x 6" Wood Stud framing.		
<b>BASEMENT</b>	None; slab		
<b>DESCRIPTION</b>	Brick and EIFS exterior; fixed insulating glass; 14' wall height; built-up roof over steel bar joist trusses; asphalt shing mansard; natural gas RTUs - forced air and central; 5/8ths drywall on metal studs with sound attenuation insulation; not sprinklered; 15'8" x 31' canopy.		
<b>COMMENTS</b>	Lot 4 Janssen's Farm; lot is 250' x 300'; sale of leased fee interest. NNN Rent at time of sale was \$211,974 (\$24.50/sf/yr); 1.5% rent increase every 2 years; new 15 year lease renegotiated in late 2011 with inplace tenant (Dialysis Centers of America - Illinois, Inc.). Listed at time of sale for \$2,735,000; competing offers resulted in cash sale above asking price. Prior sale \$2,325,000 11/09/06 per 2006-36771. Est., NOI \$199,255; OAR .0705.		
<b>FINANCING</b>	All cash to seller		
<b>SALE PRICE PER SQUARE FOOT</b>	<b>\$326.51</b>		

**Brian A. Finch, MAI**  
Brian A. Finch, Inc.  
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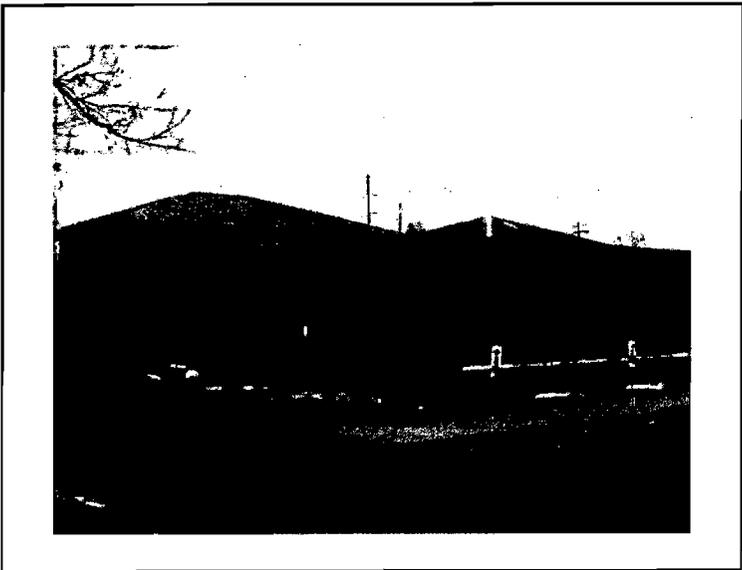
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**MEDICAL OFFICE SALE NO. 2**

**2125 South Neil Street**

**Champaign IL**

**45-20-24-404-004**



<b>RECORDING DATE</b>	12/31/2012	<b>DATE OF DEED</b>	12/27/2012
<b>SALES PRICE</b>	\$1,575,000	<b>DOC NO</b>	2012R33341
<b>GRANTOR</b>	Par 3 Development, LLC		
<b>GRANTEE</b>	WHP Building, LLC		
<b>ACRES LAND</b>	0.9458	<b>SQFT LAND</b>	41,198
<b>ZONING</b>	CG, Commercial General	<b>BUILDING SQFT</b>	7,415
<b>YEAR BUILT</b>	2000	<b># STORIES</b>	One
<b>CONSTRUCTION</b>	Masonry		
<b>BASEMENT</b>	None; slab		
<b>DESCRIPTION</b>	Brick and fixed insulating glass exterior; RTUs; 2 raised roof atriums with windows and standing seam metal roofs; membrane roof.		
<b>COMMENTS</b>	Includes an outpatient surgery suite; Class A medical office build-out. No direct ingress/egress from/to Neil Street; cross easements assumed with adjacent shopping center. Buyer was tenant at time of sale, with about 3 years remaining on lease at time of sale; lease rate reportedly \$28.05+/-/sf/year NNN.		
<b>FINANCING</b>	All cash to seller		
<b>SALE PRICE PER SQUARE FOOT</b>	<b>\$212.41</b>		

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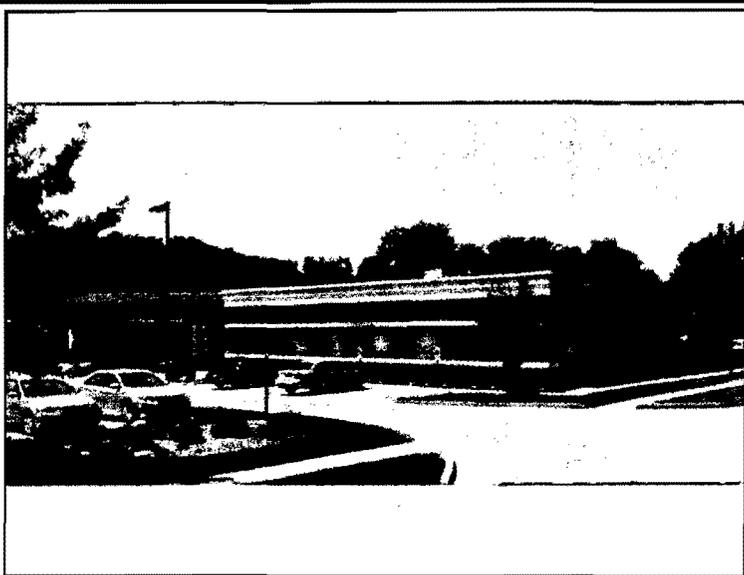
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**MEDICAL OFFICE SALE NO. 3**

**2921 Old Jacksonville Road**

**Springfield IL**

**14-31.0-351-059, 058**



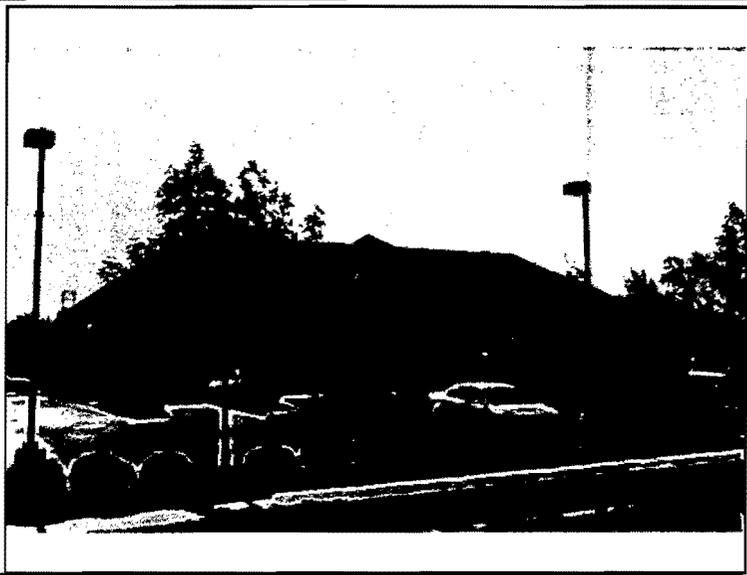
<b>RECORDING DATE</b>	03/31/2014	<b>DATE OF DEED</b>	03/31/2014
<b>SALES PRICE</b>	\$7,000,000	<b>DOC NO</b>	2014R06886
<b>GRANTOR</b>	Rickard Road Development, LLC		
<b>GRANTEE</b>	St. John's Hospital		
<b>ACRES LAND</b>	4.1100	<b>SQFT LAND</b>	179,032
<b>ZONING</b>	R-1, Residential with Variance for Medical	<b>BUILDING SQFT</b>	43,812
<b>YEAR BUILT</b>	2003	<b># STORIES</b>	One
<b>CONSTRUCTION</b>	Masonry; flat membrane roof; 12' wall height		
<b>BASEMENT</b>	10' walls; 12,462 sf basement area with elevator; 10,531 sf is finished, 1,931 sf unfinished		
<b>DESCRIPTION</b>	Brick exterior; drive-up canopy; RTUs; poured concrete foundation. Multi-tenant design; sprinklered; 1,200 Amp electrical; back-up generator.		
<b>COMMENTS</b>	Located 3 lots west of Veterans Parkway; GBA reflects both levels (31,350 sf GFA). Sale also includes surplus land of 2.28 acres - heavily wooded and cut by creek.		
<b>FINANCING</b>	All cash to seller		
<b>SALE PRICE PER SQUARE FOOT</b>	<b>\$159.77</b>		

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**MEDICAL OFFICE SALE NO. 4**

**ACT Medical Group**  
**2473 McFarland Road**  
**Rockford IL**  
**12-14-101-005**



<b>RECORDING DATE</b>	04/11/2014	<b>DATE OF DEED</b>	
<b>SALES PRICE</b>	\$2,576,650	<b>DOC NO</b>	2014-11275
<b>GRANTOR</b>	ACT Building Company, LLC		
<b>GRANTEE</b>	The Carolyn Mesbah Revocable Living Trust		
<b>ACRES LAND</b>	1.3646	<b>SQFT LAND</b>	59,444
<b>ZONING</b>	C2, Limited Commercial District	<b>BUILDING SQFT</b>	10,681
<b>YEAR BUILT</b>	2002	<b># STORIES</b>	One
<b>CONSTRUCTION</b>	Wood frame; brick exterior; asphalt shingle roof on wood truss system		
<b>BASEMENT</b>	None; slab		
<b>DESCRIPTION</b>	Multiple natural gas forced air furnaces and central air; poured concrete foundation; 10' ceilings. Single tenant design.		
<b>COMMENTS</b>	Located at the southeast corner of McFarland and Spring Creek Road, 1 block east of Perryville Road. Rectangular lot: 279.98' x 214.24' x 280.01' x 214.29'.		
<b>FINANCING</b>	All cash to seller		
<b>SALE PRICE PER SQUARE FOOT</b>	<b>\$241.24</b>		

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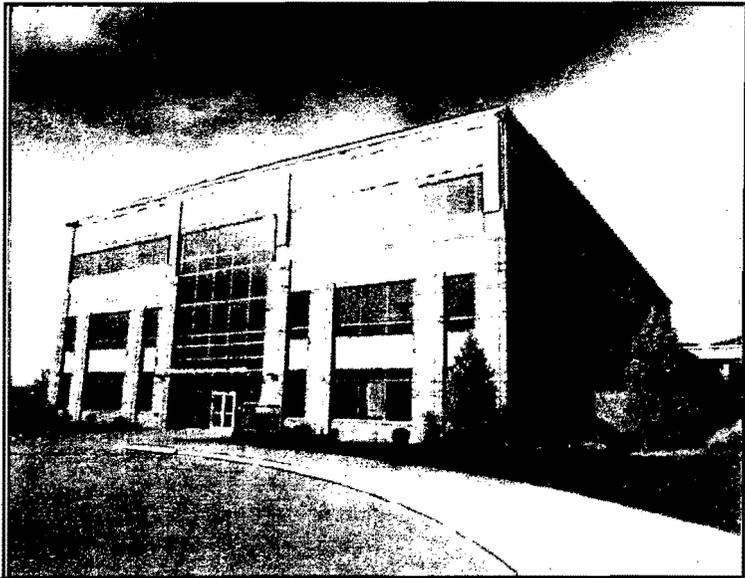
**MEDICAL OFFICE SALE NO. 5**

**Trinity Professional Building**

**4480 Utica Ridge Road**

**Bettendorf IA**

**841705101-L**



<b>RECORDING DATE</b>	06/04/2013	<b>DATE OF DEED</b>	04/29/2013
<b>SALES PRICE</b>	\$13,266,000	<b>DOC NO</b>	2013-17230
<b>GRANTOR</b>	TP Funding Company, LLC & TP Investment Company, LLC		
<b>GRANTEE</b>	Lockard Terrace Park, LLC		
<b>ACRES LAND</b>	3.0000	<b>SQFT LAND</b>	130,680
<b>ZONING</b>	C-6, Office and Research Park	<b>BUILDING SQFT</b>	62,922
<b>YEAR BUILT</b>	2003	<b># STORIES</b>	3
<b>CONSTRUCTION</b>	Masonry and Steel construction		
<b>BASEMENT</b>	None; slab		
<b>DESCRIPTION</b>	Brick, EIFS, and fixed insulating glass exterior; flat roof; RTUs; elevator, connection to Trinity Medical Center. NRA is 59,615+- sf.		
<b>COMMENTS</b>	Sale of <b>Leasehold Interest</b> , including all building improvements, paving and site improvements, and ingress/egress easement. Reportedly 92.4% occupied at time of sale, with average rent of \$20.03/sf/year and OAR estimated at 7.35%. NNN charges budgeted at \$10.07/sf/year.		
<b>FINANCING</b>	All cash to seller		
<b>SALE PRICE PER SQUARE FOOT</b>	<b>\$210.83</b>		

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**MEDICAL OFFICE SALE NO. 6**

**Vermillion County Surgery Center**

**26 West Newell Road**

**Danville IL**

**18-17-100-007**

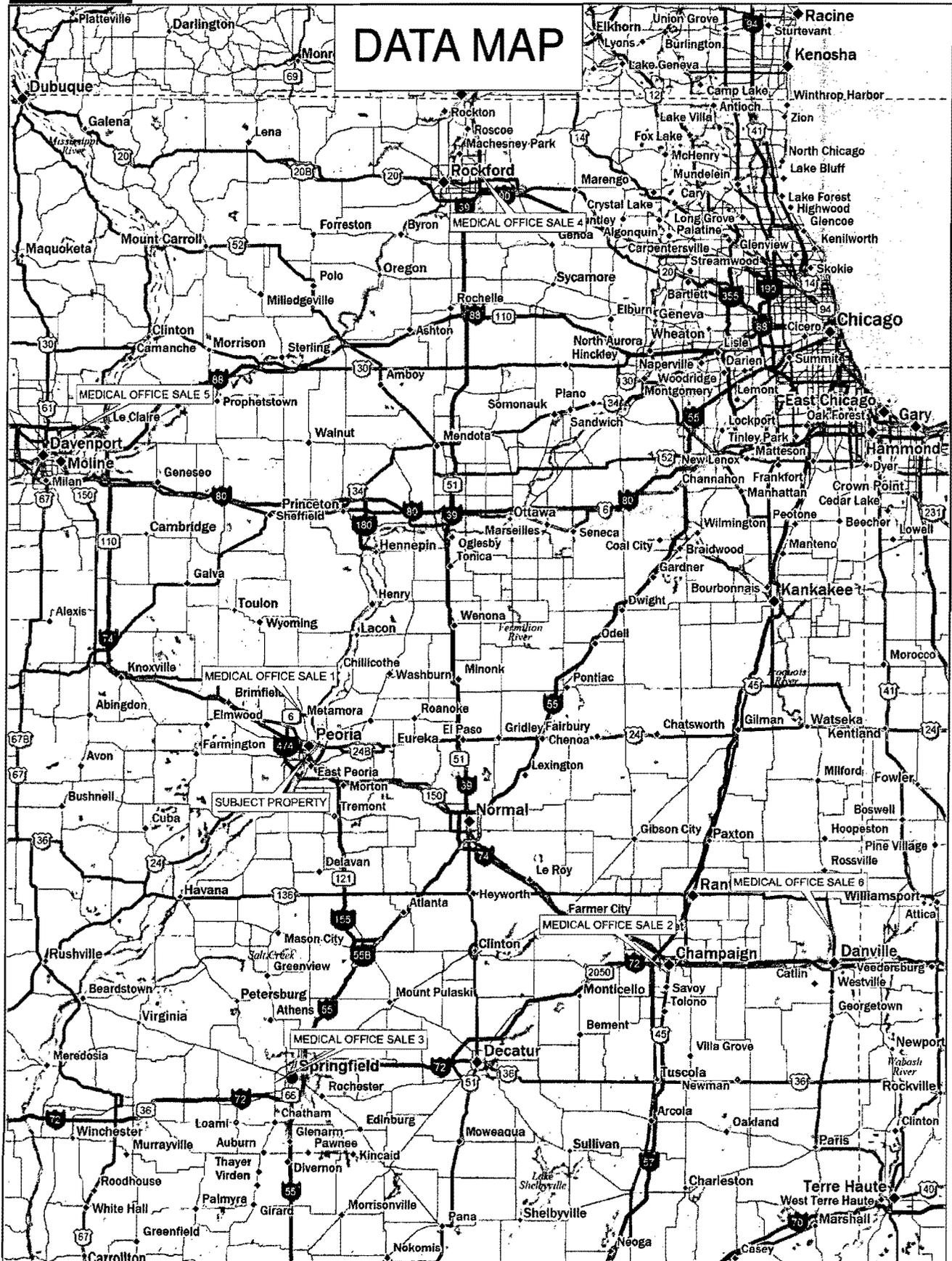


<b>RECORDING DATE</b>	08/21/2012	<b>DATE OF DEED</b>	08/01/2012
<b>SALES PRICE</b>	\$3,200,000	<b>DOC NO</b>	2012-07208
<b>GRANTOR</b>	Thomas J. Pilura and Pamela Pilura		
<b>GRANTEE</b>	Vermillion County Surgery Center, LLC		
<b>ACRES LAND</b>	6.2500	<b>SQFT LAND</b>	272,250
<b>ZONING</b>	B3, General Business	<b>BUILDING SQFT</b>	11,655
<b>YEAR BUILT</b>	1999	<b># STORIES</b>	One
<b>CONSTRUCTION</b>	Wood Frame		
<b>BASEMENT</b>	None; slab		
<b>DESCRIPTION</b>	Brick, EIFS and insulating glass exterior; membrane roof; RTUs; built as outpatient surgery center; class A finish; drop-off canopy.		
<b>COMMENTS</b>	Lot is 660' x 412.5'; much of lot is tree covered; located at the Northwesterly corner of Newell Road and Vermillion, directly West of Walmart.		
<b>FINANCING</b>	All cash to seller		
<b>SALE PRICE PER SQUARE FOOT</b>	<b>\$274.56</b>		

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# DATA MAP



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Scale 1 : 1,600,000



1" = 25.25 mi

Data Zoom 7-0

## QUALITATIVE ANALYSIS OF SALES

	SUBJECT	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6
Address	303 Kumpf Blvd., Peoria	10405 N. Juliet Ct., Peoria, IL	2125 S. Neil St., Champaign	2921 Old Jacksonville Rd., Springfield	2473 McFarland Rd., Rockford	4480 Utica Ridge Rd., Bettendorf, IA	26 W. Newell Road, Danville
Sale Price	N/A	\$2,825,000	\$1,575,000	\$7,000,000	\$2,576,650	\$13,266,000	\$3,200,000
GBA - SF	24,714	8,652	7,415	43,812	10,681	62,922	11,655
Sale Price/SF		\$326.51	\$212.41	\$159.77	\$241.24	\$210.83	\$274.56
Financing Terms	Cash Eq.	Cash Eq.	Cash Eq.	Cash Eq.	Cash Eq.	Cash Eq.	Cash Eq.
Date of Sale	06/2014	10/12 =	12/12 =	03/2014 =	04/14 =	06/13 =	08/12 =
Sale Conditions	Typical/AL	Typical/AL =	Typical/AL =	Typical/AL =	Atypical/AL -	Typical/AL =	Typical/AL =
Location/Visibility	Good	Similar =	Similar =	Similar =	Similar =	Superior -	Inferior +
Age	1991	2000 -	2000 -	2003 -	2002 -	2003 -	1999 -
Condition	Good	Good =	Good -	Good =	Good -	Good -	Good =
Other	Drop-off canopy	Drop-off canopy; Long- term lease -	No canopy +	Drop-off canopy =	None +	Hospital Connector -	Drop-off canopy =
Land	2.4742 Ac	1.7218 Ac =	0.9458 Ac +	4.110 Ac -	1.3646 Ac +	3.00 Ac =	6.2500 Ac -
Functional Characteristics	Slab; surgical suite;	Dialysis Center; all at grade; no basement =	Slab; high ceiling waiting room; surgical suite =	Partial basement; elevator +	Slab +	Leasehold +	Slab; all surgical -
Construction & Quality	Good	Good =	Good =	Good =	Good =	Good =	Good =
Overall Comparison		Superior	Similar	Inferior	Inferior	Similar	Superior

Note: A "+" sign means that the comparable sale is Inferior to the subject property; a "-" sign means that the comparable sale is Superior to the subject property; an "=" sign means the comparable sale is roughly Equal to the subject property. The sales are always adjusted toward the subject. Subject's land area is the primary site area.

## Correlation of Building Sales

The five sales analyzed are considered to be the most comparable among a very limited pool of recent sales of significant medical office buildings in this area and region. The market has reflected relatively stable values from mid-2010 through 2014, however during this time frame the market has been characterized by very limited sales transaction volume within this market and the nearby region. The economic recovery has been very slow and investors are largely on the sidelines. Of necessity, the geographic search was expanded to other markets within Central Illinois and other regions of Illinois, in order to locate sufficient sales data to develop this approach.

Sale 1 is extremely recent. It is newer than the subject, which requires downward adjustment. Sale 1 had an attractive long-term lease in place at market which created a highly marketable investment vehicle as a result of its strong lease in place, which accounts for much of the difference in value between it and the subject. Sale 1 is considered to be the least comparable, but is the only very recent high end medical office sale in the Peoria market.

Sale 2 was leased at the time of sale, but purchased by the tenant. Sale 2 is considered to be highly comparable with respect to quality, has a surgical suite, and of similar quality. Sale 2 is a much smaller facility with broader appeal to a wider market. Its parking is limited, with overflow parking in the adjacent shopping center, which is not as convenient as subject's parking.

Sale 3 is very recent, but significantly different with respect to design – with a 28% of its gross building area below grade, which is significantly less appealing, and of that below grade area, 18% was unfinished storage – much less valuable. Sale 3 lacked a surgery suite and would require upward adjustment for that factor.

Sale 4 requires downward adjustment for age and condition, and is also a much smaller facility with broader appeal to a wider market. This sale is likely a sale-leaseback, however attempts to determine if it was leased and if so at what rate were unsuccessful. Sale 4 is the most recent sale located.

Sale 5 is arguably the most comparable with respect to design – being multi-level. Sale 5 is located in a comparable market in the Quad-Cities area, only one± hour northwest of the subject, and its underlying economics are very similar to those of the subject. Sale 5 requires downward adjustment for its age and overall condition, and is somewhat superior due to its direct connection to a hospital. Sale 5 is inferior in that it is a leasehold interest, however, the ground lease is long-term at a modest rate.

Sale 6 is an outpatient surgery center, which would require downward adjustment in comparison to the subject, which is only partially finished as surgery. Sale 6 is considered inferior with respect to location, Danville being a weaker market than subject enjoys.

Based upon an analysis of these fairly diverse comparable sales, and after allowing for differences where they occur, along with the application of professional judgment, it is my opinion that the indicated unit value for subject property is \$200.00 per square foot of building (including land), or as follows:

$$24,714 \text{ SF} \times \$200.00 = \$4,942,800$$

Indicated Value by Sales Comparison: **\$4,943,000**

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## INCOME APPROACH

The Income Approach is a method of estimating the value of real estate by relating the income-producing ability of the property being appraised to a current value. The steps involved in this approach are:

- 1) Estimate Gross Annual Income
- 2) Estimate Stabilized Annual Expenses
- 3) Estimate Value by capitalizing Net Income by an appropriate Overall Capitalization Rate. (OAR)
- 4) Deduct Deferred Maintenance, if any, to Conclude Value

The analysis which follows includes the market rent estimates followed by market value estimate using direct capitalization.

### Contract Rent Analysis

The subject property is owner occupied and not leased on an arm's length basis. Any existing leases between related entities have been disregarded for appraisal purposes.

### OSF HEALTHCARE SYSTEM Lease Term Definitions

**Gross Lease:** A lease which obligates the Landlord to pay the expenses of the leased property, including common area maintenance, real estate taxes, and insurance. These costs are figured into the lease rate.

**True Gross Lease:** A lease which obligates the Landlord to pay the expenses of the leased property, including common area maintenance, real estate taxes, building insurance and utilities. These costs are figured into the lease rate.

**NNN (Triple Net) Lease:** A lease requiring the Tenant to pay their prorated share of expenses of the leased property, such as common area maintenance, taxes, and insurance. These are paid in addition to the base rent. (this type of lease assumes tenant pays utilities plus janitorial for its leased space).

**Net Lease:** A lease requiring the Tenant to pay their proportionate (prorated) share of one of the three expenses of the leased property – either common area maintenance, taxes, or insurance. These are paid in addition to the base rent. (this type of lease assumes tenant pays utilities plus janitorial for its leased space).

**NN (Net Net) Lease:** A lease requiring the Tenant to pay their proportionate (prorated) share of two of the three expenses of the leased property – (common area maintenance, taxes, insurance). These are paid in addition to the base rent. (this type of lease assumes tenant pays utilities plus janitorial for its leased space).

## **MARKET RENT ESTIMATE**

Market Rent was defined earlier. As noted earlier, the appraisal assignment is to estimate market rent assuming three different premises: True Gross, NNN rent and 4-Hour Block Time Share.

In order to estimate the NNN Market Rent of subject, I have reviewed a number of leases of comparable properties in the market. Some rents were obtained in a confidential manner, and have therefore been retained in file or only partially detailed. The following are considered to be the best indicators of market rent for the subject property.

**MEDICAL OFFICE RENT COMPARABLE ANALYSIS**

Rental #	Address	\$/sf/Yr	Basis	NRA	COMMENTS
1	Confidential	\$20.43	NNN	10,600	Feb., 2013 lease; new 1-story medical office for physical therapy & sports injury rehabilitation clinic. 10-year primary term; (2) 5-yr options with 10% rent increases. Strong credit tenant.
2	10405 Juliet Ct, Peoria	\$24.50	NNN	8,654	15 Yr lease; renegotiated in late 2011; 1-story; built 2000
3	Confidential	\$26.38	NNN	9,200	2014 lease of built-to-suit medical office; 1-story, Class A building
4	1701 E. College Ave., Blm	\$22.50	NNN	101,296	Lease commenced 10/1/09, has 2%/year increases; built 1993 & 1997; 3-levels.
5	7717 N Orange Prairie Rd., Peoria	\$26.95	NNN Equiv	36,799	VA clinic, built 2009; 20 yr primary term
6	Confidential	\$19.00	NN	9,424	Two tenant medical building; rent increases 2%/Year; rate is approximate
7	Confidential	\$28.00	NNN	4,437	Surgery center; built 2001; 10 year primary term; commenced 8/31/2012
8	Confidential	\$34.43	NNN	20,738	Surgery center; built 2001
9	Confidential	\$28.78	NNN	16,107	10,455 sf surgery center; 5,652 sf endoscopy center; built 1988/1989
10	Confidential	\$28.00	NNN	6,963	Multi-tenant medical office, built 1990 & 2007; ambulatory surgery center; CPI with 3%/yr cap; current rent approx.
11	Confidential	\$22.96	NNN	21,096	New 2014 buildout; 10-yr primary term; (3) 5-yr options; 2.5% annual escalation.
12	Confidential	\$28.15	NNN	16,066	New 2014 lease; 10-yr primary term; (2) 5-yr options. Rent fixed yrs 1-2, drops to \$23.00/sf/yr with 2% annual escalation in yrs 3-10.
13	7314-7318 N. Willow Lake Ct., Peoria	\$14.85-\$16.14	NNN	2,212-5,530	Class B Medical
14	7308 N. Willow Lake Ct., Peoria	\$14.64-\$17.85	NNN	2,116-3,750	Class B Medical

## **Correlation of Rentals and Conclusion of NNN Market Rent**

Due to the highly competitive environment of medical services in this market, medical office rents are the most closely guarded of any real estate sector (in my practice). Because the appraisal of medical office space and medical office market rent appraisals represents a large percentage of my practice, I have accumulated a significant amount of medical office rental data, most of which has been obtained in confidence and cannot be detailed due to client restrictions and in compliance with USPAP to maintain the confidential nature of information obtained in the course of appraisals. Of the 14 medical office rentals summarized on the following page, all but 5 must remain confidential. I have personally viewed and photographed all of the 14 and I have a high degree of confidence in the information due to the availability of the actual lease for nearly all and the others were obtained from sources considered reliable and trustworthy.

Rental 1 is very recent; it requires downward adjustment relative to subject's general space for age and condition, but did not have a surgical suite.

Rental 2 is a very recently negotiated lease with an in-place tenant that had been paying a higher rate per year, but with very limited time remaining on the lease. Because the owner wanted to sell the property, he negotiated a new lease with the tenant which lowered the rental rate, but created a highly marketable investment due to the 15 year term which resulted with a quality credit tenant.

Rental 3 is also extremely recent, for a specialized care medical office building; it is in an inferior location, but significantly superior with respect to age and condition (under construction).

Rental 4 is a second generation lease to the region's strongest credit tenant, but is somewhat dated.

Rental 5 is a new facility which requires downward adjustment for age and condition, and is a much larger site.

Rental 6 is a comparable medical office building with two tenants, with terms not at full NNN (landlord pays a small part of CAM), and considered good evidence of the market rent value for subject's general medical space. Rental 6 is superior with respect to age and condition, but does not have a surgical suite.

Rentals 7-10 are all surgery offices generally comparable to subject's surgical area, but at a rate much higher than would apply to the entire subject space.

Rentals 11 and 12 are the two most recent known rentals; neither involves surgical, and both are highly comparable to subject's overall size. Rental 11 is the more comparable (with respect to a normally motivated transaction). Downward adjustment is indicated for age and condition.

Rentals 13 and 14 are inferior spaces (both Class B medical), but do provide evidence of the low end from the relevant local market.

These rentals provide a strong basis for support of market rent for subject's NNN rent, which I estimate at **\$19.00** per square foot per year on a NNN basis. This is a blended overall rate, with the surgical area having a higher rent value and the physical therapy a lower value than the general medical that comprises the majority of the building.

## Conclusion of Market Rent – True Gross

The rentals analyzed are all medical offices which are considered to be representative of medical office space rentals in this region. This sample is considered to be persuasive. All but two of these rentals all are set up on a NNN basis, one on a modified gross basis, and one on a NN basis.

The NNN rent is converted to gross by addition of typical medical office expenses, which is accomplished by inclusion of the estimated stabilized expenses, primarily based on the historical actual operating expenses for the building, supplemented by other information for the expenses not detailed by owner records. Most of the typical expenses for this type of space were included in the actual property expense information available for the subject from Great Plains Orthopaedics (via Janet Smith). The known operating expenses provided to me include: real estate taxes, Insurance, utilities, trash collection, lawn care and snow removal and other minor items. There was no break-out of janitorial, so I have relied on the (IREM) Institute of Real Estate Management's 2012 *Income and Expense Analysis – Office Buildings for Region 5 Medical Office Buildings* to estimate that expense. The detail is as follows:

### ACTUAL OPERATING EXPENSE ANALYSIS & STABILIZED EXPENSE ESTIMATE

	2011	2012	2013	(Jan-May) 2014	3 Yr Ave	Stabilized Estimate	Stabilized Estimate
<b>EXPENSES</b>							<b>psf</b>
Real Estate Taxes	\$95,584	\$96,123	\$95,435	\$47,737	\$95,714	\$96,000	\$3.88
Fire Insurance Premium	\$6,064	\$7,175	\$7,234	\$0	\$6,824	\$7,300	\$0.30
Utilities - Water/Sewer	\$24,051	\$28,857	\$28,063	\$12,324	\$26,990	\$28,500	\$1.15
Utilities - Electric & Natural Gas	\$29,396	\$35,269	\$34,300	\$15,063	\$32,988	\$35,000	\$1.42
Trash Collection	\$9,952	\$11,830	\$14,154	\$6,602	\$11,979	\$15,800	\$0.64
Lawn Care, Snow & Ice Removal	\$32,067	\$27,040	\$36,523	\$33,239	\$31,877	\$35,000	\$1.42
Elevator Maintenance Contract	\$780	\$780	\$780	\$325	\$780	\$780	\$0.03
HVAC Maintenance Contract	\$3,984	\$3,984	\$3,984	\$3,984	\$3,984	\$3,984	\$0.16
Security System	\$2,062	\$4,758	\$2,728	\$1,788	\$3,183	\$4,300	\$0.17
Sprinkler Maintenance (Fire)	\$180	\$180	\$180	\$180	\$180	\$180	\$0.01
Janitorial (IREM - \$1.30/sf)	In-House	In-House	In-House	In-House		\$32,128	\$1.30
<b>Total</b>	<b>\$204,120</b>	<b>\$215,997</b>	<b>\$223,381</b>	<b>\$121,242</b>	<b>\$214,499</b>	<b>\$258,972</b>	<b>\$10.48</b>
Expenses/SF GBA	<b>\$8.26</b>	<b>\$8.74</b>	<b>\$9.04</b>	<b>\$4.91</b>	<b>\$8.68</b>	<b>\$10.48</b>	
Gross Building Area (GBA)					24,714		
<b>Concluded Estimated Stabilized Expenses/sf/Year</b>						<b>\$10.50</b>	

## TRUE GROSS RENT (VIA CONVERSION OF NNN RENT)

Conversion of NNN Rent to True Gross Rent	
NNN Market Rent Conclusion:	<b>\$19.00</b>
Est. Stabilized Expenses	<b>\$10.50</b>
<b>True Gross Rent</b>	<b>\$29.50</b>

### Estimation of Market Rent – 4 Hour Block Time Share

Estimation of Market Rent for sublease "4 Hour Block Time Share" space is a multi-step process. First, the NNN rental value of the subject was the initial conclusion, which was then translated into a true gross rental rate, from which the "4 Hour Block Time Share" space can then be calculated, as described earlier. "4 Hour Block Time Share" space rentals involve only the payment of rent by the tenant, with the lessor assuming all expenses. The final step of the estimation is conversion of this office's \$29.50/sf/year True Gross rent into a "4 Hour Block Time Share" rate. The appraised time share space (but not the surgical area) would be a sublease of portions of the much larger medical office area, which enjoy use of the larger office's waiting room, reception area, restrooms, lunch room, offices, and common areas, which suggests a significantly higher rent is appropriate for this sublease space as its effective area is much larger than the small areas typically leased on time-share basis. Also, there is an administrative and management responsibility to the lessor that must be accounted for, and the time blocks periodically remove the space from use by the underlying lessor; the second step is to account for the premium for these factors. The premium for the sublease area is estimated at 50% of the starting point market rate True Gross rent per square foot per year estimate.

The third factor is frequency. I have been instructed to consider 1 year as the typical time share block lease duration, with either an a.m. or p.m. block usage. The Hypothetical Condition of this appraisal noted earlier is that the sublease tenant(s) would be leasing portions of the building, such as exam rooms and/or offices on a 1 year lease basis (52 weeks for occasional use, with each week consisting of 5 business days), including use of the waiting room, breakroom, bathrooms and other common areas and amenities (which increases the effective use area). The appraisal basic assumption for rate estimation is that a day contains two 4-hour time blocks.

The formula for this Hypothetical assumes a 52 week year, 5 business days per week, 2 blocks per business day, and calculation of block rent to be on a per square foot basis per 4 hour block (so that the unit value of rent will be the same regardless of variation in Net Rentable Area - the Net Rentable Area being variable and rent in absolute \$ terms will vary accordingly).

The calculation and concluded rates are as follows:

Market Rent	Sublease Premium	# Weeks	Days	4-Hr Blocks Per Day	\$/SF/4-Hr Block
\$29.50	x 1.50	÷ 52	÷ 5	÷ 2	= 0.0851

## **Direct Capitalization Estimate of Value by Income Approach Continued:**

### **Expenses**

A typical stabilized vacancy and credit loss for medical office space for this location is estimated at 5%. Even with NNN rent, there are still ownership expenses, which include: Management - 3% is typical; some type of minor (2%) expense has to be recognized for Administrative/Miscellaneous expenses which are on-going and periodic (though not strictly predictable) that result from ownership's stewardship of the property (legal, accounting, periodic inspection, owner's association involvement, contact with municipal entities, etc.). A Reserve Allowance of 2% is estimated to annualize the owner's (Lessor) responsibility for replacements of mechanicals and the elevator.

### **Overall Capitalization Rate (OAR)**

A widely used method of estimating the OAR is the Mortgage-Equity technique. This technique relies upon the assumption that real estate is typically purchased with a combination of mortgage financing (leverage) and equity. Usually, buyers seek maximum leverage in purchasing real estate. It is estimated that a typical loan-to-value ratio would be approximately 65%-75%, and the typical equity position 25-35%. Mortgage money is available generally in the range of 5.50% to 7.00%. A 15-25 year amortization term is typical.

Mortgage-Equity accounts not only for payoff of the mortgage over a projection period, but also accounts for change in value of the property over the likely holding period. Equity Yield is both a product of cash flow and proceeds from resale at the end of the investment.

The likely holding period for this type of investment is estimated to be ten years. In my opinion, stable value over the projected holding period is a typical investor expectation in this market.

Recent investor surveys conducted by the Real Estate Research Corporation and published in their periodic newsletter indicate a typical desired yield rate for first tier Midwest CBD and Suburban Office properties to be in the range of 6.0%-13.00%, depending on the kind of property, location, and the market's perceived risk of the type of property (Vol. 43, No. 1, the first Quarter 2014 RERC Real Estate Report). This survey tends to reflect properties located in major metropolitan areas of the United States. A yield at or near the top end of the ranges is felt to be appropriate, due to the tertiary market. The range of going-in cap rates are 5.0%-12.0% for CBD and 6.0%-10.0% for Suburban, with 8.1% the Suburban average. Due to the tertiary market, an above average cap rate is indicated. I estimate an appropriate cap rate at 8.5%, based on consideration of the calculated rate from Mortgage-Equity, RERC survey, and exercise of professional judgment.

Also following is the Income and Expense Analysis.

## OVERALL CAPITALIZATION RATE (OAR) ANALYSIS

Inputs-Debt & Equity	Formulae	Factors
Loan Amount:	0.70	$P = (f-i)/(f_p-i)$ 0.3546812
M (Mortgage Ratio):	0.70	$f_p = f$ for Projection $i/(1-1/S^{np})$ 0.0111021
E (Equity Ratio):	0.30	(Periodic) $f = i/(1-1/S^n)$ 0.0071643
I (Nominal Interest Rate):	0.060000	Balance = $1-P$ 0.6453188
i (Periodic Interest Rate):	0.005000	Debt Service = Loan Amount $\times i/(1-1/S^n)$ 0.0050150
Amortization Term (Years):	20	For Mortgage Factors, Base = $S = 1+i$ 1.0050000
n (Amortization Term - Periods)	240	$S^n$ 3.3102045
Periods/Year:	12	$S^{np}$ 1.8193967
Projection Period - Years:	10	
		For SFF Calculation, Base = $S = 1+Y_E$ [For
np (Projection Period):	120	Projection Term at Equity Yield Rate] 1.1300000
f (Annual Constant):	0.085972	$SFF = Y_E/(S^{np}-1)$ 0.0542896
Periodic Payment Factor:	0.007164	$S^{np}$ 3.3945674
Balance:	0.645319	
P (Paidoff Portion):	0.354681	
$Y_E$ Equity Yield Rate (Annualized):	13.00%	
Change In Value:	0.00%	

### Estimation of OAR by Mortgage Equity Without Algebra (Ackerson) Method

Loan Ratio $\times$ Annual Constant	0.060180
Plus Equity $\times$ Equity Yield Rate	0.039000
Minus Loan Ratio $\times$ Paidoff Ratio (P) $\times$ SFF	-0.013479
Equals Basic Rate r	0.085701
Plus Depreciation/Minus Appreciation $\times$ SFF	0.000000
Equals Basic OAR <sup>R</sup>	<b>0.085701</b>

## STABILIZED INCOME AND EXPENSE ANALYSIS

### ESTIMATED POTENTIAL GROSS RENTAL INCOME

	SF NRA	x	\$/sf/Yr	\$/Year
TENANTS Medical Office at Market	24,714		\$19.00	\$469,566
Subtotal	24,714			\$469,566
LESS ESTIMATED VACANCY & CREDIT LOSS:	5.00%			(\$23,478)
PLUS OTHER INCOME:				
ESTIMATED EFFECTIVE GROSS ANNUAL INCOME (EGAI):				\$446,088
LESS ESTIMATED ANNUAL EXPENSES:	% EGAI		\$/SF/YR	\$/Year
Management	3.00%		\$0.54	(\$13,383)
Administrative/Miscellaneous	2.00%		\$0.36	(\$8,922)
Reserve Allowance	2.00%		\$0.36	(\$8,922)
Subtotal - All Expenses	7.00%		\$1.26	(\$31,226)
ESTIMATED NET OPERATING INCOME (NOI):				\$414,862
CAPITALIZE AT EST. OVERALL CAPITALIZATION RATE (OAR):			0.085000	\$4,880,724
ESTIMATED VALUE BY INCOME APPROACH:				\$4,880,000
ESTIMATED VALUE per SQUARE FOOT GBA	24,714		\$197.46	

## COMMENTS

All mechanical systems are assumed, but not warranted to be in good working order.

*I am not an expert in the detection or measurement of hazardous environmental substances. This appraisal assumes the property is free of any environmental contamination of any sort, whether or not that is actually the case. Such determinations and their impact on value are beyond the scope and expertise of this appraiser and are best left to other third-party experts.*

## RECONCILIATION AND CONCLUSION

The subject property consists of a 24,714± square foot medical office building, built on a 107,775± square foot site, zoned B-1, Downtown Business District, located at 303 North William Kumpf Boulevard, Peoria, Illinois. The property is owner occupied by Great Plains Orthopaedics.

Two of the three approaches to value have been pursued, and indicate the following values:

APPROACH TO VALUE	VALUE INDICATION
Income Approach	\$4,880,000
Sales Comparison	\$4,943,000

The two approaches indicate reasonably similar values and are considered to be mutually supportive. The weakness of the sales comparison approach is the minimal sales data available from the Peoria market, with the need to rely on regional data. The income approach did have strong local data (most of which is confidential) available upon which support the estimate of market rent.

As a result of my investigation and analysis of the market after inspecting the subject property and considering all the pertinent factors relating thereto, it is my opinion that the Market Value of the Fee Simple interest in the subject property, as of June 17, 2014, is:

VALUE PREMISE	CONCLUSION
As Is, Fee Simple	\$4,900,000

Further, it is my opinion that the indicated market rents are as follows:

MARKET RENT PREMISE	MARKET RENT
True Gross/Sf/year	\$29.50
NNN/sf/year	\$19.00
4-Hr Block Time Share - \$/sf	\$0.0851

**ADDENDA**

## CERTIFICATION

I certify that, to the best of my knowledge and belief:

the statements of fact contained in this appraisal report are true and correct.

the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

I have no present or prospective interest in the real estate that is the subject of this appraisal report, and no personal interest with respect to the parties involved.

I have no bias with respect to the property that is the subject of this appraisal report or to the parties involved with this assignment.

my engagement in this assignment was not contingent upon developing or reporting predetermined results.

my compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

the reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the *Uniform Standards of Professional Appraisal Practice*.

the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

I have made a personal inspection of the property that is the subject of this report.

no one provided significant real property appraisal assistance to the person signing this certification.

as of the date of this report, I, Brian A. Finch have completed the continuing education program of the Appraisal Institute.

I have not provided any services regarding the subject property within the prior three years as an appraiser or in any other capacity.



Brian A. Finch, MAI

Illinois State Certified General Real Estate Appraiser 553.000184 (Expires 9/30/2015)

July 24, 2014  
Date

## **GENERAL LIMITING CONDITIONS AND UNDERLYING ASSUMPTIONS**

The appraiser will not be required to give testimony or appear in court because of having made this appraisal, with reference to the property in question, unless arrangements have been previously made therefor.

The signatory of this appraisal report is a member of the Appraisal Institute. The Bylaws and Regulations of the Institute require each member to control the use and distribution of each appraisal report signed by such member. Therefore, except as hereinafter provided, the party for whom this appraisal report was prepared may distribute copies of this appraisal report, in its entirety, to such third parties as may be selected by the party for whom this appraisal report was prepared; however, portions of this appraisal report shall not be given to third parties without the prior written consent of the signatory of this appraisal report. Further, neither all nor any part of this appraisal report shall be disseminated to the general public by the use of advertising media, public relations media, news media, sales media, or other media for public communication without the prior written consent of the signatory of this appraisal report.

The distribution of the total valuation in this report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.

The client/reader of this report is cautioned about the use and/or reliance on information contained in this report. The appraisal has relied upon many reasonable assumptions which are not warranted as being absolutes or totally factual. Certain information relied on in this appraisal is less than perfect and incomplete. Such is the environment of the real estate market which is an uncertain environment with imperfect information at best. An appraisal can be no better or more accurate or more factual than the marketplace. An appraisal cannot rely on perfect information because such perfect information does not exist in the marketplace.

An appraisal is not a survey, nor is it an engineering study, nor can I be responsible for the exact determination of unseen elements or components of the property. I make no warranties as to the structural soundness of any component of the real estate appraised.

I offer no legal opinions about the property, whether it meets all the applicable zoning, building code, and/or other requirements. Such determinations are available from others and it is the client/users responsibility to determine such matters.

An appraisal is an estimate of value as of a fixed point in time. An appraisal can make no guarantees as to the future. Economic and social environments in which real estate exist can change and sometimes change very rapidly. Many things of a political, municipal, and social nature can impact the value of real estate in both positive and negative ways. An appraisal cannot make determinations of future events which can impact value. The appraiser is forced to make some judgments about future events; however, the reader/user of this report is strictly cautioned that these are felt to be reasonable assumptions based on current knowledge; however, I can offer no guarantees.

For the subject property, all mortgages, liens, encumbrances, leases, and servitudes have been disregarded unless so specified within the report. The subject is appraised as though under responsible ownership and competent management.

No survey of the property has been made by the appraiser, and no responsibility is assumed in connection with such matters. Sketches in this report are included only to assist the reader in visualizing the property, and dimensions have been rounded in accordance with generally accepted appraisal practice in this area. Drawings included in this appraisal are not warranted as being exact. If an exact rendering of the property, including setbacks, plot plan, etc. is required, then the reader/user of this report is advised to seek a survey by a properly qualified surveyor. Any determination of encumbrances or encroachments is likewise in the domain of others. The appraiser has attempted to identify obvious blatant encroachments; however, I caution the reader/user to seek his/her own opinion as to any encroachments or encumbrances. It is assumed, but not warranted, that the improvements are within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted within the report.

No responsibility is assumed for matters of a legal nature affecting title to the property nor is an opinion of title rendered. The title is assumed to be good and merchantable. The property is appraised as if unencumbered and as if free and clear of all encumbrances whether or not that is actually the case. If the client/reader/user of this report desires an opinion of title, then they should obtain one from a qualified expert. It is not the function of the appraisal to be involved in matters of title. It is the responsibility of the client/reader/user to verify the legal description from sources other than this appraisal.

It is assumed that there are not hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover such factors. The appraiser cannot determine the suitability of the soil, its compaction level, its permeability, or other matters relating to the soil or subsoil. No soil survey or engineering study of the site was available. I cannot describe the type and adequacy of drainage of the site under all conditions, nor can I indicate the presence of high water tables, natural drainage toward or away from the site, or other matters in this regard.

It is assumed, but not warranted by the appraiser, that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report. The reader/user is cautioned that they must consult a qualified expert for an "Environmental Audit" to determine the presence and extent of any environment hazard or contamination (including, but not limited to Radon Gas or Asbestos), and the presence or potential of leaching from or to this site of environmentally hazardous contaminants. This appraisal is void if such an "Audit" subsequent to the appraisal determines the existence or potential for environmental contamination from any source.

The reader/user of this report is cautioned as to the limitations of the appraiser's physical inspection of the property. The appraiser can make no determination or estimation about unseen components of the property including both improvements and subterranean elements. The appraiser cannot determine the existence or presence of such things as radon gas, asbestos, hazardous chemicals, nuclear waste, toxic wastes, either on site or threatening the site from off-site leaching toward and threatening the subject property. Such matters are well beyond the scope of this appraisal. If the reader/user of this report wants a determination about such matters, then they must seek his/her own evaluation from a qualified expert. I assume, but do not warrant, that the property is not affected by any of the above-noted elements or any other possible hazards to the property. The final value estimate is subject to revision upon discovery of any unseen value impacting condition or situation.

## ENVIRONMENTAL ASSUMPTIONS

Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test such substances or conditions. If the presence of such substances, such as asbestos, urea formaldehyde foam insulation, or other hazardous substances or environmental conditions, may affect the value of the property, the value estimated is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them.

## ADA ASSUMPTIONS

The Americans with Disabilities Act (ADA) became effective January 26, 1992. I have not made a specific compliance survey and analysis of this property (nor do I possess the expertise to do so) to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. Non-compliance could have a negative impact on the value of the property. This appraisal is subject to revision, should an ADA compliance survey and analysis prepared by a third party expert determine the property to be out of compliance as well as establish the cost to bring the property into compliance. This appraisal assumes, but does not warrant, that the property is in compliance with ADA if it applies to this property.

## QUALIFICATIONS OF THE APPRAISER

**BRIAN A. FINCH, MAI**  
BRIAN A. FINCH, INC.  
901 East Grove Street Suite C-4  
Bloomington, Illinois 61701  
(309) 821-0303

### PROFESSIONAL DESIGNATIONS

MAI - Member Appraisal Institute  
SRA - Senior Residential Appraiser (Appraisal Institute)

### EDUCATION

Western Illinois University - Macomb, Illinois  
Bachelor of Business Administration Degree - March 1973  
Major: General Business Administration

M.B.A. (Master of Business Administration) - March 1974  
Major: Finance

### Society of Real Estate Appraisers:

Examination 101 - August 1974  
Examination 201 - January 1975  
Examination R-2 - January 1975

### American Institute of Real Estate Appraisers:

Examination I-A - March 1974  
Examination & Course I-B - September 1974  
Examination & Course VI - April 1975  
Examination VIII - August 1975  
Examination & Course II-3 - March 1982  
Examination & Course II-1 - December 1982  
Examination & Course II-2 - April 1983  
Comprehensive Examination - August 1983  
Standards of Professional Practice Parts A & B  
Course 600 Small, Mixed Use Properties - May 1999  
Course 410 Standards Part C - July 1999  
Course 705, Litigation Appraising - June 2001  
Course 710, Condemnation Appraising - June 2002  
General Market Analysis & Highest & Best Use May 2008  
USPAP Update 2014-2015

### APPRAISAL INSTITUTE Seminars including:

Appraisal of Condominiums  
Condominium Conversions  
Appraising Apartments  
Valuation of Leases and Leasehold Interests  
Valuation of Hotels and Motels  
Subdivision Analysis  
Uniform Residential Appraisal Report  
Computer Assisted Paired Sales Analysis  
Regression Analysis for Market Approach  
Understanding Limited Appraisals  
Industrial Valuation  
Valuation of Leased Fee Interests  
Advanced Income Capitalization  
Appraisers and Fair Lending  
Valuation of Detrimental Conditions  
Eminent Domain and Condemnation Appraising  
Section 8/HUD Rent Comparability Studies & Stds.  
Appraisal Consulting  
Real Estate Fraud  
Appraising From Blueprints and Specifications  
GIS Applications For Real Estate  
Analyzing Operating Expenses

### EXPERT WITNESS

Peoria County, Illinois  
Tazewell County, Illinois  
McLean County, Illinois

### EXPERIENCE

Over 30 years of experience appraising residential, multi-family, retail, office, commercial, industrial, subdivision, special use and farm properties.

### A partial list of financial and corporate clients:

Bank One, Bloomington, Illinois  
Champion Federal S&L, Bloomington, Illinois  
Caterpillar Tractor Company, Peoria, Illinois  
Central Illinois Bank, East Peoria, Illinois  
Commerce Bank, St. Louis, Missouri  
First Bank, St. Louis, Missouri  
Heartland Bank & Trust Company, Peoria Illinois  
Heritage Bank, Peoria, IL  
JPMorgan Chase Bank, N.A., Chicago, Illinois  
LaSalle Bank, N.A., Chicago, Illinois  
National City Bank of Michigan/Illinois  
Regions Bank, Bloomington/Peoria, Illinois  
OSF Healthcare  
Methodist Medical Center  
Proctor Hospital

President-Finch Appraisal Corp. (1981-1987) Morton, IL  
Asst. Vice President (Appraisal Division) - Champion Federal S & L 1987-1992  
Asst. Vice President (Appraisal Division) - First of America Mortgage 1992-1997  
President - Brian A. Finch, Inc. 1997-Present

### GOVERNMENTAL CLIENTS

Federal Deposit Insurance Corporation (FDIC)  
Resolution Trust Corporation (RTC)  
City of Bloomington  
City of East Peoria  
City of Peoria  
Village of Morton  
Federal Emergency Management Agency (FEMA)  
Metropolitan Airport Authority of Peoria  
McLean County  
Internal Revenue Service

### PROFESSIONAL MEMBERSHIPS

Member - Appraisal Institute  
Past President - Peoria Chapter 28, Society of Real Estate Appraisers (1978-1979)

### STATE LICENSE

Illinois State Certified General Real Estate Appraiser, License No. 553.000184, expires September 30, 2015

# INVOICE

July 24, 2014

OSF Healthcare  
Attn: Ms. Tracey Orsini, Manager of Real Estate Services  
3300 W. Willow Knolls Rd.  
Peoria, IL 61614

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Fee for Professional Appraisal Services:

Great Plains Orthopaedics Medical Office Building  
303 North William Kumpf Boulevard  
Peoria, Illinois 61605  
Owner: Great Plains, L.L.C.

**FEE:** \$3,300.00

\*\*\* Fee is due upon receipt \*\*\*

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**Make Check Payable To:**

Brian A. Finch, Inc.  
FEIN: 36-4166647  
901 East Grove Street, Suite C-4  
Bloomington, IL 61701  
(309) 821-0303

BAFI File No: 2014049

**Brian A. Finch, MAI**  
Brian A. Finch, Inc.  
901 E. Grove St., Suite C-4, Bloomington, IL 61701

Phone: (309) 821-0303  
FAX: (877) 825-6433  
brianfinchmai@BrianAFinchInc.com

**ORTHOPEDIC ASSOCIATES OF PEORIA, S.C. D/B/A GREAT PLAINS ORTHOPAEDICS  
RESOLUTION OF ALL OF THE SHAREHOLDERS BY UNANIMOUS CONSENT**

Pursuant to the provisions of Section 8.45 of the Illinois Business Corporation Act and the By-Laws of **ORTHOPEDIC ASSOCIATES OF PEORIA, S.C. d/b/a GREAT PLAINS ORTHOPAEDICS ("GPO")**, an Illinois service corporation, the undersigned, consisting of all of the shareholders of **GPO** hereby consent in writing, in lieu of a special meeting, that the following resolutions be adopted effective as of July 7, 2016.

**WHEREAS, GPO** is the sole manager of **GREAT PLAINS L.L.C.**; and

**WHEREAS, GREAT PLAINS L.L.C.** negotiated and executed that certain Purchase and Sale Agreement for Real Estate, dated February 15, 2016 (the "Agreement"), with **OSF MULTI-SPECIALTY GROUP**, for the sale of certain improved real estate commonly referred to as 303 N. William Kumpf Blvd., Peoria, IL, located in Peoria County – legally described as follows - pursuant to the terms and conditions of the Agreement, a copy of which is attached hereto as Exhibit 1 (hereinafter referred to as the "Transaction"):

**LEGAL DESCRIPTION:**

A PART OF LOTS 1 THROUGH 6, ALL OF LOTS 7 THROUGH 12, THE VACATED ALLEY EXTENDING FROM WILLIAM KUMPF BOULEVARD TO SANFORD STREET AND THE VACATED SANFORD STREET RIGHT OF WAY LYING WEST OF SAID LOTS 6 AND 7, AS VACATED BY ORDINANCE RECORDED JULY 20, 1990 AS DOCUMENT #90-16245, ALL IN BLOCK 49 OF AIKEN, MONSON AND SANFORD'S ADDITION IN THE NORTHWEST ¼ OF SECTION 9, TOWNSHIP 8 NORTH, RANGE 8 EAST OF THE FOURTH PRINCIPAL MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHEAST CORNER OF SAID LOT 12, THENCE SOUTH 00 DEGREES 08 MINUTES 11 SECONDS WEST (BEARING ASSUMED FOR PURPOSE OF DESCRIPTION ONLY), ALONG THE WEST LINE OF WILLIAM KUMPF BOULEVARD, 294.00 FEET; THENCE NORTH 89 DEGREES 54 MINUTES 39 SECONDS WEST, PARALLEL TO THE NORTH LINE OF THIRD AVENUE, 366.68 FEET TO THE WEST LINE OF THE VACATED SANFORD STREET; THENCE NORTH 00 DEGREES 08 MINUTES 26 SECONDS EAST, ALONG THE WEST LINE OF THE VACATED SANFORD STREET, 293.86 FEET TO THE SOUTH LINE OF FOURTH AVENUE; THENCE SOUTH 89 DEGREES 55 MINUTES 58 SECONDS EAST, ALONG THE SOUTH LINE OF FOURTH AVENUE, 366.66 FEET TO THE POINT OF BEGINNING, AS SHOWN ON THE SURVEY PREPARED BY AUSTIN ENGINEERING CO., INC. DATED JULY 26, 1990 AND RECORDED OCTOBER 2, 1990 IN TRACT SURVEY 25, PAGE 9 AS DOCUMENT #90-23580, SITUATE, LYING, AND BEING IN THE COUNTY OF PEORIA AND STATE OF ILLINOIS

**PIN: 18-09-178-014**

**APPROXIMATE SIZE: 2.47 ACRES MORE OR LESS**

**COMMONLY KNOWN AS: 303 N. WILLIAM KUMPF BLVD., PEORIA, IL**

**WHEREAS**, all shareholders and directors of **GPO** have determined it is in the best interests of **GREAT PLAINS L.L.C.** to enter into the Agreement and to consummate the Transaction.

**NOW, THEREFORE, BE IT RESOLVED** that the Transaction, the Agreement, and all of the transactions contemplated therein and incidental thereto, be and each of them hereby, are approved, and, if already executed, are ratified;

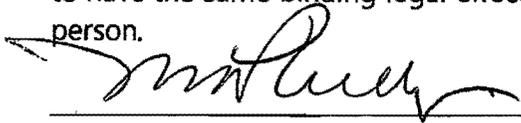
**FURTHER RESOLVED**, that **JEFFREY R. GARST, M.D., PRESIDENT OF GPO** (the sole manager of **GREAT PLAINS L.L.C.**) is authorized and directed to make such changes to the Transaction documents as in his sole discretion he shall deem necessary or appropriate, the execution and delivery hereof to be conclusive evidence of the due authorization and approval for the Transaction and of such changes and conditions;

**FURTHER RESOLVED**, that **JEFFREY R. GARST, M.D., PRESIDENT OF GPO** (the sole manager of **GREAT PLAINS L.L.C.**) be, and hereby is, authorized, directed, and empowered to execute all documents and to take such action as he may deem necessary or advisable to carry out and perform the purposes of the above resolutions, the Transaction and the Agreement and that any other officer, be authorized and empowered to attest thereto and to exhibit this action to any and all parties requiring the same by certified copies hereof;

**FURTHER RESOLVED**, that all actions taken by **GPO** (the sole manager of **GREAT PLAINS L.L.C.**), with respect to the matters referred to in the foregoing resolutions are approved, ratified and confirmed; and

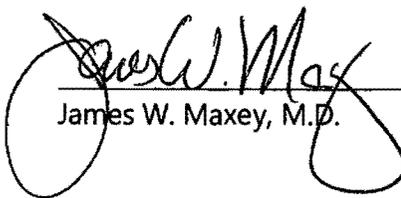
**FURTHER RESOLVED**, that this consent shall be effective as of July 7, 2016.

**IN WITNESS WHEREOF**, the undersigned, being all of the shareholders, have executed this written consent as of the date set opposite their name, to be effective as of the date first written above. This consent may be executed in one or more counterparts, each of which shall be deemed an original, and all of which shall constitute one instrument. This written consent, to the extent signed and delivered by means of a facsimile machine or by emailed PDF, shall be treated in all manner and respect as an original and shall be considered to have the same binding legal effect as if it were the original signed version delivered in person.



Mark Phillips, M.D.

Date: 7/11/16

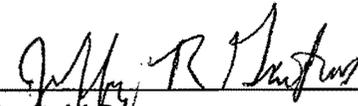


James W. Maxey, M.D.

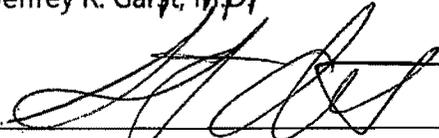
Date: 7/11/2016

  
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Brian T. Maurer, M.D.

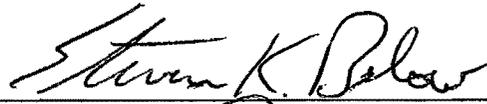
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Jeffrey R. Garst, M.D.

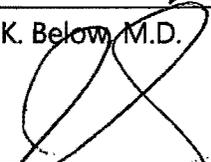
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Stephen R. Orlevitch, M.D.

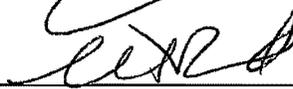
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Steven K. Below, M.D.

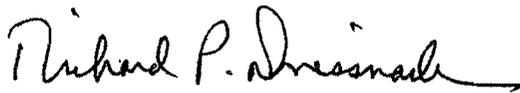
Date: 7/11/16

  
\_\_\_\_\_  
Jason Miller Anane-Sefah, M.D.

Date: 7/12/16

  
\_\_\_\_\_  
Mary E. Rashid, M.D.

Date: 7/12/16

  
\_\_\_\_\_  
Richard P. Drossinade

7/11/16

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35281-1

**Exhibit 1**  
**PURCHASE AND SALES OF REAL ESTATE AGREEMENT**

**PURCHASE AND SALE AGREEMENT FOR REAL ESTATE  
(GREAT PLAINS ORTHOPAEDICS MEDICAL OFFICE BUILDING)**

THIS PURCHASE AND SALE AGREEMENT FOR REAL ESTATE ("Agreement") is made and entered into as of February 15, 2016, by and between OSF MULTI-SPECIALTY GROUP, an Illinois not-for-profit corporation, or its assignee ("Buyer") and GREAT PLAINS, L.L.C., an Illinois limited liability company ("Seller").

**RECITALS:**

A. Seller is the owner of certain real estate located in the City of Peoria, Peoria County, Illinois, which real estate is legally described on the attached Exhibit A ("Property"), said Property consisting of real estate and improvements located at 303 North William Kumpf Boulevard, Peoria, Illinois 61605 consisting of approximately 2.4742 acres of land improved with a building of approximately 24,714 square feet, the true dimensions of which shall be verified by the Survey.

B. The closing of this transaction is subject to and contingent upon the terms of the Asset Purchase Agreement between Buyer and Orthopaedics Associates of Peoria, S.C., an Illinois service corporation, d/b/a Great Plains Orthopaedics dated as of February 15, 2016 ("APA") and the date of execution of the APA shall be the effective date of this Agreement ("Effective Date") and Buyer desires to purchase and Seller desires to sell the Property for the purchase price and on the terms hereinafter set forth.

C. The Buyer and Seller acknowledge and agree that Buyer intends to assign all of its rights and obligations hereunder to a third party real estate investor or developer prior to closing on the purchase and sale transaction described in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, and in reliance upon the recitals set forth above, which are incorporated herein by reference, it is hereby agreed between the parties hereto as follows:

1. Purchase and Sale. Seller shall sell and convey to Buyer or its assignee, and Buyer or its assignee shall purchase from Seller upon and subject to the terms and conditions set forth in this Agreement, the following described property:

- A. Fee simple title to the Property, together with all rights, privileges, easements, licenses, hereditaments and other appurtenances relating thereto;
- B. All of Seller's right, title and interest, if any, in and to (i) any land lying in the bed of any street, road, or highway, open or proposed, in front of or adjoining all or any part of the Property, (ii) any alleys, walls, sidewalks or other property abutting the Property, (iii) any award made or to be made to the owner of the Property by reason of change of grade or the closing of any street, road or highway, and (iv) all strips and gores of land within the boundaries of the Property;
- C. All of Seller's right, title and interest in and to all buildings, structures, and improvements located on the Property (collectively the "Improvements");

As used in this Agreement, the word "Premises" shall mean all of the property described in subparagraphs 1(A) through (C).

2. **Purchase Price.** The purchase price for the Premises shall be Four Million Nine Hundred Thousand and 00/100 Dollars (\$4,900,000.00) ("Purchase Price"). At Closing, as defined in paragraph 3 herein, Buyer shall pay the Purchase Price in cash, by wire transfer, plus or minus prorations as set forth in paragraph 9.

3. **Closing; Possession.** This transaction shall be closed and possession of the Real Estate given to Buyer as follows:

3.1. Closing shall take place contemporaneously with, and contingent upon, the closing of the APA (the "Closing" or "Closed"); This Contract shall terminate upon the termination of the APA. Closing shall take place at the offices of Chicago Title Company, 416 Main Street, Peoria, IL ("Title Company").

3.2. Documents delivered at Closing.

A. **Seller:** At Closing, or prior to Closing in escrow with the Title Agent, Seller shall deliver or cause to be delivered to Buyer the following documents, each in form and substance satisfactory to Buyer in its sole but reasonable discretion:

(i) Recordable special warranty deed executed by Seller (the "Deed") conveying the Property to Buyer or its nominee, subject only to the following "Permitted Encumbrances":

(a) Local, state and federal building and zoning laws and ordinances;

(b) Real estate taxes for assessment year 2015 and beyond not yet due and payable; and

(c) Rights of the public, state of Illinois, and the municipality in and to any part of the Premises taken, used or dedicated for roads, streets, alleys or highways; and

(d) Any recorded covenants, conditions or easements of records identified in the Title Commitment or Survey (as defined below) and not objected to by Purchaser;

(ii) An assignment of warranties, if any and to the extent assignable, executed by Seller, assigning to Buyer or its nominee all of Buyer's right, title and interest in and to any existing warranties with respect to any improvements, together with an original copy of each such warranty;

(iii) An assignment of permits, if any and to the extent assignable,

executed by Seller assigning to Buyer or its nominee all of Seller's right, title and interest in and to any permits issued by any governmental authority with respect to the Premises, together with an original copy of each such permit;

- (iv) An affidavit of Seller certifying that Seller is not a "foreign" person for purposes of Section 14.45 of the Internal Revenue Code of 1986, as amended;
- (v) All plans and specifications relating to the Premises to the extent that they are in Seller's possession, including all architectural, structural and mechanical drawings and plans;
- (vi) Evidence of termination of the Ambulatory Surgical Center Sublease dated June 1, 1998 between Orthopedic Associates of Peoria, S.C. and Musculoskeletal Surgical Center, S.C. ("Termination of Sublease");
- (vii) Evidence of termination of the lease between Commerce Bank, N. A. (formerly the First National Bank of Peoria), as Trustee under Trust Agreement dated January 1, 1990 and known as Trust No. 77-6678-00-5 and Orthopedic Associates of Peoria, S.C. ("Termination of Lease");
- (viii) Prior to, at or post closing, such other documents and certificates as Buyer or the Title Agent may reasonably request in order to consummate the transactions described herein.

B. Buyer: At Closing, or prior to Closing in escrow with the Title Agent, Buyer shall deliver or cause to be delivered to Seller the following:

- (i) The Purchase Price in accordance with Paragraph 2; and
- (ii) Such other documents and certificates as Seller or the Title Company may reasonably request in order to consummate the transactions described herein.

C. Joint Documents: At Closing, Seller and Buyer shall jointly execute and deliver the following:

- (i) A closing statement prepared in accordance with this Agreement;
- (ii) All real estate tax declarations, statements, or certificates required by any applicable laws.
- (iii) An ALTA Loan and Extended Coverage Owners Policy Statement, commonly referred to as the "ALTA Statement";
- (iv) The Seller and Buyer shall cooperate in performing their respective obligations to ensure delivery of the Title Policy (as

defined in Paragraph 6 below);

**4. Contingencies.**

4.1. This Agreement is contingent upon the following items which items must be completed to Buyer's satisfaction prior to closing, provided however that the following conditions be deemed satisfied if the closing of the APA occurs:

A. **Inspection Period.** Notwithstanding any provision of this Agreement to the contrary, Buyer, its agents and consultants, shall have from the date Buyer receives a fully executed original of this Agreement ("Effective Date") through and continuing for a period ending upon the earlier of sixty (60) days from the Effective Date or the closing of the APA (the "Inspection Period") in which to undertake, at Buyer's expense, any and all inspections, studies, investigations and other evaluations of and concerning the Premises and its intended use as Buyer, in Buyer's sole and absolute discretion, deems appropriate, including, but not limited to, determination by Buyer as to sufficiency of soil, environmental tests, utilities, titles, licenses, permits and easements, and physical inspections of the improvements and mechanical, electrical, hydraulic and HVAC and other systems located thereon. For those purposes, Seller hereby grants to Buyer, its consultants, agents or assigns, a license and full right of entry upon the Premises during the Inspection Period until termination of this Agreement; provided, however, that such inspections shall not disturb Seller's business operations. Buyer agrees that it shall cause any physical damage to the Premises occasioned as a result of any soil borings or any physical tests or examinations to be repaired to the original condition thereof promptly upon completion of any such test or examination. Buyer shall serve notice ("Inspection Notice") upon Seller of any material defects disclosed by any inspection for which Buyer requests a resolution by Seller, together with copies of the pertinent pages of the inspection reports prior to the expiration of the Inspection Period. If within ten (10) calendar days after Buyer's receipt of the Inspection Notice written agreement is not reached by the parties with respect to resolution of all inspection issues, then either party may terminate this Agreement by serving notice to the other party whereupon this Agreement shall be null and void.

B. Buyer shall be satisfied in its reasonable discretion during the Inspection Period as to the zoning of the Premises and related land use approvals, plat approvals, conditional use permits, re-zonings and other approvals necessary from applicable governmental authorities in order for Buyer to satisfactorily conduct Buyer's intended use on the Premises. Buyer shall undertake commercially reasonable efforts to obtain such approvals and/or permits. Seller agrees to cooperate, at no cost or liability to Seller (except as stated in this Agreement) with Buyer in connection with Buyer's efforts to secure any approvals, permits, licenses, agreements,

and rezoning required for Buyer's use of the Premises including, without limitation, executing all applications and other documents that are required therefore.

C. Seller's Deliveries During Inspection Period. Within ten (10) days from the Effective Date, Seller shall, at no cost to Buyer, deliver, or cause to be delivered to Buyer copies of the following documents within Seller's possession or control:

(i) Capital Expenditures. A summary of all capital and operating expenditures made by Seller relating to the Premises during the last three (3) years and, to the extent available, the current year (collectively, the "Capital Expenditures").

(ii) Tests, Studies, Reports. Copies of any site specific soil reports, title reports, engineering studies, site studies, utility studies, environmental reports, wetland delineations or reports, surveys, topographical surveys or other studies or reports in Seller's or its agents possession which affect or relate to the Premises.

D. Environmental Audit. Buyer may obtain, at Buyer's expense, a current Phase I Environmental Audit satisfactory to Buyer in Buyer's sole discretion, from a reputable engineering firm within sixty (60) days of Buyer's receipt of a fully executed original of this Agreement.

E. New Lease. Buyer or its assignee shall have executed a new lease ("MSC Lease") with Musculoskeletal Surgical Center, S.C., an Illinois corporation ("MSC") on terms and conditions satisfactory to Buyer and to MSC.

Buyer shall give notice of its desire to terminate this Agreement for failure to fulfill any of the above contingencies on or before the date as may be specified above. If this Agreement shall be so terminated, neither party shall have further rights and obligations hereunder. In the event no notice of termination is given within the specified time period with respect to any such section hereof, such condition shall be deemed to be waived by Buyer and Buyer shall proceed to closing in accordance with the other terms and conditions hereof.

4.2. This Agreement is contingent upon the following item which must be completed to Seller's satisfaction prior to closing, provided however that the following condition will be deemed satisfied if the closing of the APA occurs:

A. New Lease. Buyer or its assignee and MSC shall have executed the MSC Lease on terms and conditions satisfactory to Buyer or its assignee and to MSC.

4.3. Conditions Precedent to Closing. Performance of Buyer's obligations at Closing and subject to the following conditions precedent:

A. The contingencies set forth in Section 4.1 shall have been satisfied or waived;

B. as of Closing, all of the covenants in this Agreement to be performed by Seller at or prior to Closing shall have been duly performed;

C. as of Closing, all of Seller's representations and warranties set forth herein shall be true and correct;

D. as of Closing, the Premises shall not be located within any conservation, historic preservation or similar district designated as such by any governmental authority having jurisdiction thereof;

If any of the above conditions is not satisfied by the date specified therefor, Buyer shall have the right to either waive such condition or terminate this Agreement by notice delivered to Seller. No such termination of this Agreement shall be deemed to limit Buyer's rights and remedies if Seller is in default hereunder.

5. **Survey:** Buyer may obtain a current ALTA certified survey map ("Survey") of the Premises from an Illinois licensed surveyor, the cost of which shall be borne by Buyer, and which Survey shall be satisfactory to Buyer in Buyer's sole discretion. If obtained, a copy of the Survey shall be provided to Seller. Said certified Survey shall disclose:

5.1. **Location.** The location and land area of the Premises and its relationship to adjoining properties.

5.2. **Possession.** Any and all evidence of possession and the location of physical improvements and structures thereon.

5.3. **Easements/Servitudes.** Observable evidence of easements and or servitudes of all kinds, as those created by roads; right-of-way; water courses; drains; telephone, telegraph, or electric lines; water, sewer, oil or gas pipelines on or across the surveyed Premises and on adjoining properties if they appear to effect the surveyed Premises.

5.4. **Location of Structures.** The character and location of all walls, buildings, or fences within two feet of either side of the boundary line, annotations of all encroaching structural appurtenances and projections with the extent of such encroachment or projection.

5.5. **Ingress/Egress.** Appropriate ingress and egress to and from the Premises.

5.6. **Flood Plain Certification.** A Certification that the Premises are not located in a flood plain.

Said Survey shall also be delivered to the Title Agent who shall agree to remove its exceptions contained in the Title Policy with regard to items that an accurate survey might show and certified to Buyer, Buyer's lender, and Title Agent.

6. Title Insurance. Upon acceptance of this Agreement, Buyer at its own expense, shall obtain evidence of merchantable title in the form of a current title insurance commitment (the "Title Commitment") and a final policy of title insurance with extended coverage ("Title Policy") from Chicago Title Insurance Company or other title company satisfactory to Buyer ("Title Agent") in the amount of the Purchase Price, subject to the Permitted Encumbrances.

7. Exceptions. Buyer shall have ten (10) days after receipt of the Title Commitment and Survey to deliver to Seller written objections to marketability of title, and Seller shall have the greater of (i) the number of days remaining until the Date of Closing or (ii) thirty (30) days to have such objections removed or satisfied. If Seller shall fail to have such objections removed within said time, Buyer may, at its sole election: (a) terminate this Agreement without any liability on its part; (b) waive its objections and take title to the Property subject to such objections with the right to deduct from the Purchase Price liens or encumbrances of a definite or ascertainable amount.

8. Representations, Warranties and Covenants of Seller; Indemnification. All representations, warranties and covenants of Seller set forth in this Agreement shall be true and correct as of the date of this Agreement is executed and as of the date of Closing, and shall survive the Closing:

8.1. General Representations, Warranties and Covenants. Seller represents, warrants and covenants that:

- A. Seller has good and marketable title to, and owns of record, the Property.
- B. Seller has full capacity, right, power and authority to execute, deliver and perform this Agreement and all required action and approvals therefore have been duly taken and obtained.
- C. There are no contracts, options, licenses, leases, occupancy agreements or any other management, operating or maintenance agreements affecting the Premises.
- D. Seller is not a party to any dispute which could materially adversely interfere with or affect the Premises or the use, occupancy or operation thereof.
- E. There are no unpaid assessments or capital contributions for public improvements against the Premises or owed by Seller.
- F. There are no pending (or to Seller's knowledge, threatened) matters of litigation, administrative actions, or arbitration against the Premises or against the Seller with respect to the Premises, or any pending (or to Seller's knowledge, threatened) eminent domain, condemnation proceeding or other governmental taking of the Premises or any party thereof.
- G. To Seller's knowledge, that adequate electric, gas and telephone utilities and adequate public water, sewer, storm water detention and storm water drainage facilities and easements are currently available at the Premises, and are available for use in connection with the Premises without the

payment of any assessments, capital contributions or line charges other than customary tap fees, and the Premises has access to one or more public rights-of-way.

H. Seller knows of no fact or condition that exists which would result in the termination or impairment of access to the Premises or discontinuation of necessary sewer, water, electric, gas, telephone, storm water detention, storm water drainage or other utilities or services, and such utilities are in full compliance with all governmental rules and regulations.

I. All documents being delivered by Seller pursuant to the terms hereof are, to Seller's knowledge, true, accurate and complete and fairly present the information set forth in a manner which is not misleading.

J. Seller is not a party to, and the Premises is not subject to, any contract or lease or other contract, written or oral, that cannot be terminated at Closing, other than Permitted Encumbrances.

K. Between the date hereof and the Closing, no part of the Premises will be alienated, encumbered or transferred in favor of or to any party whatsoever.

L. To Seller's knowledge (i) there are no underground storage tanks under the surface of the Premises, (ii) there are no facilities on the Premises which are subject to reporting under Section 312 of the Emergency Planning and Community Right to Know Act of 1986, 42 U.S.C. Section 11022 and the regulations promulgated thereunder, (iii) the Premises are not in violation of any applicable environmental laws, (iv) there are no Hazardous Substances (as hereinafter defined) on, in, under or about the Premises, with the exception of de minimus amounts of Hazardous Substances that are commonly used in the operation of a medical clinic, which Hazardous Substances and de minimus amounts are used in compliance with applicable laws, and (v) the Premises have never been used as a sanitary land fill or dump, or for industrial waste disposal, chemical storage or similar uses. As used herein, a "Hazardous Substance" is any substance, material or waste which is or becomes designated, classified or regulated as being "toxic" or "hazardous" or a "pollutant" or which is or becomes similarly designed, classified or regulated, under any environmental law, including asbestos and petroleum products and derivatives thereof.

M. To Seller's knowledge, no portion of the Premises is the subject of a threatened or pending investigation or lawsuit or administrative action by any person, firm, governmental body or other entity relating to or arising from any matter or circumstance subject to regulation pursuant to any statute, ordinance, rule or regulation, and Seller has received no official or unofficial notice of any alleged violation of any statute, ordinance, rule or regulation.

- N. To Seller's knowledge, there is no current and there has been no past release or substantial threat of a release of a Hazardous Substance from or onto the Premises or the environment adjacent to the Premises that are or may be subject to regulation under Illinois law or the Comprehensive Environmental Response Compensation and Liability Act, 42 U.S.C. §9601, et seq., or any action that may make the Buyer of the Premises liable in tort under a common law public or private nuisance action.
- O. To Seller's knowledge, the Premises and all of Seller's operations on the Premises comply fully with all Federal, State, County and Municipal laws and regulations, including all requirements for permits created under such laws and regulations.
- P. To Seller's knowledge, the Property is zoned B-1 Downtown Business District under the zoning code of the City of Peoria and that the current use of the Property is a permitted conforming use thereunder.
- Q. To Seller's knowledge, there are no violations of any laws relating to the Premises, including the use, occupancy, operation or condition thereof and no violations of any restrictive covenants affecting the Premises.
- R. There is no existing, pending, or to Seller's knowledge, threatened limitation on use of streets abutting the Premises, special taxes or assessments to levied against the Premises, change in zoning classification or change in the tax assessment for the Premises.
- S. To Seller's knowledge, (i) all improvements have been constructed in a good and workmanlike manner and are structurally safe and sound and habitable, and (ii) there are no material defects in or about the Improvements, either structural or non-structural, and there are no materially latent defects in or about the Improvements, either structural or non-structural.
- T. No real estate broker or agent has been given any authority, either written or oral, to act as a leasing agent for space in the Premises.
- U. From the date of this Agreement, and continuing through the Closing Date, Seller shall:
- (i) Maintain, at its sole cost and expense, the Premises in good condition and repair and shall manage and operate the Premises in the same manner as it is presently managed and operated;
  - (ii) At its own cost and expense, keep the Property fully insured for the full replacement value of the Property;
  - (iii) Without Buyer's prior written consent, Seller shall not execute or make any proposals for:

- (a) any new leases or other contracts or agreements with respect to the Premises, or any portion thereof,
- (b) any extensions, amendments, modifications or renewals of any other contracts or agreements with respect to the Premises, without Buyer's written consent.
- (iv) Seller shall immediately notify Buyer of any change in the condition of the Property or the improvements thereon, or the equipment and systems contained therein, and Seller shall immediately notify Buyer of any knowledge, notices or information it has or receives as to violations of any laws or other requirements (including any covenants, conditions and restrictions of record) related to ownership, use or operations on the Property.

Seller shall indemnify and hold harmless Buyer, its employees, and agents from and against any and all material loss, damage and expense including, but not limited to, legal fees, any claim or action for injury, liability or damage to persons or Premises, and any and all claims or actions brought by any person, firm, governmental body or other entity alleging or resulting from or arising from or in connection with the breach or violation of any of the representations, warranties or covenants set forth in this Agreement or the contamination of or adverse effects on the environment, or violation of any environmental or other statute, ordinance, rule, regulation, judgment or order of any government or judicial entity set forth in this Agreement, and from and against any damages, liabilities, costs and penalties assessed as a result of any breach or violation of the representations, covenants and warranties set forth in this Agreement for a period of one (1) year following the Closing. As used herein, the term "Seller's knowledge" or "knowledge of Seller" shall mean information that has come to the attention of a shareholder of Seller.

**9. Prorations.**

9.1. Seller shall pay real estate taxes for 2015 in full if real estate tax bills are available; otherwise general real estate taxes for the year or years which are, as of the Closing Date, a lien on the Premises, but not yet due and payable shall be prorated as of the Closing Date based upon one hundred five percent (105%) of the most recent tax bills available at closing, and Buyer shall be given a final credit against the Purchase Price in the amount of Seller's share thereof. Any special assessments which are a lien as of the Closing Date, whether or not the same shall then be due and payable, shall be paid by Seller, which payment may, at Buyer's option, be in the form of a credit against the Purchase Price.

9.2. **Utilities.** Seller shall take, or cause to be taken, final readings as of Closing for all utilities and shall pay all such charges through the Closing Date.

9.3. **Other Income and Expenses.** All other income from, and expenses of, the Premises not described herein shall be apportioned between the parties hereto as of the Closing Date and a credit given to the party entitled thereto. Any portion of such expense items which is the responsibility of the owner of the Premises and not the Tenants shall be prorated when finally determined.

9.4. Transfer Tax. Seller shall pay the amount of any stamp or transfer tax imposed by state, city, or county law that may be imposed pursuant to this transaction. Both parties agree to execute and deliver such transfer tax forms or declarations as may be necessary.

In Cash. Unless otherwise provided for herein, all prorations shall be in cash at the time of Closing.

10. Condemnation; Inspection.

10.1. Condemnation or Eminent Domain. In the event, prior to Closing, a condemnation or eminent domain suit is filed against the Premises, or any substantial portion thereof, Buyer hereto shall have the option, within thirty (30) days after receipt of notice of same to: (i) rescind this Agreement, in which case all sums paid by Buyer and any interest earned thereon shall be paid to Buyer, and this Agreement shall be null and void and all obligations hereunder shall terminate; or (ii) elect to close this transaction and, in such event, all proceeds from the eminent domain suit shall belong to Buyer.

10.2. Inspection. Buyer shall have the right to inspect the Premises within 48 hours prior to Closing to determine if the Premises are in the same condition as of the date of acceptance of this Agreement, ordinary wear and tear excepted.

11. Casualty Loss.

A. If prior to Closing, the Premises, or any portion thereof, are damaged to the extent of ten percent (10%) or more of the aggregate value of the Purchase Price by fire or other casualty, Buyer shall have the right, upon notice to Seller delivered within five (5) days after Buyer receives notice of such loss or damage, to terminate this Agreement, in which case neither party hereto shall have any further rights, obligations or liability hereto. In the absence of such notice within such five (5) day period, Buyer shall take title to the Premises and Seller shall, at closing, assign to Buyer whatever rights Seller may have to receive and collect the proceeds of any insurance maintained by Seller against such loss and Buyer shall have the right to deduct from the Purchase Price the amount of any deductible under such insurance.

B. If prior to Closing, the Premises, or any portion thereof, shall have been damaged to the extent of less than ten percent (10%) of the Purchase Price in an aggregate value by fire or other casualty covered by insurance carried by Seller, Seller shall assign to Buyer and Buyer shall be entitled to receive the proceeds of such insurance. Buyer shall also have the right to deduct from the Purchase Price the amount of any deductible under such insurance. In the event that the casualty is not covered by the net proceeds of such insurance, and said loss is less than ten percent (10%) of the Purchase Price in the aggregate value, the Purchase Price shall be reduced by the amount of such loss.

C. Seller shall forthwith deliver notice to Buyer of the occurrence of any fire or other casualty with respect to the Premises.

12. Entrance on Premises: Upon acceptance of this Agreement, Buyer and his agent(s) shall have the right to enter upon the Premises, at its sole risk and cost, for the purpose of inspecting, surveying, testing and otherwise examining the subject Premises, provided that there shall be no disruption to Seller's business operations and with twenty-four hours prior notice. Buyer shall indemnify and save Seller harmless from and against any and all loss, cost or expenses (including without limitation reasonable attorney's fees) from any claim for death, bodily injury or damage arising from its entry upon the Premises.

13. Default.

13.1. By Buyer. Should Buyer fail to perform this Agreement promptly on its part at the time and in the manner herein specified, and after failing to cure such default within five days of receipt of written notice from Seller, Seller shall be entitled as a matter of right to obtain relief in any court of competent jurisdiction to every remedy now or hereafter existing at law or in equity, or by statute, including court costs and attorneys' fees and specifically the right to specific performance, and the Seller shall have the right to possession of the Premises.

13.2. By Seller. Should Seller fail to perform this Agreement promptly on its part at the time and in the manner herein specified, Buyer shall be entitled as a matter of right to obtain relief in any court of competent jurisdiction enjoining such breach or violation, in addition to every other remedy now or hereafter existing at law or in equity, or by statute, including court costs and attorneys' fees, and including specifically the right to specific performance.

14. Miscellaneous.

14.1. Notice: Any and all notices shall be deemed adequately given only if in writing and personally delivered, sent by electronic facsimile (provided the facsimile is followed by certified mail delivery with return receipt) or sent first class registered or certified mail, postage prepaid, to the party for whom such notices are intended, or sent by other means at least as fast and reliable as first class mail. A notice shall be deemed to have been given to the recipient party on the earlier of (a) the date it shall be delivered to the address required by this Agreement; (b) with respect to notices sent by mail, the date as of which the notice is deposited with the postal service, properly addressed, postage prepaid; or (c) with respect to notices sent by electronic facsimile, the date delivered by facsimile (provided proved by certified mail receipt). Any and all such notices referred by this Agreement, or which either party desires to give to the other shall be addressed as follows:

**If to Buyer:**  
**OSF Multi-Specialty Group**  
**Attention: Director of Real Estate**  
**800 N.E. Glen Oak Avenue**  
**Peoria, IL 61603**

With a copy to:  
Stephen T. Moore, Esq.  
Hinshaw & Culbertson LLP  
100 Park Ave.  
Rockford, IL 61101

If to Seller:

Great Plains, L.L.C.  
Attn: Jeffrey R. Garst, M.D.  
303 N. Wm. Kumpf Blvd.  
Peoria, IL 61605

With a copy to:  
Heyl, Royster, Voelker & Allen  
Attn: Deb Stegall, Esq.  
300 Hamilton Blvd.  
P.O. Box 6199  
Peoria, IL 61601-6199

The above addresses may be changed by notice of such change, as provided herein, to the last address designated.

- 14.2. Time of the Essence. Time is of the essence as to all obligations and deadlines set forth in this Agreement.
- 14.3. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State in which the Premises are located.
- 14.4. Attorneys' Fees. In the event of any litigation between the parties hereto with respect to this Agreement, the prevailing party shall be entitled to recover from the other party all reasonable costs and expenses incurred by the prevailing party in connection with such litigation, including reasonable attorneys' fees.
- 14.5. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument. If executed in multiple counterparts, this Agreement shall become binding when two or more counterparts hereto, individually or taken together, bear the signatures of all of the parties reflected hereon as the signatories.
- 14.6. Entire Agreement. This Agreement embodies the entire understanding of the parties, and there are no further or other agreements or understandings, written or oral, in effect between the parties relating to the subject matter hereof. This Agreement shall not be altered, modified or changed unless in writing and executed by all parties hereto. This Agreement shall be binding upon the parties, their heirs, executors, administrators, personal representatives, successors and

assigns.

- 14.7. **Severability.** If any provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by all applicable laws.
- 14.8. **Business Days.** Whenever under the terms of this Agreement the time for performance of a covenant or condition falls upon a Saturday, Sunday or legal holiday of the United States Government, such time for performance shall be extended to the next business day.
- 14.9. **Waiver.** No consent or waiver by a party hereto (either expressed or implied) to or of a breach of any representation, warranty or covenant contained herein shall be construed as a consent or waiver to or of any other or subsequent breach of the same or any other representation, warranty or covenant.
- 14.10. **Headings.** The article headings are inserted only for convenience and in no way define, limit or describe the scope or intent of any article in this Agreement.
- 14.11. **Commission.** Buyer and Seller each represent and warrant to the other that, upon closing of this Agreement, no person or entity is entitled to any brokerage commission or finder's fee in connection with this transaction based upon dealings with the party making such representation and warranty. This warranty shall survive closing or the cancellation or termination of this Agreement for any reason. Seller and Buyer shall each indemnify the other party against any claim, loss, suit or action (including reasonable attorney fees and costs) incurred or suffered by the other party by reason of any claim by any other broker or finder for commissions or fees due, or claimed to be due, based upon such brokerage or finders dealings or purported dealings with the indemnifying party.
- 14.12. **Assignment.** Buyer may assign its right, title, and interest in and to this Agreement without prior written consent of the Seller. In the event of such assignment and the assumption by assignee of all of Buyer's liabilities and obligations under this Agreement, Buyer shall be discharged from all liabilities and obligations hereunder. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

(Remainder of page intentionally left blank; signature pages follows)

IN WITNESS WHEREOF, the parties to this Agreement have hereunto set their hands the day and year first above written.

BUYER:

OSF MULTI-SPECIALTY GROUP,  
an Illinois not-for-profit corporation

By: *R. D. Nelson*  
Title: CEO

SELLER:

GREAT PLAINS, L.L.C.,  
an Illinois limited liability company

By: *Jeffrey R. Burston*  
Title: \_\_\_\_\_

**EXHIBIT A**

**LEGAL DESCRIPTION OF PROPERTY**

To be confirmed by Survey:

A part of Lots 1 through 6, all of Lots 7 through 12, the vacated alley extending from William Kumpf Boulevard to Sanford Street and the vacated Sanford Street right of way lying West of said Lots 6 and 7, as vacated by Ordinance recorded July 20, 1990 as Document #90-16245, all in Block 49 of Aiken, Monson and Sanford's Addition in the North West ¼ of Section 9, Township 8 North, Range 8 East of the Fourth Principal Meridian, more particularly described as follows: beginning at the North East corner of said Lot 12, thence South 00 degrees 08 minutes 11 seconds West (bearing assumed for purpose of description only), along the West line of William Kumpf Boulevard, 294.00 feet; thence North 89 degrees 54 minutes 39 seconds West, parallel to the North line of Third Avenue, 366.68 feet to the West line of the vacated Sanford Street; thence North 00 degrees 08 minutes 26 seconds East, along the West line of the vacated Sanford Street, 293.86 feet to the South line of Fourth Avenue; thence South 89 degrees 55 minutes 58 seconds East, along the South line of Fourth Avenue, 366.66 feet to the point of beginning, as shown on the survey prepared by Austin Engineering Co., Inc. dated July 26, 1990 and recorded October 2, 1990 in Tract Survey 25, Page 9 as Document #90-23580, situate, lying and being in the County of Peoria and State of Illinois.

Parcel Identification Number: 18-09-178-014

**GREAT PLAINS L.L.C.**  
**RESOLUTION OF THE MEMBERS**

The undersigned, being the Members of **GREAT PLAINS L.L.C.**, an Illinois limited liability company, holding at least two thirds (2/3) of the percentages currently held by the Members, do hereby consent to, approve and adopt the resolutions set forth below, by written consent in lieu of a special meeting:

**WHEREAS, GREAT PLAINS L.L.C.** has negotiated and executed that certain Purchase and Sale Agreement for Real Estate, dated February 15, 2016 (the "Agreement"), with **OSF MULTI-SPECIALITY GROUP**, for the sale of certain improved real estate commonly referred to as 303 N. William Kumpf Blvd., Peoria, IL, located in Peoria County – legally described as follows - pursuant to the terms and conditions of the Agreement, a copy of which is attached hereto as Exhibit 1 (hereinafter referred to as the "Transaction"):

**LEGAL DESCRIPTION:**

A PART OF LOTS 1 THROUGH 6, ALL OF LOTS 7 THROUGH 12, THE VACATED ALLEY EXTENDING FROM WILLIAM KUMPF BOULEVARD TO SANFORD STREET AND THE VACATED SANFORD STREET RIGHT OF WAY LYING WEST OF SAID LOTS 6 AND 7, AS VACATED BY ORDINANCE RECORDED JULY 20, 1990 AS DOCUMENT #90-16245, ALL IN BLOCK 49 OF AIKEN, MONSON AND SANFORD'S ADDITION IN THE NORTHWEST ¼ OF SECTION 9, TOWNSHIP 8 NORTH, RANGE 8 EAST OF THE FOURTH PRINCIPAL MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHEAST CORNER OF SAID LOT 12, THENCE SOUTH 00 DEGREES 08 MINUTES 11 SECONDS WEST (BEARING ASSUMED FOR PURPOSE OF DESCRIPTION ONLY), ALONG THE WEST LINE OF WILLIAM KUMPF BOULEVARD, 294.00 FEET; THENCE NORTH 89 DEGREES 54 MINUTES 39 SECONDS WEST, PARALLEL TO THE NORTH LINE OF THIRD AVENUE, 366.68 FEET TO THE WEST LINE OF THE VACATED SANFORD STREET; THENCE NORTH 00 DEGREES 08 MINUTES 26 SECONDS EAST, ALONG THE WEST LINE OF THE VACATED SANFORD STREET, 293.86 FEET TO THE SOUTH LINE OF FOURTH AVENUE; THENCE SOUTH 89 DEGREES 55 MINUTES 58 SECONDS EAST, ALONG THE SOUTH LINE OF FOURTH AVENUE, 366.66 FEET TO THE POINT OF BEGINNING, AS SHOWN ON THE SURVEY PREPARED BY AUSTIN ENGINEERING CO., INC. DATED JULY 26, 1990 AND RECORDED OCTOBER 2, 1990 IN TRACT SURVEY 25, PAGE 9 AS DOCUMENT #90-23580, SITUATE, LYING, AND BEING IN THE COUNTY OF PEORIA AND STATE OF ILLINOIS

**PIN: 18-09-178-014**

**APPROXIMATE SIZE: 2.47 ACRES MORE OR LESS**

**COMMONLY KNOWN AS: 303 N. WILLIAM KUMPF BLVD., PEORIA, IL**

**WHEREAS**, the Members of **GREAT PLAINS L.L.C.** have determined it is in the best interests of **GREAT PLAINS L.L.C.** to enter into the Agreement and to consummate the Transaction.

**NOW, THEREFORE, BE IT RESOLVED** that the Transaction, the Agreement, and all of the transactions contemplated therein and incidental thereto, be and each of them hereby, are approved, and, if already signed, are ratified;

**FURTHER RESOLVED**, that **JEFFREY R. GARST, M.D., PRESIDENT OF GREAT PLAINS ORTHOPAEDICS** (the sole manager of **GREAT PLAINS L.L.C.**) is authorized and directed to make such changes to the Transaction documents as in its sole discretion as it shall deem necessary or appropriate, the execution and delivery hereof to be conclusive evidence of the due authorization and approval for the Transaction and of such changes and conditions;

**FURTHER RESOLVED**, that **JEFFREY R. GARST, M.D., PRESIDENT OF GREAT PLAINS ORTHOPAEDICS** (the sole manager of **GREAT PLAINS L.L.C.**) be, and hereby is, authorized, directed, and empowered to execute all documents and to take such action as he may deem necessary or advisable to carry out and perform the purposes of the above resolutions and that any other Member, be authorized and empowered to attest thereto and to exhibit this action to any and all parties requiring the same by certified copies hereof;

**FURTHER RESOLVED**, that all actions taken by **GREAT PLAINS ORTHOPAEDICS** (the sole manager of **GREAT PLAINS L.L.C.**), with respect to the matters referred to in the foregoing resolutions are approved, ratified and confirmed; and

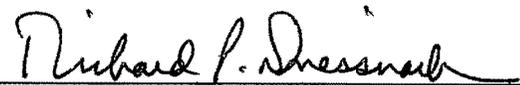
**FURTHER RESOLVED**, that this consent shall be effective as of July 7, 2016.

**IN WITNESS WHEREOF**, the undersigned, being all of the Members, have executed this written consent as of the date set opposite their name, to be effective as of the date first written above. This consent may be executed in one or more counterparts, each of which shall be deemed an original, and all of which shall constitute one instrument. This written consent, to the extent signed and delivered by means of a facsimile machine or by emailed PDF, shall be treated in all manner and respect as an original and shall be considered to have the same binding legal effect as if it were the original signed version delivered in person.



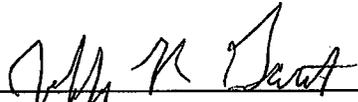
**STEVEN K. BELOW, M.D.**  
**A MEMBER OF GREAT PLAINS L.L.C.**

Date: 7/11/16



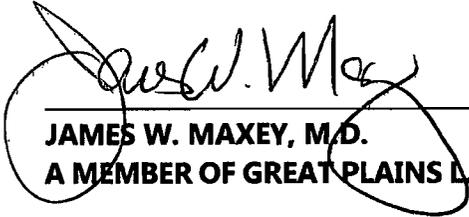
**RICHARD P. DRIESSNACK, M.D.**  
**A MEMBER OF GREAT PLAINS L.L.C.**

Date: 7/11/16



**JEFFREY R. GARST, M.D.**  
**A MEMBER OF GREAT PLAINS L.L.C.**

Date: 7-11-16



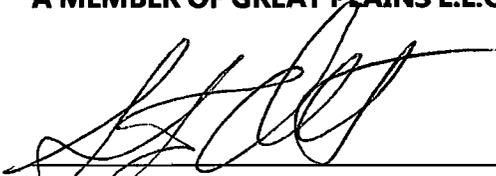
**JAMES W. MAXEY, M.D.**  
**A MEMBER OF GREAT PLAINS L.L.C.**

Date: 7/11/16



**BRIAN TED MAURER, M.D.**  
**A MEMBER OF GREAT PLAINS L.L.C.**

Date: 7/11/16



**STEPHEN R. ORLEVITCH, M.D.**  
**A MEMBER OF GREAT PLAINS L.L.C.**

Date: 7/11/16



**MARK R. PHILLIPS, M.D.**  
**A MEMBER OF GREAT PLAINS L.L.C.**

Date: 7/11/16

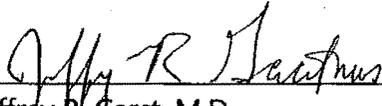
30470247\_4  
35281-1

**Exhibit 1**  
**PURCHASE AND SALES OF REAL ESTATE AGREEMENT**



(3) THAT SELLER IS NOT A "FOREIGN PERSON" AS THAT TERM IS DEFINED IN SECTION 1445 (f) (3) OF THE INTERNAL REVENUE CODE.

THIS AFFIDAVIT IS GIVEN TO CHICAGO TITLE INSURANCE COMPANY FOR DELIVERY TO THE TRANSFEREE OF THE PROPERTY DESCRIBED IN PARAGRAPH 1 ABOVE FOR THE PURPOSE OF ESTABLISHING AND DOCUMENTING THE NONFOREIGN AFFIDAVIT EXEMPTION TO THE WITHHOLDING REQUIREMENT OF SECTION 1445 OF THE INTERNAL REVENUE CODE.

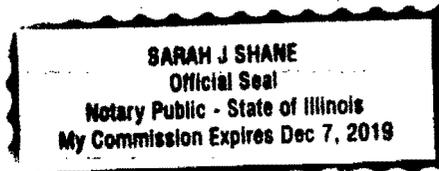


Signature of Jeffrey R. Garst, M.D.

SUBSCRIBED AND SWORN BEFORE ME THIS 11 DAY OF JULY, 2016.



Notary Public



REAL ESTATE TRANSFER DECLARATION  
CITY OF PEORIA, ILLINOIS

Permanent Real Estate Index No. 18-09-178-014

Date of Deed July 14, 2016

Address of Property 303 N. William Kumpf Blvd., Peoria, IL 61605

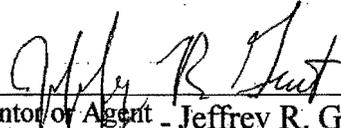
Full consideration	\$ <u>4,900,000.00</u>	Amount of tax stamps
Less amount of personal Property included in Purchase	\$ <u>0.00</u>	\$2.50 per \$1,000.00 or part thereof of taxable consideration:
Net consideration For real estate	\$ <u>4,900,000.00</u>	\$ <u>12,250.00</u>

We hereby declare the full actual consideration and above facts contained in this declaration to be true and correct.

Great Plains L.L.C., 303 N. William Kumpf Blvd., Peoria, IL 61605

Name and Address of Seller/Grantor (Please Print)

Signature

  
Seller/Grantor or Agent - Jeffrey R. Garst, M.D., President of Great Plains  
Orthopaedic sole manager of Great Plains L.L.C.

Cullinan Kumpf Medical, LLC, 420 N. Main St., East Peoria, IL 61611

Name and Address of Buyer/Grantee (Please Print)

Signature

Buyer/Grantee or Agent

Please check one:

- Property is/will be Owner Occupied  
 Property is/will be Non-Owner Occupied



# PTAX-203

## Illinois Real Estate Transfer Declaration

Please read the instructions before completing this form.  
This form can be completed electronically at [tax.illinois.gov/retd](http://tax.illinois.gov/retd).

### Step 1: Identify the property and sale information.

1 303 N. WILLIAM KUMPF BLVD.  
Street address of property (or 911 address, if available)

PEORIA 61605  
City or village ZIP

PEORIA CITY  
Township

2 Write the total number of parcels to be transferred. 1

3 Write the parcel identifying numbers and lot sizes or acreage.

Property index number (PIN)	Lot size or acreage
a <u>18-09-178-014</u>	<u>2.47 ACRES</u>
b _____	_____
c _____	_____
d _____	_____

Write additional property index numbers, lot sizes or acreage in Step 3.

4 Date of instrument: 0 / 7 / 2 0 / 1 / 6  
Month Year

5 Type of instrument (Mark with an "X"):

Warranty deed  
 Quit claim deed  Executor deed  Trustee deed  
 Beneficial interest  Other (specify): SPECIAL WARRANTY

6  Yes  No Will the property be the buyer's principal residence?

7  Yes  No Was the property advertised for sale?  
(i.e., media, sign, newspaper, realtor)

8 Identify the property's current and intended primary use.  
Current Intended (Mark only one item per column with an "X.")

a <input type="checkbox"/> Land/lot only	
b <input type="checkbox"/> Residence (single-family, condominium, townhome, or duplex)	
c <input type="checkbox"/> Mobile home residence	
d <input type="checkbox"/> Apartment building (6 units or less) No. of units: _____	
e <input type="checkbox"/> Apartment building (over 6 units) No. of units: _____	
f <input type="checkbox"/> Office	
g <input type="checkbox"/> Retail establishment	
h <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> Commercial building (specify): <u>MEDICAL/OFFICE</u>	
i <input type="checkbox"/> Industrial building <u>MEDICAL/OFFICE</u>	
j <input type="checkbox"/> Farm	
k <input type="checkbox"/> Other (specify): _____	

Do not write in this area.  
County Recorder's Office use.

County: \_\_\_\_\_  
Date: \_\_\_\_\_  
Office: \_\_\_\_\_  
Volume: \_\_\_\_\_  
Page: \_\_\_\_\_  
Recorded by: \_\_\_\_\_

9 Identify any significant physical changes in the property since January 1 of the previous year and write the date of the change.  
Date of significant change: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_  
Month Year

(Mark with an "X")

Demolition/damage  Additions  Major remodeling  
 New construction  Other (specify): \_\_\_\_\_

10 Identify only the items that apply to this sale. (Mark with an "X")

- a  Fulfillment of installment contract — year contract initiated: \_\_\_\_\_
  - b  Sale between related individuals or corporate affiliates
  - c  Transfer of less than 100 percent interest
  - d  Court-ordered sale
  - e  Sale in lieu of foreclosure
  - f  Condemnation
  - g  Short sale
  - h  Bank REO (real estate owned)
  - i  Auction sale
  - j  Seller/buyer is a relocation company
  - k  Seller/buyer is a financial institution or government agency
  - l  Buyer is a real estate investment trust
  - m  Buyer is a pension fund
  - n  Buyer is an adjacent property owner
  - o  Buyer is exercising an option to purchase
  - p  Trade of property (simultaneous)
  - q  Sale-leaseback
  - r  Other (specify): \_\_\_\_\_
- s Homestead exemptions on most recent tax bill:
- |                                     |    |             |
|-------------------------------------|----|-------------|
| 1 General/Alternative               | \$ | <u>0.00</u> |
| 2 Senior Citizens                   | \$ | <u>0.00</u> |
| 3 Senior Citizens Assessment Freeze | \$ | <u>0.00</u> |

### Step 2: Calculate the amount of transfer tax due.

Note: Round Lines 11 through 18 to the next highest whole dollar. If the amount on Line 11 is over \$1 million and the property's current use on Line 8 above is marked "e," "f," "g," "h," "i," or "k," complete Form PTAX-203-A, Illinois Real Estate Transfer Declaration Supplemental Form A. If you are recording a beneficial interest transfer, do not complete this step. Complete Form PTAX-203-B, Illinois Real Estate Transfer Declaration Supplemental Form B.

11 Full actual consideration	11	\$	<u>4,900,000.00</u>
12a Amount of personal property included in the purchase	12a	\$	<u>0.00</u>
12b Was the value of a mobile home included on Line 12a?	12b	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
13 Subtract Line 12a from Line 11. This is the net consideration for real property.	13	\$	<u>4,900,000.00</u>
14 Amount for other real property transferred to the seller (in a simultaneous exchange) as part of the full actual consideration on Line 11	14	\$	<u>0.00</u>
15 Outstanding mortgage amount to which the transferred real property remains subject	15	\$	<u>0.00</u>
16 If this transfer is exempt, use an "X" to identify the provision.	16	<input type="checkbox"/> b <input type="checkbox"/> k <input type="checkbox"/> m	
17 Subtract Lines 14 and 15 from Line 13. This is the net consideration subject to transfer tax.	17	\$	<u>4,900,000.00</u>
18 Divide Line 17 by 500. Round the result to the next highest whole number (e.g., 61.002 rounds to 62).	18		<u>9,800.00</u>
19 Illinois tax stamps — multiply Line 18 by 0.50.	19	\$	<u>4,900.00</u>
20 County tax stamps — multiply Line 18 by 0.25.	20	\$	<u>2,450.00</u>
21 Add Lines 19 and 20. This is the total amount of transfer tax due.	21	\$	<u>7,350.00</u>

This form is authorized in accordance with 35 ILCS 200/31-1 et seq. Disclosure of this information is REQUIRED. This form has been approved by the Forms Management Center. IL-492-0227

**Step 3: Write the legal description from the deed.** Write, type (minimum 10-point font required), or attach the legal description from the deed. If you prefer, submit an 8 1/2" x 11" copy of the extended legal description with this form. You may also use the space below to write additional property index numbers, lots sizes or acreage from Step 1, Line 3.

See Legal Description Attachment

**Step 4: Complete the requested information.**

The buyer and seller (or their agents) hereby verify that to the best of their knowledge and belief, the full actual consideration and facts stated in this declaration are true and correct. If this transaction involves any real estate located in Cook County, the buyer and seller (or their agents) hereby verify that to the best of their knowledge, the name of the buyer shown on the deed or assignment of beneficial interest in a land trust is either a natural person, an Illinois corporation or foreign corporation authorized to do business or acquire and hold title to real estate in Illinois, a partnership authorized to do business or acquire and hold title to real estate in Illinois, or other entity recognized as a person and authorized to do business or acquire and hold title to real estate under the laws of the State of Illinois. Any person who willfully falsifies or omits any information required in this declaration shall be guilty of a Class B misdemeanor for the first offense and a Class A misdemeanor for subsequent offenses. Any person who knowingly submits a false statement concerning the identity of a grantee shall be guilty of a Class C misdemeanor for the first offense and of a Class A misdemeanor for subsequent offenses.

**Seller Information (Please print.)**

GREAT PLAINS L.L.C.

Seller's or trustee's name

303 N. WILLIAM KUMPF BLVD.

Street address (after sale)

Seller's or agent's signature

Seller's trust number (if applicable - not an SSN or FEIN)

PEORIA IL 61605

City State ZIP

( 309 ) 676-5546 Ext.

Seller's daytime phone

**Buyer Information (Please print.)**

CULLINAN KUMPF MEDICAL, LLC

Buyer's or trustee's name

420 N. MAIN

Street address (after sale)

Buyer's or agent's signature

Buyer's trust number (if applicable - not an SSN or FEIN)

EAST PEORIA IL 61611

City State ZIP

( 309 ) 999-1700 Ext.

Buyer's daytime phone

**Mortgage tax bill to:**

CULLINAN KUMPF MEDICAL LLC 420 NORTH MAIN STREET

Name or company

Street address

EAST PEORIA

City

IL 61611

State ZIP

**Preparer Information (Please print.)**

DEBRA L. STEGALL

Preparer's and company's name

300 HAMILTON BLVD.

Street address

Preparer's signature

dstegall@heyloyster.com

Preparer's e-mail address (if available)

35281-1

Preparer's file number (if applicable)

PEORIA IL 61602

City State ZIP

( 309 ) 676-0400 Ext. 1255

Preparer's daytime phone

Identify any required documents submitted with this form. (Mark with an "X.")  Extended legal description  Form PTAX-203-A  
 Itemized list of personal property  Form PTAX-203-B

**To be completed by the Chief County Assessment Officer**

1 County \_\_\_\_\_ Township \_\_\_\_\_ Class \_\_\_\_\_ Cook-Minor \_\_\_\_\_ Code 1 \_\_\_\_\_ Code 2 \_\_\_\_\_

2 Board of Review's final assessed value for the assessment year prior to the year of sale.

Land \_\_\_\_\_

Buildings \_\_\_\_\_

Total \_\_\_\_\_

3 Year prior to sale \_\_\_\_\_

4 Does the sale involve a mobile home assessed as real estate?  Yes  No

5 Comments \_\_\_\_\_

Illinois Department of Revenue Use

Tab number

Legal Description

A PART OF LOTS 1 THROUGH 6, ALL OF LOTS 7 THROUGH 12, THE VACATED ALLEY EXTENDING FROM WILLIAM KUMPF BOULEVARD TO SANFORD STREET AND THE VACATED SANFORD STREET RIGHT OF WAY LYING WEST OF SAID LOTS 6 AND 7, AS VACATED BY ORDINANCE RECORDED JULY 20, 1990 AS DOCUMENT #90-16245, ALL IN BLOCK 49 OF AIKEN, MONSON AND SANFORD'S ADDITION IN THE NORTHWEST  $\frac{1}{4}$  OF SECTION 9, TOWNSHIP 8 NORTH, RANGE 8 EAST OF THE FOURTH PRINCIPAL MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHEAST CORNER OF SAID LOT 12, THENCE SOUTH 00 DEGREES 08 MINUTES 11 SECONDS WEST (BEARING ASSUMED FOR PURPOSE OF DESCRIPTION ONLY), ALONG THE WEST LINE OF WILLIAM KUMPF BOULEVARD, 294.00 FEET; THENCE NORTH 89 DEGREES 54 MINUTES 39 SECONDS WEST, PARALLEL TO THE NORTH LINE OF THIRD AVENUE, 366.68 FEET TO THE WEST LINE OF THE VACATED SANFORD STREET; THENCE NORTH 00 DEGREES 08 MINUTES 26 SECONDS EAST, ALONG THE WEST LINE OF THE VACATED SANFORD STREET, 293.86 FEET TO THE SOUTH LINE OF FOURTH AVENUE; THENCE SOUTH 89 DEGREES 55 MINUTES 58 SECONDS EAST, ALONG THE SOUTH LINE OF FOURTH AVENUE, 366.66 FEET TO THE POINT OF BEGINNING, AS SHOWN ON THE SURVEY PREPARED BY AUSTIN ENGINEERING CO., INC. DATED JULY 26, 1990 AND RECORDED OCTOBER 2, 1990 IN TRACT SURVEY 25, PAGE 9 AS DOCUMENT #90-23580, SITUATE, LYING, AND BEING IN THE COUNTY OF PEORIA AND STATE OF ILLINOIS



# PTAX-203-A

## Illinois Real Estate Transfer Declaration Supplemental Form A

(Non-residential: sale price over \$1 million)

File this form with Form PTAX-203, Illinois Real Estate Transfer Declaration, and the original deed or trust document at the County Recorder's office within the county where the property is located if the following conditions are met:

- On Form PTAX-203, Line 11 the sale price is over \$1 million, and
- On Form PTAX-203, Line 8 the property's current use is marked "Apartment building (over 6 units)," "Office," "Retail establishment," "Commercial building," "Industrial building," or "Other."

Please read the instructions on the back of this form.

Do not write in this area. This space is reserved for the County Recorder's Office use.

County:

Date:

Doc. No.:

Vol.:

Page:

Received by:

### Step 1: Identify the property and sale information.

1 Write the property's street address, city or village, and township. (From Line 1 of Form PTAX-203)

303 N. WILLIAM KUMPF BLVD. PEORIA PEORIA CITY

Street address of property (or 911 address, if available) City or village Township

2 Write the parcel identifying number from Line 3a of Form PTAX-203.

Parcel Identifier: 18-09-178-014

3 Write the total number of months the property was for sale on the market.\*

0 0 Months

4a Was the improvement occupied on the sale date? \* A "No" response means that all improvements were totally unoccupied.

X Yes No

If the answer is "No," write the total number of months all improvements were unoccupied before the sale date. Go to Line 5.

0 0 Months

4b Write the approximate percentage of total square footage of improvements occupied or leased on the sale date. Include all improvements.

100 Percent

4c Did the buyer occupy the property on the sale date?

Yes X No

If the answer is "No," go to Line 5.

4d Will the buyer continue to occupy part or all of the property after the sale?

Yes No

4e Write the beginning and ending dates of the buyer's lease agreement.

Lease dates: / / to / /  
Month Year Month Year

4f Briefly describe any renewal options.

5 If the buyer owns other properties within an approximate one-half mile radius of the property, complete the following information for the two closest properties owned by the buyer.

Street address	City or village	Parcel identifying number
Property 1		
Property 2		

6 Did Line 12a of Form PTAX-203 include an amount for a transfer of personal property?

Yes X No

If the answer is "Yes," submit a list of personal property transferred.\*

7 Did the seller's financing arrangements affect the sale price on Line 11 of Form PTAX-203?\*

Yes X No

If the answer is "Yes," please explain how the financing affected the sale price.

8 In your opinion, is the net consideration for real property entered on Line 13 of Form PTAX-203 a fair reflection of the market value on the sale date?

X Yes No

If the answer is "No," please explain.

### Step 2: Complete the requested information.

The buyer and seller (or their agents) hereby verify that to the best of their knowledge and belief, the facts stated in this form are true and correct. Any person who willfully falsifies or omits any information required in this form shall be guilty of a Class B misdemeanor for the first offense and a Class A misdemeanor for subsequent offenses.

Seller's or trustee's name: GREAT PLAINS L.L.C.

Seller's daytime phone: (309) 676-5546

Address: 303 N. WILLIAM KUMPF BLVD.

PEORIA IL 61605

Street address

City State ZIP

Seller's or agent's signature:

Date:

Buyer's or trustee's name: CULLINAN KUMPF MEDICAL, LLC

Buyer's daytime phone: (309) 999-1700

Address: 420 N. MAIN

EAST PEORIA IL 61611

Street address

City State ZIP

Buyer's or agent's signature:

Date:

\* See instructions.

This form is authorized in accordance with 35 ILCS 200/31-1 et seq. Disclosure of this information is REQUIRED. This form has been approved by the Forms Management Center. IL-492-0227

ID:INT

**PLAT ACT AFFIDAVIT**

**STATE OF ILLINOIS**

)

)SS

**COUNTY OF PEORIA**

)

I, Jeffrey R. Garst, M.D., Member of Great Plains L.L.C. and President of Great Plains Orthopaedic, the sole manager of Great Plains L.L.C., being duly sworn on oath, states that the attached deed is not in violation of Section 1 of the Plat Act (765 ILCS 205/1) (the "Act") for one of the following reasons:

**Section A. Said Act is not applicable as the grantor owns no adjoining property to the premises in said deed. Not a division of land. Parcel boundaries remain unchanged.**

**OR**

**Section B. The conveyance falls within one of the following exemptions set forth in the Act at paragraph (b) of 1:**

1. The division or subdivision of land into parcels or tracts of 5 acres or more in size which does not involve any new streets or easements of access;
2. The division of lots or blocks of less than 1 acre in any recorded subdivision which does not involve any new streets or easements of access;
3. The sale or exchange of parcels of land between owners of adjoining and contiguous land;
4. The conveyance of parcels of land or interests therein for use as a right of way for railroads or other public utility facilities and other pipe lines which does not involve any new streets or easements of access;
5. The conveyance of land owned by a railroad or other public utility which does not involve any new streets or easements of access;
6. The conveyance of land for highway or other public purposes or grants or conveyances relating to the dedication of land for public use or instruments relating to the vacation of land impressed with a public use;
7. Conveyances made to correct descriptions in prior conveyances;
8. The sale or exchange of parcels or tracts of land following the division into no more than 2 parts of a particular parcel or tract of land existing on July 17, 1959 and not involving any new streets or easements of access;
9. The sale of a single lot of less than 5 acres from a larger tract when a survey is made by an Illinois Registered Land Surveyor; provided, that this exemption shall not apply to the sale of any subsequent lots from the same larger tract of land, as determined by the dimensions and configurations of the larger tract on October 1, 1973, and provided also that this exemption does not invalidate any local requirements applicable to the subdivision of land.
10. The preparation of a plat for wind energy devices under Section 10-620 of the Property Tax Code.

**CIRCLE LETTER OR NUMBER WHICH IS APPLICABLE TO ATTACHED DEED.**

Affiant further states that he makes this affidavit for the purpose of inducing the Recorder of Deeds of Peoria County, Illinois to accept the attached deed for recording.

GREAT PLAINS L.L.C.

By: *Jeffrey R. Garst*  
Jeffrey R. Garst, M.D., President of Great Plains  
Orthopaedic, sole manager of Great Plains L.L.C.

SUBSCRIBED AND SWORN to before me

this 16 day of July, 2016

*Sarah J. Shane*  
NOTARY PUBLIC



30478912\_1

**SPECIAL**  
**WARRANTY DEED**

PEORIA COUNTY

This Instrument  
Prepared by:

Debra L. Stegall  
HEYL, ROYSTER, VOELKER & ALLEN, P.C.  
300 Hamilton Blvd.  
Peoria, IL 61602-6199  
(309) 676-0400

Return to:

Richard M. Joseph  
Miller Hall & Triggs, LLC  
416 Main Street, Suite 1125  
Peoria, IL 61602-1161

**SPECIAL WARRANTY DEED**

THIS INDENTURE WITNESSETH, that the Grantor, GREAT PLAINS L.L.C., an Illinois limited liability company, for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, in hand paid, and pursuant to authority given by the members of said limited liability company, CONVEYS and WARRANTS to CULLINAN KUMPF MEDICAL, LLC, an Illinois limited liability company, the real estate described on the attached Exhibit A.

Commonly known as 303 North William Kumpf Blvd., Peoria, IL

PIN 18-09-178-014

Subject to the following:

- (1) General real estate taxes for the year 2015 and thereafter;
- (2) Reservations, restrictions, covenants, conditions, zoning laws and easements of record; and

(3) Rights of lessees and tenants in possession.

Grantor warrants to the Grantee and its successors in title that it has not created or permitted to be created any lien, charge or encumbrance against said real estate that is not shown among the title exceptions listed above; and Grantor covenants that it will defend said real estate to the extent of the warranties made herein against lawful claims of all persons.

Grantor releases and waives all rights in said real estate that it may have under the homestead exemption laws of Illinois.

IN WITNESS WHEREOF, the said GRANTOR has caused this Deed to be executed by Jeffrey R. Garst, M.D. this 11 day of July, A.D., 2016.

GREAT PLAINS L.L.C.

By: Jeffrey R. Garst  
Jeffrey R. Garst, M.D., President of Great Plains Orthopaedic, sole manager of Great Plains L.L.C.

STATE OF ILLINOIS )  
) SS  
COUNTY OF PEORIA )

I, the undersigned, a Notary Public in and for said County and State aforesaid, DO HEREBY CERTIFY that Jeffrey R. Garst, M.D., personally known to me to be the same person whose name is subscribed to the foregoing instrument as such President of Great Plains Orthopaedic, an Illinois service corporation being the sole manager of Great Plains L.L.C., and personally known to me to be the same person whose name is subscribed to the foregoing instrument as such President appeared before me this date in person and severally acknowledged that he signed, sealed and delivered said instrument as his free and voluntary act as such President and as the free and voluntary act of said service corporation for the uses and purposes therein set forth; and on his oath stated that he was duly authorized to execute said instrument.

Given under my hand and notarial seal this 11 day of July, A.D., 2016.

Sarah J. Shane  
NOTARY PUBLIC

Mail Tax Statement to:  
Cullinan Kumpf Medical, LLC  
c/o Cullinan Properties, Ltd.  
420 North Main Street  
East Peoria, IL 61611



**EXHIBIT A**  
**LEGAL DESCRIPTION**

A PART OF LOTS 1 THROUGH 6, ALL OF LOTS 7 THROUGH 12, THE VACATED ALLEY EXTENDING FROM WILLIAM KUMPF BOULEVARD TO SANFORD STREET AND THE VACATED SANFORD STREET RIGHT OF WAY LYING WEST OF SAID LOTS 6 AND 7, AS VACATED BY ORDINANCE RECORDED JULY 20, 1990 AS DOCUMENT #90-16245, ALL IN BLOCK 49 OF AIKEN, MONSON AND SANFORD'S ADDITION IN THE NORTHWEST ¼ OF SECTION 9, TOWNSHIP 8 NORTH, RANGE 8 EAST OF THE FOURTH PRINCIPAL MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHEAST CORNER OF SAID LOT 12; THENCE SOUTH 00 DEGREES 08 MINUTES 11 SECONDS WEST (BEARING ASSUMED FOR PURPOSE OF DESCRIPTION ONLY), ALONG THE WEST LINE OF WILLIAM KUMPF BOULEVARD, 294.00 FEET; THENCE NORTH 89 DEGREES 54 MINUTES 39 SECONDS WEST, PARALLEL TO THE NORTH LINE OF THIRD AVENUE, 366.68 FEET TO THE WEST LINE OF THE VACATED SANFORD STREET; THENCE NORTH 00 DEGREES 08 MINUTES 26 SECONDS EAST, ALONG THE WEST LINE OF THE VACATED SANFORD STREET, 293.86 FEET TO THE SOUTH LINE OF FOURTH AVENUE; THENCE SOUTH 89 DEGREES 55 MINUTES 58 SECONDS EAST, ALONG THE SOUTH LINE OF FOURTH AVENUE, 366.66 FEET TO THE POINT OF BEGINNING, AS SHOWN ON THE SURVEY PREPARED BY AUSTIN ENGINEERING CO., INC. DATED JULY 26, 1990 AND RECORDED OCTOBER 2, 1990 IN TRACT SURVEY 25, PAGE 9 AS DOCUMENT #90-23580, SITUATE, LYING, AND BEING IN THE COUNTY OF PEORIA AND STATE OF ILLINOIS