

Execution Copy

MEMBERSHIP INTEREST PURCHASE AGREEMENT

DATED AS OF JUNE 26, 2013

AMONG

**PROCURE TREATMENT CENTERS, INC.,
CHICAGO PROCURE MANAGEMENT, LLC,
PROCURE CHICAGO HOLDINGS, LLC,
PROCURE ILLINOIS HOLDINGS, LLC**

AND

**CDH-DELNOR HEALTH SYSTEM, D/B/A
CADENCE HEALTH**

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MEMBERSHIP INTEREST PURCHASE AGREEMENT

This Membership Interest Purchase Agreement (this "Agreement") dated June 26, 2013 is by and among CDH-DELNOR HEALTH SYSTEM, D/B/A CADENCE HEALTH (FORMERLY KNOWN AS CENTRAL DUPAGE HEALTH), an Illinois not-for-profit corporation (together with any of its designees, the "Purchaser"), PROCURE CHICAGO HOLDINGS, LLC, a Delaware limited liability company ("Holdco"), PROCURE ILLINOIS HOLDINGS, LLC, a Delaware limited liability company ("Midco"), CHICAGO PROCURE MANAGEMENT, LLC, a Delaware limited liability company (the "Opco"), and PROCURE TREATMENT CENTERS, INC., a Delaware corporation (the "Owner"). The Purchaser, Midco, Opco and the Owner are collectively referred to herein as the "Parties". Capitalized terms used herein are defined in Article X.

RECITALS

- A. Purchaser previously was the payee under a Senior Unsecured PIK Note dated November 14, 2008 executed by Holdco whereby Holdco was to pay Purchaser \$40,000,000 plus interest over the term of the note (the "Cadence PIK Note").
- B. Purchaser subsequently contributed the Cadence PIK Note to Cadence Sub such that Cadence Sub became the new payee under the note.
- C. The Owner currently owns 100% of the outstanding equity interests of Holdco.
- D. Prior to the Closing, Holdco will merge with and into Midco (the "Company Merger").
- E. Immediately following the Company Merger and the equitization transaction provided in Section 2.4(d), the Owner will own all of the outstanding equity interests of Midco not owned by Purchaser and Cadence Sub as set forth on Exhibit A (the "Purchased Equity Interests").
- F. Midco owns 81.25% of the outstanding equity interests of Opco, as set forth on Exhibit A.
- G. Opco is engaged in the business of owning and operating a proton treatment center and providing proton therapy services and related clinical and diagnostic services (the "Business").
- H. This Agreement contemplates a transaction in which the Purchaser will purchase from the Owner all of the Purchased Equity Interests, and accept transfer of the Transferred Claims, on the terms and subject to the conditions set forth in this Agreement.

AGREEMENTS

The Parties, therefore, agree as follows:

ARTICLE I

PURCHASE OF THE PURCHASED EQUITY INTERESTS

1.1 Purchase of the Purchased Equity Interests. On the terms and subject to the conditions in this Agreement, at the Closing, (i) the Owner will transfer to the Purchaser or its designees the Transferred Claims, and the Purchaser or its designees will accept and assume the Transferred Claims and (ii) the Purchaser will purchase from the Owner, and the Owner will sell to the Purchaser, the Purchased Equity Interests free and clear of all Encumbrances for the consideration specified in Section 1.2.

1.2 Purchase Consideration. The aggregate purchase consideration to be paid for the Transferred Claims and the Purchased Equity Interests (the "Purchase Consideration") is:

(a) an amount of cash (the "Cash Consideration") equal to Twenty-Three Million and 00/100 U.S. Dollars (\$23,000,000.00); and

(b) an unsecured promissory note from the Purchaser in an amount equal to Two Million and 00/100 U.S. Dollars (\$2,000,000.00) and substantially in the form of Exhibit B (the "Promissory Note").

1.3 Payment of the Cash Consideration. At the Closing, the Cash Consideration will be paid as follows:

(a) the Purchaser will retain an amount of the Cash Consideration equal to One Million and 00/100 U.S. Dollars (\$1,000,000.00) in payment in full of any and all Professional Fees payable by Owner, if any;

(b) the Purchaser will pay the amount required to discharge in full at the Closing all Transaction Expenses that have not been paid as of the Closing by wire transfer of immediately available funds in accordance with payment letters and the instructions provided by the Owner in written notice delivered to the Purchaser at least three Business Days before the Closing Date; and

(c) the Purchaser will pay the remainder of the Cash Consideration to the Owner, by wire transfer of immediately available funds to the bank account(s) jointly specified by Owner and the agent of the Senior Lenders (the "Agent"), which account(s) can only be changed pursuant to a joint instruction from both Owner and the Agent.

ARTICLE II CLOSING; CLOSING CONDITIONS; CLOSING DELIVERIES

2.1 The Closing. Consummation of the Contemplated Transactions (the "Closing") will occur at the offices of McDermott Will & Emery LLP in Chicago, Illinois, on the Business Day upon which all of the conditions in Section 2.2 and Section 2.3 have been satisfied or waived or are capable of being satisfied. All proceedings to be taken and all documents to be executed and delivered by all parties at the Closing will be deemed to have been taken and executed simultaneously and no proceedings will be deemed to have been taken nor documents executed or delivered until all have been taken, executed and delivered.

2.2 Conditions to Closing Obligations of the Seller Parties. The obligations of the Seller Parties to consummate the Contemplated Transactions are subject to the fulfillment, before or at the Closing, of the following conditions:

(a) **Deliveries of the Purchaser Made.** The Purchaser has delivered all of the agreements, documents and instruments required under Section 2.5 to be delivered by the Purchaser and its Affiliates before or at the Closing.

(b) **Representations and Warranties Accurate.** All of the representations and warranties in Article V were accurate as of the date of this Agreement, and all of the representations and warranties in Article V are accurate as of the Closing as if made at the Closing (other than such representations or warranties that expressly speak only as of a specific date, which need only be true and correct as of such date).

(c) **Obligations of the Purchaser Performed.** The Purchaser has duly performed, complied with and fulfilled, in all material respects, all of the obligations, covenants and conditions under the Transaction Documents to which the Purchaser is party that are to be performed, complied with and fulfilled by the Purchaser before or at the Closing.

(d) **No Legal Proceedings.** There is no pending Order, suit, action or proceeding against any Party or Affiliate of any Party (i) involving any challenge to, or seeking damages or other relief in connection with, the Contemplated Transactions or (ii) that would otherwise prevent, delay, make illegal, impose material limitations or material conditions on or otherwise interfere in any material respect with consummation of the Contemplated Transactions.

(e) **Consulting Agreement.** Opco, on the one hand, and the Owner and/or its Affiliates, on the other hand, have entered into the Consulting Agreement.

(f) **CPTI Waiver.** CPTI has waived its rights under Section 2.14(b) of the Second Amended and Restated Limited Liability Company Agreement of Opco dated November 7, 2008, as amended.

(g) **IBA Deliveries.** Opco has entered into an amendment (the "IBA Amendment") to that certain Amended and Restated Proton Therapy Equipment Service Agreement dated February 20, 2008 between Opco and IBA Proton Therapy, Inc. ("IBA") consistent with the terms and conditions set forth in the term sheet between the parties previously provided to the Purchaser with changes reasonably satisfactory to Owner.

(h) **Senior Lender Deliveries.** The Purchaser has delivered to Owner a restructuring agreement of the Senior Lenders with Opco and/or amendments to the Senior Loan Documents (the "Senior Loan Amendments"), in a form reasonably satisfactory to Owner consistent with the terms and conditions set forth in the term sheet between the parties previously provided to the Owner with changes reasonably satisfactory to Owner.

2.3 Conditions to Closing Obligations of the Purchaser. The obligations of the Purchaser to consummate the Contemplated Transactions is subject to the fulfillment, before or at the Closing, of the following conditions:

(a) **Deliveries of the Seller Parties Made.** The Seller Parties have delivered all of the agreements, documents and instruments required under Section 2.4 to be delivered by the Seller Parties before or at the Closing.

(b) **Representations and Warranties Accurate.** All of the representations and warranties in Article III and Article IV were accurate as of the date of this Agreement, and all of the representations and warranties in Article III and Article IV are accurate as of the Closing as if made at the Closing (other than such representations or warranties that expressly speak only as of a specific date, which need only be true and correct as of such date); *provided, however*, that this condition shall be deemed to be satisfied if any inaccuracies in the representations and warranties of Owner, individually or in the aggregate, do not constitute a Material Adverse Effect.

(c) **Obligations of the Seller Parties Performed.** The Seller Parties have duly performed, complied with and fulfilled, in all material respects, all of the obligations, covenants and conditions under the Transaction Documents to which they are respectively party that are to be performed, complied with and fulfilled by such Person before or at the Closing.

(d) **No Legal Proceedings.** There is no pending Order, suit, action or proceeding against any Seller Party or Affiliate of any Seller Party (i) involving any challenge to, or seeking damages or other relief in connection with, the Contemplated Transactions or (ii) that would otherwise prevent, delay, make illegal, impose material limitations or material conditions on or otherwise interfere in any material respect with consummation of the Contemplated Transactions.

(e) **Consents.** The Seller Parties have obtained each of the consents, authorizations, Orders and approvals and properly made each of the filings, registrations and notices set forth on

Schedule 2.3(e) (and each such consent, authorization, Order, approval, filing, registration and notice is in full force and effect as of the Closing Date).

(f) **Permits.** Opco has in hand each of the Permits required by Opco to operate the Business immediately after the Closing Date as conducted immediately before the Closing that are set forth on Schedule 2.3(f).

(g) **No Insolvency.** Each of the Seller Parties (i) is not the subject of proceedings commenced by or against it under any bankruptcy, arrangement, reorganization, insolvency or similar Laws for the relief of debtors, (ii) has no application made by it pending for appointment, for the benefit of creditors, of a receiver or any other legal custodian with respect to its assets, and (iii) has not made any general assignment for the benefit of creditors.

(h) **Senior Lender Deliveries.** The Senior Lenders have delivered to Purchaser (i) a written consent to the transfer of the Purchased Equity Interests from Owner to Purchaser, (ii) the Senior Loan Amendments, consistent with the terms and conditions set forth in the term sheet between the parties previously provided to the Owner with changes reasonably satisfactory to Purchaser, (iii) a release of the Assignment of Note, dated April 30, 2012 by Owner to Fortis with respect to the Amended and Restated Senior Subordinated PIK Note dated April 30, 2012 by Opco in favor of Owner in the principal amount of \$2,276,418 (the "Senior Lender Release") and (iv) such other written consents and approvals as may be required under the Senior Loan Documents in order to consummate and effect the Contemplated Transactions (the "Senior Lender Consents").

(i) **IBA Deliveries.** (i) Opco has entered into the IBA Amendment consistent with the terms and conditions set forth in the term sheet between the parties previously provided to the Purchaser with changes reasonably satisfactory to Purchaser, and (ii) the Purchaser is satisfied that IBA has released any and all of its encumbrances over the Holdco equity interests (the "IBA Encumbrances").

(j) **Consulting Agreement.** Opco, on the one hand, and the Owner and/or its Affiliates, on the other hand, have entered into the Consulting Agreement.

(k) **Transferred Claims PIK Note.** Opco has delivered a PIK note from Opco in favor of Purchaser with a principal amount equal to all outstanding liabilities as of the Closing with respect to the Transferred Claims, in a form reasonably satisfactory to Purchaser (the "Transferred Claims PIK Note").

(l) **CPTI Consents.** CPTI has delivered a (i) written consent and approval with respect to the Contemplated Transactions and (ii) waiver of its right of first refusal under the Second Amended and Restated Limited Liability Company Agreement of Opco dated November 7, 2008, as amended (the "CPTI Consents").

(m) **Qualified Opco Employees.** The Parties have agreed in good faith on a fair and reasonable arrangement to help ensure the retention of Opco's employees (either by Opco, Purchaser or one of Purchaser's Affiliates) who desire to be so employed and who meet Purchaser's routine qualifications for employment, including Purchaser's standard hiring policies and background checks (the "Qualified Employees").

(n) **Monthly Financials.** Owner has delivered to Purchaser each Acquired Company's unaudited balance sheets and statements of income and cash flows for each month within 15 days of the end of each such month, beginning with May 2013 until the Closing Date. Each such financial statement will be prepared in accordance with GAAP, subject to normal year-end adjustments (which are not material individually or in the aggregate) and the absence of footnote disclosures required by GAAP, and will fairly represent each Acquired Company's financial position as of such dates and the results of each Acquired Company's operations and cash flows for such months.

(o) **No Material Adverse Change.** Since the date of this Agreement, no event has occurred and, as of the Closing Date, no fact, circumstance or condition exists that did not exist as of the date of this Agreement that, individually or in the aggregate, has or reasonably would be expected have a Material Adverse Effect.

2.4 Closing Deliveries of the Seller Parties. At the Closing, the Seller Parties will deliver to the Purchaser:

(a) certificates representing the Purchased Equity Interests, duly endorsed in blank or with duly executed transfer powers attached or, if the Purchased Interests are not certificated, transfer powers or an assignment of equity interest duly executed in blank;

(b) a restrictive covenant agreement substantially in the form of Exhibit C (the "Restrictive Covenant Agreement"), executed by the Owner;

(c) the Transferred Claims PIK Note, executed by Opco;

(d) a fully executed contribution agreement and assignment agreement between Cadence Sub and Midco, a waiver, executed by Holdco and Purchaser, of additional capital account contributions required pursuant to Section 6.3 of the Midco Operating Agreement, and an amendment to the Midco Operating Agreement that reflects that the equitization of the Cadence PIK Note into Midco membership interests owned by Cadence Sub has become effective;

(e) an opinion of Nixon, legal counsel to the Seller Parties, dated as of the Closing Date and substantially in the form of Exhibit D;

(f) a certificate duly executed by the applicable Seller Parties, certifying the satisfaction of the conditions set forth in Section 2.3(b) and Section 2.3(c);

(g) a Secretary's Certificate of each Acquired Company, each executed by such Acquired Company's secretary, certifying as true and correct as of the date of this Agreement and as of the Closing Date (i) the incumbency and specimen signature of each officer or similar authorized representative of such Acquired Company executing this Agreement or any other Transaction Document on behalf of such Acquired Company, (ii) a copy of the resolutions of such Acquired Company's managers and, to the extent required by such Acquired Company's Governing Documents or applicable Law, such Acquired Company's members, each authorizing the Contemplated Transactions and such Acquired Company's execution, delivery and performance of the Transaction Documents to which such Acquired Company is party, and (iii) a copy of such Acquired Company's Governing Documents;

(h) a Secretary Certificate of the Owner, executed by the Owner's secretary or similar authorized representative, certifying as true and correct as of the date of this Agreement and as of the Closing Date (i) the incumbency and specimen signature of each officer or similar authorized representative of the Owner executing this Agreement or any other Transaction Document on the Owner's behalf, and (ii) a copy of the resolutions of the Owner's directors or similar governing body and, to the extent required by the Owner's Governing Documents or applicable Law, a copy of the resolutions of the Owner's equityholders, each authorizing the Owner's execution, delivery and performance of the Transaction Documents to which Owner is party;

(i) certificates of good standing for each Acquired Company that is issued not earlier than 15 calendar days before the Closing Date by the secretary of state or equivalent governmental authority of its jurisdiction of incorporation or formation and by the secretary of state or equivalent governmental authority of each jurisdiction in which it is qualified to do business as a foreign entity;

(j) except with respect to the interests of CPTI, evidence of the termination and release, as of the Closing, of all agreements listed on Schedule 2.4(j), including all voting agreements and other equityholder agreements (i) to which any Seller Party is party and (ii) that affect any equity securities of Opco;

(k) the written resignations, effective as of the Closing Date, of such directors and officers of Opco as the Purchaser may request;

(l) evidence that IBA released all IBA Encumbrances and, if required to evidence such releases, UCC-3 termination statements and equivalent Encumbrance termination filings in all applicable non-UCC jurisdictions;

(m) the IBA Amendment, executed by Opco and IBA;

(n) the Consulting Agreement, executed by Opco, on the one hand, and the Owner and/or its Affiliates, on the other hand;

(o) an executed certificate of merger for Midco and Holdco that has been filed and accepted by the Delaware Secretary of State to effectuate the Company Merger;

(p) copies of the Senior Lender Consents and Senior Lender Release;

(q) copies of the CPTI Consents;

(r) copies of all consents, authorizations, Orders, approvals, filings, registrations and pre-Closing notices set forth on Schedule 2.3(e) and Schedule 2.3(f);

(s) evidence that the Owner and its Affiliates, on the one hand, and Proton Collaborative Group, on the other, have reached a satisfactory arrangement with respect to the Indebtedness between such parties;

(t) certificates of insurance or other evidence that the Insurance Tail Policies have been obtained and are in effect as of the Closing;

(u) certification of nonforeign status from Owner in accordance with Treasury Regulation § 1.1445-2(b);

(v) such blank bank account signature cards relating to the Acquired Companies' bank accounts as the Purchaser requests; and

(w) without limitation by specific enumeration of the foregoing, all other documents reasonably required by the Purchaser from Opco or the Owner to consummate the Contemplated Transactions.

2.5 Closing Deliveries of the Purchaser. At the Closing, the Purchaser will deliver to the Owner:

(a) that portion of the Cash Consideration deliverable at the Closing pursuant to Section 1.3;

(b) the Promissory Note, executed by the Purchaser;

(c) the Restrictive Covenant Agreement, executed by the Purchaser;

(d) a certificate duly executed by the Purchaser, certifying the satisfaction of the conditions set forth in Section 2.2(b) and Section 2.2(c);

(e) a Secretary Certificate of the Purchaser, executed by the Purchaser's corporate secretary, certifying as true and correct as of the date of this Agreement and as of the Closing Date (i) the incumbency and specimen signature of each officer or similar authorized representative of the Purchaser executing this Agreement or any other Transaction Documents on the Purchaser's behalf, and (ii) that all approvals and consents required under the Purchaser's Governing Documents have been obtained to authorize the Contemplated Transactions and the Purchaser's execution, delivery and performance of the Transaction Documents to which the Purchaser is party; and

(f) a certificate of good standing for Purchaser that is issued not earlier than 15 calendar days before the Closing Date by the secretary of state or equivalent governmental authority of its jurisdiction of formation.

ARTICLE III REPRESENTATIONS AND WARRANTIES REGARDING THE SELLER PARTIES

The Owner represents and warrants to the Purchaser that, except as disclosed in the Schedules attached as Exhibit E (the "Disclosure Schedule"):

3.1 Organization. Each Acquired Company is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware. Each Acquired Company has qualified as a foreign business and is in good standing under the Laws of each jurisdiction where the nature of its business or the location of its assets requires such qualification. Schedule 3.1 lists all jurisdictions in which each Acquired Company is required to qualify as a foreign business.

3.2 Power and Authority. Each Acquired Company has all necessary limited liability company power and authority to conduct its business as currently conducted. Each Acquired Company has full limited liability company power and authority to enter into and perform this Agreement and all other Transaction Documents to be executed by it pursuant to this Agreement (the "Acquired Company Documents").

3.3 Enforceability. This Agreement has been duly executed and delivered by each Acquired Company and constitutes a valid and binding obligation of such Acquired Company, enforceable against such Acquired Company in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency, moratorium, fraudulent conveyance and similar generally applicable Laws regarding creditors' rights or by general equity principles. Upon execution and delivery by each Acquired Company, the other Acquired Company Documents will have been duly executed and delivered by each applicable Acquired Company and will constitute valid and legally binding obligations of such Acquired Companies, enforceable against each Acquired Company in accordance with their respective terms, except as may be limited by applicable bankruptcy, insolvency, moratorium, fraudulent conveyance and similar generally applicable Laws regarding creditors' rights or by general equity principles.

3.4 Consents. Except as set forth on Schedule 3.4, no consent, authorization, Order or approval of, or filing or registration with, any governmental authority, Third-Party Payor or other Person is required for any Acquired Company's execution and delivery of Acquired Company Documents or consummation of the Contemplated Transactions, except where the failure to obtain such consent, authorization, Order or approval or make such filing or registration would not reasonably be expected to have a Material Adverse Effect.

3.5 No Conflicts. Neither the Acquired Companies' execution and delivery of Acquired Company Documents nor the Acquired Companies' consummation of the Contemplated Transactions will conflict with or result in a breach of any provision of any Acquired Company's Governing Documents. Neither the Acquired Companies' execution and delivery of Acquired Company Documents nor the Acquired Companies' consummation of the Contemplated Transactions will result in a breach of any

provision of any Law or Order. Except as set forth on Schedule 3.5, no Acquired Company is a party to or bound by any Material Contract under which (a) the execution, delivery or performance by the Acquired Companies of the Acquired Company Documents or consummation of the Contemplated Transactions will (i) constitute a default or breach, or event of acceleration or (ii) amend, or give the counterparty thereto any right to amend, any material right or obligation of any Acquired Company thereunder, or (b) performance by the Acquired Companies according to the terms of the Acquired Company Documents may be prohibited, prevented or delayed.

3.6 Organizational Documents. The Acquired Companies have furnished to the Purchaser complete and accurate copies of each of the Acquired Companies' Governing Documents, equity ownership records and minute books and records. Each of the Acquired Companies' minute books and records contain complete and accurate copies of all resolutions adopted by such Person's equityholders, all resolutions adopted by such Person's board of directors or other governing body (and committees thereof) and any other action formally taken by such Person. Each Acquired Company has held annual meetings and recorded and maintained minutes for each governing body meeting held by such Acquired Company.

3.7 Capitalization. Schedule 3.7 accurately sets forth the equity interests (including classes thereof, if applicable) of each Acquired Company that are authorized, issued and outstanding, and the name, number and type of equity interests held by each equityholder thereof as of the date hereof. As of the date hereof, all of Holdco's issued and outstanding equity interests have been validly issued, are fully-paid, and are owned beneficially and of record by the Owner as reflected on Schedule 3.7, free and clear of all Encumbrances; *provided, however, that* the ownership of equity in Owner will not be deemed a beneficial interest in breach of the foregoing. All of Midco's issued and outstanding equity interests have been validly issued, are fully-paid, and are owned beneficially and of record (a) as of the date hereof, by the Purchaser and Holdco as reflected on Schedule 3.7 and (b) as of the Closing Date (but before the purchase of the Purchased Equity Interests pursuant to Article I), Owner except for those equity interests of Midco owned by Purchaser and Cadence Sub, in each case free and clear of all Encumbrances. As of the date hereof and the Closing Date, all of Opco's issued and outstanding equity interests have been validly issued, are fully-paid, and 81.25% of which are owned beneficially and of record by Midco, free and clear of all Encumbrances. Except as contemplated by this Agreement, there are no outstanding subscriptions, options, warrants, preemptive rights, calls, convertible securities or other agreements or commitments relating to the Acquired Companies' issued or unissued securities. No Acquired Company is party to and has granted any equity appreciation, participation, phantom equity or similar rights. The rights, preferences, privileges and restrictions of each Acquired Company's equity securities are as stated in such Acquired Company's Governing Documents. Except for the Acquired Companies' Governing Documents, there are no voting trusts, voting agreements, proxies, equityholder agreements or other agreements that may affect the voting or Transfer of any Acquired Company's equity securities.

3.8 Subsidiaries. Opco does not hold or beneficially own any direct or indirect interest (whether it be common or preferred stock or any comparable ownership interest in any Person that is not a corporation) or any subscriptions, options, warrants, rights, calls, convertible securities or other agreements or commitments for any interest in any Person.

3.9 Financial Statements and Records; Indebtedness.

(a) Schedule 3.9(a) contains complete and accurate copies of each Acquired Company's audited balance sheets, statements of income and retained earnings, statements of cash flows and notes to financial statements (together with any supplementary information thereto) as of and for the years ended December 31, 2010 and December 31, 2011 and unaudited balance sheets, statements of income and retained earnings, statements of cash flows and notes to financial statements (together with any supplementary information thereto) as of and for the year ended December 31, 2012 (collectively, the "Financial Statements") and each Acquired Company's unaudited balance sheet and statements of income

and cash flows as of and for the 5-month period ended on May 31, 2013 (the "Interim Financial Statements"). The Financial Statements and Interim Financial Statements were prepared in accordance with GAAP throughout the periods covered thereby and fairly present each Acquired Company's financial position as of such dates and the results of each Acquired Company's operations and cash flows for such periods, *provided, however, that* the Interim Financial Statements are subject to normal year-end adjustments (which are not material individually or in the aggregate) and lack footnote disclosures required by GAAP. Each Acquired Company's books, accounts and records are, and have been, maintained in a manner consistent with such Acquired Company's historical practices and properly reflect all transactions entered into by such Acquired Company.

(b) No Acquired Company has Liabilities or Indebtedness except (a) Liabilities and Indebtedness reflected in the Financial Statements or Interim Financial Statements, as applicable, or (b) Liabilities incurred by such Acquired Company after the date of the Interim Financial Statements in the ordinary course of business consistent with historical practices (none of which results from or relates to any breach of contract, breach of warranty, tort, infringement or violation of Law) or incurred as Transaction Expenses. The current liabilities reflected in the Financial Statements represent ordinary course liabilities that are consistent with historic levels and amounts.

(c) Schedule 3.9(c) contains a complete list of all Indebtedness of the Acquired Companies.

3.10 Material Adverse Changes. Except as set forth on Schedule 3.10, since the date of the latest Financial Statements, no Acquired Company has had or could reasonably be expected to have a Material Adverse Effect.

3.11 Title to Assets. Except as set forth on Schedule 3.11, each Acquired Company has good and marketable title to, or valid leasehold interests in, the property and assets used by it or shown on the Interim Financial Statements or acquired after the date thereof, free and clear of all Encumbrances other than Permitted Encumbrances, other than properties and assets disposed of in the ordinary course of business since the date of the Interim Financial Statements. Except as set forth on Schedule 3.11, no unreleased mortgage, trust deed, chattel mortgage, security agreement, financing statement or other instrument encumbering any of the Acquired Companies' assets has been recorded, filed, executed or delivered. The Seller Parties have not comingled assets.

3.12 Sufficiency and Condition of Assets. The Acquired Companies' tangible and intangible assets are adequate to conduct the Business as currently conducted. The Acquired Companies' tangible assets are in satisfactory operating condition and repair for the purposes for which they are used (normal wear and tear excepted), and have been maintained in accordance with normal industry practice.

3.13 No Insolvency. No Acquired Company (i) is the subject of proceedings commenced by or against it under any bankruptcy, arrangement, reorganization, insolvency or similar Laws for the relief of debtors, (ii) has an application made by it pending for appointment, for the benefit of creditors, of a receiver or any other legal custodian with respect to its assets, and (iii) has made any general assignment for the benefit of creditors.

3.14 Receivables. All Receivables (including Receivables from Third-Party Payors) (a) are reflected in the Interim Financial Statements or arose after the date of the Interim Financial Statements, (b) arose from bona fide arms-length transactions for the performance of services or sale of goods, and (c) to the Seller Parties' Knowledge, are good and collectible (or have been collected) in the ordinary course of business in accordance with their terms and at the aggregate recorded amounts thereof, using commercially reasonable collection practices (less the amount of applicable reserves for doubtful accounts and for allowances and discounts). All reserves, allowances and discounts were and are

adequate and consistent with the reserves, allowances and discounts historically maintained or recorded by Opco in the ordinary course of business.

3.15 Equipment. The Equipment constitutes all tangible personal property (other than Inventory) necessary for Opco to conduct the Business as currently conducted. All Equipment is located at the Leased Real Estate or is in transit to the Leased Real Estate.

3.16 Insurance. Schedule 3.16 (a) lists all insurance policies that are owned or maintained by any Seller Party or name any Seller Party as an insured or loss payee and that pertain to Opco's assets, real estate, business or employees, and (b) discloses for each such insurance policy (i) the name and contact information of the agent, (ii) the names of the insurer, policyholder and each covered insured, (iii) the policy number and period of coverage, (iv) the scope (with indication of whether the coverage is on a claims made, occurrence or other basis), (v) the per-claim and aggregate liability limits, (vi) the amount of all applicable deductibles and co-pays, and (vii) any retroactive premium adjustments or other loss-sharing arrangements. All such insurance policies are in full force and effect, and no Seller Party has received written notice of termination or non-renewal of any such insurance policies. The amount and coverage of such insurance policies is customary in the industry of Opco's Business. The Seller Parties have furnished to the Purchaser complete and accurate copies of all such insurance policies and complete and accurate claim history reports for all such insurance policies.

3.17 Permits. Schedule 3.17 lists and describes all Permits required for Opco to conduct the Business as currently conducted. All such Permits (a) have been issued or given to Opco and no other Person, and (b) constitute all licenses, permits, registrations, accreditations, certifications, approvals and agreements and consents that are required for Opco to conduct the Business as currently conducted (including for Opco to receive reimbursement from Third-Party Payors and related fiscal intermediaries). Opco is operating and has, since the Operating Date, operated in compliance in all material respects with each such issued Permit. The Seller Parties have furnished to the Purchaser complete and accurate copies of all such issued Permits. To the Seller Parties' Knowledge, each physician or other health care professional employed or otherwise retained by Opco to provide services to or on behalf of Opco has all licenses, permits, registrations, accreditations, certifications and approvals required for such Person to perform such Person's duties for Opco (including services provided to other Persons but arranged by Opco) and for Opco to obtain reimbursement from Third-Party Payors and related fiscal intermediaries with respect to the services provided by such Person on behalf of Opco, and all such licenses, permits, registrations, accreditations, certifications and approvals are on file at Opco's principal place of business.

3.18 Bank Accounts. Schedule 3.18 lists (a) the name of each bank, safe deposit company or other financial institution in which any Acquired Company has an account, lock box or safe deposit box or joint accounts, lock boxes or safe deposit boxes (together with the name of the joint holder thereof), (b) the account numbers or other identifying descriptions of such accounts, lock boxes and safe deposit boxes, (c) the names of all Persons authorized to draw thereon or have access thereto and the names of all Persons, if any, holding powers of attorney from any Acquired Company, and (d) all instruments or agreements to which any Acquired Company is party as an endorser, surety or guarantor, other than checks endorsed for collection or deposit in the ordinary course of business. Each Acquired Company holds bank accounts separate from other Seller Parties and their Affiliates.

3.19 Conduct of Business. Since the date of the latest Financial Statements, except as set forth on Schedule 3.19 or as expressly permitted by this Agreement, no Acquired Company has:

(a) Transferred any asset or property, except in the ordinary course of business consistent with historical practices,

(b) purchased any assets (i) for a cost of more than \$50,000 individually or (ii) other than in the ordinary course of business consistent with historical practices,

(c) entered into any Contracts involving payment to or from one or more of the Acquired Company of more than \$50,000 individually or that have a term of one year or more,

(d) made or committed to make any capital expenditures in excess of \$50,000 individually,

(e) made any capital investment in, loan to or acquisition of the securities or substantially all of the assets of any other Person,

(f) borrowed any money, incurred any capitalized lease obligation, issued any bonds, debentures, notes or other corporate securities evidencing borrowed money or any capitalized lease obligation or created, incurred, assumed or guaranteed any indebtedness for borrowed money or any capitalized lease obligation,

(g) delayed or accelerated the collection of any Receivable or delayed or accelerated the payment of any account or other payable, in each case other than in the ordinary course of business consistent with historical practices,

(h) waived any right or canceled or compromised any debt or claim other than in the ordinary course of business consistent with historical practices,

(i) transferred, assigned or granted any license or sublicense of any right under or with respect to any material Intellectual Property Asset,

(j) amended or restated any of its Governing Documents,

(k) issued, sold or otherwise disposed of any equity securities, granted any options, warrants or other rights to purchase or obtain (upon conversion, exchange, exercise or otherwise) any equity securities, or granted any equity appreciation or similar rights,

(l) paid, declared or set aside any dividend or other distribution with respect to its equity securities or purchased, exchanged or redeemed any of its equity securities,

(m) suffered any material casualty, damage, destruction, loss or interruption in use (whether or not covered by insurance) with respect to any asset or property,

(n) entered into any transaction with any Acquired Company's directors, officers, employees and independent contractors other than in the ordinary course of business pursuant to any Material Contract or made any loan to any Acquired Company's directors, officers, employees and independent contractors,

(o) made any payments or distributions to any Acquired Company's directors, officers, employees and independent contractors other than compensation for services rendered and reimbursement for reasonable ordinary out-of-pocket business expenses,

(p) entered into, terminated or modified any material written employment Contract or collective bargaining Contract,

(q) increased the compensation payable to any of Acquired Company's directors, officers, employees and independent contractors, by an amount in excess of \$50,000 individually,

(r) hired or terminated any employees or independent contractors who individually have an annual salary, wages or other compensation in excess of \$50,000,

(s) adopted, amended, modified or terminated any Employee Benefit Plan, other than as required by Law,

(t) made or changed any Tax election or settled or compromised any Tax Liability or Tax refund claim,

(u) made any change in accounting methods or principles or any collection or payment policy or practice,

(v) paid or incurred any management, investment advisor or, other than in the ordinary course of business, any consulting fees,

(w) entered into any transaction with any Affiliate involving payment to or from Opco of more than \$50,000,

(x) made any charitable contributions, other than the provision of charity care to patients in the ordinary course of business consistent with historical practices,

(y) entered into any transaction other than in the ordinary course of business,

(z) taken any act or omitted to take any act, or permitted any act or omission to occur, that would cause a breach by any Acquired Company of any of its Material Contracts,

(aa) made or suffered any material change in the conduct or nature of its business or operations, or

(bb) entered into any Contract or other commitment to do any of the foregoing.

3.20 Contracts. Schedule 3.20 lists and describes the following Contracts to which an Acquired Company is party, specifying the name, date and parties to each Contract:

(a) Contracts to which a physician or Referral Source is party,

(b) Contracts with Third-Party Payors,

(c) medical director agreements,

(d) corporate integrity agreements, settlement and other similar agreements with governmental authorities,

(e) Contracts pursuant to which any Person provides management services to Opco or pursuant to which Opco provides management services to any other Person,

(f) partnership agreements, joint venture agreements and other Contracts (however named) involving a sharing of profits, losses, costs or liabilities by Opco and another Person,

(g) personnel leases,

(h) real property leases and subleases,

(i) Contracts regarding the employment and engagement of Opco's employees and independent contractors, including (i) employment, independent contractor and consulting and similar Contracts, and (ii) Contracts contemplating bonus, severance or similar compensation awards to employees, independent contractors or agents,

- (j) Contracts with any of Opco's directors (other than Opco's Governing Documents),
- (k) Contracts for the purchase or sale of any assets (i) other than in the ordinary course of business consistent with historical practices, (ii) containing contingent payment obligations, (iii) involving the payment under any such Contract of more than \$50,000 in the aggregate or, (iv) having a term of one year or more,
 - (l) Contracts affecting the ownership of, title to or use of real estate,
 - (m) Contracts for the leasing or subleasing (as lessee, sublessee, lessor or sublessor) of personal property or intangibles involving the payment under any such Contract of more than \$50,000 in the aggregate or that have a term of one year or more,
 - (n) material Contracts for the maintenance of Equipment;
 - (o) Inter-company Contracts of any kind between or among one or more Seller Party or an Affiliate of a Seller Party;
 - (p) Contracts with IBA,
 - (q) Intellectual Property Licenses,
 - (r) Contracts restricting in any manner (i) Opco's right to compete with any other Person, (ii) Opco's right to sell to or purchase from any other Person, (iii) the right of any other Person to compete with Opco, or (iv) the ability of such other Person to employ or retain any employee of or independent contractor to Opco,
 - (s) Contracts for borrowed monies (including loan and credit agreements, pledge agreements, notes, security agreements, mortgages, debentures, indentures, factoring agreements and letters of credit) or other material Indebtedness,
 - (t) guaranties, performance, bid or completion bonds and surety or indemnification agreements,
 - (u) Contracts with governmental authorities, and
 - (v) Contracts not otherwise identified above that either (i) involve consideration under any such Contract in excess of \$50,000 the aggregate, or (ii) have terms of more than one year and are not terminable by Opco upon 30 calendar days or less notice without penalty.

All Contracts listed on Schedule 3.20 ("Material Contracts") are in full force and effect and bind the relevant Seller Party and, to the Seller Parties' Knowledge, the other parties thereto. Each Material Contract constitutes the complete agreement and understanding among the parties thereto regarding the subject matter thereof. Except as set forth in Schedule 3.20, no Seller Party is in default under any Material Contract and, to the Seller Parties' Knowledge, no other party thereto is in default under any Material Contract. No event has occurred or fact, circumstance or condition exists that, to the Seller Parties' Knowledge, with or without notice or the lapse of time, or the happening of any further event or existence of any future fact, circumstance or condition, would become a default by any Seller Party under any Material Contract. No party to any Material Contract has repudiated or terminated such Contract or notified any Seller Party of its intent not to renew such Contract. There are no renegotiations, attempts to renegotiate or outstanding rights to negotiate any amount to be paid or payable to or by any Seller Party under any Material Contract, and no Person has made a written demand for such renegotiation. No Seller Party has released or waived any of its rights under any Material Contract. The Seller Parties have

furnished to the Purchaser complete and accurate copies of all Material Contracts listed on Schedule 3.20. No Acquired Company has oral Contracts.

3.21 Employees and Independent Contractors.

(a) Each Acquired Company is operating and has operated in compliance in all material respects with all applicable Laws regarding employment and employment practices (including Laws regarding terms and conditions of employment, nondiscrimination, equal opportunity, immigration, benefits, payment of employment, social security and similar Taxes, occupational safety and health, plant closings, and wages and hours).

(b) Schedule 3.21 lists all of the Acquired Companies' employees and independent contractors providing recurring services to the Acquired Companies as of the date of this Agreement (including employees on temporary leave of absence (including family medical leave, military leave, temporary disability and sick leave) or on long-term disability leave, each of whom has been so identified as such in Schedule 3.21) and their respective employer or engaging party, salaries, wages, other compensation (other than benefits under the Employee Benefit Plans), dates of employment/retention, positions and service credits for purposes of vesting and participation eligibility under the Employee Benefit Plans. None of the Acquired Companies' employees and independent contractors is an undocumented alien, and each Acquired Company has maintained I-9 Forms for all personnel in accordance with applicable Law. None of the Acquired Companies' independent contractors currently provides or ever has provided sales representative or marketing services to any Acquired Company.

(c) Other than the Persons identified as employees in Schedule 3.21, there is no Person who is or should be classified as an employee of the Acquired Companies, and all other Persons providing services for or on the Acquired Companies' behalf are independent contractors under applicable Tax, employment and other Laws. No such Person or any governmental authority has made or, to the Seller Parties' Knowledge, threatened any claim that such Person is or should be classified as an employee of an Acquired Company (whether under applicable Law, any service agreement or otherwise), other than the Persons identified as employees in Schedule 3.21.

(d) None of the Acquired Companies' employees is party to, or otherwise bound by, any Contract (including any confidentiality, non-competition or proprietary rights agreement) between such employee and any Acquired Company or, to the Seller Parties' Knowledge, any other Person, that could materially and adversely affect (i) that employee's performance of such employee's duties as an employee of the Acquired Companies after the Closing or (ii) the ability of the Purchaser and the Acquired Companies to conduct the Business after the Closing as currently conducted. The Acquired Companies' employees and independent contractors and former employees and independent contractors who have or had access to the Acquired Companies' confidential or proprietary information have executed confidentiality and assignment of inventions agreements that are adequate to protect the Acquired Companies' proprietary interest in such information and derivatives thereof.

(e) No Acquired Company is party to a collective bargaining agreement, and no such agreement is currently being negotiated. There is no pending or, to the Seller Parties' Knowledge, threatened, with respect to any of the Acquired Companies' employees, (i) strike, slowdown, picketing or work stoppage, (ii) any grievance proceeding or other material charge or claim against or affecting any Acquired Company relating to the alleged violation of any Law pertaining to labor relations or employment matters, including any charge or complaint filed by an employee or union with the National Labor Relations Board, the Equal Employment Opportunity Commission or any comparable governmental authority, (iii) union organizational activity or other material labor or employment dispute against or affecting any Acquired Company, or (iv) application for certification of a collective bargaining agent. There is no lockout of any of the Acquired Companies' employees, and no Acquired Company is contemplating such action.

(f) None of the Acquired Companies' employees has asserted a claim against any Acquired Company (under law, contract or otherwise) with respect to (i) overtime pay other than overtime pay for the current payroll period, (ii) wages or salaries other than wages or salaries for the current payroll period, or (iii) vacation, sick leave or time off (or pay in lieu of vacation, sick leave or time off), other than vacation, sick leave or time off (or pay in lieu thereof) earned during the 12-month period immediately before the date of this Agreement and reflected in the Financial Statements or the Interim Financial Statements. Each Acquired Company has made all required payments to the relevant unemployment compensation reserve account with the appropriate governmental authorities with respect to its employees and such accounts have positive balances.

(g) Other than with respect to any personnel arrangements that may be entered into with the Purchaser, the employment of each of the Acquired Companies' employees is terminable at will without cost to the relevant employing Acquired Company other than payments required under the Employee Benefit Plans, reimbursements for business expenses in the ordinary course of business consistent with historical practices and payments of accrued salaries, wages and vacation pay. None of the Acquired Companies' current or former employees has a right to be rehired by the relevant employing Acquired Company before the hiring of a Person not previously employed by such Acquired Company.

(h) There has been no "mass layoff" or "plant closing" (as defined under the WARN Act) with respect to any Acquired Company within six months before the Closing Date. None of the Acquired Companies' employees has experienced an "employment loss" (as defined under the WARN Act) within 90 calendar days before the Closing Date.

(i) Except as required by Code § 4980B or other similar state Law, no Acquired Company has Liability to provide medical or life insurance benefits to former employees (or its employees after the termination of employment), their spouses or dependents or any other individual not employed by an Acquired Company.

(j) No Seller Party has taken any action that was intended to dissuade any of the Acquired Companies' employees and independent contractors from continuing to be associated with the Acquired Companies after the Closing. To the Seller Parties' Knowledge, none of the Acquired Companies' employees and independent contractors has notified such Acquired Company in writing that such Person intends to terminate such Person's employment or engagement with the relevant Acquired Company before or after the Closing.

3.22 Employee Benefits.

(a) Schedule 3.22 lists each Employee Benefit Plan. With respect to each Employee Benefit Plan, the Seller Parties have provided to the Purchaser complete and accurate copies of (i) all documents comprising such Employee Benefit Plan (including a detailed written description for any unwritten Employee Benefit Plan), (ii) all related trust agreements, insurance contracts and other funding instruments, (iii) all related rulings, determination letters or advisory opinions of any governmental authority, (iv) all related summary plan descriptions, summaries of material modifications, employee handbooks, (v) the most recent related actuarial and financial reports, (vi) all Form 5500 annual reports and other reports (including any Forms PBGC-1) filed with any governmental authority within the three years preceding the date of this Agreement, and (vii) all related Contracts with third-party administrators, actuaries, investment managers and other service providers.

(b) Each Employee Benefit Plan (and each related trust, insurance contract and fund) (i) has been maintained, funded and administered in compliance in all material respects with its terms and any applicable collective bargaining agreements, and (ii) complies in all material respects in form and operation with all applicable requirements of ERISA, the Code and other applicable Laws (including state insurance Laws). All contributions and premium payments due prior to the Closing Date with respect to

any Employee Benefit Plan have been timely made and any such contributions and premium payments not yet due have been properly accrued.

(c) All required reports and descriptions (including Form 5500 annual reports, summary annual reports and summary plan descriptions) have been timely filed and distributed with respect to each Employee Benefit Plan in accordance with the applicable requirements of ERISA and the Code. Each Employee Benefit Plan that is subject to Code § 4980B and ERISA § 601, *et seq.* and any similar state Law (collectively, "COBRA") meets the requirements of COBRA.

(d) With respect to each Employee Benefit Plan that is intended to meet the requirements of a "*qualified plan*" under Code § 401(a), (i) such Employee Benefit Plan meets all requirements for qualification under Code § 401(a), except such noncompliance as would not reasonably be expected to result in a material liability to the Plan; and (ii) such Employee Benefit Plan has received a favorable determination from the IRS as to such Plan's qualification under the Code, and nothing has occurred since the date of such determination that would reasonably be expected to result in the revocation of such favorable IRS determination letter or opinion letter.

(e) The Acquired Companies and their ERISA Affiliates do not sponsor, maintain, contribute to, or otherwise have any Liability with respect to, any "*defined benefit plan*" as defined in ERISA § 3(35) or that is subject to ERISA Title IV or Employee Benefit Plan subject to Section 412 of the Code.

(f) The Acquired Companies and their ERISA Affiliates do not sponsor, maintain, contribute to or otherwise have any Liability (including withdrawal liability as defined in ERISA § 4201) with respect to any "*multi-employer plan*" as defined in ERISA § 4001(a)(3).

(g) The Acquired Companies and their ERISA Affiliates do not sponsor, maintain, contribute to or otherwise have any Liability with respect to any "*welfare plan*" as defined in ERISA § 3(1) providing continuing benefits or coverage for any participant or any beneficiary of a participant after such participant's termination of employment, except in accordance with COBRA or other similar state Law.

(h) There are no pending or, to the Seller Parties' Knowledge, threatened claims, lawsuits, audits, investigations or other actions against any Employee Benefit Plan by any employee or beneficiary covered under any Employee Benefit Plan or any Governmental Authority or otherwise involving any Employee Benefit Plan (other than routine claims for benefits).

(i) With respect to each Employee Benefit Plan, there has not occurred, and no Person is contractually bound to enter into, any "*prohibited transaction*" within the meaning of Code § 4975(c) or ERISA § 406 that is not exempt under Code § 4975(d) or ERISA § 408, except such noncompliance as would not reasonably be expected to result in a material Tax or penalty. No fiduciary (as defined in Section 3(21) of ERISA) that is any Seller Party or any employee of a Seller Party, or, to the Seller Parties' Knowledge, no other fiduciary, has any liability for breach of fiduciary duty with respect to the investment of the assets or administration of any Employee Benefit Plan.

(j) Consummation of the Contemplated Transactions will not (i) entitle any current or former employee of the Acquired Companies and their ERISA Affiliates to severance pay, unemployment compensation or any similar payment, (ii) accelerate the time of payment or vesting, or increase the amount of any compensation due to, or in respect of, any current or former employee of the Acquired Companies and their ERISA Affiliates, or (iii) result in or satisfy a condition to the payment of compensation that would, in combination with any other payment, result in an "*excess parachute payment*" within the meaning of Sections 280(G) and 4999 of the Code. No Acquired Company or any

ERISA Affiliate has entered into a Contract to "gross-up" any employee, officer or director for any excise taxes due under Section 4999 of the Code.

(k) Each Employee Benefit Plan permits the plan sponsor to amend or terminate the plan at any time and without Liability, subject to the applicable filing and notice requirements under ERISA and the Code for amendment or plan termination.

(l) Schedule 3.22 lists each Contract, plan or other arrangement (whether or not written or an Employee Benefit Plan) to which any Acquired Company is party and that is a "non-qualified deferred compensation plan" subject to Code § 409A. Each such Contract, plan or other arrangement complies in all material respects with the requirements of Code §§ 409A(a)(2)-(4) and all IRS regulations and other guidance promulgated thereunder. No non-qualified deferred compensation plan has been administered in all material respects in a manner that would violate Code § 409A or the regulations or guidance thereunder. No Acquired Company or any ERISA Affiliate has entered into a Contract to "gross-up" any employee, officer or director for any excise taxes due under Section 409A of the Code.

3.23 Real Estate.

(a) The Acquired Companies own no real property.

(b) Schedule 3.23(b) lists all real property that is leased or subleased to the Acquired Companies as lessee or sublessee and used in the Business (the "Leased Real Estate"). No Acquired Company is in default in any material respect under any Leased Real Estate lease or sublease. To the Seller Parties' Knowledge, no event has occurred or fact, circumstance or condition exists that, with or without notice or the lapse of time, or the happening of any future event or existence of any future fact, circumstance or condition would become a default in any material respect by any Acquired Company under any Leased Real Estate lease or sublease. To the Seller Parties' Knowledge, no security deposit or portion thereof deposited with respect to any Leased Real Estate has been applied in respect of a breach or default under the applicable lease or sublease without redeposit in full. To the Seller Parties' Knowledge, after the Closing, no brokerage commissions or finder's fees will be due with respect to any Leased Real Estate. Each Acquired Company is the sole tenant of the Leased Real Estate, does not share the Leased Real Estate with or sublease any space to any other Person and enjoys peaceful and quiet possession of the Leased Real Estate.

(c) The improvements on the Leased Real Estate are in satisfactory operating condition and repair for the purposes for which they are used (ordinary wear and tear excepted). No material capital expenditures are required for the maintenance and/or repair of the Leased Real Estate.

3.24 Environmental. Except as would not reasonably be expected to have a Material Adverse Effect or as disclosed on Schedule 3.24:

(a) Each Acquired Company is and has, since the date of Opco's lease for the Leased Real Estate, been owned and operated in compliance in all material respects with all Environmental Laws and Environmental Permits. No written notice, citation, inquiry or complaint has been issued to or threatened against Owner (with respect to the Business) or any Acquired Company in the past three years alleging any violation of or Liability under any Environmental Law or Environmental Permit.

(b) Schedule 3.24 lists all Environmental Permits issued to the Seller Parties for the operation of the Business as currently conducted. Each Acquired Company possesses and the Seller Parties have provided the Purchaser with complete and accurate copies of all Environmental Permits required to be listed in Schedule 3.24.

(c) To the Seller Parties' Knowledge, at the Leased Real Estate, there exists no (i) underground or above ground storage tanks, (ii) materials or equipment containing friable asbestos or polychlorinated biphenyls, (iii) groundwater monitoring wells, drinking water wells or production water wells, or (iv) landfills, surface impoundments or disposal areas. To the Seller Parties' Knowledge, all underground and above-ground storage tanks previously located at any such real property and not present as of the Closing Date were removed in accordance with all Environmental Laws.

(d) The Seller Parties have not generated, treated, stored, transported, disposed (whether on-site or offsite) or Released any Hazardous Materials for which any Acquired Company is responsible or for which it has Liability (including any Liability for fines, penalties, response costs, corrective action costs, personal injury, property damage, natural resource damage or attorney's fees and costs) under any Environmental Law, and, to the Seller Parties' Knowledge, none of the foregoing has occurred.

(e) The Seller Parties, except for Hazardous Materials maintained on the Leased Real Estate in the ordinary course of business and in compliance in all material respects with applicable Environmental Laws by the respective Acquired Company, have not located any Hazardous Materials at, on or under, or migrated to or from, the Leased Real Estate, and, to the Seller Parties' Knowledge, none of the foregoing has occurred.

(f) No Acquired Company has assumed, provided an indemnity with respect to, or, except as required under applicable Law, otherwise become subject to any Liability (including any obligation for corrective or remedial action) of any other Person relating to any Environmental Law or Environmental Permit.

(g) The Purchaser has been provided with complete copies of all environmental audits, reports and other documents that (i) relate to the past or current facilities and operations of the Acquired Companies, and (ii) are in the custody, possession or control of the Seller Parties.

3.25 Intellectual Property; IT Security; Data Privacy.

(a) Schedule 3.25 lists all patents, patent applications, trade marks, service marks, trade dress, logos, slogans, internet domain names, copyrights, telephone and facsimile numbers and Software that are used in the Business or in which any Acquired Company claims any ownership rights. The Acquired Companies are the owners of or duly licensed to use their material Intellectual Property Assets, and all such Intellectual Property Assets exist, have been maintained in good standing and, as applicable, have been properly assigned or licensed to the Acquired Companies. To the Seller Parties' Knowledge, no other Person claims the right to use in connection with similar or closely related goods and in the same geographic area, any mark that is identical or confusingly similar to any trademark of the Acquired Companies. No other Person has asserted ownership rights against the Seller or any Acquired Company in any Intellectual Property Asset, except to the extent that such Intellectual Property Asset has been licensed to or by the Acquired Companies. Each Acquired Company's use of Intellectual Property Assets owned by an Acquired Company does not infringe any right of any other Person and no other Person is infringing any of the Intellectual Property Assets owned by an Acquired Company. Each Acquired Company's use of the Intellectual Property Assets owned by Third-Parties does not infringe any right of any other Person, and, to the Seller Parties' Knowledge, no other Person is infringing any of the Intellectual Property Assets owned by Third-Parties. Each Acquired Company has used commercially reasonable efforts to secure its trade secrets and other proprietary undisclosed information. Each Acquired Company has, and after the Closing will have, the legal right to use all copies of all Software currently used by such Acquired Company and its personnel in the Business. The consummation of the Contemplated Transactions will not cause the alteration, amendment, termination or breach of any material Intellectual Property Licenses.

(b) Each Acquired Company has used commercially reasonable efforts to safeguard the information technology systems utilized in the Business, including the implementation of procedures to ensure that such systems are free from disabling codes or instructions, time, copy protection device, clock, counter or other limiting design or routing and any "back door," "time bomb," "Trojan horse," "worm," "drop dead device," "virus" or other software or hardware that permit unauthorized access or the unauthorized disablement or erasure of data or other software by a Third-Party. There have been no material failures, breakdowns, outages, unavailability or, to the Seller Parties' Knowledge, breaches of the information technology systems utilized in the Business.

(c) Each Acquired Company has access to the source code for all material information technology and data processing systems developed by or on behalf of such Acquired Company in up-to-date appropriately catalogued versions accessible by such Acquired Company's personnel. The software for such systems has been catalogued and documented as reasonably necessary to enable competently skilled programmers and engineers to use, update and enhance the software by readily using the existing source code and documentation. Each Acquired Company has the right to use all software development tools, library functions, compilers and other Software required to operate, modify, distribute and support such systems. No source code for material proprietary Software has been delivered, licensed or made available to any escrow agent, and no Acquired Company has a duty or obligation to do so. None of the Acquired Companies' proprietary Intellectual Property Assets utilizes any open source application Software or is otherwise subject to any open source license, and no Acquired Company has incorporated any "open source," "freeware," "shareware" or other Software having similar licensing or distribution models in any material software developed, licensed, distributed or otherwise exploited by or for such Acquired Company. With respect to such Software, no Acquired Company is obligated to divulge the source code for such Software to any Third-Party, permit or license the creation of any derivative work based, in whole or in part, on such Software or permit the distribution or redistribution of such Software, in whole or in part, free of charge.

(d) The Acquired Companies' operation of the Business are operating and have, since the Operating Date, operated in compliance in all material respects with all Laws and Orders applicable to data privacy, data security and/or personal information, except as disclosed pursuant to Section 3.29(g). No Acquired Company has experienced incidences since the Operating Date in which personal information or other sensitive data was or may have been stolen or improperly accessed.

3.26 Taxes.

(a) All Tax Returns required to be filed by or in respect of the Business or any Acquired Company have been duly and timely filed (taking into account any extension of time to file). All such Tax Returns were or will be (when filed) complete and accurate and prepared in compliance in all material respects with all applicable Laws. All Taxes payable by or otherwise on account of the Business and the Acquired Companies, whether or not shown on any Tax Return, have been or will be paid in full when due (except to the extent such Taxes are being contested in good faith with adequate reserves reflected in the Interim Financial Statements), and each Acquired Company has complied in all material respects with all applicable Tax Laws. Each of the Acquired Companies has maintained all material documentation, as required by applicable Law relating to all Tax returns, as applicable. No claim has ever been made by a taxing authority in a jurisdiction where an Acquired Company does not file Tax Returns that such Acquired Company is or may be subject to taxation by that jurisdiction. There are no Encumbrances other than Permitted Encumbrances on any of the Acquired Companies' assets that arose in connection with any failure or alleged failure to pay any Tax.

(b) No Acquired Company has requested, offered to enter into or entered into any agreement or other arrangement, or executed any waiver, providing for any extension of time within which (i) to file any Tax Return covering any Taxes for which it is or may be liable; (ii) to file any elections, designations or similar filings relating to Taxes for which it is or may be liable; (iii) it is

required to pay or remit any Taxes or amounts on account of Taxes; or (iv) any governmental authority may assess or collect Taxes for which it is or may be liable. No Acquired Company has entered into any agreement with, or provided any undertaking to, any Person, and, except as set forth on Schedule 3.26(b), no circumstances exist by reason of which any Acquired Company has assumed liability for the payment of Taxes owing by another Person, or has or may be liable for another Person's Taxes. No Acquired Company is subject to any action or proceeding of a governmental authority imposing any obligations or liabilities with respect to another Person's Taxes.

(c) Each Acquired Company has withheld and paid all Taxes required to have been withheld and paid in connection with amounts paid or owing to any employee, independent contractor, creditor, equityholder or other Person. All Forms W-2 and Forms 1099 required with respect to such withholding and payment have been properly completed and timely filed.

(d) There is no proceeding, audit or investigation concerning any Liability of any Acquired Company for Taxes on account of the Business pending or, to the Seller Parties' Knowledge, threatened by any Taxing authority.

(e) No Acquired Company has ever been subject to income Tax imposed by any jurisdiction other than the United States of America and the states, territories and other subdivisions within the United States of America.

(f) No Acquired Company has ever been a United States real property holding corporation (as defined in Code § 897(c)(2)) during the applicable period specified in Code § 897(c)(1)(A)(ii).

(g) Except as set forth on Schedule 3.26(g), no Acquired Company is party to any Tax allocation or sharing Contract.

(h) No Acquired Company will be required to include any item of income or exclude any item of deduction for any post-Closing taxable period (including any Post-Closing Straddle Period) that would not have otherwise so been included or excluded as the case may be, as a result of (i) a change in method of accounting for a pre-Closing taxable period (including any Pre-Closing Straddle Period) to include any adjustment under Code § 481(c) (or any corresponding provision of state, local or foreign Law) in taxable income for any post-Closing taxable period (including any Post-Closing Straddle Period), (ii) any "closing agreement," as described in Code § 7121 (or any corresponding provision of state, local or foreign Law), (iii) any installment sale or open transaction disposition, (iv) the receipt of any prepaid revenue, (v) deferral under Code § 108(i) or (vi) an intercompany transaction or excess loss account described in Treasury Regulations under Code § 1502 (or any corresponding or similar provision of national, state or local Tax Law).

(i) No Acquired Company constitutes a "distributing corporation" or a "controlled corporation" (within the meaning of Code § 355(a)(1)(A)) in a distribution of shares qualifying for tax-free treatment under Code § 355 (i) in the five years preceding the date of this Agreement or (ii) in a distribution that could otherwise constitute part of a "plan" or "series of related transactions" (within the meaning of Code § 355(e)) in conjunction with the consummation of the Contemplated Transactions.

(j) Other than Code § 197(f)(9) intangibles that were acquired by an Acquired Company after August 10, 1993 in a transaction giving rise to a significant change in ownership or use, none of the Acquired Companies' assets are "section 197(f)(9) intangibles" (as defined in Treasury Regulation § 1.197-2(h)(1)(i) and assuming for this purpose that the transition period ends on August 10, 1993).

(k) Schedule 3.26(k) lists the most recent examinations and audits by governmental authorities for which any Acquired Company has been audited during the last five (5) years. The Owner

has provided to Purchaser true and complete copies of the relevant portions of any Tax audit reports, statements of deficiency and notices of assessment of the relevant governmental authority and any closing or other agreement or any final report received by or on behalf of the Acquired Companies or otherwise relating to any Taxes of or with respect to the any Acquired Company in each case for each such examination or audit showing any adjustments to Taxes and the basis therefore. Owner has provided Purchaser with true and complete copies of all federal and state income or franchise Tax returns for each Acquired Company and all other material Tax returns filed by or on behalf of the Acquired Companies for all periods ending on or after December 31, 2010.

(l) No Acquired Company has been a member of an affiliated group filing a consolidated federal income Tax Return nor does it have any liability for the Taxes of any Person under Treasury Regulations § 1.1502-6 (or any similar provision of national, state or local Law), as a transferee or successor, by Contract, or otherwise.

(m) No power of attorney is currently in effect on behalf of any Acquired Company with respect to any Taxes.

(n) Holdco is and always has been treated as a disregarded entity for Federal, state and local income Tax purposes and Midco and Opco are and always have been treated as partnerships for Federal, state and local income Tax purposes.

(o) No Seller Party is a "foreign person" within the meaning of Section 1445 of the Code.

(p) No Seller Party has engaged in a "reportable transaction" within the meaning of Treasury Regulations § 1.6011-4(b).

3.27 Litigation and Investigations. Except as set forth on Schedule 3.27, there is no litigation, proceeding (at law or in equity) or governmental, quasi-governmental or other investigation pending or, to the Seller Parties' Knowledge, threatened (a) against any Acquired Company or any of the Acquired Companies' equityholders, directors or officers that is related to the Business, (b) with respect to or affecting the Acquired Companies' operations, business or financial condition, or (c) related to the consummation of the Contemplated Transactions. No insurer has denied coverage for any litigation, or litigation-related claim or proceeding, submitted or made by or on behalf of an Acquired Company.

3.28 Compliance with Laws. No Seller Party is party to or bound by any Order (or any agreement entered into in any administrative, judicial or arbitration proceeding with any governmental or other authority) with respect to any of the Acquired Companies' assets or business activities. No Seller Party (with respect to the Business) is in violation in any material respect of or, to the Seller Parties' Knowledge, being investigated for violation of any Law, Order or Permit by which any Seller Party is bound or to which any asset or business activity of any Seller Party is subject.

3.29 Health Care Compliance. Except as set forth on Schedule 3.29:

(a) **Compliance with Health Care Laws.** The Acquired Companies are operating and have been operated in compliance in all material respects with all applicable Health Care Laws. None of the Acquired Companies and their respective Affiliates, officers, managers and personnel and the physicians practitioners and other health care professionals who have been engaged to provide professional services to Opco is in violation in any material respect of or, to the Seller Parties' Knowledge, being investigated for violation of any Health Care Laws by which such Person is bound or to which any business activity or professional services performed by such Person for Opco (including services provided to other Persons but arranged by Opco) is subject. Without limiting the generality of the foregoing, the Acquired Companies are operating and have been operated in compliance in all material respects with the federal health care program anti-kickback statute (42 U.S.C. § 1320a-7b, *et*

seq.), the federal physician self-referral law (commonly known as the Stark Law) (42 U.S.C. § 1395nn, *et seq.* and its implementing regulations, 42 C.F.R. Subpart J), and all other applicable Laws with respect to compensation arrangements, ownership interests or other relationships between referral sources and referral recipients (collectively, the "Fraud and Abuse Laws"). No Seller Party, and, to the Seller Parties' Knowledge, none of the Acquired Companies' equityholders, directors, partners, officers, employees, independent contractors or authorized representatives has, directly or indirectly, (i) offered or paid any remuneration (in cash or in kind) to or made any financial arrangements with any past, present or potential patient physician, supplier, contractor, Third-Party Payor or other Person in a position to refer, recommend or arrange for the referral of patients or other health care business (a "Referral Source") to obtain any patient referrals or other business or payments from any such Person, (ii) given or agreed to give any gift or gratuitous payment (whether in money, property or services) to any such Referral Source, or (iii) made or agreed to make any illegal contribution, gift or gratuitous payment (whether in money, property or services) to, or for the private use of, any governmental authority or any government official, employee or agent. The Owner is not a Referral Source to Opco.

(b) **Participation in Federal Healthcare Programs.** Each of the Acquired Companies and their Affiliates that participates in any Federal Health Care Program is qualified to participate in such Federal Health Care Program and is enrolled and certified in such Federal Health Care Program as a provider of medical or administrative services at every location at which such Person has operations. Each of the Acquired Companies and their Affiliates is operating and has operated in compliance in all material respects with all Federal Health Care Program rules and regulations and all provisions of each Federal Health Care Program Contract to which it is party or by which it is bound. None of the Acquired Companies and their Affiliates is party to a corporate integrity agreement with the Office of Inspector General of the United States Department of Health and Human Services or otherwise has any continuing reporting obligations pursuant to any settlement agreement with any governmental authority. There is no litigation or proceeding (at law or in equity) or, to the Seller Parties' Knowledge, inquiry or investigation pending or, to the Seller Parties' Knowledge, threatened with respect to the termination or suspension of the participation by any of the Acquired Companies and their Affiliates in any Federal Health Care Program because of alleged violations of or non-compliance with applicable Federal Health Care Program Regulations or other participation requirements.

(c) **Exclusion of the Acquired Companies and their Affiliates from Federal Health Care Programs.** None of the Acquired Companies and their Affiliates is or ever has been (i) debarred, excluded or suspended from participating in any Federal Health Care Program, (ii) subject to a civil monetary penalty assessed under Section 1128A of the Social Security Act, or (iii) listed on the General Services Administration published list of parties excluded from federal procurement programs and non-procurement programs.

(d) **Exclusion of Personnel from Federal Health Care Program.** None of the Acquired Companies' employees and independent contractors who, directly or indirectly, provide items or services reimbursed by any Federal Health Care Program and directors is or ever has been (i) debarred, excluded or suspended from participating in any Federal Health Care Program, (ii) subject to sanction, indicted or convicted of a crime, or pled *nolo contendere* or to sufficient facts, in connection with any allegation of violation of any Federal Health Care Program requirement or Health Care Law, (iii) listed on the General Services Administration published list of parties excluded from federal procurement programs and non-procurement programs, or (iv) designated a Specially Designated National or Blocked Person by the Office of Foreign Asset Control of the U.S. Department of Treasury.

(e) **Accreditation.** Neither Opco, any facility operated by Opco, nor any service provided by Opco is accredited by any accreditation organization.

(f) **Reporting and Billing.** Opco has timely filed all reports and billings required to be filed with respect to each Third-Party Payor, all of which were prepared in compliance in all material

respects with applicable Laws governing reimbursement and claims and the payment policies of the applicable Third-Party Payor. Opco has paid all known and undisputed refunds, overpayments, discounts and adjustments due with respect to any such report or billing, and there is no pending or, to the Seller Parties' Knowledge, threatened appeal, adjustment, challenge, audit (including written notice of an intent to audit), inquiry or litigation by any Third-Party Payor with respect to Opco's billing practices and reimbursement claims. Opco has not been audited or otherwise examined by any Third-Party Payor other than in the ordinary course of business.

(g) **HIPAA.** Opco has and has, since the Operating Date, had privacy and security plans, policies and procedures that comply in all material respects with then-applicable HIPAA requirements (collectively, "HIPAA Policies and Procedures"). Opco has provided to the Purchaser complete and accurate copies of all HIPAA Policies and Procedures. No Seller Party has received written notice of, and there is no litigation, proceeding (at law or in equity) or, to the Seller Parties' Knowledge, inquiry or investigation pending or, to the Seller Parties' Knowledge, threatened with respect to, any alleged "*breach*" as defined in 45 C.F.R. § 164.402 (a "Breach") or any other violation of HIPAA by Opco or its "*workforce*" (as defined under HIPAA). No Breach or other violation of HIPAA by Opco or its "*workforce*" or successful "*security incident*" (as defined in 45 C.F.R. § 164.304) has occurred with respect to "*protected health information*" (as defined in 45 C.F.R. § 164.103) in the possession or under the control of Opco.

(h) **Medical Waste.** With respect to the generation, transportation, treatment, storage, disposal and other handling of Medical Waste, each Acquired Company is operating and has, since the Operating Date, operated in compliance in all material respects with the Medical Waste Tracking Act of 1988, 42 U.S.C. § 6992, *et seq.*, the United States Public Vessel Medical Waste Anti-Dumping Act of 1988, 33 U.S.C. § 2501, *et seq.*, the Marine Protection, Research and Sanctuaries Act of 1972, 33 U.S.C. § 1401 *et seq.*, the Occupational Safety and Health Act, 29 U.S.C. § 651, *et seq.*, the United States Department of Health and Human Services, National Institute for Occupational Self-Safety and Health Infectious Waste Disposal Guidelines, Publication No. 88-119, *et seq.*, and all other applicable Laws regulating Medical Waste or imposing requirements relating to Medical Waste.

(i) **Employment of Physicians.** No Acquired Company employs physicians.

3.30 Significant Third-Party Payors and Suppliers. Schedule 3.30 lists Opco's 10 largest Third-Party Payors (in terms of Opco's revenues) during the 12-month period ended December 31, 2012 (the "Significant Third-Party Payors"), and Opco's 27 largest suppliers (in terms of goods and services purchased by Opco) during the 12-month period ended December 31, 2012 (the "Significant Suppliers"). No Significant Third-Party Payor or Significant Supplier has indicated in writing that it intends to terminate, limit or negatively alter its business relationship with Opco or the Business.

3.31 Warranties. No Acquired Company has made any written warranties with respect to the quality of or absence of defects from the services performed or products sold by any Acquired Company in the Business. There are no Actions pending or, to the Seller Parties' Knowledge, anticipated or threatened against any Acquired Company with respect to the quality of or absence of defects from such services or products.

3.32 Related Party Transactions. Except as set forth on Schedule 3.32, the Owner does not own, directly or indirectly (except through the Acquired Companies), any asset that is used in the Business, and Owner is not engaged, directly or indirectly, in any business that competes with the Acquired Companies or the Business in Illinois or the states that are adjacent to it.

3.33 Inter-Company Claims. To the Seller Parties' Knowledge, no Acquired Company has made or threatened or has any reasonable basis to make or threaten any Non-Transaction Action against another Acquired Company or the Owner, or any of their respective directors, officers, managers,

members, shareholders, employees and representatives, and, to the Seller Parties' Knowledge, no Acquired Company or its Affiliates has any intent to make any Non-Transaction Action against another Acquired Company or the Owner.

3.34 Charitable Obligations. No Acquired Company has any Liability with respect to community or charitable pledges, contributions or commitments.

3.35 Investment Company Act. No Acquired Company is an "investment company" within the meaning of the Investment Company Act of 1940, 15 U.S.C. § 80b-1, *et seq.*

3.36 Brokers. No Acquired Company has any Liability to pay any fees or commissions to any broker, finder or similar agent with respect to the Contemplated Transactions.

3.37 Complete Disclosure. No representation or warranty of the Parent contained in this Article III (including the Disclosure Schedules) contains any untrue statement of material fact or omits to state a material fact necessary to make the statements in this Article III (including the Disclosure Schedules), in the light of the circumstances in which they were made, not misleading. The Seller Parties have made available to the Purchaser complete and accurate copies of all agreements, documents, instruments and other materials referenced in the Disclosure Schedule.

ARTICLE IV REPRESENTATIONS AND WARRANTIES REGARDING THE OWNER

The Owner represents and warrants to the Purchaser that, except as disclosed in the Disclosure Schedule:

4.1 Organization. The Owner is an entity duly incorporated, validly existing and in good standing under the Laws of the jurisdiction of its formation.

4.2 Power and Authority. The Owner has full power, authority and legal capacity to enter into and perform this Agreement and all other Transaction Documents to be executed by the Owner pursuant to this Agreement (collectively, the "Owner Documents").

4.3 Enforceability. This Agreement has been duly executed and delivered by the Owner and constitutes a valid and binding obligation of the Owner, enforceable against the Owner in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency, moratorium, fraudulent conveyance and similar generally applicable Laws regarding creditors' rights or by general equity principles. Upon execution and delivery by the Owner, the Owner Documents will have been duly executed and delivered by the Owner and will constitute valid and legally binding obligations of the Owner, enforceable against the Owner in accordance with their respective terms, except as may be limited by applicable bankruptcy, insolvency, moratorium, fraudulent conveyance and similar generally applicable Laws regarding creditors' rights or by general equity principles.

4.4 Consents. Except as set forth on Schedule 4.4, no consent, authorization, Order or approval of, or filing or registration with, any governmental authority or other Person is required for the Owner's execution and delivery of the Owner Documents or consummation of the Contemplated Transactions, except where the failure to obtain such consent, authorization, Order or approval or make such filing or registration such as would not reasonably be expected to have a Material Adverse Effect.

4.5 No Conflicts. Neither the Owner's execution and delivery of the Owner Documents nor the Owner's consummation of the Contemplated Transactions will conflict with or result in a breach of any provision of the Owner's Governing Documents. Neither the Owner's execution and delivery of the Owner Documents nor the Owner's consummation of the Contemplated Transactions will result in a breach of any Law or Order. Except as set forth on Schedule 4.5, the Owner is not party to or bound by

any material Contract under which (a) the Owner's execution and delivery of or performance under the Owner Documents or consummation of the Contemplated Transactions will (i) constitute a default or breach or event of acceleration or (ii) amend, or give the counterparty thereto any right to amend, any material right or obligation of the Owner thereunder, or (b) performance by the Owner according to the terms of the Owner Documents may be prohibited, prevented or delayed. Except as set forth on Schedule 4.5, the Owner is not party to or bound by any material Contract under which the Owner's or one of its Affiliate's execution and delivery of or performance under the Consulting Agreement will constitute a default or breach or event of acceleration.

4.6 Title to Purchased Interests. The Owner owns and is the beneficial holder of all of the equity interests ascribed to the Owner in Exhibit A and in Schedule 3.7 free and clear of all Encumbrances.

4.7 Exclusion of Personnel from Federal Health Care Program. The Owner is not and never has been (a) debarred, excluded or suspended from participating in any Federal Health Care Program, (b) subject to sanction, indicted or convicted of a crime, or pled nolo contendere or to sufficient facts, in connection with any allegation of violation of any Federal Health Care Program requirement or Health Care Law, (c) listed on the General Services Administrative published list of parties excluded from federal procurement programs and non-procurement programs, or (d) designated a Specially Designated National or Blocked Person by the Office of Foreign Asset Control of the U.S. Department of Treasury.

4.8 No Insolvency. The Owner (i) is not the subject of proceedings commenced by or against it under any bankruptcy, arrangement, reorganization, insolvency or similar Laws for the relief of debtors, (ii) does not have an application made by it pending for appointment, for the benefit of creditors, of a receiver or any other legal custodian with respect to its assets, and (iii) has not made any general assignment for the benefit of creditors.

4.9 Brokers. The Owner has no Liability to pay any fees or commissions to any broker, finder or similar agent with respect to the Contemplated Transactions.

4.10 Inter-Company Claims. To the Owner's knowledge, none of the Owner or its Affiliates has made or threatened or has any reasonable basis to make or threaten any Non-Transaction Action against the Acquired Companies, or any of their respective directors, officers, managers, members, shareholders, employees and representatives, other than the Transferred Claims, and, to the Owner's knowledge, neither Owner nor its Affiliates has any intent to make any Non-Transaction Action against an Acquired Company.

ARTICLE V REPRESENTATIONS AND WARRANTIES REGARDING THE PURCHASER

The Purchaser represents and warrants to the Owner that:

5.1 Organization. Purchaser is a not-for-profit corporation duly incorporated, validly existing and in good standing under the laws of the jurisdiction of its incorporation or formation.

5.2 Power and Authority. The Purchaser has full power and authority to enter into and perform this Agreement and all other Transaction Documents to be executed by the Purchaser pursuant to this Agreement (collectively, as to each of them, the "Purchaser Documents").

5.3 Enforceability. This Agreement has been duly executed and delivered by the Purchaser and constitutes a valid and binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency, moratorium, fraudulent conveyance and similar generally applicable Laws regarding creditors' rights or by general

equity principles. Upon execution and delivery by the Purchaser, the other Purchaser Documents will have been duly executed and delivered by the Purchaser and will constitute valid and legally binding obligations of the Purchaser, enforceable against the Purchaser in accordance with their respective terms, except as may be limited by applicable bankruptcy, insolvency, moratorium, fraudulent conveyance and similar generally applicable Laws regarding creditors' rights or by general equity principles.

5.4 Consents. No consent, authorization, Order or approval of, or filing or registration with, any governmental authority or other Person is required for the Purchaser's execution and delivery of the Purchaser Documents or the Purchaser's consummation of the Contemplated Transactions, except where the failure to obtain such consent, authorization, Order or approval or make such filing or registration such as would not reasonably be expected to have a material adverse effect on the Purchaser or the ability of Purchaser to consummate the Contemplated Transactions in a timely manner.

5.5 No Conflicts. Neither the Purchaser's execution and delivery of the Purchaser Documents nor the Purchaser's consummation of the Contemplated Transactions will conflict with or result in a breach of any provision of the Purchaser's Governing Documents. Neither the Purchaser's execution and delivery of Purchaser Documents nor the Purchaser's consummation of the Contemplated Transactions will result in a breach of any provision of any Law or Order. The Purchaser is not party to or bound by any Contract under which (a) the Purchaser's execution and delivery of or performance under the Purchaser Documents or consummation of the Contemplated Transactions will (i) constitute a default, breach or event of acceleration or (ii) amend, or give the counterparty thereto any right to amend, any material right or obligation of the Purchaser thereunder, or (b) performance by the Purchaser according to the terms of the Purchaser Documents may be prohibited, prevented or delayed.

5.6 Brokers. The Purchaser has no Liability to pay any fees or commissions to any broker, finder or similar agent with respect to the Contemplated Transactions.

5.7 Claims Against Seller Parties. To the Purchaser's knowledge, none of the Purchaser or its Affiliates has made or threatened or has any reasonable basis to make or threaten any Non-Transaction Action against a Seller Party, its Affiliates or any of their respective directors, officers, managers, members, shareholders, employees and representatives, and, to the Purchaser's knowledge, neither Purchaser nor its Affiliates has any intent to make any Non-Transaction Action against a Seller Party.

ARTICLE VI PRE-CLOSING COVENANTS AND AGREEMENTS

6.1 Further Actions. Until the Closing, each Party will, and will cause its Affiliates to, cooperate in good faith with the other Parties and their Affiliates and take such actions and execute and deliver such documents and instruments that are reasonably necessary, proper or advisable to consummate the Contemplated Transactions as promptly as practicable, including using commercially reasonable efforts to (a) obtain each of the consents, authorizations, Orders and approvals and make each of the filings, registrations and notices required to be disclosed pursuant to Section 3.4, Section 3.5, Section 4.4, Section 4.5, Section 5.4 or Section 5.5, (b) prevent the entry, enactment or promulgation of any pending or threatened Order that would prevent, prohibit or delay the consummation of the Contemplated Transactions, (c) lift or rescind any existing Order preventing, prohibiting or delaying the consummation of the Contemplated Transactions, (d) effect all necessary registrations, applications, notices and other filings required by applicable Law to consummate the Contemplated Transactions, and (e) cooperate with the other Parties with respect to all filings by any other Party that are required by applicable Law.

6.2 Operation of the Business. Except as set forth on Schedule 6.2, as expressly permitted by this Agreement or as the Purchaser may otherwise consent to in writing (which, for the purposes of this Section 6.2, will be deemed to have been given if contained in an email communication between executive officers of Opco and Purchaser), until the Closing, the Seller Parties will:

- (a) conduct the Business only in the ordinary course of business;
- (b) without making any commitment on the Purchaser's behalf (unless expressly authorized by the Purchaser to do so), use commercially reasonable efforts to preserve intact Opco's current business organization and maintain Opco's relations and goodwill with those having business relationships with Opco (including Third-Party Payors);
- (c) confer with the Purchaser regarding all material operational matters;
- (d) periodically report to the Purchaser regarding the Business and Opco's operations, financial condition and prospects;
- (e) maintain Opco's assets in a state of satisfactory repair (ordinary wear and tear excepted) and in a condition that complies in all material respects with all applicable Laws and is consistent with the ordinary conduct of the Business;
- (f) except as previously disclosed to Purchaser, pay when due or otherwise satisfy in the ordinary course of business all of its bona fide Liabilities incurred in the ordinary course of business, subject to good faith disputes;
- (g) comply in all material respects with all Laws, Orders and contractual obligations relating to the Business;
- (h) not hire, fire or change any material terms of employment or engagement with respect to any management personnel;
- (i) not make or change any material Tax election, file any amended Tax Return or settle any Tax claim, prepare any Tax Return in a manner that is inconsistent with the past practices of any of the Seller Parties, or incur any Liability for Taxes other than in the ordinary course of business;
- (j) continue in full force and effect the insurance coverage under the policies required to be disclosed in Schedule 3.16 or substantially equivalent policies;
- (k) except as required to comply with ERISA or maintain qualification under Code § 401(a) or otherwise as required under this Agreement, not amend, modify or terminate any Employee Benefit Plan, except an amendment or modification made in the ordinary course of business;
- (l) cooperate with and assist the Purchaser in identifying all Permits required by any of the Purchaser and Opco to operate the Business after the Closing Date, continuing Opco's existing Permits and obtaining new Permits for the Purchaser; and
- (m) maintain all books and records relating to the Business in the ordinary course of business.

6.3 Negative Covenant. Until the Closing, except as set forth on Schedule 6.3 or as otherwise expressly permitted by this Agreement, no Seller Party will, without the Purchaser's prior written consent (which, for the purposes of this Section 6.3, will be deemed to have been given if contained in an email communication between executive officers of Opco and Purchaser): (a) take any action or fail to take any action within its control, the likely result of which would be any change or event listed in Section 3.10 or Section 3.19, or (b) enter into any compromise or settlement of any material litigation, proceeding or governmental investigation relating to Opco or the Business.

6.4 Access and Investigation. Until the Closing, the Seller Parties will, and will cause their Affiliates to, (a) give the Purchaser Group reasonable access (at reasonable times during normal business hours, upon reasonable notice and in the manner that is not disruptive to the Seller Parties' business) to,

or copies of, all of Opco's properties, books, records, contracts, documents, insurance policies, personnel, suppliers and Third-Party Payors, (b) provide to the Purchaser Group such additional financial, operating and other relevant information as any member of the Purchaser Group reasonably requests, and (c) otherwise cooperate and assist, to the extent reasonably requested by the Purchaser, with the Purchaser's investigation of the Business and Opco's operations, assets, liabilities, financial condition and prospects.

6.5 Notifications; Disclosure Updates.

(a) Until the Closing, each Party will, as soon as possible after discovery, deliver to the other Parties written notice of any event, fact, circumstance or condition that does or would reasonably be expected to (i) cause a breach of any of such Party's covenants under this Agreement, (ii) render satisfaction of the conditions in Section 2.2 or Section 2.3 impossible or unlikely, or (iii) prohibit, prevent or delay the timely consummation of the Contemplated Transactions.

(b) Until the Closing, the Seller Parties will, as soon as possible after discovery (but at least three Business Days before the Closing Date), deliver to the Purchaser written notice (each a "Disclosure Schedule Update") updating the Disclosure Schedule to (i) reflect any event occurring or fact, circumstance or condition arising after the date of this Agreement that, if such event occurred or such fact, circumstance or condition arose before or on the date of this Agreement, would have been required to be disclosed in the Disclosure Schedule or that are necessary to correct any disclosures in the Disclosure Schedule that have been rendered inaccurate thereby (a "Schedule Update") or (ii) correct any existing inaccuracy or deficiency in the Disclosure Schedule based on any event that occurred or fact, circumstance or condition that existed before or on the date of this Agreement (a "Schedule Correction").

(c) If the Purchaser, in its reasonable discretion, determines that it should not consummate the Contemplated Transactions because any information contained in a Schedule Update or Schedule Correction, individually or in the aggregate, would result in a Material Adverse Effect, then the Purchaser may terminate this Agreement with prompt written notice given to the Owner.

(d) Notwithstanding the foregoing, if the Purchaser has not exercised its termination rights under Section 6.5(c), then after the Closing, (i) a Schedule Update and an immaterial or not adverse Schedule Correction will modify the corresponding Schedule, qualify the representations and warranties in this Agreement corresponding to such Schedule and cure any inaccuracy in or breach of representation or warranty that otherwise would have existed had such matter not been disclosed, and (ii) a material and adverse Schedule Correction will not modify the corresponding Schedule or qualify the representations and warranties in this Agreement corresponding to such Schedule and will not cure any inaccuracy in or breach of representation or warranty that otherwise might have existed hereunder by reason of the subject matter so disclosed or otherwise prejudice any indemnification rights under Article IX for Losses relating to the subject matter so disclosed.

6.6 Insurance Tail Policies. Effective at the Closing, the Seller Parties will at Owner's expense, purchase "prior acts" coverage and/or extended reporting period endorsements of indefinite duration (or such shorter time periods as the Parties may agree), for the directors' and officers' liability insurance of Opco with (a) coverage, conditions and retentions that are at least as favorable as the coverage, conditions and retentions of the underlying policies being terminated, (b) liability limits equal to or greater than those applicable to the underlying policies being terminated and (c) deductibles no greater than those applicable to the underlying policies being terminated (the "Insurance Tail Policies").

6.7 Transfer of Transferred Claims. Before or at the Closing, the Owner will transfer the Transferred Claims against Opco to the Purchaser.

6.8 Confidentiality. Until the Closing, each Party will keep confidential and not disclose, or permit its Affiliates, representatives, agents and advisors (including financial advisors, attorneys and

accountants) to disclose, the existence or any terms of the Transaction Documents and the Contemplated Transactions and all Confidential Information obtained from any other Party in connection with the investigation, negotiation, preparation and consummation of the Transaction Documents and the Contemplated Transactions; *provided, however, that* a Party may disclose the existence and terms of Transaction Documents and other Confidential Information if and only to the extent that (a) such information is disclosed to such Party's Affiliates, representatives, agents and advisors (including financial advisors, attorneys and accountants) who are advising such Party with respect to the Contemplated Transactions, but only for legitimate business purposes related to the investigation, negotiation, preparation and consummation of the Contemplated Transactions, (b) such information is required to be disclosed in making any filing or obtaining any consent or approval required for the consummation of the Contemplated Transactions, or (c) such information is required to be disclosed by any Law, Order or other legal process; *provided that* as soon as reasonably practicable before such disclosure, the disclosing Party gives the other Party prompt written notice of such disclosure to enable the appropriate Party to seek a protective order or otherwise preserve the confidentiality of such information.

6.9 Exclusivity. Until August 30, 2013 or the earlier termination of this Agreement pursuant to Article VII, the Seller Parties will not, and will not permit any of their Affiliates, representatives, agents and advisors (including financial advisors, attorneys and accountants) to solicit, initiate or encourage, directly or indirectly, any inquiries or proposals from, discuss or negotiate with, provide any non-public information to, or consider the merits of any unsolicited inquiry or proposal from, any Person (other than the Purchaser) relating to any transaction or series of transactions involving (a) the sale of Midco's or Opco's business operations or all or substantially all of Midco's or Opco's assets, (b) Midco's or Opco's equity securities, or (c) any merger, consolidation, combination or similar transaction involving Midco or Opco. The Seller Parties will notify the Purchaser of any such inquiry or proposal within twenty-four hours after its receipt or awareness of any such inquiry or proposal, identifying the Person who made such inquiry or proposal, the material terms of such inquiry or proposal and such other information regarding such Person and their inquiry or proposal as the Purchaser reasonably requests.

6.10 Schedules. All Schedules attached to this Agreement refer to the corresponding section number in the Agreement. Unless otherwise specified, each reference in this Agreement to any numbered Schedule is a reference to that numbered Schedule that is included in the Disclosure Schedule. Captions, headings and section references in the Disclosure Schedule are included for ease of reference only and shall have no legal effect. Matters reflected in the Disclosure Schedule are not necessarily limited to matters required by the Agreement to be reflected therein. Such additional matters are set forth solely for informational purposes and do not necessarily include other matters of a similar nature. Disclosure of any information in the Disclosure Schedule, whether or not in response to a requirement contained in the Agreement to schedule material matters or matter outside the ordinary course of business, shall not be deemed to be an admission by the Party or Parties making such disclosure that such information is material or outside the ordinary course of business nor is it or shall it be deemed to be a representation that such information must be set forth in the Disclosure Schedule. Nothing in the Disclosure Schedule shall constitute an admission of any liability or obligation of such Party or Parties or their respective Affiliates to any Third-Party nor an admission against such Party or Parties or their respective Affiliates' interests. A disclosure of information in any Section of the Disclosure Schedule shall be deemed to be disclosure in each other Section to the extent it is reasonably apparent from a reading of such Section that such disclosure is applicable to such other Section.

6.11 Consulting Agreement. Purchaser and the Owner will negotiate in good faith to cause Opco, on the one hand, and the Owner and/or its Affiliates, on the other hand, to enter into an amended and restated consulting services agreement, which shall include the terms set forth in Schedule 6.11 (the "Consulting Agreement").

6.12 Employee Matters.

(a) The Parties acknowledge the contribution and commitment of the Opco's current workforce and their importance to the ongoing success of the Business. In light of the foregoing, the Parties will agree in good faith on a fair and reasonable arrangement to help ensure the retention of the Qualified Employees.

(b) Except as set forth in Section 6.12(e), effective as of the Closing Date, all Employee Benefits Plans sponsored or maintained by Owner and its Affiliates shall cease to cover Opco employees and their spouses or dependents. For Opco's active employees as of the Closing Date, Owner shall fully vest the accounts of such employees under any defined contribution retirement plan sponsored or maintained by Owner.

(c) As of the Closing Date, Purchaser, or, at the election of Purchaser, Opco or one of Purchaser's Affiliates shall: (i) employ the Qualified Employees; (ii) provide or arrange to provide retirement and health and welfare benefits to the Qualified Employees; (iii) recognize the Qualified Employees' prior service with Opco for purposes of accruing paid time off; and (iv) waive the waiting periods under group health plans.

(d) Owner will have no obligation to pay PTO accruals for any Opco employee that will not be reimbursed by Opco.

(e) Owner shall retain the responsibility to provide COBRA continuation coverage (as defined in Section 4980B(f)(2) of the Code or similar state law) to those individuals for whom the Owner is providing such COBRA continuation coverage as of the Closing Date, to any individuals who are "M&A qualified beneficiaries" as such term is defined under COBRA (and whose qualifying event occurs before the Closing Date). Opco shall be responsible for providing or otherwise arranging COBRA continuation coverage for employees of the Acquired Companies, and their qualified beneficiaries, whose "qualifying event" occurs on or after the Closing Date.

(f) Opco shall be solely responsible for any notification and liability under the WARN Act and any similar state Laws relating to any layoff or termination of employees occurring after the Closing Date.

(g) Owner, Purchaser and their respective Affiliates agree to reasonably cooperate with each other to facilitate the orderly transition of employee benefits as contemplated herein. If Purchaser elects to transition the Qualified Employees to the payroll of Purchaser or one of its Affiliates at or before Closing (instead of after Closing), Owner will not incur any Liability or expense that is not reimbursed by Opco with respect to such transition if such liability or expense is directly and primarily attributable to actions or omissions of Purchaser (or actions or omissions of Owner or any of the Acquired Companies at the direction of Purchaser) in connection with such transition; it being understood that the foregoing shall not relieve Owner of any liability or expense for any other act or omission by Owner or any of the Acquired Companies prior to the Closing.

(h) Nothing contained in this Section 6.12 or elsewhere in this Agreement, express or implied, shall confer upon any current or former employee or legal representative or beneficiary thereof, or any other Person, any rights or remedies of any nature or kind whatsoever under or by reason of this Agreement or any representation made by Purchaser, an Acquired Company, Owner or any of their Affiliates, including any right to employment or continued employment for any specified period, or level of compensation or benefits. Nothing contained in this Section 6.12 or elsewhere in this Agreement, express or implied, shall constitute an amendment or modification of any employee benefit plan of Purchaser, an Acquired Company, Owner or any of their Affiliates.

ARTICLE VII TERMINATION

7.1 Termination Events. This Agreement and the Contemplated Transactions may be terminated before the Closing:

- (a) by mutual agreement of the Purchaser and the Owner;
- (b) by the Owner on behalf of the Seller Parties, with five Business Days' advance written notice to the Purchaser, if (i) the Purchaser has breached any provision of this Agreement and the Seller Parties have not waived in writing such breach, (ii) any condition in Section 2.2 is not satisfied as of the Closing Date or if satisfaction of such condition becomes impossible (other than through the failure of the Seller Parties to comply with their obligations under this Agreement) and the Owner has not waived in writing such condition, or (iii) the Closing has not occurred (other than through the failure of the Seller Parties to comply with their obligations under this Agreement) before or on August 30, 2013; or
- (c) by the Purchaser, with written notice to the Owner, if (i) any Seller Party has breached any provision of this Agreement and the Purchaser has not waived in writing such breach, (ii) any condition in Section 2.3 is not satisfied as of the Closing Date or if satisfaction of such condition becomes impossible (other than through the failure of the Purchaser to comply with its obligations under this Agreement) and the Purchaser has not waived in writing such condition, (iii) as permitted under Section 6.5(c), or (iv) the Closing has not occurred (other than through the failure of the Purchaser to comply with their obligations under this Agreement) before or on August 30, 2013.

7.2 Effect of Termination. If a Party terminates this Agreement pursuant to Section 7.1, then all further obligations of the Parties under this Agreement, other than those under this Section 7.2, Section 10.1 and Article XI, will terminate and the Parties' sole remedy will be an action for breach of contract or otherwise under law or in equity; *provided, however, that* the exercise of any termination right under Section 7.1 will not be an election of remedies and the terminating Party's right to pursue all remedies at law or in equity will survive such termination unimpaired.

ARTICLE VIII POST-CLOSING COVENANTS AND AGREEMENTS

After the Closing:

8.1 Further Assurances. Each Party will take all further actions and execute and deliver all further documents that are necessary to comply with the terms of the Transaction Documents and consummate the Contemplated Transactions.

8.2 Books and Records. The Owner will retain and, subject to compliance with applicable Law, make its books and records (including work papers in the possession of its accountants) with respect to the Business available for inspection and copy by the Acquired Companies and Purchaser or their duly appointed representatives (reasonably acceptable to the Owner) for reasonable business purposes at reasonable times during normal business hours, upon reasonable notice and in the manner that is not disruptive to the Owner's business, until the third anniversary of the Closing with respect to all transactions occurring before the Closing or related to the Closing and the Acquired Companies' historical financial condition, assets, liabilities, results of operations and cash flows.

8.3 Litigation Support. If any Party is actively contesting or defending against any Action in connection with the Contemplated Transactions or any activity, event, fact, circumstance or condition before or as of the Closing involving Opco or the Business, then, for so long as such contest or defense continues, each Party will (except to the extent that another Party is an adverse party with respect to such Action), at the sole cost and expense of the contesting or defending Party (unless the contesting or

defending Party has a right to indemnification therefor under Article IX), (a) cooperate with the contesting or defending Party and its counsel in the contest or defense and (b) make available all personnel and provide all testimony and access to its books that is necessary or reasonably requested by the contesting or defending Party in connection with such contest or defense.

8.4 Payment of Transaction Taxes and Fees. The Owner will (a) pay, when due, all Taxes (other than income Taxes), conveyance fees, title application fees, registration fees, recording charges and other fees and charges (including any interest and penalties) incurred in connection with consummation of the Contemplated Transactions, regardless of the Seller Party on whom such Taxes, fees and charges are imposed, and (b) at its own expense, file all necessary Tax Returns and other documentation with respect to such Taxes, fees and charges. If required by applicable Law, the Parties will, and will cause their Affiliates to, join in the execution of any such Tax Returns and other documentation.

8.5 Tax Matters.

(a) **Tax Returns.** Except as otherwise provided in Section 8.4:

(i) Owner shall prepare and timely file, or cause to be prepared and timely filed all Tax Returns that are required to be filed by or with respect to the income, assets or operations of any Acquired Company for taxable years or periods ending on or before the Closing Date. Owner shall timely remit, or cause to be timely remitted, all Taxes due in respect of such Tax Returns.

(ii) Purchaser shall prepare and timely file, or cause to be prepared and timely filed, all Tax Returns that are required to be filed by any Acquired Company for taxable years or periods ending after the Closing Date, including any Straddle Period. Purchaser shall timely remit, or cause to be timely remitted, all Taxes due in respect of such Tax Returns. Not later than thirty (30) days prior to the due date for filing of each such Tax Return, Purchaser shall provide Owner with a draft copy of such Tax Return for review and comment, and Purchaser shall include, in the Tax Return filed, all reasonable comments provided by Owner with respect to any such draft copy not later than five (5) days prior to such due date.

(iii) Purchaser shall not amend, refile or otherwise modify, or cause or permit to be amended, refiled or otherwise modified, any Tax Return filed by any Acquired Company for any taxable year or period beginning on or before the Closing Date.

(b) **Straddle Period Tax Liabilities.**

(i) Upon the written request of Purchaser setting forth in detail the computation of the amount owed, Owner shall pay to Purchaser, no later than three (3) days prior to the due date for the applicable Tax Return, Owner's allocable share of the Taxes for which Owner is liable pursuant to Section 8.5(b)(ii) below but which are payable with any Tax Return to be filed by Purchaser pursuant to Section 8.5(a).

(ii) Owner and Purchaser shall apportion or allocate all Taxes of or with respect to each Acquired Company or the income, assets or operations of each such entity for a Straddle Period between the period deemed to end at the close of the Closing Date and the period deemed to begin at the beginning of the day following the Closing Date on the basis of an interim closing of the books in accordance with Section 706 of the Code, if applicable, except that Taxes (such as real or personal property Taxes) imposed on a periodic basis shall be allocated on a daily basis.

(c) **Assistance and Cooperation.** After the Closing Date, (i) Purchaser shall (and shall cause its Affiliates to) assist Owner in preparing any Tax Returns that Owner is responsible for preparing and filing in accordance with Section 8.5(a)(i), (ii) Owner shall (and shall cause its Affiliates to) assist Purchaser in preparing any Tax Returns that Purchaser is responsible for preparing and filing in

accordance with Section 8.5(b)(ii), and (iii) Purchaser and Owner shall (and shall cause their respective Affiliates to) cooperate fully in preparing for any audits of, or disputes with any governmental authority regarding, any Tax Returns by or with respect to any Acquired Company or with respect to their income, assets or operations. The Owner will preserve all information, Tax Returns, books, records and other documents relating to any Tax Return or any Acquired Company's Liability for Taxes until the later of the expiration of all applicable statutes of limitation (including extensions) and a final determination with respect to Taxes for such period. The Owner will not destroy or otherwise dispose of any such record without first providing the Purchaser and the Acquired Companies a reasonable opportunity to review and copy such record.

(d) **Audits.** Purchase and Owner shall notify the other Party regarding, and within ten (10) days after, the receipt by Purchaser, Owner or any of their Affiliates (including the Acquired Companies) of notice of any inquiries, claims, assessments, audits or similar events with respect to (i) Taxes of or with respect to any Acquired Company or with respect to the income, assets or operations of any such entity to the extent relating to any taxable year or period (or portion thereof) ending on or before the Closing Date, or (ii) any matter for which Owner may be obligated to provide indemnity pursuant to Section 9.1(c)(i) (collectively, the "Owner Tax Claims"). Purchaser, at its sole cost and expense, shall control the resolution of any Owner Tax Claim with respect to Taxes of or with respect to any Acquired Company; *provided, however, that* Owner and its Affiliates and counsel of their choice shall have the right to participate fully in all aspects of the prosecution or defense of such Owner Tax Claim (at Owner's cost and expense). Purchaser shall not settle or compromise any Owner Tax Claim that could adversely affect Owner without the prior written consent of Owner (not to be unreasonably withheld, conditioned or delayed).

(e) **Tax Refunds.** Upon receipt, Purchaser shall promptly forward to Owner Owner's allocable share (at the time of such receipt) of any refund, rebate, abatement, reduction or other recovery (whether direct or indirect through a right of setoff or credit) of Taxes of or with respect to any Acquired Company or with respect to the income, assets or operations of any such entity, and any interest received thereon, with respect to any taxable year or period (or portion thereof) ending on or before the Closing Date.

(f) **754 Election.** To the extent a 754 election under the Code is not already in effect with respect to Midco and Opco, Owner shall obtain all consents and approvals from all third parties reasonably anticipated to be required in order to make (or cause to be made) such election with respect to the taxable year of Midco and Opco in which the Closing Date occurs.

8.6 Professional and General Liability Insurance. Following the Closing, the Owner either will (a) maintain and continue in full force and effect all insurance policies related to Opco that are underwritten on a claims-made basis (including general, professional and umbrella liability policies) with the retroactive dates provided thereon as of the date hereof or (b) if the Owner terminates any such policies, then the Owner will purchase, at the Owner's expense, replacement coverage or "prior acts" coverage and/or extended reporting period endorsements of indefinite duration (or such shorter time periods as the Parties may agree) with respect to the period before the Closing for such terminated policies with (i) coverage, conditions and retentions that are at least as favorable as the coverage, conditions and retentions of the underlying policies being terminated, (ii) liability limits equal to or greater than those applicable to the underlying policies being terminated and (iii) deductibles no greater than those applicable to the underlying policies being terminated. The Owner will furnish to Purchaser a certificate reflecting any replacement or prior acts coverage purchased by the Owner in accordance with this Section 8.6 at least 30 days before the original policies are terminated. If the Owner fails to obtain the coverage required by this Section 8.6, then the Purchaser or its Affiliates may purchase such coverage at the Owner's sole expense, which the Owner will reimburse the Purchaser or its Affiliate within 15 days of the Purchaser providing an invoice evidencing the costs it incurred in obtaining such coverage.

8.7 Further Management Services. Purchaser and the Owner will negotiate in good faith to cause Opco, on the one hand, and the Owner and/or its Affiliates, on the other hand, to enter into a management services agreement in a form reasonably satisfactory to Purchaser and the Owner, pursuant to which Owner and/or its Affiliates will provide Opco certain additional management services in exchange for a fair market value fee.

ARTICLE IX INDEMNIFICATION

9.1 Indemnification Obligations of the Owner. After the Closing, the Owner will defend, indemnify and hold harmless the Purchaser, the Acquired Companies, their respective Affiliates and each of their respective equityholders, directors, limited liability company managers, partners, officers, successors and permitted assigns (collectively, the "Purchaser Indemnitees") from and against all losses, liabilities, demands, claims, Actions or causes of action, regulatory, legislative or judicial proceedings or investigations, assessments, levies, fines, penalties, damages, costs and expenses (including reasonable attorneys', accountants', investigators', and experts' fees and expenses) ("Damages") sustained or incurred by any Purchaser Indemnitee arising from or related to:

(a) any inaccuracy in or breach of the representations and warranties in Article III, Article IV and by any Seller Party in any Transaction Document in each case without giving effect to any "materiality", "material adverse effect" or similar qualifications therein for purposes of calculating Damages;

(b) any breach by any Seller Party of, or failure by any Seller Party to comply with, any of its covenants or obligations under this Agreement or any Transaction Document; or

(c) without being limited by Section 9.1(a) or Section 9.1(b) and without regard to the fact that any item referred to in this Section 9.1(c) may be disclosed in the Disclosure Schedule, any Disclosure Schedule Update or any documents included or referred to therein or otherwise known to the Purchaser or any of its Affiliates as of the Closing, any Liability arising from or related to:

(i) any violations of Law by a Seller Party before the Closing Date, including but not limited to the items disclosed in Schedule 3.29;

(ii) any Taxes (A) imposed on a Seller Party arising from or related to any pre-Closing Tax period or Pre-Closing Straddle Period, (B) otherwise imposed on or with respect to a Seller Party, (C) in the case of any Person other than a Seller Party that are imposed on a Seller Party relating to any Tax period (or portion thereof) that ends on or before the Closing Date under Treasury Regulations § 1.1502-6 or any similar provision of state, local or foreign Law, as a transferee or successor, by Contract or otherwise, or (D) any increase in the liability of Purchaser or any of its Affiliates for Taxes by reason of, arising out of, resulting from or relating to Purchaser or its Affiliate's allocable share of the increase in U.S. federal and state taxable income or decrease in taxable loss with respect to any Acquired Company as a result of the failure by Midco to have a Section 754 of the Code in effect with respect to the taxable year of Midco in which the Closing Date occurs, but only to the extent such liability directly and solely results from Owner's failure to obtain all consents and approvals from all third parties required in order to make (or cause to be made) such election with respect to Midco;

(iii) any amounts Purchaser may have been required to deduct and withhold from the Cash Consideration under any provision of Federal, state, local or foreign Tax Law (to the extent that they were not deducted and withheld from the Cash Consideration); or

(iv) any Transaction Expenses incurred by the Seller Parties.

9.2 Limitations on Indemnification Obligations of the Owner. The obligations of the Owner pursuant to the provisions of Section 9.1 are subject to the following limitations:

(a) **Survival of Representations and Warranties.** The representations and warranties in Article III and Article IV, and the Purchaser Indemnitees' corresponding rights to indemnification pursuant to Section 9.1(a) will survive the Closing (and none will merge into any instrument of conveyance) as follows:

(i) The representations and warranties made in Section 3.1 (Organization), Section 3.2 (Power and Authority), Section 3.3 (Enforceability), Section 3.7 (Capitalization), Section 3.26 (Taxes), Section 3.29 (Health Care Compliance), Section 4.1 (Organization), Section 4.2 (Power and Authority), and Section 4.3 (Enforceability) (collectively, the "Fundamental Warranties") will survive until the date that is 30 calendar days after the applicable statute of limitations expires.

(ii) The representations and warranties made in Section 3.28 (Compliance with Laws) (the "Legal Compliance Warranty") will survive until the date that is 24 months after the Closing Date.

(iii) All representations and warranties made in Article III and Article IV other than the Fundamental Warranties and the Legal Compliance Warranty (such other warranties, the "Business Warranties") will survive until the date that is 18 months after the Closing Date.

(b) **Basket.** Absent fraud or intentional misrepresentation, the Purchaser Indemnitees will not be entitled to recover under Section 9.1(a) for inaccuracies, breaches or alleged inaccuracies or breaches of the Business Warranties unless the total amount that the Purchaser Indemnitees would recover under Section 9.1(a) but for this Section 9.2(b) exceeds One Hundred Twenty-Five Thousand and 00/100 U.S. Dollars (\$125,000.00) (the "Basket"). If such amount exceeds the Basket, then the Purchaser Indemnitees will be entitled to recover the full amount of all Damages recoverable under Section 9.1(a) from and including the first dollar.

(c) **Indemnification Caps.**

(i) Absent fraud or intentional misrepresentation, the Purchaser Indemnitees will not be entitled to recover under Section 9.1(a) for inaccuracies, breaches or alleged inaccuracies or breaches of the Business Warranties for any Damages that, in the aggregate, exceed Two Million and 00/100 Dollars (\$2,000,000.00) (the "Business Warranties Cap").

(ii) Absent fraud or intentional misrepresentation, the Purchaser Indemnitees will not be entitled to recover under (A) Section 9.1(a) for inaccuracies, breaches or alleged inaccuracies or breaches of the Fundamental Warranties or the Legal Compliance Warranty or (B) Section 9.1(c)(i) for any Damages that, in the aggregate, exceed Thirteen Million and 00/100 Dollars (\$13,000,000.00) (less any amounts recovered pursuant to Section 9.2(c)(i)) (the "Compliance Cap"); *provided, however, that for any Damages recoverable by the Purchaser Indemnitees under (A) Section 9.1(a) for inaccuracies, breaches or alleged inaccuracies or breaches of the representations and warranties made in Section 3.29 (Health Care Compliance) or the Legal Compliance Warranty or (B) Section 9.1(c)(i) that, in the aggregate, exceed the Business Warranties Cap and result from either (Y) Purchaser Indemnitees making an unprompted self-disclosure to a governmental agency on behalf of an Acquired Company or (Z) a Third-Party's Claim in respect of a matter disclosed on the Disclosure Schedule, the Purchaser Indemnitees only will be entitled to recover eighty-seven and one-half percent (87.5%) of such Damages up to the Compliance Cap.*

9.3 Indemnification Obligations of the Purchaser. After the Closing, the Purchaser will indemnify the Owner, its Affiliates and each of their respective equityholders, directors, limited liability company managers, partners, officers, successors and permitted assigns (collectively, the "Owner")

Indemnitees”) from and against all Damages sustained or incurred by any Owner Indemnitee arising from or related to:

(a) any inaccuracy in or breach of any of the Purchaser’s representations and warranties in Article V,

(b) any breach by the Purchaser of, or failure by the Purchaser to comply with, any of its covenants or obligations under this Agreement, or

(c) any Taxes imposed on the Purchaser or an Acquired Company arising from or related to any post-Closing Tax period or Post-Closing Straddle Period.

9.4 Third-Party Claims. If a Third-Party notifies any Persons entitled to indemnification under this Article IX (as applicable, the “Indemnified Parties”) with respect to any matter (a “Third-Party Claim”) that may give rise to a claim by such Indemnified Parties for indemnification against any Persons from whom indemnification may be sought under this Article IX (as applicable, the “Indemnifying Parties”), respectively, under this Article IX, then the Indemnified Parties will promptly deliver written notice thereof to each Indemnifying Party; *provided, however, that* no delay in delivering such notice will relieve the Indemnifying Parties from any indemnification obligation under this Agreement unless, and then only to the extent that, the Indemnifying Parties are prejudiced thereby.

(a) The Indemnifying Parties will have the right to contest and defend against the Third-Party Claim at the Indemnifying Parties’ sole cost and expense, subject to the other provisions of this Article IX, and with the advice of legal counsel of their choice (reasonably acceptable to the Indemnified Parties); *provided that* (i) the Indemnifying Parties notify the Indemnified Parties, in writing within 30 calendar days after receiving notice of the Third-Party Claim from the Indemnified Parties, that, subject to the other provisions of this Article IX, the Indemnifying Parties will indemnify the Indemnified Parties from and against all Damages that the Indemnified Parties may suffer resulting from or related to the Third-Party Claim, (ii) the Indemnifying Parties provide the Indemnified Parties with evidence reasonably acceptable to the Indemnified Parties that the Indemnifying Parties will have the financial resources to defend against such Third-Party Claim and fulfill their indemnification obligations under this Agreement, (iii) the Third-Party Claim involves only money damages and does not seek an injunction or other equitable relief, (iv) settlement of, or an adverse judgment with respect to, the Third-Party Claim is not, in the Indemnified Parties’ good faith judgment, likely to establish a precedential custom or practice adverse to any Indemnified Party or the Business, and (v) the Indemnifying Parties conduct the defense of the Third-Party Claim actively and diligently.

(b) If the Indemnifying Parties elect to contest or defend against a Third-Party Claim in accordance with Section 9.4(a), then (i) the Indemnified Parties may, at their sole cost and expense, retain separate co-counsel of their choice and otherwise participate in, but not control, such contest or defense of the Third-Party Claim, (ii) the Indemnified Parties will not consent to the entry of any judgment on or enter into any settlement with respect to the Third-Party Claim without the Indemnifying Parties’ prior written consent (not to be unreasonably withheld, conditioned or delayed), and (iii) the Indemnifying Parties will be entitled to conduct and control the Third-Party Claim; *provided, however, that* the Indemnifying Parties will not consent to the entry of any judgment on or enter into any settlement with respect to the Third-Party Claim without the Indemnified Parties’ prior written consent (not to be unreasonably withheld, conditioned or delayed).

(c) If any condition in Section 9.4(a) is or becomes unsatisfied, then (i) the Indemnified Parties may, in good faith and with the advice of legal counsel, contest, defend against, consent to the entry of any judgment on or enter into any settlement with respect to the Third-Party Claim, (ii) the Indemnifying Parties may, at their sole cost and expense, retain separate co-counsel of their choice and otherwise participate in, but not control, such contest or defense of the Third-Party Claim,

(iii) the Indemnified Parties will be entitled to conduct and control the Third-Party Claim; *provided, however, that* the Indemnified Parties will not consent to the entry of any judgment on or enter into any settlement with respect to the Third-Party Claim without the Indemnifying Parties' prior written consent (not to be unreasonably withheld, conditioned or delayed), (iv) the Indemnifying Parties will reimburse the Indemnified Parties promptly and periodically for all costs and expenses (including reasonable attorneys' fees and expenses) of contesting, defending against and settling the Third-Party Claim, and (v) the Indemnifying Parties will remain responsible for any Damages that the Indemnified Parties suffer resulting from or relating to the Third-Party Claim as provided in this Article IX.

9.5 Right to Setoff. The Purchaser acknowledges and agrees that no Purchaser Indemnitee shall have any right to set off or deduct from any amounts owing to the Owner or its Affiliates pursuant to (a) any of the Transaction Documents, (b) the Existing Consulting Agreement, or (c) any other Contract between Purchaser or its Affiliates, on the one hand, and Owner or its Affiliates, on the other hand, entered into after the Closing Date, any amount that the Purchaser claims are owed to it pursuant to this Article IX; *provided, however, that* the Purchaser may set off amounts in respect of which it is entitled to indemnification in accordance with this Agreement against amounts owed to the Purchaser pursuant to the Promissory Note in accordance with the terms of the Promissory Note.

9.6 Adjustment to the Purchase Consideration. All indemnification payments made pursuant to this Article IX will be treated as adjustments to the Purchase Consideration.

9.7 Limitations on Indemnification. Notwithstanding anything to the contrary contained in this Agreement:

(a) The amount of any Damages for which indemnification is provided to any Purchaser Indemnitee under this Article IX shall be net of (i) any funded accruals or cash reserves held by an Acquired Company and listed on the Interim Balance Sheet with respect to the matters to which the Damages relate, and (ii) any amounts actually recovered by the Purchaser Indemnitee from any insurance proceeds, by way of indemnification or otherwise; *provided, however, that* the foregoing does not limit the Owner's obligations or the timing of any payment of Damages to a Purchaser Indemnitee under this Article IX while any insurance claim is pending; *provided, further, that* if the amount to be netted hereunder from any payment required under this Article IX is determined after payment by the Owner of any amount otherwise required to be paid to a Purchaser Indemnitee pursuant to this Article IX, the Purchaser shall repay to the Owner such amount promptly after receipt thereof.

(b) No claim for indemnification may be made (and each Party, as applicable, expressly waives any right to indemnification) for: (i) any punitive Damages, (ii) for any matters attributable to the acts or omissions of, or on behalf of, any Indemnified Party or any of its representatives in such Person's capacity as landlord of the Leased Real Estate, or (iii) Damages that could reasonably be expected to have been avoided by use of commercially reasonable efforts on the part of an Indemnified Party (and each Party shall take and shall cause its Affiliates to take all commercially reasonable steps to mitigate any Damages upon becoming aware of any event that gives rise to or would reasonably be expected to give rise to Damages).

(c) The Owner shall not have any Liability for any breach of or any inaccuracy in any representation or warranty made by the Owner in Section 3.23 and Section 3.24 to the extent that the Purchaser or any of its officers, employees, counsel or representatives had actual knowledge at or before the date of this Agreement of such breach of or inaccuracy in such representation or warranty.

(d) In no event shall the Owner have any Liability with respect to any income Taxes, unrelated business taxable income as defined in Code § 511 or other similar Taxes imposed or assessed on the Purchaser or its Affiliates or loss of tax status of such Person arising out of consummation by the Purchaser of the Contemplated Transactions.

9.8 **Exclusive Remedy.** The provisions of this Article IX shall, in the absence of fraud, constitute the sole and exclusive remedy of all Parties, their Affiliates, successors and permitted assigns with respect to the matters covered by this Article IX.

ARTICLE X DEFINITIONS; ACCOUNTING PRINCIPLES

10.1 **Defined Terms.** For purposes of this Agreement, the following terms have the following meanings:

“Acquired Companies” means, collectively, Holdco, Midco and Opco; *provided, that*, after the Company Merger, “Acquired Companies” means Midco and Opco.

“Acquired Company Documents” is defined in Section 3.2.

“Action” means any action, suit, proceeding, hearing, investigation, charge, complaint, claim or demand.

“Affiliate” means, with respect to a particular Person, (i) any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person, and (ii) any of such Person’s spouse, siblings (by law or marriage), ancestors and descendants and (iii) any trust for the primary benefit of such Person or any of the foregoing. The term “control” means possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of another Person, whether through the ownership of voting securities or equity interests, by contract or otherwise.

“Agent” is defined in Section 1.3(c).

“Agreement” is defined in the preamble to this Agreement.

“Basket” is defined in Section 9.2(b).

“Breach” is defined in Section 3.29(g).

“Business” is defined in Recital G of this Agreement.

“Business Day” means a day that is not a Saturday, Sunday or legal holiday on which banks are authorized or required to be closed in New York, New York.

“Business Warranties” is defined in Section 9.2(a)(iii).

“Business Warranties Cap” is defined in Section 9.2(c)(i).

“Cadence PIK Note” is defined in Recital A.

“Cadence Sub” means Central DuPage Hospital Association, an Illinois not-for-profit corporation.

“Cash Consideration” is defined in Section 1.2(a).

“CERCLA” means the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601, *et seq.*

“CHIP” means the children’s health insurance program established under Title XXI of the Social Security Act of 1965, 42 U.S.C. § 1396, *et seq.*

"CPTI" means Chicago Proton Treatment Investment, LLC, an Illinois limited liability company.

"CPTI Consents" is defined in Section 2.3(l).

"Closing" is defined in Section 2.1.

"Closing Date" is defined in Section 2.1.

"COBRA" is defined in Section 3.22(c).

"Code" means the Internal Revenue Code of 1986, 26 U.S.C. § 1, *et seq.*, as amended.

"Company Merger" is defined in Recital D.

"Compliance Cap" is defined in Section 9.2(c)(ii).

"Confidential Information" means, with respect to a particular Party, all confidential, proprietary and trade secret information (including all tangible and intangible embodiments thereof) that concerns such Party or any of its Affiliates or their respective businesses, the services, processes, therapies, treatments or products offered by such Party and its Affiliates, the patients with whom such Party or any of its Affiliates has or had a clinical or testing relationship, the hospitals and other health care facilities that are under contract with such Party or any of its Affiliates, the relationships among such Party and its Affiliates, or the research and development efforts and products of such Party and its Affiliates, including lists of and information regarding current and prospective patients, customers, referral sources, payors, vendors and suppliers of such Party and its Affiliates, personnel information (including the identity of former, current and prospective employees, independent contractors and other business associates of such Party and its Affiliates and the responsibilities, competence and abilities of such Persons), computer programs, unpatented inventions, discoveries or improvements, treatment techniques and results, marketing, manufacturing, or organizational research and development, contracts and contractual relations, licenses, accounting ledgers and financial statements, business plans, forecasts and projections, business methods, pricing and financial information, information concerning planned or pending acquisitions or divestitures, and information concerning purchases of real property or major equipment or other personal property, and any other information or data that such Party and its Affiliates treats as proprietary or designates as confidential information, whether or not owned or developed by such Party or any of its Affiliates; *provided, however, that* "Confidential Information" does not include any information that has been made generally available to the public (other than through a Party's breach of this Agreement or by a third-party's breach of a confidentiality covenant).

"Consulting Agreement" is defined in Section 6.11.

"Contemplated Transactions" means the transactions contemplated by this Agreement and the other Transaction Documents.

"Contract" means any agreement, contract, obligation, promise or undertaking (whether written or oral and whether express or implied) that is legally binding.

"Damages" is defined in Section 9.1.

"Disclosure Schedule" is defined in the preamble to Article III.

"Disclosure Schedule Update" is defined in Section 6.5(b).

"Employee Benefit Plan" means any pension, retirement, savings, disability, medical, dental, health, life, death benefit, group insurance, profit sharing, deferred compensation, stock option,

bonus, incentive, vacation pay, tuition reimbursement, severance pay, or other employee benefit plan, trust, agreement, contract, policy or commitment (including any pension plan, as defined in ERISA § 3(3)), whether any of the foregoing is funded, insured or self-funded, written or oral, and any other employee benefit plan, program or arrangement of any kind (i) sponsored or maintained by any of the Acquired Companies and their ERISA Affiliates, (ii) to which any of the Acquired Companies or their ERISA Affiliates are a party or are bound, or (iii) with respect to which any of the Acquired Companies or their ERISA Affiliates have made any payments, contributions or commitments or may otherwise have any liability (whether or not such Employee Benefit Plan is still maintained).

“Encumbrance” means any charge, claim, community property interest, condition, equitable interest, lien, option, pledge, security interest, right of first refusal or other restriction, including any restriction on use, voting, transfer, receipt of income or exercise of any other attribute of ownership but does not include any restrictions pursuant to applicable federal or state securities laws or transfer restrictions pursuant to the Governing Documents of the Acquired Companies.

“Environmental Laws” means all Laws and Orders that pertain to natural resources and the environment, public and worker health and safety and the identification, reporting, generation, manufacture, processing, distribution, use, treatment, storage, disposal, emission, discharge, Release, transport and other handling of Hazardous Materials, including CERCLA and RCRA.

“Environmental Permits” means licenses, permits, registrations, governmental approvals, agreements and consents that are required under or are issued pursuant to Environmental Laws.

“Equipment” means all furniture, fixtures, vehicles, machinery, equipment and other tangible personal property (other than Inventory) owned or leased by Opco.

“ERISA” means the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1001, *et seq.*

“ERISA Affiliate” means, with respect to a particular Person, any Affiliate of that Person to the extent such Affiliate is described in Code § 414(b), (c), (m) or (o) and corresponding Treasury Regulations.

“Existing Consulting Agreement” means the Consulting Services Agreement, dated March 4, 2008, between Procure Business Services, LLC and Opco

“Federal Funds Effective Rate” is defined in the definition of Rate.

“Federal Health Care Program” means any “federal health care program” as defined in 42 U.S.C. § 1320a-7b(f), including Medicare, state Medicaid programs, state CHIP programs, TRICARE and similar or successor programs with or for the benefit of any governmental authority.

“Financial Statements” is defined in Section 3.9(a).

“Fraud and Abuse Laws” is defined in Section 3.29(a).

“Fundamental Warranties” is defined in Section 9.2(a)(i).

“GAAP” means United States generally accepted accounting principles consistently applied.

“Governing Documents” means, with respect to a particular Person, (i) if a corporation, the articles or certificate of incorporation and bylaws, (ii) if a general partnership, the partnership agreement and any statement of partnership, (iii) if a limited partnership, the limited partnership agreement and certificate of limited partnership, (iv) if a limited liability company, the articles or

certificate of organization or formation and any limited liability company or operating agreement, (v) if another type of Person, all other charter, trust and similar documents adopted or filed in connection with the creation, governance, management or operation of the Person, and (vi) all amendments or supplements to any of the foregoing.

“Hazardous Materials” means pollutants, contaminants, pesticides, petroleum or petroleum products, radioactive substances, solid wastes or hazardous or extremely hazardous, special, dangerous, or toxic wastes, substances, chemicals or materials within the meaning of any Environmental Law, including any “*hazardous substance*” as defined in CERCLA, and any “*hazardous waste*” as defined in RCRA.

“Health Care Laws” means all Laws and Orders relating to health care providers and facilities, participation in Federal Health Care Programs, the practice of medicine, institutional and professional licensure, pharmacology and dispensing medicines or controlled substances, medical documentation and physician orders, medical record retention, laboratory services, unprofessional conduct, fee-splitting, referrals, billing and submission of false or fraudulent claims, claims processing, quality, safety, medical necessity, medical privacy and security, patient confidentiality and informed consent, the hiring of employees or acquisition of services or supplies from Persons excluded from participation in Federal Health Care Programs, standards of care, quality assurance, risk management, utilization review, peer review, mandated reporting of incidents, occurrences, diseases and events, advertising or marketing of health care services, and the enforceability of restrictive covenants on health care providers, including Medicare, Medicaid, CHIP, the TRICARE laws (10 U.S.C. § 1071, *et seq.*), the False Claims Act (31 U.S.C. § 3729, *et seq.*), the Civil Monetary Penalties Law (42 U.S.C. § 1320a-7a), federal and state anti kickback statutes (including 42 U.S.C. § 1320a 7b) federal and state referral laws (including 42 U.S.C. §1395nn), criminal false claims statutes (e.g. 18 U.S.C. §§ 287 and 1001), the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. §3801, *et seq.*), the Beneficiary Inducement Statute (42 U.S.C. §1320a-7(a)(5)), the Emergency Medical Treatment and Active Labor Act (42 U.S.C. § 1395dd), the Clinical Laboratory Improvement Act (42 U.S.C. § 263a, *et seq.*), the Confidentiality of Alcohol and Drug Abuse Patient Records Act (42 U.S.C. § 290ee-3, *et seq.*), Alcohol and Drug Abuse Treatment Program regulations (42 C.F.R. Part 2), Laws regulating the procurement of items and services, the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (P.L. 108-173, 117 Stat. 2066), the Food, Drug and Cosmetic Act of 1938 (21 U.S.C. § 301, *et seq.*), the Prescription Drug Marketing Act of 1987 (P.L. 100-293, 102 Stat. 95), the Deficit Reduction Act of 2005 (P.L. 109-171, 120 Stat. 4), the Controlled Substances Act (21 U.S.C. 801, *et seq.*) and HIPAA and the rules and regulations promulgated under the foregoing statutes.

“HIPAA” means the Health Insurance Portability and Accountability Act of 1996, P.L. 104-191 (including the Standards for Privacy of Individually Identifiable Health Information, the Security Standards for the Protection of Electronic Protected Health Information and the Standards for Electronic Transactions and Code Sets promulgated thereunder) and applicable state Laws regarding patient privacy and the security, use or disclosure of health care records.

“HIPAA Policies and Procedures” is defined in Section 3.29(g).

“Holdco” is defined in the preamble of this Agreement. After the Company Merger, references to Holdco will mean Midco (as successor to Holdco).

“IBA” is defined in Section 2.3(i).

“IBA Amendment” is defined in Section 2.3(i).

“IBA Encumbrances” is defined in Section 2.3(i).

“Indebtedness” means the combined principal amount of, and accrued interest and prepayment penalties or breakage fees with respect to, all of the Acquired Companies’ indebtedness for borrowed money, including all outstanding amounts under (i) notes, bonds, debentures, mortgages and similar instruments, (ii) capitalized leases, (iii) obligations under conditional sale or other title retention agreements, (iv) deferred purchase price for property or services (including all “earn out” and similar obligations but excluding accounts payable incurred in the ordinary course of business), (v) guarantees of indebtedness of any other Person, (vi) obligations, contingent or otherwise, as an account party in respect of letters of credit and letters of guaranty, (vii) deferred compensation and other similar Liabilities or arrangements with employees and independent contractors, and (viii) obligations, contingent or otherwise, in respect of any accrued interest, success fees, prepayment penalties, interest rate SWAP breakage costs, make-whole premiums or penalties and other costs and expenses associated with the repayment of any of the foregoing.

“Indemnified Parties” is defined in Section 9.4.

“Indemnifying Parties” is defined in Section 9.4.

“Insurance Tail Policies” is defined in Section 6.6.

“Intellectual Property” means (i) all inventions, developments, discoveries, know-how, concepts and ideas (whether or not patentable and whether or not reduced to practice), all improvements thereto and all patents, patent applications and patent disclosures, together with all re-issuances, continuations, continuations-in-part, divisions, revisions, extensions, reexaminations and counterparts thereof, and all industrial designs, industrial models and utility models, (ii) all trademarks, service marks, trade dress, logos, slogans, internet domain names, trade names, corporate names and all other indicia of origin, whether or not registered, together with all translations, adaptations, modifications, derivations and combinations thereof and including all goodwill associated therewith and all applications, registrations, renewals and extensions in connection therewith, (iii) all copyrightable works, including world wide web sites, all copyrights (whether or not registered) and all applications, registrations, renewals and extensions in connection therewith, together with all translations, adaptations, modifications, derivations, combinations and derivative works thereof, (iv) all trade secrets (including ideas, research and development, know-how, formulae, compositions, manufacturing and production processes and techniques, methods, technical data, designs, drawings, specifications, customer and supplier lists, pricing and cost information and marketing plans and proposals) and rights in any jurisdiction to limit the use or disclosure thereof by any Person, (v) all Software, (vi) all rights to internet web sites and internet domain names, (vii) all material advertising and promotional materials, (viii) telephone, telecopy and email addresses and listings, (ix) all other proprietary rights in intangible forms of property, and (x) all copies and tangible embodiments of the foregoing (in whatever form or medium).

“Intellectual Property Assets” means all Intellectual Property used in the Business or in which the Acquired Companies claim any ownership rights, including all goodwill associated with such intellectual and other intangible property rights, and all Intellectual Property Licenses.

“Intellectual Property Licenses” means all agreements (other than agreements with respect to Software purchased “off the shelf”) between any of the Acquired Companies and any Person granting any right to use or practice any rights under any Intellectual Property owned by any Acquired Company or any other Person.

“Interim Financial Statements” is defined in Section 3.9(a).

“Interim Balance Sheet” means the unaudited balance sheet of the Acquired Companies included within the Interim Financial Statements.

"Inventory" means all laboratory supplies, drugs, devices and other disposables and consumables used in the Business and, to the extent applicable, work in process and finished goods inventory (together with their related service parts, packing materials and supplies).

"IRS" means the United States Internal Revenue Service.

"Knowledge" with respect to the Seller Parties means, the actual knowledge of the following individuals: Jim Loughlin, Tom Wang, Adam Waxer, Chris Chandler, Sarah Oliker (solely with respect to the representations and warranties made in Section 3.28 (Compliance With Laws) and Section 3.29 (Health Care Compliance)) and Howard Rubin (solely with respect to the representations and warranties made in Section 3.25(b)), and such individuals will be deemed to have "Knowledge" of a particular activity, event, fact, circumstance or condition if: (i) such individual is actually aware of such activity, event, fact, circumstance or condition, or (ii) an individual in a similar position or capacity with similar resources and access to information, acting reasonably in light of such individual's position or capacity, should have known of such activity, event, fact, circumstance or condition in the ordinary course of conduct of such individual's responsibilities on behalf of the respective Seller Party, as applicable, but without having conducted an investigation.

"Law" means any federal, state, local, municipal, foreign, international, multinational or other constitution, statute, law, rule, regulation, ordinance, code, principle of common law or treaty.

"Leased Real Estate" is defined in Section 3.23(b).

"Legal Compliance Warranty" is defined in Section 9.2(a)(ii).

"Liability" means any obligation or liability (direct or indirect, matured or unmatured, absolute, accrued, contingent or otherwise), whether or not required by GAAP to be provided or reserved against on a balance sheet.

"Material Adverse Effect" means any fact, circumstance, change or event that:

(i) does or would reasonably be expected to result in (A) the involuntary loss or suspension of any material Permit required to operate the Business as currently conducted or (B) the debarment or exclusion of Opco from participation in the Medicare or Medicaid programs,

(ii) is or would reasonably be expected to be materially adverse to the business, assets, financial condition or results of operations of any Acquired Company or the Business, or

(iii) has or would reasonably be expected to be materially adverse to the ability of any Seller Party to consummate the Contemplated Transactions in a timely manner.

The foregoing notwithstanding, no fact, circumstance, change or event will be deemed to be or have a Material Adverse Effect if it results from (A) changes in economic conditions that generally affect the U.S. economy generally or the industry in which Opco operates, (B) earthquakes, floods, natural disasters, acts of war, sabotage or terrorism, military actions or the escalation thereof, (C) changes in applicable accounting rules or principles, including changes in GAAP, (D) the announcement or pendency of the Contemplated Transactions (including any cancellations of or delays in transactions with or reimbursement from Third Party Payors, any reduction in business, or any disruption in any supplier, distributor, partner or similar relationships or any loss of management, employees or independent contractors attributable to such announcement or pendency) or the identity of the Purchaser, or to the extent that such fact, circumstance, change or event is attributable to compliance with the terms of, or the taking of any action required by, any Transaction Document, (E) changes in the global securities markets or (F) any failure by the Acquired Companies to meet any internal or published projections, forecasts, or revenue or earnings predictions for any period ending on or after the date of this Agreement *provided*,

however, that one or more facts, circumstances, changes or events relating to such failure may constitute a Material Adverse Effect; *provided, further*, that no event, change or action described in clause (A), (B), (C) and (E) above disproportionately adversely affect or would reasonably be expected to disproportionately affect any Acquired Company or the Business.

“Material Contracts” is defined in Section 3.20.

“Medicaid” means the medical assistance program established by Title XIX of the Social Security Act of 1965, 42 U.S.C. § 1396, *et seq.*

“Medical Waste” means (i) pathological waste, (ii) blood, (iii) wastes from surgery or autopsy, (iv) dialysis waste, including contaminated disposable equipment and supplies, (v) cultures and stocks of infectious agents and associated biological agents, (vi) contaminated animals, (vii) isolation wastes, (viii) contaminated equipment, (ix) laboratory waste, and (x) other biological waste and discarded materials contaminated with or exposed to blood, excretion, or secretions from human beings or animals, including any substance, pollutant, material or contaminant listed or regulated under the Medical Waste Tracking Act of 1988, 42 U.S.C. § 6992, *et seq.*

“Medicare” means the health insurance program for the elderly and disabled established by Title XVIII of the Social Security Act of 1965, 42 U.S.C. § 1395, *et seq.*

“Midco” is defined in the preamble of this Agreement and includes Midco’s predecessors for purposes of Article III, Article IV and Article VI.

“Midco Operating Agreement” means the Amended and Restated Operating Agreement of Midco effective November 7, 2008.

“Nixon” is defined in Section 11.15.

“Non-Transaction Action” means any Action except for Actions arising under or pursuant to the Transaction Documents.

“Opco” is defined in the preamble of this Agreement.

“Operating Date” means the date that Opco began providing services to patients and operating the Business.

“Order” means any order, injunction, judgment, decree, ruling, assessment or arbitration award of any governmental authority or arbitrator.

“Owner” is defined in the preamble to this Agreement.

“Owner Documents” is defined in Section 4.2.

“Owner Indemnitees” is defined in Section 9.3.

“Owner Tax Claims” is defined in Section 8.5(d).

“Parties” is defined in the preamble to this Agreement.

“PBGC” means the Pension Benefit Guaranty Corporation.

“Permits” means all licenses, permits, registrations, accreditations, certifications, approvals and consents issued by governmental or quasi-governmental authorities.

"Permitted Encumbrances" means (i) statutory liens for Taxes not yet due or being diligently contested in good faith and for which appropriate reserves have been established in accordance with GAAP, (ii) statutory liens of landlords, carriers, warehousemen, mechanics and materialmen incurred in the ordinary course of business for sums not yet due, (iii) liens incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security, (iv) Encumbrances that are created solely by the Purchaser, (v) Encumbrances in the nature of zoning restrictions, building and land use laws, ordinances, orders, decrees, restrictions or any other conditions imposed by or pursuant to any Governmental Authority, or (vi) with respect to the Leased Real Estate, Encumbrances, easements, restrictions, covenants and other such matters (A) that are matters of public record (B) of which the Purchaser has been notified in writing or (C) permitted by any written lease with respect to such Leased Real Estate.

"Person" means any natural individual, corporation, partnership, limited liability company, joint venture, association, bank, trust company, trust or other entity, whether or not legal entities, or any governmental entity, agency or political subdivision.

"Post-Closing Representation" is defined in Section 11.15.

"Post-Closing Straddle Period" means the period of the Straddle Period that begins on the Closing Date and ends on the last day of the Straddle Period.

"Pre-Closing Straddle Period" means the period of the Straddle Period that begins on the first day of the Straddle Period and ends on the day immediately preceding the Closing Date.

"Privileged Communications" is defined in Section 11.15.

"Professional Fees" means the Purchaser's reasonable professional fees and expenses relating to the administration of the Cadence PIK Note from November 1, 2012 to the Closing Date and workout and restructuring negotiations related thereto, not including any of the fees referred to in Section 11.3.

"Promissory Note" is defined in Section 1.2(b).

"Purchase Consideration" is defined in Section 1.2.

"Purchased Equity Interests" is defined in Recital E of this Agreement.

"Purchaser" is defined in the preamble to this Agreement.

"Purchaser Documents" is defined in Section 5.2.

"Purchaser Group" means (i) the Purchaser, its Affiliates and their respective officers, employees, agents, representatives, attorneys, consultants, accountants and other advisors, and (ii) the Purchaser's prospective lenders and investors, their Affiliates and their respective officers, employees, agents, representatives, attorneys, consultants, accountants and other advisors.

"Purchaser Indemnitees" is defined in Section 9.1.

"Purchaser Material Adverse Effect" means any fact, circumstance, change or event that:

(i) is or would reasonably be expected to be materially adverse to the business, assets, financial condition or results of operations of the Purchaser, or

(iii) has or would reasonably be expected to be materially adverse to the ability of the Purchaser to consummate the Contemplated Transactions in a timely manner.

“Qualified Employees” is defined in Section 2.3(m).

“RCRA” means the Resource Conservation and Recovery Act, 42 U.S.C. § 6902, *et seq.*

“Receivables” means all of Opco’s trade accounts receivable, notes receivable, negotiable instruments payable to an Acquired Company and chattel paper payable to an Acquired Company, including receivables arising from or related to goods sold or services rendered before or on the Closing Date and underpayment amounts due or received from Third-Party Payors in respect of such receivables.

“Restrictive Covenant Agreement” is defined in Section 2.4(b).

“Referral Source” is defined in Section 3.29(a).

“Release” means any spill, discharge, leach, leak, emission, escape, injection, migration, dumping or other release or threatened release into the environment, whether or not notification or reporting to any governmental agency was or is required, including any Release which is subject to Environmental Laws.

“Schedule Correction” is defined in Section 6.5(b).

“Schedule Update” is defined in Section 6.5(b).

“Seller Group” is defined in Section 11.15.

“Seller Parties” means, collectively, Opco, the Owner, Holdco and Midco.

“Seller Party Documents” means, collectively the Acquired Company Documents and the Owner Documents.

“Senior Lenders” means, collectively, BNP Paribas S.A. and KBC Bank NV.

“Senior Loan Amendments” is defined in Section 2.3(h).

“Senior Lender Consents” is defined in Section 2.3(h).

“Senior Lender Release” is defined in Section 2.3(h).

“Senior Loan Documents” means the Credit Agreement by and among Opco and the Senior Lenders dated March 4, 2008 and all other agreements, documents and instruments delivered by the parties thereunder.

“Significant Suppliers” is defined in Section 3.30.

“Significant Third-Party Payors” is defined in Section 3.30.

“Software” means all computer software (including source code, object code, executable code, data, databases and related documentation), together with all translations, adaptations, modifications, derivations, combinations and derivative works thereof but excludes any shrink-wrapped Software or Software purchased “off the shelf.”

“Straddle Period” means any taxable period starting before the Closing Date and ending after the Closing Date.

“Tax” means any federal, state, local, foreign and other net income, gross income, gross receipts, sales, estimated, use, ad valorem, transfer, franchise, profits, license, lease, service, service use, withholding, payroll, employment, excise, severance, stamp, occupation, premium, property (including

personal property), windfall profits, customs, duties or other tax, fee, assessment or charge, together with any interest, penalties, additions to tax or additional amounts with respect thereto, including any Liability for Taxes as a transferee or successor (by contract or otherwise).

“Tax Return” means any return, declaration, report, statement and other document, including all amendments thereof and all schedules and attachments thereto, required to be filed in respect of any Tax.

“Third-Party” means any Person other than any of the Parties or their Affiliates.

“Third-Party Claim” is defined in Section 9.4.

“Third-Party Payors” means all Federal Health Care Programs and all other state or local governmental insurance programs, private, non-governmental insurance and managed care programs, governmental authorities, employers, health care providers and other Persons with which Opco contracts to provide services related to the Business or through which Opco receives reimbursements for services provided by Opco in the Business.

“Transaction Documents” means this Agreement and the other agreements, documents and instruments delivered by the Parties at the Closing pursuant to either Section 2.4 or Section 2.5.

“Transaction Expenses” means expenses incurred by the Seller Parties in connection with the negotiation, preparation, execution and delivery of the Transaction Documents and the consummation of the Contemplated Transactions, including (i) all attorneys’, accountants’ and other advisors’ fees and expenses payable by the Seller Parties that have not been paid as of the Closing, (ii) all sale or change of control bonuses and other similar Liabilities or contingent payments or increased costs triggered in whole or in part by the Contemplated Transactions, and (iii) all Liabilities with respect to procurement of the Insurance Tail Policies.

“Transfer” means to sell, assign, pledge, gift, convey or otherwise dispose of the subject matter of the Transfer.

“Transferred Claims” means the claims of Owner against the Acquired Companies listed on Schedule 10.1 attached hereto.

“Transferred Claims PIK Note” is defined in Section 2.3(k).

“Transferred Interests” means the Purchased Equity Interests together with the Transferred Claims.

“TRICARE” means the health care insurance system for United States military service members and their dependents that covers care not available through the usual United States military medical service or public health service facilities, formerly known as CHAMPUS.

“Waiving Parties” is defined in Section 11.15.

“WARN Act” means the Worker Adjustment and Retraining Notification Act of 1988, 29 U.S.C. § 2101, *et seq.*, and similar state and local “mass layoff” or “plant closing” Laws.

10.2 Accounting Principles. The classification, character and amount of all assets, liabilities, capital accounts and reserves and of all items of income and expense to be determined, and any consolidation or other accounting computations to be made, and the interpretation of any definition containing any financial term, pursuant to this Agreement will be determined and made in accordance with GAAP consistently applied.

**ARTICLE XI
GENERAL PROVISIONS**

11.1 Publicity. Except as otherwise required by Law, permitted by this Agreement or required to be included in notices to and other filings with governmental authorities, Third Party Payors and other Persons that are required to effect the Contemplated Transactions, none of the Seller Parties and their Affiliates, representatives, agents and advisors (including financial advisors, attorneys and accountants) may disclose to any Third-Party any terms of this Agreement or the other Transaction Documents without the prior written consent of the Purchaser. The form, content and timing of all press releases, public announcements or publicity statements prior to Closing are subject to the prior written approval of the Purchaser and the Owner. The Purchaser is hereby authorized and permitted to make any press release, publicity statement or announcement after Closing in its sole discretion.

11.2 Notices. All notices and other communications required or permitted under this Agreement (a) must be in writing, (b) will be duly given (i) when delivered personally to the recipient, (ii) one Business Day after being sent to the recipient by nationally recognized overnight private carrier (charges prepaid), or (iii) four Business Days after being mailed to the recipient by certified or registered mail (postage prepaid and return receipt requested), and (c) addressed as follows (as applicable):

If to the Owner or, before the Closing, Opco:

ProCure Treatment Centers, Inc.
192 Lexington Avenue, 4th Fl.
New York, New York 10016
Attn: Adam S. Waxer, Esq.

With a copy (not constituting notice) to:

Nixon Peabody LLP
437 Madison Avenue
New York, New York 10022
Attn: Richard F. Langan, Jr.

If to the Purchaser or, after the Closing, Opco:

CDH-Delnor Health System,
d/b/a Cadence Health
25 Winfield Road
Winfield, Illinois 60190
Attn: Michael Holzhueter, Esq.

With a copy (not constituting notice) to:

McDermott Will & Emery LLP
227 West Monroe Street
Chicago, Illinois 60606
Attn: John M. Callahan

or to such other respective address as each Party may designate by notice given in accordance with the provisions of this Section 11.2.

11.3 Fees and Expenses. Subject to Section 1.3(a), Section 8.4 and Article IX, (a) the Purchaser will bear all fees and expenses (including financial advisors', attorneys', accountants' and other professional fees and expenses) incurred by the Purchaser in connection with, arising from or relating to the negotiation, execution, delivery and performance of the Transaction Documents and consummation of the Contemplated Transactions and (b) Owner will bear all fees and expenses (including financial advisors', attorneys', accountants' and other professional fees and expenses) incurred by the Seller Parties in connection with, arising from or relating to the negotiation, execution, delivery and performance of the Transaction Documents and consummation of the Contemplated Transactions.

11.4 Entire Agreement. This Agreement, together with the other Transaction Documents, constitutes the complete agreement and understanding among the Parties regarding the subject matter of this Agreement and supersedes any prior understandings, agreement or representations regarding the subject matter of this Agreement.

11.5 Amendments. The Parties may amend this Agreement only pursuant to a written agreement executed by the Purchaser and the Owner.

11.6 Non-Waiver. Neither the failure nor any delay by any Party in exercising any right, power or privilege under this Agreement will operate as a waiver of such right, power or privilege, and no single or partial exercise of any such right, power or privilege will preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege. No waiver will be effective unless it is in writing and signed by an authorized representative of the waiving Party. No waiver given will be applicable except in the specific instance for which it was given. No notice to or demand on a Party will constitute a waiver of any obligation of such Party or the right of the Party giving such notice or demand to take further action without notice or demand as provided in this Agreement.

11.7 Assignment. None of the Parties may assign this Agreement or any rights under this Agreement, or delegate any duties under this Agreement, without the other Parties' prior written consent.

11.8 Binding Effect; Benefit. This Agreement will inure to the benefit of and bind the Parties and their respective successors and permitted assigns. Nothing in this Agreement, express or implied, may be construed to give any Person other than the Parties and their respective successors and permitted assigns any right, remedy, claim, obligation or liability arising from or related to this Agreement. This Agreement and all of its provisions and conditions are for the sole and exclusive benefit of the Parties and their respective successors and permitted assigns.

11.9 Severability. If any court of competent jurisdiction holds any provision of this Agreement invalid or unenforceable, then the other provisions of this Agreement will remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

11.10 References. The headings of Articles and Sections are provided for convenience only and will not affect the construction or interpretation of this Agreement. Unless otherwise provided, references to "Article(s)", "Section(s)" and "Exhibit(s)" refer to the corresponding article(s), section(s) and exhibit(s) of or to this Agreement. Unless otherwise provided, references to "Schedule(s)" refer to the corresponding Schedule(s) of the Disclosure Schedule. Each Exhibit and the Disclosure Schedule is hereby incorporated into this Agreement by reference. Reference to a statute refers to the statute and all rules and regulations promulgated under or implementing the statute, as in effect as of the date hereof. Reference to a contract, instrument or other document as of a given date means the contract, instrument or other document as amended, supplemented and modified from time to time through such date.

11.11 Construction. Each Party participated in the negotiation and drafting of this Agreement, assisted by such legal and tax counsel as it desired, and contributed to its revisions. Any ambiguities with respect to any provision of this Agreement will be construed fairly as to all Parties and not in favor of or against any Party. All pronouns and any variation thereof will be construed to refer to such gender and number as the identity of the subject may require. The terms "include" and "including" indicate examples of a predicate word or clause and not a limitation on that word or clause.

11.12 Governing Law. THIS AGREEMENT IS GOVERNED BY THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES.

11.13 Consent to Jurisdiction. Each Party hereby (a) agrees to the exclusive jurisdiction of the courts in the State of Illinois and the State of New York, with respect to any claim or cause of action arising under or relating to this Agreement, (b) waives any objection based on *forum non conveniens* and waives any objection to venue of any such suit, action or proceeding, (c) waives personal service of any and process upon it, and (d) consents that all services of process be made by registered or certified mail (postage prepaid, return receipt requested) directed to it at its address stated in Section 11.2 and service so made will be complete when received. Nothing in this Section 11.13 will affect the rights of the Parties to serve legal process in any other manner permitted by law.

11.14 Waiver of Trial by Jury. EACH PARTY HEREBY WAIVES ITS RIGHT TO A JURY TRIAL IN CONNECTION WITH ANY SUIT, ACTION OR PROCEEDING IN CONNECTION WITH ANY MATTER RELATING TO THIS AGREEMENT.

11.15 Legal Representation. Purchaser, Holdco, Midco and Opco, on behalf of themselves and each of their successors and assigns (all such parties, the "Waiving Parties") hereby agree, that Nixon Peabody LLP (or any successor) ("Nixon") may represent Owner or any of its Affiliates (the "Seller Group") or any director, member, partner, officer, employee or Affiliate of the Seller Group, in each case, in connection with any dispute, litigation, claim, proceeding or obligation arising out of or relating to this Agreement, including under Article IX, any Transaction Document or the Contemplated Transactions (any such representation, the "Post-Closing Representation") notwithstanding its representation of any of the Seller Parties in connection with this Agreement and the Contemplated Transactions, and each of the Waiving Parties hereby consents thereto and irrevocably waives (and will not assert) any conflict of interest arising therefrom or relating thereto in connection with the Post-Closing Representation, *provided, however, that* the parties agree to take all steps necessary to ensure that the any attorney-client privilege attaching as a result of Nixon representing Holdco, Midco, Opco and their Affiliates will survive the Closing, remain in effect and be controlled by Holdco, Midco, Opco and their Affiliates. Each of the Waiving Parties hereby irrevocably acknowledges and agrees that all communications between the Seller Group and their counsel prior to the Closing, including Nixon made solely in connection with the negotiation, preparation, execution, delivery and performance under this Agreement, any Transaction Document or the Contemplated Transactions (collectively, the "Privileged Communications") that were privileged communications between the Seller Group and such counsel prior to the Closing, shall continue from and after the Closing to be privileged and that neither Purchaser, Holdco, Midco, Opco nor any Person purporting to act on behalf of or through any of the Waiving Parties, will assert that such Privileged Communications are no longer privileged by virtue of the Closing. From and after the Closing, each of the Waiving Parties waives and will not assert any attorney-client privilege in any dispute between the Waiving Parties and Owner or any of its Affiliates with respect to any of the Privileged Communications between Nixon and the Seller Parties or any Person in the Seller Group occurring prior to the Closing solely in connection with any Post-Closing Representation, *provided, however, that* if requested by Purchaser, Holdco, Midco, Opco or any director, member, partner, officer, employee or Affiliate of the Seller Group, or Nixon, as applicable, seeks and obtains a protective order with respect to the Privileged Communications in question that is reasonably satisfactory to Purchaser.

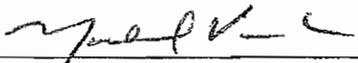
11.16 Counterparts. The Parties may execute this Agreement in multiple counterparts, each of which will constitute an original and all of which, when taken together, will constitute one and the same agreement. The Parties may deliver executed signature pages to this Agreement by facsimile or email transmission. No Party may raise as a defense to the formation or enforceability of this Agreement, and each Party forever waives any such defense, either (a) the use of a facsimile or email transmission to deliver a signature or (b) the fact that any signature was signed and subsequently transmitted by facsimile or email transmission.

[SIGNATURE PAGE IMMEDIATELY FOLLOWS]

The Parties sign this Membership Interest Purchase Agreement as of the date first written above.

THE PURCHASER:

CDH-DELNOR HEALTH SYSTEM, D/B/A CADENCE
HEALTH (FORMERLY KNOWN AS CENTRAL
DUPAGE HEALTH)

By: 
Name: MICHAEL VIVODA
Title: PRESIDENT AND CEO

HOLDCO:

PROCURE CHICAGO HOLDINGS, LLC

By: _____
Name: _____
Title: _____

MIDCO:

PROCURE ILLINOIS HOLDINGS, LLC

By: _____
Name: _____
Title: _____

OPCO:

CHICAGO PROCURE MANAGEMENT, LLC

By: _____
Name: _____
Title: _____

THE OWNER:

PROCURE TREATMENT CENTERS, INC.

By: _____
Name: _____
Title: _____

The Parties sign this Membership Interest Purchase Agreement as of the date first written above.

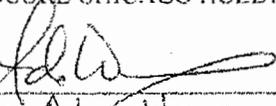
THE PURCHASER:

CDH-DELNOR HEALTH SYSTEM, D/B/A CADENCE
HEALTH (FORMERLY KNOWN AS CENTRAL
DUPAGE HEALTH)

By: _____
Name: _____
Title: _____

HOLDCO:

PROCURE CHICAGO HOLDINGS, LLC

By: 
Name: Adam Waxer
Title: Secretary

MIDCO:

PROCURE ILLINOIS HOLDINGS, LLC

By: 
Name: Adam Waxer
Title: Secretary

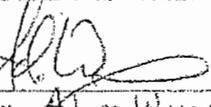
OPCO:

CHICAGO PROCURE MANAGEMENT, LLC

By: _____
Name: _____
Title: _____

THE OWNER:

PROCURE TREATMENT CENTERS, INC.

By: 
Name: Adam Waxer
Title: Secretary

The Parties sign this Membership Interest Purchase Agreement as of the date first written above.

THE PURCHASER:

CDH-DELNOR HEALTH SYSTEM, D/B/A CADENCE
HEALTH (FORMERLY KNOWN AS CENTRAL
DUPAGE HEALTH)

By: _____
Name: _____
Title: _____

HOLDCO:

PROCURE CHICAGO HOLDINGS, LLC

By: _____
Name: _____
Title: _____

MIDCO:

PROCURE ILLINOIS HOLDINGS, LLC

By: _____
Name: _____
Title: _____

OPCO:

CHICAGO PROCURE MANAGEMENT, LLC

By: 
Name: Chris Chandler
Title: President

THE OWNER:

PROCURE TREATMENT CENTERS, INC.

By: _____
Name: _____
Title: _____

EXHIBIT A

As of the date hereof, the Owner is the sole member of Holdco.

As of the date hereof, Midco's outstanding equity interests are as follows:

<u>Member</u>	<u>Membership Percentage</u>
Holdco	85%
Purchaser	15%

Following the Company Merger and the equitization transaction contemplated in Section 2.4(d), but before the purchase of the Purchased Equity Interests pursuant to Article I, Midco's outstanding equity interests will be as follows:

<u>Member</u>	<u>Membership Percentage</u>
Owner	Less than 50%
Purchaser / Cadence Sub	All of the other membership percentage not owned by Owner

Opco's outstanding equity interests are as follows:

<u>Member</u>	<u>Shares</u>	<u>Membership Percentage</u>
Midco	812.5	81.25%
CPTI	187.5	18.75%

EXHIBIT B
FORM OF PROMISSORY NOTE

[Attached]

THIS NOTE HAS NOT BEEN REGISTERED OR QUALIFIED FOR SALE UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAW AND MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED ABSENT SUCH REGISTRATION OR QUALIFICATION OR AN EXEMPTION THEREFROM UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND APPLICABLE STATE SECURITIES LAWS.

UNSECURED PROMISSORY NOTE

Principal Amount:

\$2,000,000.00

Issue Date:

[_____] , 2013

For value received, the undersigned, CDH-Delnor Health System, d/b/a Cadence Health, an Illinois not-for-profit corporation ("Maker"), hereby promises to pay to ProCure Treatment Centers, Inc., a Delaware corporation (the "Payee"), Two Million and 00/100 U.S. Dollars (\$2,000,000.00) (the "Principal Amount"), together with interest thereon, according to the terms of this unsecured promissory note (this "Note").

1. **Reference to Securities Purchase Agreement.** This Note is delivered pursuant to that certain Membership Interest Purchase Agreement of even date herewith, among Maker, the Payee, and the other parties named therein (the "Purchase Agreement"). Capitalized terms used but not defined in this Note are defined in the Purchase Agreement.

2. **Payment of Principal and Interest.** The unpaid Principal Amount will be due and payable to the Payee, together with simple interest accrued thereon from the Issue Date to the payment date at the semi-annual short-term Applicable Federal Rate as of the date hereof, as published by the United States Internal Revenue Service pursuant to Section 1274(d) of the Internal Revenue Code (the "AFR Rate") (or, if less, at the highest rate permitted under applicable law), computed on the basis of a 365- or 366-day year, as applicable, on [February __, 2015].¹ If any payment of principal or interest under this Note becomes due and payable on a Saturday, Sunday or other day on which banking institutions in New York City, New York are authorized or required by law to close, the maturity thereof shall be extended to the next succeeding business day and, with respect to payment of principal, interest thereon shall be payable at the interest rate specified above during such extension.

(a) **Optional Prepayments.** Maker may (but in no event shall be obligated to), prepay the Principal Amount and any interest accrued thereon, in whole or in part, at any time and from time to time, without premium or penalty.

(b) **Method of Payment.** Maker will make all payments of principal and interest under this Note by wire transfer of immediately available funds to the bank account specified below:

Bank Name: [_____]

ABA #: [_____]

Account Name: [_____]

Account Number: [_____]

¹ Note to Draft: 18 months from the Issue Date.

(c) **Surrender and Cancellation.** Once the Principal Amount, plus all accrued but unpaid interest thereon, has been paid in full, all obligations under this Note will immediately and automatically terminate, and the Payee will promptly surrender this Note to Maker for cancellation.

3. Event of Default; Remedies.

(a) An event of default (an "Event of Default") will occur if:

(i) Maker fails to pay timely any portion of the Principal Amount pursuant to this Note, together with all accrued but unpaid interest thereon, on the date such amount becomes due and payable in accordance with Section 2;

(ii) Maker: (i) shall generally not, or shall be unable to, or shall admit in writing its inability to pay its debts as such debts become due; (ii) shall make a general assignment for the benefit of creditors, petition or apply to any tribunal for the appointment of a custodian, receiver, trustee or other similar official for it or a substantial part of its assets; (iii) shall commence any proceeding under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution, or liquidation law or statute of any jurisdiction, whether now or hereafter in effect; (iv) shall have any such petition or application filed or any such proceeding commenced against it, in which an order for relief is entered or adjudication or appointment is made and which remains undismissed for a period of sixty (60) days or more; (v) by any act or omission shall indicate its consent to, approval of, or acquiescence in any such petition, application, or proceeding, or order for relief, or the appointment of a custodian, receiver, trustee or other similar official for all or any substantial part of its properties; or (vi) shall suffer any such custodianship, receivership, or trusteeship to continue undischarged for a period of sixty (60) days or more.

(b) Upon an Event of Default, the unpaid portion of the Principal Amount will bear simple interest from the date of the Event of Default to the payment date at a rate equal to the AFR Rate plus 4% per annum (the "Default Rate"), computed on the basis of a 365- or 366-day year, as applicable. The imposition of interest at the Default Rate shall not be construed as a waiver or limitation of any rights or remedies of the Payee arising out of any such Event of Default.

(c) Upon an Event of Default under subsection (a)(ii) above, the aggregate outstanding principal amount of this Note, and all interest thereon shall be immediately due and payable, without declaration, presentment, demand, protest or notice of any kind, all of which are hereby expressly waived by the Maker.

4. Right to Set-Off. Any contrary provision of this Note notwithstanding, Maker may, in its sole discretion, set-off against any amounts payable by Maker under this Note any amounts owed to Maker or any of the Purchaser Indemnites from the Payee pursuant to Article IX of the Purchase Agreement. Any portion of the indebtedness evidenced hereby set-off under this provision shall be deemed paid by the Maker hereunder.

5. Miscellaneous.

(a) **Notices.** All notices and other communications required or permitted under this Note will be given as required or permitted under the Purchase Agreement.

(b) **Assignment.** Neither Maker nor Payee may sell, assign, pledge, negotiate or otherwise transfer this Note or any rights under this Note, or delegate any duties under this Note, without the prior written consent of the other party hereto.

(c) **Amendments.** Maker and the Payee may amend this Note only pursuant to a written agreement executed by Maker and the Payee. Upon amendment of this Note, the Payee will

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promptly surrender this Note to Maker and Maker will promptly issue to Payee a new amended and restated Note incorporating such amendment.

(d) **Non-Waiver.** The parties' rights and remedies under this Note are cumulative and not alternative. Neither the failure nor any delay by any party in exercising any right, power or privilege under this Note will operate as a waiver of such right, power or privilege, and no single or partial exercise of any such right, power or privilege will preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege. No waiver will be effective unless it is in writing and signed by an authorized representative of the waiving party. No waiver given will be applicable except in the specific instance for which it was given. No notice to or demand on a party will constitute a waiver of any obligation of such party or the right of the party giving such notice or demand to take further action without notice or demand as provided in this Note.

(e) **Excessive Charges.** Interest may not accrue under this Note in excess of the maximum interest rate allowed by applicable Law. If the Payee receives interest payments at an interest rate in excess of the maximum interest rate allowed by applicable Law, then the excess amount will be treated as being received on account of, and will automatically reduce, the principal amount then-outstanding under this Note, and if such excess amount exceeds the principal amount then-outstanding under this Note, then the Payee will refund to Maker the amount by which such excess exceeds the principal amount then-outstanding under this Note.

(f) **References.** The headings of Sections are provided for convenience only and will not affect the construction or interpretation of this Note. Unless otherwise provided, references to "Section(s)" refer to the corresponding section(s) of this Note.

(g) **Construction.** Both Maker and the Payee participated in the negotiation and drafting of this Note, assisted by such legal counsel as it desired, and contributed to its revisions. Any ambiguities with respect to any provision of this Note will be construed fairly as to both Maker and the Payee and not in favor of or against Maker or the Payee. All pronouns and any variation thereof will be construed to refer to such gender and number as the identity of the subject may require. The terms "include" and "including" indicate examples of a predicate word or clause and not a limitation on that word or clause. To the extent any provision of the Purchase Agreement conflicts with the provisions of this Note, the provisions of this Note will control.

(h) **Governing Law.** THIS NOTE IS GOVERNED BY THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES.

(i) **Consent to Jurisdiction.** Each party hereby (i) agrees to the exclusive jurisdiction of the courts in the State of Illinois and the State of New York, with respect to any claim or cause of action arising under or relating to this Note, (ii) waives any objection based on *forum non conveniens* and waives any objection to venue of any such suit, action or proceeding, (iii) waives personal service of any and process upon it, and (iv) consents that all services of process be made by registered or certified mail (postage prepaid, return receipt requested) directed to it at its address stated in Section 11.2 of the Purchase Agreement and service so made will be complete when received. Nothing in this Section 5(i) will affect the rights of the parties to serve legal process in any other manner permitted by law.

(j) **Waiver of Trial by Jury.** EACH PARTY HEREBY WAIVES ITS RIGHT TO A JURY TRIAL IN CONNECTION WITH ANY SUIT, ACTION OR PROCEEDING IN CONNECTION WITH ANY MATTER RELATING TO THIS AGREEMENT.

[SIGNATURE PAGE IMMEDIATELY FOLLOWS]

Maker hereby signs this Note as of the date first written above.

MAKER:

CDH-DELNOR HEALTH SYSTEM, D/B/A CADENCE HEALTH

By: _____

Name: _____

Title: _____

EXHIBIT C

FORM OF RESTRICTIVE COVENANT AGREEMENT

[Attached]

RESTRICTIVE COVENANT AGREEMENT

This Restrictive Covenant Agreement (this "Agreement") dated _____, 2013 is among CDH-Delnor Health System, d/b/a Cadence Health, an Illinois not-for-profit corporation (the "Company"), on behalf of itself and its controlled Affiliates (collectively with the Company, the "Cadence Restricted Parties"), and ProCure Treatment Centers, Inc., a Delaware corporation ("Owner"), on behalf of itself and its controlled Affiliates (collectively with Owner, the "ProCure Restricted Parties") and, collectively with the Cadence Restricted Parties, the "Restricted Parties"). The Company and Owner are collectively referred to herein as the "Parties".

RECITALS

A. The Owner is the owner of all the outstanding equity interests of ProCure Illinois Holdings, LLC, a Delaware limited liability company ("Midco"), not owned by Company and Central DuPage Hospital Association, an Illinois not-for-profit corporation.

B. The Company and Owner are party to that certain Membership Interest Purchase Agreement dated June 26, 2013 (the "Purchase Agreement"), pursuant to which Owner is contributing and otherwise selling to the Company all of Owner's equity securities of Midco, for the Purchase Consideration set forth therein.

C. The Restricted Parties have had and may continue to have knowledge of and access to Confidential Information that is proprietary to the other Party hereto, highly sensitive and constitutes valuable assets of such other Party.

D. The going concern value of the Business would be substantially diminished if any ProCure Restricted Party were to compete with the Company Group or engage in other harmful behavior.

E. Pursuant to Section 2.4 of the Purchase Agreement, the execution and delivery of this Agreement is a condition to the closing of the transactions contemplated by the Purchase Agreement, and the Restricted Parties would not consummate the transactions contemplated by the Purchase Agreement without entering into this Agreement with the other Restricted Parties.

AGREEMENT

The Parties agree as follows:

ARTICLE I AGREEMENT

1.1 Adoption of Recitals; Effectiveness of Agreement. The Parties adopt the foregoing Recitals and agree and affirm that the construction of this Agreement will be guided thereby.

1.2 Inducement; Additional Consideration. As an inducement for the other Party to consummate the transactions contemplated by the Purchase Agreement, each Party agrees to the covenants and restrictions contained in this Agreement.

ARTICLE II RESTRICTIVE COVENANTS

The Restricted Parties have had and may continue to have access to the most sensitive and valuable trade secrets, proprietary information and other Confidential Information of other Party hereto, which constitute valuable business assets of such Person, and the use, application or disclosure of such Confidential Information would cause immediate and irreparable harm to such Person, which could not be

adequately remedied through the payment of monetary damages. Therefore, as an inducement for the other Party hereto to enter into the Purchase Agreement and to protect its Confidential Information and other legitimate business interests, each Party agrees to be bound and will require its controlled Affiliates to be bound by the restrictive covenants contained in this Article II, which the Parties expressly agree are reasonably and narrowly tailored to protect the Confidential Information and other legitimate business interests of each of the Parties.

2.1 Confidentiality. Owner will, and will require its controlled Affiliates to, keep confidential and not disclose to any other Person or use for its own benefit or the benefit of any other Person (other than the Company Group) any Confidential Information, and to keep confidential and not disclose to any other Person the terms of this Agreement, unless and only to the extent that (a) such information is disclosed to Owner's Affiliates, representatives, agents and advisors (including financial advisors, attorneys and accountants) who are informed of the confidential nature of the information and are under an obligation to keep such information confidential, (b) such information is required to be disclosed by any Law, Order or legal process; *provided that* as soon as, and to the extent, practicable before such disclosure, the Owner will, and will require its controlled Affiliates to, give the Company prompt written notice of such disclosure to enable the Company Group to seek a protective order or otherwise preserve the confidentiality of such information.

2.2 Non-Competition. During the Restricted Period, Owner will not, and will require its controlled Affiliates to not, directly or indirectly, build, own, manage or operate, participate in the building, ownership, management or operation of, or provide consulting services or any similar services to any Person or enterprise (other than the Company Group) that is engaged in any Competing Business anywhere in the Restricted Territory; *provided, however, that* nothing in this Section 2.2 will prohibit the Owner and its controlled Affiliates from owning, in the aggregate, less than 5.0% of any class of securities of any Person so long as none of the Owner and its controlled Affiliates participates in any way in the management, operation or control of such Person. This Section 2.2 shall be in substitution of any restriction on the Owner's ability to compete with any entity of the Company Group contained in any agreement, instrument, indenture or other arrangement between the Parties, including, without limitation under the Amended and Restated Operating Agreement of ProCure Illinois Holdings, LLC, effective November 7, 2008.

2.3 Owner Non-Solicitation.

(a) During the Restricted Period, unless consented to in writing by the Company, Owner will not, and will require its controlled Affiliates to not, directly or indirectly, solicit or induce or attempt to solicit or induce (including by recruiting, interviewing or targeting as a candidate for recruitment) any Business Associate of the Company Group to terminate, restrict or hinder such Business Associate's association with any Company Group entity or interfere in any way with the relationship between such Business Associate and any Company Group entity; *provided, however, that* the provisions of this Section 2.3(a) shall not restrict any ProCure Restricted Party from (i) soliciting, consulting with or hiring the individuals set forth on Exhibit A hereto, (ii) soliciting, consulting with or hiring such a Business Associate if such Business Associate's employment by or retention with the Company Group was terminated by the Company Group or if such Person had ceased to be employed or retained by the Company Group at the time of such solicitation, hiring or consultation, or (ii) making a general solicitations published in a journal, newspaper or other publication or posted on an internet job site, including, without limitation, the website of the Owner or any of its Affiliates, and not specifically directed toward such Business Associates;

(b) Unless consented to in writing by the Company, Owner will not, and will require its controlled Affiliates to not, directly or indirectly, hire or otherwise retain the services of a Protected Associate as an employee, officer, director, independent contractor, licensee, consultant, advisor, agent, or in any other capacity, or attempt or assist anyone else to do so at any time prior to December 31, 2013;

provided, however, that the provisions of this Section 2.3(b) shall not restrict any ProCure Restricted Party from consulting with or hiring a Protected Associate if: (i) such Protected Associate and the Company Group fail to enter into a definitive employment agreement prior to the Closing Date as defined in the Purchase Agreement ("Closing Date"), or (ii) such Protected Associate's employment by or retention with the Company Group was terminated or not renewed by the Company Group, and, *provided, further, that*, nothing in the foregoing shall restrict Chris Chandler from continuing to be and act as a director of Owner's subsidiaries; or

(c) During the Restricted Period, Owner will not, and will require its controlled Affiliates to not, knowingly impair the relationship between any Company Group entity and any Person who is a supplier, vendor, lessor, lessee, dealer, distributor, licensor, licensee, proprietor, partner, stockholder, lender, joint venturer, investor, consultant or agent having a business relationship with any Company Group entity with an intent to harm any entity of the Company Group.

2.4 Company Non-Solicitation.

(a) During the Restricted Period, unless consented to in writing by the Owner, the Company will not, and will require its controlled Affiliates to not, directly or indirectly, solicit or induce or attempt to solicit or induce (including by recruiting, interviewing or targeting as a candidate for recruitment) any Business Associate of the Owner Group to terminate, restrict or hinder such Business Associate's association with any Owner Group entity or interfere in any way with the relationship between such Business Associate and any Owner Group entity; *provided, however, that* the provisions of this Section 2.4(a) shall not restrict any Cadence Restricted Party from: (i) soliciting, consulting with or hiring such a Business Associate if such Business Associate's employment by or retention with the Owner Group was terminated by the Owner Group or if such Person had ceased to be employed or retained by the Owner Group at the time of such solicitation, hiring or consultation, or (iii) making a general solicitations published in a journal, newspaper or other publication or posted on an internet job site, including, without limitation, the website of the Company or any of its Affiliates, and not specifically directed toward such Business Associates;

(b) During the Restricted Period, the Company will not, and will require its controlled Affiliates to not, knowingly impair the relationship between any Owner Group entity and any Person who is a supplier, vendor, lessor, lessee, dealer, distributor, licensor, licensee, proprietor, partner, stockholder, lender, joint venturer, investor, consultant or agent having a business relationship with any Owner Group entity with an intent to harm any entity of the Owner Group.

2.5 Non-Disparagement. After the date of this Agreement, each Party will, and will require its controlled Affiliates to:

(a) not, directly or indirectly, make any disparaging, derogatory, negative or knowingly false statement about the other Party or its Affiliates and their respective equityholders, members, directors, managers, officers, employees, agents, successors and permitted assigns, or any of their respective businesses, operations, financial condition or prospects, except as required by applicable Law, Order or legal process; and

(b) not, directly or indirectly, provide technical or professional opinions as an expert in the review of records for claims or actions brought against the other Party or its Affiliates or, any member, director, manager, officer, employee of such other Party or its Affiliates, any patient referral source of such other Party or its Affiliates or any hospital or other health care facility to or on behalf of which such other Party or its Affiliates provide services, except as required by applicable Law, Order or legal process.

2.6 Use of Names.

(a) Other than for the benefit of the Company Group, Owner will not, and will require its controlled Affiliates to not, directly or indirectly, use (or cause to be used) the name "Cadence Health" or "CDH Proton Therapy Center" (including, in each case, acronyms and derivations thereof) without the Company's express written consent (which may be withheld by the Company in its sole discretion).

(b) Other than for the benefit of the Owner Group, the Company will not, and will require its controlled Affiliates to not, directly or indirectly, use (or cause to be used) the name "ProCure" or "ProCure Proton Therapy Center" (including, in each case, acronyms and derivations thereof) without the Owner's express written consent (which may be withheld by the Owner in its sole discretion); *provided, however, that* the Company Group will be entitled to use the name "ProCure" or "ProCure Proton Therapy Center" (including, in each case, acronyms and derivations thereof) for a period not to exceed 150 days from the date hereof, during which time the Company Group will use commercially reasonable efforts to de-brand such names from Opco's business as soon as possible but in any event within such 150-day period.

2.7 Independence. The existence of any claim, demand, action or cause of action of any Restricted Party against any other Restricted Party, whether predicated on this Agreement or otherwise, will not constitute a defense to the enforcement by such other Restricted Party of any covenant or agreement of such Restricted Party contained in this Agreement. Nothing in this Agreement will supersede or otherwise adversely affect the validity of any restrictive covenant (including confidentiality, non-competition, non-solicitation and similar covenants) contained in any other agreement to which any Restricted Party is a party.

2.8 Scope of Covenants; Equitable Relief. Each of the Parties acknowledges and agrees, and will require its controlled Affiliates to acknowledge and agree, that (a) the restrictive covenants contained in this Article II and the territorial, time, activity and other limitations set forth herein are commercially reasonable and do not impose a greater restraint than is necessary to protect the goodwill and legitimate business interests of the other Restricted Party and its controlled Affiliates, (b) any breach of the restrictive covenants in this Article II will cause immediate and irreparable harm to the other Restricted Party, which could not be adequately remedied through the payment of monetary damages, (c) if any breach of any such covenant occurs, then the other Party will be entitled to injunctive relief (without the posting of a bond or similar security) in addition to such other legal and equitable remedies that may be available (without limiting the availability of legal or equitable, including injunctive, remedies under any other provisions of this Agreement), and (d) each Party hereby waives the claim or defense that an adequate remedy at law exists for a breach of any covenant in this Article II.

2.9 Equitable Tolling. If a Restricted Party breaches any covenant in this Article II, then the duration of such covenant will be tolled with respect to such Restricted Party for a period of time equal to the time of such breach and, if the other Party seeks injunctive relief or other remedies for any such breach, then the duration of such covenant will be tolled with respect to such Restricted Party for a period of time equal to the pendency of such proceedings (including all appeals).

ARTICLE III REPRESENTATIONS AND WARRANTIES

Each Party represents and warrants to the other Party that:

3.1 Power and Authority. It is an entity duly incorporated, validly existing and in good standing under the Laws of the jurisdiction of its incorporation. It has full power, authority and legal capacity to enter into and perform this Agreement on behalf of itself and its controlled Affiliates.

3.2 Enforceability. This Agreement has been duly executed and delivered by such Party and constitutes a valid and legally binding obligation of such Party, enforceable against it in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency, moratorium and similar generally applicable Laws regarding creditors' rights or by general equity principles.

3.3 Consents. No consent, authorization, Order or approval of, or filing or registration with, any governmental authority or other Person is required for such Party's execution and delivery of this Agreement.

3.4 No Conflicts. Neither such Party's execution and delivery of this Agreement nor any of its controlled Affiliates' performance under this Agreement will conflict with or result in a breach of any provision of any Law or Order to which such Restricted Party is party or by which such Restricted Party is bound. Neither such Person nor its controlled Affiliates is a party to or bound by any contract or other agreement under which (a) such Restricted Party's execution and delivery of or performance under this Agreement will constitute a default, breach or event of acceleration, or (b) performance by such Restricted Party according to the terms of this Agreement may be prohibited, prevented or delayed.

ARTICLE IV DEFINED TERMS

4.1 Definitions. For purposes of this Agreement, the following terms have the meanings set forth below. Capitalized terms not defined below or otherwise defined herein are defined in the Purchase Agreement.

"Affiliate" means, with respect to a particular Person, (i) any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person, and (ii) if such Person is a partnership, any partner thereof; *provided, however*, that a Person shall be considered as an "Affiliate" of another Person only if such Person meets one of the criteria in (i) or (ii) at the time that such determination is made and no prior affiliates shall be considered Affiliates for the purposes of this Agreement. The term "control" means possession, direct or indirect, of the power to direct or cause the direction of the management and policies of another Person, whether through the ownership of voting securities or equity interests, by contract or otherwise. With respect to Owner, "Affiliate" does not include Midco or Opco upon consummation of the transactions contemplated by the Purchase Agreement.

"Agreement" is defined in the preamble to this Agreement.

"Business" means the business of building, owning, managing or operating a proton treatment center and providing proton therapy services and related clinical and diagnostic services.

"Business Associate" means: (i) with respect to Owner, any officer, physician or non-physician employee or independent contractor of any Company Group entity who is acting in such capacity or acted in such capacity at any time within the 6-month period immediately preceding the date of a solicitation, inducement or attempt described in Sections 2.3 or 2.4, and (ii) with respect to the Company, any officer, physician or non-physician employee or independent contractor of any Owner Group entity who is acting in such capacity or acted in such capacity at any time within the 6-month period immediately preceding the date of a solicitation, inducement or attempt described in Sections 2.3 or 2.4.

"Business Day" means a day that is not a Saturday, Sunday or legal holiday on which banks are authorized or required to be closed in New York, New York.

"Cadence Restricted Parties" is defined in the preamble to this Agreement.

"Company" is defined in the preamble to this Agreement.

"Company Group" means, collectively, the Company, Midco, Opco, and their respective Affiliates and predecessors.

"Competing Business" means any business enterprise or service or product offering, in existence or under development, that competes with, or that is intended to compete with or displace in the market, the Business as conducted by the Company Group or any of the services or products provided or sold by the Company Group.

"Confidential Information" means all confidential, proprietary and trade secret information (including all tangible and intangible embodiments thereof) that concerns the Company Group, and their respective businesses, the services, processes, products offered by the Company Group, the Company Group's clients and the hospitals, physician practices, treatment centers and other health care facilities that are under contract with any Company Group entity, the relationships among the Company Group, or the research and development efforts and products of the Company Group, including lists of and information regarding current and prospective patients, customers, referral sources, payors, vendors and suppliers of the Company Group personnel information (including the identity of former, current and prospective employees, independent contractors and other Business Associates of the Company Group and the responsibilities, competence, abilities and compensation of such Persons), computer programs, unpatented inventions, discoveries or improvements, testing techniques and results, marketing, manufacturing, or organizational research and development, contracts and contractual relations, licenses, accounting ledgers and financial statements, business plans, forecasts and projections, business methods, pricing and financial information, information concerning planned or pending acquisitions or divestitures, and information concerning purchases of real property or major equipment or other personal property, and any other information or data that the Company Group treats as proprietary or designates as confidential information, whether or not owned or developed by a Company Group entity; *provided, however, that* "Confidential Information" does not include any information that has been made generally available to the public (other than through a ProCure Restricted Party's breach of this Agreement or by a third-party's breach of a confidentiality covenant).

"Law" means any federal, state, local, municipal, foreign, international, multinational or other constitution, statute, law, rule, regulation, ordinance, code, principle of common law or treaty.

"Midco" is defined in Recital A.

"Opco" means Chicago ProCure Management, LLC, a Delaware limited liability company.

"Order" means any order, injunction, judgment, decree, ruling, assessment or arbitration award of any governmental authority or arbitrator.

"Owner" is defined in the preamble to this Agreement.

"Owner Group" means the Owner and each of its subsidiaries immediately after consummation of the transactions contemplated by the Purchase Agreement.

"Parties" is defined in the preamble to this Agreement.

"Person" means any natural individual, corporation, partnership, limited liability company, joint venture, association, bank, trust company, trust or other entity, whether or not legal entities, or any governmental entity, agency or political subdivision.

"ProCure Restricted Parties" is defined in the preamble to this Agreement.

"Protected Associates" means Christopher Chandler and Mark Pankuch.

5.4 Assignment. Neither Party may, nor may it permit its controlled Affiliates to assign this Agreement or any rights under this Agreement, or delegate any duties under this Agreement, without the prior written consent of the other Party hereto.

5.5 Binding Effect; Benefit. This Agreement will inure to the benefit of and bind the Parties and their respective successors and permitted assigns. The provisions of this Agreement are expressly intended to benefit and be enforceable by each Company Group entity and each Owner Group entity.

5.6 Severability. If any court of competent jurisdiction holds any provision of this Agreement invalid or unenforceable, then the other provisions of this Agreement will remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable. If any court of competent jurisdiction holds the geographic or temporal scope of any restrictive covenant in Article II invalid or unenforceable, then such restrictive covenant will be construed as a series of parallel restrictive covenants and the geographic or temporal scope of each such restrictive covenant will be deemed modified (including by application of any "blue pencil" doctrine under applicable Law) to the minimum extent necessary to render such restrictive covenant valid and enforceable.

5.7 References. The headings of Sections are provided for convenience only and will not affect the construction or interpretation of this Agreement. Unless otherwise provided, references to "Section(s)" refer to the corresponding section(s) of this Agreement. Reference to a statute refers to the statute, any amendments or successor legislation and all rules and regulations promulgated under or implementing the statute, as in effect at the relevant time. Reference to a contract, instrument or other document as of a given date means the contract, instrument or other document as amended, supplemented and modified from time to time through such date.

5.8 Construction. Each Party participated in the negotiation and drafting of this Agreement, assisted by such legal counsel as it desired, and contributed to its revisions. Any ambiguities with respect to any provision of this Agreement will be construed fairly as to all Parties and not in favor of or against any Party. All pronouns and any variation thereof will be construed to refer to such gender and number as the identity of the subject may require. The terms "include" and "including" indicate examples of a predicate word or clause and not a limitation on that word or clause.

5.9 Governing Law. THIS AGREEMENT IS GOVERNED BY THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES.

5.10 Waiver of Trial by Jury. EACH PARTY HEREBY WAIVES ITS RIGHT TO A JURY TRIAL IN CONNECTION WITH ANY SUIT, ACTION OR PROCEEDING IN CONNECTION WITH ANY MATTER RELATING TO THIS AGREEMENT.

5.11 Counterparts. The Parties may execute this Agreement in multiple counterparts, each of which will constitute an original and all of which, when taken together, will constitute one and the same agreement. The Parties may deliver executed signature pages to this Agreement by facsimile or email transmission. No Party may raise as a defense to the formation or enforceability of this Agreement, and each Party forever waives any such defense, either (a) the use of a facsimile or email transmission to deliver a signature or (b) the fact that any signature was signed and subsequently transmitted by facsimile or email transmission.

[SIGNATURE PAGE IMMEDIATELY FOLLOWS]

The Parties execute this Restrictive Covenant Agreement on the date first above written.

CDH-DELNOR HEALTH SYSTEM, D/B/A CADENCE
HEALTH

By: _____
Name: _____
Title: _____

PROCURE TREATMENT CENTERS, INC.

By: _____
Name: _____
Title: _____

Exhibit A

Cynthia Gubricky; *provided, however, that* such Person shall continue to provide the same services to Opco after the Closing Date as she provides immediately prior to the Closing Date until the earlier of: (i) December 31, 2013, and (ii) termination of the Consulting Agreement as defined in the Purchase Agreement.

EXHIBIT D
FORM OF OPINION

[Attached]

FORM OF LEGAL OPINIONS

NOTE: Capitalized terms not defined below are defined in the Membership Interest Purchase Agreement.

1. Each Acquired Company (other than Holdco) is a limited liability company, validly existing and in good standing under the laws of the State of Delaware. Each Acquired Company (other than Holdco) is admitted to transact business as a foreign limited liability company and is in good standing under the laws of the State of Illinois. At the date of its execution of the Agreement, Holdco was a limited liability company, validly existing and in good standing under the laws of the State of Delaware. The Owner is a corporation validly existing and in good standing under the laws of the State of Delaware.

2. As of the Closing Date (but before the purchase of the Purchased Equity Interests pursuant to Article I of the Agreement), all of Midco's issued and outstanding equity interests were validly issued, and, to such counsel's knowledge, based solely upon a certificate of officer of Midco addressed to such counsel and dated as of even date herewith, owned by Owner except for those equity interests of Midco owned by Purchaser and Cadence Sub. All of Opco's issued and outstanding equity interests have been validly issued, and, to such counsel's knowledge, based solely upon a certificate of officer of Opco addressed to such counsel and dated as of even date herewith, 81.25% of which are owned of record by Midco.

3. Each Acquired Company (other than Holdco) has all necessary limited liability company power and authority to enter into and deliver the Acquired Company Documents to which it is party and to perform its obligations thereunder. The Owner has all necessary corporate power and authority to sell the Purchased Equity Interests and enter into and deliver the Owner Documents and to perform its obligations thereunder.

4. The Seller Parties have duly authorized, executed and delivered each of the Transaction Documents to which it is a party.

MEMBERSHIP INTEREST PURCHASE AGREEMENT

DATED AS OF JUNE 26, 2013

AMONG

PROCURE TREATMENT CENTERS, INC.,

CHICAGO PROCURE MANAGEMENT, LLC,

PROCURE CHICAGO HOLDINGS, LLC,

PROCURE ILLINOIS HOLDINGS, LLC

AND

**CDH-DELNOR HEALTH SYSTEM, D/B/A
CADENCE HEALTH**

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MEMBERSHIP INTEREST PURCHASE AGREEMENT

This Membership Interest Purchase Agreement (this "Agreement") dated June 26, 2013 is by and among CDH-DELNOR HEALTH SYSTEM, D/B/A CADENCE HEALTH (FORMERLY KNOWN AS CENTRAL DUPAGE HEALTH), an Illinois not-for-profit corporation (together with any of its designees, the "Purchaser"), PROCURE CHICAGO HOLDINGS, LLC, a Delaware limited liability company ("Holdco"), PROCURE ILLINOIS HOLDINGS, LLC, a Delaware limited liability company ("Midco"), CHICAGO PROCURE MANAGEMENT, LLC, a Delaware limited liability company (the "Opc"), and PROCURE TREATMENT CENTERS, INC., a Delaware corporation (the "Owner"). The Purchaser, Midco, Opc and the Owner are collectively referred to herein as the "Parties". Capitalized terms used herein are defined in Article X.

RECITALS

A. Purchaser previously was the payee under a Senior Unsecured PIK Note dated November 14, 2008 executed by Holdco whereby Holdco was to pay Purchaser \$40,000,000 plus interest over the term of the note (the "Cadence PIK Note").

B. Purchaser subsequently contributed the Cadence PIK Note to Cadence Sub such that Cadence Sub became the new payee under the note.

C. The Owner currently owns 100% of the outstanding equity interests of Holdco.

D. Prior to the Closing, Holdco will merge with and into Midco (the "Company Merger").

E. Immediately following the Company Merger and the equityization transaction provided in Section 2.4(d), the Owner will own all of the outstanding equity interests of Midco not owned by Purchaser and Cadence Sub as set forth on Exhibit A (the "Purchased Equity Interests").

F. Midco owns 81.25% of the outstanding equity interests of Opc, as set forth on Exhibit A.

G. Opc is engaged in the business of owning and operating a proton treatment center and providing proton therapy services and related clinical and diagnostic services (the "Business").

H. This Agreement contemplates a transaction in which the Purchaser will purchase from the Owner all of the Purchased Equity Interests, and accept transfer of the Transferred Claims, on the terms and subject to the conditions set forth in this Agreement.

AGREEMENTS

The Parties, therefore, agree as follows:

ARTICLE I PURCHASE OF THE PURCHASED EQUITY INTERESTS

1.1 Purchase of the Purchased Equity Interests. On the terms and subject to the conditions in this Agreement, at the Closing, (i) the Owner will transfer to the Purchaser or its designees the Transferred Claims, and the Purchaser or its designees will accept and assume the Transferred Claims and (ii) the Purchaser will purchase from the Owner, and the Owner will sell to the Purchaser, the Purchased Equity Interests free and clear of all Encumbrances for the consideration specified in Section 1.2.

1.2 Purchase Consideration. The aggregate purchase consideration to be paid for the Transferred Claims and the Purchased Equity Interests (the "Purchase Consideration") is:

(a) an amount of cash (the "Cash Consideration") equal to Twenty-Three Million and 00/100 U.S. Dollars (\$23,000,000.00); and

(b) an unsecured promissory note from the Purchaser in an amount equal to Two Million and 00/100 U.S. Dollars (\$2,000,000.00) and substantially in the form of Exhibit B (the "Promissory Note").

1.3 Payment of the Cash Consideration. At the Closing, the Cash Consideration will be paid as follows:

(a) the Purchaser will retain an amount of the Cash Consideration equal to One Million and 00/100 U.S. Dollars (\$1,000,000.00) in payment in full of any and all Professional Fees payable by Owner, if any;

(b) the Purchaser will pay the amount required to discharge in full at the Closing all Transaction Expenses that have not been paid as of the Closing by wire transfer of immediately available funds in accordance with payment letters and the instructions provided by the Owner in written notice delivered to the Purchaser at least three Business Days before the Closing Date; and

(c) the Purchaser will pay the remainder of the Cash Consideration to the Owner, by wire transfer of immediately available funds to the bank account(s) jointly specified by Owner and the agent of the Senior Lenders (the "Agent"), which account(s) can only be changed pursuant to a joint instruction from both Owner and the Agent.

ARTICLE II CLOSING; CLOSING CONDITIONS; CLOSING DELIVERIES

2.1 The Closing. Consummation of the Contemplated Transactions (the "Closing") will occur at the offices of McDermott Will & Emery LLP in Chicago, Illinois, on the Business Day upon which all of the conditions in Section 2.2 and Section 2.3 have been satisfied or waived or are capable of being satisfied. All proceedings to be taken and all documents to be executed and delivered by all parties at the Closing will be deemed to have been taken and executed simultaneously and no proceedings will be deemed to have been taken nor documents executed or delivered until all have been taken, executed and delivered.

2.2 Conditions to Closing Obligations of the Seller Parties. The obligations of the Seller Parties to consummate the Contemplated Transactions are subject to the fulfillment, before or at the Closing, of the following conditions:

(a) **Deliveries of the Purchaser Made.** The Purchaser has delivered all of the agreements, documents and instruments required under Section 2.5 to be delivered by the Purchaser and its Affiliates before or at the Closing.

(b) **Representations and Warranties Accurate.** All of the representations and warranties in Article V were accurate as of the date of this Agreement, and all of the representations and warranties in Article V are accurate as of the Closing as if made at the Closing (other than such representations or warranties that expressly speak only as of a specific date, which need only be true and correct as of such date).

(c) **Obligations of the Purchaser Performed.** The Purchaser has duly performed, complied with and fulfilled, in all material respects, all of the obligations, covenants and conditions under the Transaction Documents to which the Purchaser is party that are to be performed, complied with and fulfilled by the Purchaser before or at the Closing.

(d) **No Legal Proceedings.** There is no pending Order, suit, action or proceeding against any Party or Affiliate of any Party (i) involving any challenge to, or seeking damages or other relief in connection with, the Contemplated Transactions or (ii) that would otherwise prevent, delay, make illegal, impose material limitations or material conditions on or otherwise interfere in any material respect with consummation of the Contemplated Transactions.

(e) **Consulting Agreement.** Opco, on the one hand, and the Owner and/or its Affiliates, on the other hand, have entered into the Consulting Agreement.

(f) **CPTI Waiver.** CPTI has waived its rights under Section 2.14(b) of the Second Amended and Restated Limited Liability Company Agreement of Opco dated November 7, 2008, as amended.

(g) **IBA Deliveries.** Opco has entered into an amendment (the "IBA Amendment") to that certain Amended and Restated Proton Therapy Equipment Service Agreement dated February 20, 2008 between Opco and IBA Proton Therapy, Inc. ("IBA") consistent with the terms and conditions set forth in the term sheet between the parties previously provided to the Purchaser with changes reasonably satisfactory to Owner.

(h) **Senior Lender Deliveries.** The Purchaser has delivered to Owner a restructuring agreement of the Senior Lenders with Opco and/or amendments to the Senior Loan Documents (the "Senior Loan Amendments"), in a form reasonably satisfactory to Owner consistent with the terms and conditions set forth in the term sheet between the parties previously provided to the Owner with changes reasonably satisfactory to Owner.

2.3 Conditions to Closing Obligations of the Purchaser. The obligations of the Purchaser to consummate the Contemplated Transactions is subject to the fulfillment, before or at the Closing, of the following conditions:

(a) **Deliveries of the Seller Parties Made.** The Seller Parties have delivered all of the agreements, documents and instruments required under Section 2.4 to be delivered by the Seller Parties before or at the Closing.

(b) **Representations and Warranties Accurate.** All of the representations and warranties in Article III and Article IV were accurate as of the date of this Agreement, and all of the representations and warranties in Article III and Article IV are accurate as of the Closing as if made at the Closing (other than such representations or warranties that expressly speak only as of a specific date, which need only be true and correct as of such date); *provided, however*, that this condition shall be deemed to be satisfied if any inaccuracies in the representations and warranties of Owner, individually or in the aggregate, do not constitute a Material Adverse Effect.

(c) **Obligations of the Seller Parties Performed.** The Seller Parties have duly performed, complied with and fulfilled, in all material respects, all of the obligations, covenants and conditions under the Transaction Documents to which they are respectively party that are to be performed, complied with and fulfilled by such Person before or at the Closing.

(d) **No Legal Proceedings.** There is no pending Order, suit, action or proceeding against any Seller Party or Affiliate of any Seller Party (i) involving any challenge to, or seeking damages or other relief in connection with, the Contemplated Transactions or (ii) that would otherwise prevent, delay, make illegal, impose material limitations or material conditions on or otherwise interfere in any material respect with consummation of the Contemplated Transactions.

(e) **Consents.** The Seller Parties have obtained each of the consents, authorizations, Orders and approvals and properly made each of the filings, registrations and notices set forth on

Schedule 2.3(e) (and each such consent, authorization, Order, approval, filing, registration and notice is in full force and effect as of the Closing Date).

(f) **Permits.** Opco has in hand each of the Permits required by Opco to operate the Business immediately after the Closing Date as conducted immediately before the Closing that are set forth on Schedule 2.3(f).

(g) **No Insolvency.** Each of the Seller Parties (i) is not the subject of proceedings commenced by or against it under any bankruptcy, arrangement, reorganization, insolvency or similar Laws for the relief of debtors, (ii) has no application made by it pending for appointment, for the benefit of creditors, of a receiver or any other legal custodian with respect to its assets, and (iii) has not made any general assignment for the benefit of creditors.

(h) **Senior Lender Deliveries.** The Senior Lenders have delivered to Purchaser (i) a written consent to the transfer of the Purchased Equity Interests from Owner to Purchaser, (ii) the Senior Loan Amendments, consistent with the terms and conditions set forth in the term sheet between the parties previously provided to the Owner with changes reasonably satisfactory to Purchaser, (iii) a release of the Assignment of Note, dated April 30, 2012 by Owner to Fortis with respect to the Amended and Restated Senior Subordinated PIK Note dated April 30, 2012 by Opco in favor of Owner in the principal amount of \$2,276,418 (the "Senior Lender Release") and (iv) such other written consents and approvals as may be required under the Senior Loan Documents in order to consummate and effect the Contemplated Transactions (the "Senior Lender Consents").

(i) **IBA Deliveries.** (i) Opco has entered into the IBA Amendment consistent with the terms and conditions set forth in the term sheet between the parties previously provided to the Purchaser with changes reasonably satisfactory to Purchaser, and (ii) the Purchaser is satisfied that IBA has released any and all of its encumbrances over the Holdco equity interests (the "IBA Encumbrances").

(j) **Consulting Agreement.** Opco, on the one hand, and the Owner and/or its Affiliates, on the other hand, have entered into the Consulting Agreement.

(k) **Transferred Claims PIK Note.** Opco has delivered a PIK note from Opco in favor of Purchaser with a principal amount equal to all outstanding liabilities as of the Closing with respect to the Transferred Claims, in a form reasonably satisfactory to Purchaser (the "Transferred Claims PIK Note").

(l) **CPTI Consents.** CPTI has delivered a (i) written consent and approval with respect to the Contemplated Transactions and (ii) waiver of its right of first refusal under the Second Amended and Restated Limited Liability Company Agreement of Opco dated November 7, 2008, as amended (the "CPTI Consents").

(m) **Qualified Opco Employees.** The Parties have agreed in good faith on a fair and reasonable arrangement to help ensure the retention of Opco's employees (either by Opco, Purchaser or one of Purchaser's Affiliates) who desire to be so employed and who meet Purchaser's routine qualifications for employment, including Purchaser's standard hiring policies and background checks (the "Qualified Employees").

(n) **Monthly Financials.** Owner has delivered to Purchaser each Acquired Company's unaudited balance sheets and statements of income and cash flows for each month within 15 days of the end of each such month, beginning with May 2013 until the Closing Date. Each such financial statement will be prepared in accordance with GAAP, subject to normal year-end adjustments (which are not material individually or in the aggregate) and the absence of footnote disclosures required by GAAP, and will fairly represent each Acquired Company's financial position as of such dates and the results of each Acquired Company's operations and cash flows for such months.

(o) **No Material Adverse Change.** Since the date of this Agreement, no event has occurred and, as of the Closing Date, no fact, circumstance or condition exists that did not exist as of the date of this Agreement that, individually or in the aggregate, has or reasonably would be expected have a Material Adverse Effect.

2.4 Closing Deliveries of the Seller Parties. At the Closing, the Seller Parties will deliver to the Purchaser:

(a) certificates representing the Purchased Equity Interests, duly endorsed in blank or with duly executed transfer powers attached or, if the Purchased Interests are not certificated, transfer powers or an assignment of equity interest duly executed in blank;

(b) a restrictive covenant agreement substantially in the form of Exhibit C (the "Restrictive Covenant Agreement"), executed by the Owner;

(c) the Transferred Claims PIK Note, executed by Opco;

(d) a fully executed contribution agreement and assignment agreement between Cadence Sub and Midco, a waiver, executed by Holdco and Purchaser, of additional capital account contributions required pursuant to Section 6.3 of the Midco Operating Agreement, and an amendment to the Midco Operating Agreement that reflects that the equitization of the Cadence PIK Note into Midco membership interests owned by Cadence Sub has become effective;

(e) an opinion of Nixon, legal counsel to the Seller Parties, dated as of the Closing Date and substantially in the form of Exhibit D;

(f) a certificate duly executed by the applicable Seller Parties, certifying the satisfaction of the conditions set forth in Section 2.3(b) and Section 2.3(c);

(g) a Secretary's Certificate of each Acquired Company, each executed by such Acquired Company's secretary, certifying as true and correct as of the date of this Agreement and as of the Closing Date (i) the incumbency and specimen signature of each officer or similar authorized representative of such Acquired Company executing this Agreement or any other Transaction Document on behalf of such Acquired Company, (ii) a copy of the resolutions of such Acquired Company's managers and, to the extent required by such Acquired Company's Governing Documents or applicable Law, such Acquired Company's members, each authorizing the Contemplated Transactions and such Acquired Company's execution, delivery and performance of the Transaction Documents to which such Acquired Company is party, and (iii) a copy of such Acquired Company's Governing Documents;

(h) a Secretary Certificate of the Owner, executed by the Owner's secretary or similar authorized representative, certifying as true and correct as of the date of this Agreement and as of the Closing Date (i) the incumbency and specimen signature of each officer or similar authorized representative of the Owner executing this Agreement or any other Transaction Document on the Owner's behalf, and (ii) a copy of the resolutions of the Owner's directors or similar governing body and, to the extent required by the Owner's Governing Documents or applicable Law, a copy of the resolutions of the Owner's equityholders, each authorizing the Owner's execution, delivery and performance of the Transaction Documents to which Owner is party;

(i) certificates of good standing for each Acquired Company that is issued not earlier than 15 calendar days before the Closing Date by the secretary of state or equivalent governmental authority of its jurisdiction of incorporation or formation and by the secretary of state or equivalent governmental authority of each jurisdiction in which it is qualified to do business as a foreign entity;

(j) except with respect to the interests of CPTI, evidence of the termination and release, as of the Closing, of all agreements listed on Schedule 2.4(j), including all voting agreements and other equityholder agreements (i) to which any Seller Party is party and (ii) that affect any equity securities of Opco;

(k) the written resignations, effective as of the Closing Date, of such directors and officers of Opco as the Purchaser may request;

(l) evidence that IBA released all IBA Encumbrances and, if required to evidence such releases, UCC-3 termination statements and equivalent Encumbrance termination filings in all applicable non-UCC jurisdictions;

(m) the IBA Amendment, executed by Opco and IBA;

(n) the Consulting Agreement, executed by Opco, on the one hand, and the Owner and/or its Affiliates, on the other hand;

(o) an executed certificate of merger for Midco and Holdco that has been filed and accepted by the Delaware Secretary of State to effectuate the Company Merger;

(p) copies of the Senior Lender Consents and Senior Lender Release;

(q) copies of the CPTI Consents;

(r) copies of all consents, authorizations, Orders, approvals, filings, registrations and pre-Closing notices set forth on Schedule 2.3(e) and Schedule 2.3(f);

(s) evidence that the Owner and its Affiliates, on the one hand, and Proton Collaborative Group, on the other, have reached a satisfactory arrangement with respect to the Indebtedness between such parties;

(t) certificates of insurance or other evidence that the Insurance Tail Policies have been obtained and are in effect as of the Closing;

(u) certification of nonforeign status from Owner in accordance with Treasury Regulation § 1.1445-2(b);

(v) such blank bank account signature cards relating to the Acquired Companies' bank accounts as the Purchaser requests; and

(w) without limitation by specific enumeration of the foregoing, all other documents reasonably required by the Purchaser from Opco or the Owner to consummate the Contemplated Transactions.

2.5 Closing Deliveries of the Purchaser. At the Closing, the Purchaser will deliver to the Owner:

(a) that portion of the Cash Consideration deliverable at the Closing pursuant to Section 1.3;

(b) the Promissory Note, executed by the Purchaser;

(c) the Restrictive Covenant Agreement, executed by the Purchaser;

(d) a certificate duly executed by the Purchaser, certifying the satisfaction of the conditions set forth in Section 2.2(b) and Section 2.2(c);

(e) a Secretary Certificate of the Purchaser, executed by the Purchaser's corporate secretary, certifying as true and correct as of the date of this Agreement and as of the Closing Date (i) the incumbency and specimen signature of each officer or similar authorized representative of the Purchaser executing this Agreement or any other Transaction Documents on the Purchaser's behalf, and (ii) that all approvals and consents required under the Purchaser's Governing Documents have been obtained to authorize the Contemplated Transactions and the Purchaser's execution, delivery and performance of the Transaction Documents to which the Purchaser is party; and

(f) a certificate of good standing for Purchaser that is issued not earlier than 15 calendar days before the Closing Date by the secretary of state or equivalent governmental authority of its jurisdiction of formation.

ARTICLE III REPRESENTATIONS AND WARRANTIES REGARDING THE SELLER PARTIES

The Owner represents and warrants to the Purchaser that, except as disclosed in the Schedules attached as Exhibit E (the "Disclosure Schedule"):

3.1 Organization. Each Acquired Company is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware. Each Acquired Company has qualified as a foreign business and is in good standing under the Laws of each jurisdiction where the nature of its business or the location of its assets requires such qualification. Schedule 3.1 lists all jurisdictions in which each Acquired Company is required to qualify as a foreign business.

3.2 Power and Authority. Each Acquired Company has all necessary limited liability company power and authority to conduct its business as currently conducted. Each Acquired Company has full limited liability company power and authority to enter into and perform this Agreement and all other Transaction Documents to be executed by it pursuant to this Agreement (the "Acquired Company Documents").

3.3 Enforceability. This Agreement has been duly executed and delivered by each Acquired Company and constitutes a valid and binding obligation of such Acquired Company, enforceable against such Acquired Company in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency, moratorium, fraudulent conveyance and similar generally applicable Laws regarding creditors' rights or by general equity principles. Upon execution and delivery by each Acquired Company, the other Acquired Company Documents will have been duly executed and delivered by each applicable Acquired Company and will constitute valid and legally binding obligations of such Acquired Companies, enforceable against each Acquired Company in accordance with their respective terms, except as may be limited by applicable bankruptcy, insolvency, moratorium, fraudulent conveyance and similar generally applicable Laws regarding creditors' rights or by general equity principles.

3.4 Consents. Except as set forth on Schedule 3.4, no consent, authorization, Order or approval of, or filing or registration with, any governmental authority, Third-Party Payor or other Person is required for any Acquired Company's execution and delivery of Acquired Company Documents or consummation of the Contemplated Transactions, except where the failure to obtain such consent, authorization, Order or approval or make such filing or registration would not reasonably be expected to have a Material Adverse Effect.

3.5 No Conflicts. Neither the Acquired Companies' execution and delivery of Acquired Company Documents nor the Acquired Companies' consummation of the Contemplated Transactions will conflict with or result in a breach of any provision of any Acquired Company's Governing Documents. Neither the Acquired Companies' execution and delivery of Acquired Company Documents nor the Acquired Companies' consummation of the Contemplated Transactions will result in a breach of any

provision of any Law or Order. Except as set forth on Schedule 3.5, no Acquired Company is a party to or bound by any Material Contract under which (a) the execution, delivery or performance by the Acquired Companies of the Acquired Company Documents or consummation of the Contemplated Transactions will (i) constitute a default or breach, or event of acceleration or (ii) amend, or give the counterparty thereto any right to amend, any material right or obligation of any Acquired Company thereunder, or (b) performance by the Acquired Companies according to the terms of the Acquired Company Documents may be prohibited, prevented or delayed.

3.6 Organizational Documents. The Acquired Companies have furnished to the Purchaser complete and accurate copies of each of the Acquired Companies' Governing Documents, equity ownership records and minute books and records. Each of the Acquired Companies' minute books and records contain complete and accurate copies of all resolutions adopted by such Person's equityholders, all resolutions adopted by such Person's board of directors or other governing body (and committees thereof) and any other action formally taken by such Person. Each Acquired Company has held annual meetings and recorded and maintained minutes for each governing body meeting held by such Acquired Company.

3.7 Capitalization. Schedule 3.7 accurately sets forth the equity interests (including classes thereof, if applicable) of each Acquired Company that are authorized, issued and outstanding, and the name, number and type of equity interests held by each equityholder thereof as of the date hereof. As of the date hereof, all of Holdco's issued and outstanding equity interests have been validly issued, are fully-paid, and are owned beneficially and of record by the Owner as reflected on Schedule 3.7, free and clear of all Encumbrances; *provided, however, that* the ownership of equity in Owner will not be deemed a beneficial interest in breach of the foregoing. All of Midco's issued and outstanding equity interests have been validly issued, are fully-paid, and are owned beneficially and of record (a) as of the date hereof, by the Purchaser and Holdco as reflected on Schedule 3.7 and (b) as of the Closing Date (but before the purchase of the Purchased Equity Interests pursuant to Article I), Owner except for those equity interests of Midco owned by Purchaser and Cadence Sub, in each case free and clear of all Encumbrances. As of the date hereof and the Closing Date, all of Opco's issued and outstanding equity interests have been validly issued, are fully-paid, and 81.25% of which are owned beneficially and of record by Midco, free and clear of all Encumbrances. Except as contemplated by this Agreement, there are no outstanding subscriptions, options, warrants, preemptive rights, calls, convertible securities or other agreements or commitments relating to the Acquired Companies' issued or unissued securities. No Acquired Company is party to and has granted any equity appreciation, participation, phantom equity or similar rights. The rights, preferences, privileges and restrictions of each Acquired Company's equity securities are as stated in such Acquired Company's Governing Documents. Except for the Acquired Companies' Governing Documents, there are no voting trusts, voting agreements, proxies, equityholder agreements or other agreements that may affect the voting or Transfer of any Acquired Company's equity securities.

3.8 Subsidiaries. Opco does not hold or beneficially own any direct or indirect interest (whether it be common or preferred stock or any comparable ownership interest in any Person that is not a corporation) or any subscriptions, options, warrants, rights, calls, convertible securities or other agreements or commitments for any interest in any Person.

3.9 Financial Statements and Records; Indebtedness.

(a) Schedule 3.9(a) contains complete and accurate copies of each Acquired Company's audited balance sheets, statements of income and retained earnings, statements of cash flows and notes to financial statements (together with any supplementary information thereto) as of and for the years ended December 31, 2010 and December 31, 2011 and unaudited balance sheets, statements of income and retained earnings, statements of cash flows and notes to financial statements (together with any supplementary information thereto) as of and for the year ended December 31, 2012 (collectively, the "Financial Statements") and each Acquired Company's unaudited balance sheet and statements of income

and cash flows as of and for the 5-month period ended on May 31, 2013 (the “Interim Financial Statements”). The Financial Statements and Interim Financial Statements were prepared in accordance with GAAP throughout the periods covered thereby and fairly present each Acquired Company’s financial position as of such dates and the results of each Acquired Company’s operations and cash flows for such periods, *provided, however, that* the Interim Financial Statements are subject to normal year-end adjustments (which are not material individually or in the aggregate) and lack footnote disclosures required by GAAP. Each Acquired Company’s books, accounts and records are, and have been, maintained in a manner consistent with such Acquired Company’s historical practices and properly reflect all transactions entered into by such Acquired Company.

(b) No Acquired Company has Liabilities or Indebtedness except (a) Liabilities and Indebtedness reflected in the Financial Statements or Interim Financial Statements, as applicable, or (b) Liabilities incurred by such Acquired Company after the date of the Interim Financial Statements in the ordinary course of business consistent with historical practices (none of which results from or relates to any breach of contract, breach of warranty, tort, infringement or violation of Law) or incurred as Transaction Expenses. The current liabilities reflected in the Financial Statements represent ordinary course liabilities that are consistent with historic levels and amounts.

(c) Schedule 3.9(c) contains a complete list of all Indebtedness of the Acquired Companies.

3.10 Material Adverse Changes. Except as set forth on Schedule 3.10, since the date of the latest Financial Statements, no Acquired Company has had or could reasonably be expected to have a Material Adverse Effect.

3.11 Title to Assets. Except as set forth on Schedule 3.11, each Acquired Company has good and marketable title to, or valid leasehold interests in, the property and assets used by it or shown on the Interim Financial Statements or acquired after the date thereof, free and clear of all Encumbrances other than Permitted Encumbrances, other than properties and assets disposed of in the ordinary course of business since the date of the Interim Financial Statements. Except as set forth on Schedule 3.11, no unreleased mortgage, trust deed, chattel mortgage, security agreement, financing statement or other instrument encumbering any of the Acquired Companies’ assets has been recorded, filed, executed or delivered. The Seller Parties have not comingled assets.

3.12 Sufficiency and Condition of Assets. The Acquired Companies’ tangible and intangible assets are adequate to conduct the Business as currently conducted. The Acquired Companies’ tangible assets are in satisfactory operating condition and repair for the purposes for which they are used (normal wear and tear excepted), and have been maintained in accordance with normal industry practice.

3.13 No Insolvency. No Acquired Company (i) is the subject of proceedings commenced by or against it under any bankruptcy, arrangement, reorganization, insolvency or similar Laws for the relief of debtors, (ii) has an application made by it pending for appointment, for the benefit of creditors, of a receiver or any other legal custodian with respect to its assets, and (iii) has made any general assignment for the benefit of creditors.

3.14 Receivables. All Receivables (including Receivables from Third-Party Payors) (a) are reflected in the Interim Financial Statements or arose after the date of the Interim Financial Statements, (b) arose from bona fide arms-length transactions for the performance of services or sale of goods, and (c) to the Seller Parties’ Knowledge, are good and collectible (or have been collected) in the ordinary course of business in accordance with their terms and at the aggregate recorded amounts thereof, using commercially reasonable collection practices (less the amount of applicable reserves for doubtful accounts and for allowances and discounts). All reserves, allowances and discounts were and are

adequate and consistent with the reserves, allowances and discounts historically maintained or recorded by Opco in the ordinary course of business.

3.15 Equipment. The Equipment constitutes all tangible personal property (other than Inventory) necessary for Opco to conduct the Business as currently conducted. All Equipment is located at the Leased Real Estate or is in transit to the Leased Real Estate.

3.16 Insurance. Schedule 3.16 (a) lists all insurance policies that are owned or maintained by any Seller Party or name any Seller Party as an insured or loss payee and that pertain to Opco's assets, real estate, business or employees, and (b) discloses for each such insurance policy (i) the name and contact information of the agent, (ii) the names of the insurer, policyholder and each covered insured, (iii) the policy number and period of coverage, (iv) the scope (with indication of whether the coverage is on a claims made, occurrence or other basis), (v) the per-claim and aggregate liability limits, (vi) the amount of all applicable deductibles and co-pays, and (vii) any retroactive premium adjustments or other loss-sharing arrangements. All such insurance policies are in full force and effect, and no Seller Party has received written notice of termination or non-renewal of any such insurance policies. The amount and coverage of such insurance policies is customary in the industry of Opco's Business. The Seller Parties have furnished to the Purchaser complete and accurate copies of all such insurance policies and complete and accurate claim history reports for all such insurance policies.

3.17 Permits. Schedule 3.17 lists and describes all Permits required for Opco to conduct the Business as currently conducted. All such Permits (a) have been issued or given to Opco and no other Person, and (b) constitute all licenses, permits, registrations, accreditations, certifications, approvals and agreements and consents that are required for Opco to conduct the Business as currently conducted (including for Opco to receive reimbursement from Third-Party Payors and related fiscal intermediaries). Opco is operating and has, since the Operating Date, operated in compliance in all material respects with each such issued Permit. The Seller Parties have furnished to the Purchaser complete and accurate copies of all such issued Permits. To the Seller Parties' Knowledge, each physician or other health care professional employed or otherwise retained by Opco to provide services to or on behalf of Opco has all licenses, permits, registrations, accreditations, certifications and approvals required for such Person to perform such Person's duties for Opco (including services provided to other Persons but arranged by Opco) and for Opco to obtain reimbursement from Third-Party Payors and related fiscal intermediaries with respect to the services provided by such Person on behalf of Opco, and all such licenses, permits, registrations, accreditations, certifications and approvals are on file at Opco's principal place of business.

3.18 Bank Accounts. Schedule 3.18 lists (a) the name of each bank, safe deposit company or other financial institution in which any Acquired Company has an account, lock box or safe deposit box or joint accounts, lock boxes or safe deposit boxes (together with the name of the joint holder thereof), (b) the account numbers or other identifying descriptions of such accounts, lock boxes and safe deposit boxes, (c) the names of all Persons authorized to draw thereon or have access thereto and the names of all Persons, if any, holding powers of attorney from any Acquired Company, and (d) all instruments or agreements to which any Acquired Company is party as an endorser, surety or guarantor, other than checks endorsed for collection or deposit in the ordinary course of business. Each Acquired Company holds bank accounts separate from other Seller Parties and their Affiliates.

3.19 Conduct of Business. Since the date of the latest Financial Statements, except as set forth on Schedule 3.19 or as expressly permitted by this Agreement, no Acquired Company has:

(a) Transferred any asset or property, except in the ordinary course of business consistent with historical practices,

(b) purchased any assets (i) for a cost of more than \$50,000 individually or (ii) other than in the ordinary course of business consistent with historical practices,

(c) entered into any Contracts involving payment to or from one or more of the Acquired Company of more than \$50,000 individually or that have a term of one year or more,

(d) made or committed to make any capital expenditures in excess of \$50,000 individually,

(e) made any capital investment in, loan to or acquisition of the securities or substantially all of the assets of any other Person,

(f) borrowed any money, incurred any capitalized lease obligation, issued any bonds, debentures, notes or other corporate securities evidencing borrowed money or any capitalized lease obligation or created, incurred, assumed or guaranteed any indebtedness for borrowed money or any capitalized lease obligation,

(g) delayed or accelerated the collection of any Receivable or delayed or accelerated the payment of any account or other payable, in each case other than in the ordinary course of business consistent with historical practices,

(h) waived any right or canceled or compromised any debt or claim other than in the ordinary course of business consistent with historical practices,

(i) transferred, assigned or granted any license or sublicense of any right under or with respect to any material Intellectual Property Asset,

(j) amended or restated any of its Governing Documents,

(k) issued, sold or otherwise disposed of any equity securities, granted any options, warrants or other rights to purchase or obtain (upon conversion, exchange, exercise or otherwise) any equity securities, or granted any equity appreciation or similar rights,

(l) paid, declared or set aside any dividend or other distribution with respect to its equity securities or purchased, exchanged or redeemed any of its equity securities,

(m) suffered any material casualty, damage, destruction, loss or interruption in use (whether or not covered by insurance) with respect to any asset or property,

(n) entered into any transaction with any Acquired Company's directors, officers, employees and independent contractors other than in the ordinary course of business pursuant to any Material Contract or made any loan to any Acquired Company's directors, officers, employees and independent contractors,

(o) made any payments or distributions to any Acquired Company's directors, officers, employees and independent contractors other than compensation for services rendered and reimbursement for reasonable ordinary out-of-pocket business expenses,

(p) entered into, terminated or modified any material written employment Contract or collective bargaining Contract,

(q) increased the compensation payable to any of Acquired Company's directors, officers, employees and independent contractors, by an amount in excess of \$50,000 individually,

(r) hired or terminated any employees or independent contractors who individually have an annual salary, wages or other compensation in excess of \$50,000,

(s) adopted, amended, modified or terminated any Employee Benefit Plan, other than as required by Law,

(t) made or changed any Tax election or settled or compromised any Tax Liability or Tax refund claim,

(u) made any change in accounting methods or principles or any collection or payment policy or practice,

(v) paid or incurred any management, investment advisor or, other than in the ordinary course of business, any consulting fees,

(w) entered into any transaction with any Affiliate involving payment to or from Opco of more than \$50,000,

(x) made any charitable contributions, other than the provision of charity care to patients in the ordinary course of business consistent with historical practices,

(y) entered into any transaction other than in the ordinary course of business,

(z) taken any act or omitted to take any act, or permitted any act or omission to occur, that would cause a breach by any Acquired Company of any of its Material Contracts,

(aa) made or suffered any material change in the conduct or nature of its business or operations, or

(bb) entered into any Contract or other commitment to do any of the foregoing.

3.20 Contracts. Schedule 3.20 lists and describes the following Contracts to which an Acquired Company is party, specifying the name, date and parties to each Contract:

(a) Contracts to which a physician or Referral Source is party,

(b) Contracts with Third-Party Payors,

(c) medical director agreements,

(d) corporate integrity agreements, settlement and other similar agreements with governmental authorities,

(e) Contracts pursuant to which any Person provides management services to Opco or pursuant to which Opco provides management services to any other Person,

(f) partnership agreements, joint venture agreements and other Contracts (however named) involving a sharing of profits, losses, costs or liabilities by Opco and another Person,

(g) personnel leases,

(h) real property leases and subleases,

(i) Contracts regarding the employment and engagement of Opco's employees and independent contractors, including (i) employment, independent contractor and consulting and similar Contracts, and (ii) Contracts contemplating bonus, severance or similar compensation awards to employees, independent contractors or agents,

- (j) Contracts with any of Opco's directors (other than Opco's Governing Documents),
- (k) Contracts for the purchase or sale of any assets (i) other than in the ordinary course of business consistent with historical practices, (ii) containing contingent payment obligations, (iii) involving the payment under any such Contract of more than \$50,000 in the aggregate or, (iv) having a term of one year or more,
 - (l) Contracts affecting the ownership of, title to or use of real estate,
 - (m) Contracts for the leasing or subleasing (as lessee, sublessee, lessor or sublessor) of personal property or intangibles involving the payment under any such Contract of more than \$50,000 in the aggregate or that have a term of one year or more,
 - (n) material Contracts for the maintenance of Equipment;
 - (o) Inter-company Contracts of any kind between or among one or more Seller Party or an Affiliate of a Seller Party;
 - (p) Contracts with IBA,
 - (q) Intellectual Property Licenses,
 - (r) Contracts restricting in any manner (i) Opco's right to compete with any other Person, (ii) Opco's right to sell to or purchase from any other Person, (iii) the right of any other Person to compete with Opco, or (iv) the ability of such other Person to employ or retain any employee of or independent contractor to Opco,
 - (s) Contracts for borrowed monies (including loan and credit agreements, pledge agreements, notes, security agreements, mortgages, debentures, indentures, factoring agreements and letters of credit) or other material Indebtedness,
 - (t) guaranties, performance, bid or completion bonds and surety or indemnification agreements,
 - (u) Contracts with governmental authorities, and
 - (v) Contracts not otherwise identified above that either (i) involve consideration under any such Contract in excess of \$50,000 the aggregate, or (ii) have terms of more than one year and are not terminable by Opco upon 30 calendar days or less notice without penalty.

All Contracts listed on Schedule 3.20 ("Material Contracts") are in full force and effect and bind the relevant Seller Party and, to the Seller Parties' Knowledge, the other parties thereto. Each Material Contract constitutes the complete agreement and understanding among the parties thereto regarding the subject matter thereof. Except as set forth in Schedule 3.20, no Seller Party is in default under any Material Contract and, to the Seller Parties' Knowledge, no other party thereto is in default under any Material Contract. No event has occurred or fact, circumstance or condition exists that, to the Seller Parties' Knowledge, with or without notice or the lapse of time, or the happening of any further event or existence of any future fact, circumstance or condition, would become a default by any Seller Party under any Material Contract. No party to any Material Contract has repudiated or terminated such Contract or notified any Seller Party of its intent not to renew such Contract. There are no renegotiations, attempts to renegotiate or outstanding rights to negotiate any amount to be paid or payable to or by any Seller Party under any Material Contract, and no Person has made a written demand for such renegotiation. No Seller Party has released or waived any of its rights under any Material Contract. The Seller Parties have

furnished to the Purchaser complete and accurate copies of all Material Contracts listed on Schedule 3.20. No Acquired Company has oral Contracts.

3.21 Employees and Independent Contractors.

(a) Each Acquired Company is operating and has operated in compliance in all material respects with all applicable Laws regarding employment and employment practices (including Laws regarding terms and conditions of employment, nondiscrimination, equal opportunity, immigration, benefits, payment of employment, social security and similar Taxes, occupational safety and health, plant closings, and wages and hours).

(b) Schedule 3.21 lists all of the Acquired Companies' employees and independent contractors providing recurring services to the Acquired Companies as of the date of this Agreement (including employees on temporary leave of absence (including family medical leave, military leave, temporary disability and sick leave) or on long-term disability leave, each of whom has been so identified as such in Schedule 3.21) and their respective employer or engaging party, salaries, wages, other compensation (other than benefits under the Employee Benefit Plans), dates of employment/retention, positions and service credits for purposes of vesting and participation eligibility under the Employee Benefit Plans. None of the Acquired Companies' employees and independent contractors is an undocumented alien, and each Acquired Company has maintained I-9 Forms for all personnel in accordance with applicable Law. None of the Acquired Companies' independent contractors currently provides or ever has provided sales representative or marketing services to any Acquired Company.

(c) Other than the Persons identified as employees in Schedule 3.21, there is no Person who is or should be classified as an employee of the Acquired Companies, and all other Persons providing services for or on the Acquired Companies' behalf are independent contractors under applicable Tax, employment and other Laws. No such Person or any governmental authority has made or, to the Seller Parties' Knowledge, threatened any claim that such Person is or should be classified as an employee of an Acquired Company (whether under applicable Law, any service agreement or otherwise), other than the Persons identified as employees in Schedule 3.21.

(d) None of the Acquired Companies' employees is party to, or otherwise bound by, any Contract (including any confidentiality, non-competition or proprietary rights agreement) between such employee and any Acquired Company or, to the Seller Parties' Knowledge, any other Person, that could materially and adversely affect (i) that employee's performance of such employee's duties as an employee of the Acquired Companies after the Closing or (ii) the ability of the Purchaser and the Acquired Companies to conduct the Business after the Closing as currently conducted. The Acquired Companies' employees and independent contractors and former employees and independent contractors who have or had access to the Acquired Companies' confidential or proprietary information have executed confidentiality and assignment of inventions agreements that are adequate to protect the Acquired Companies' proprietary interest in such information and derivatives thereof.

(e) No Acquired Company is party to a collective bargaining agreement, and no such agreement is currently being negotiated. There is no pending or, to the Seller Parties' Knowledge, threatened, with respect to any of the Acquired Companies' employees, (i) strike, slowdown, picketing or work stoppage, (ii) any grievance proceeding or other material charge or claim against or affecting any Acquired Company relating to the alleged violation of any Law pertaining to labor relations or employment matters, including any charge or complaint filed by an employee or union with the National Labor Relations Board, the Equal Employment Opportunity Commission or any comparable governmental authority, (iii) union organizational activity or other material labor or employment dispute against or affecting any Acquired Company, or (iv) application for certification of a collective bargaining agent. There is no lockout of any of the Acquired Companies' employees, and no Acquired Company is contemplating such action.

(f) None of the Acquired Companies' employees has asserted a claim against any Acquired Company (under law, contract or otherwise) with respect to (i) overtime pay other than overtime pay for the current payroll period, (ii) wages or salaries other than wages or salaries for the current payroll period, or (iii) vacation, sick leave or time off (or pay in lieu of vacation, sick leave or time off), other than vacation, sick leave or time off (or pay in lieu thereof) earned during the 12-month period immediately before the date of this Agreement and reflected in the Financial Statements or the Interim Financial Statements. Each Acquired Company has made all required payments to the relevant unemployment compensation reserve account with the appropriate governmental authorities with respect to its employees and such accounts have positive balances.

(g) Other than with respect to any personnel arrangements that may be entered into with the Purchaser, the employment of each of the Acquired Companies' employees is terminable at will without cost to the relevant employing Acquired Company other than payments required under the Employee Benefit Plans, reimbursements for business expenses in the ordinary course of business consistent with historical practices and payments of accrued salaries, wages and vacation pay. None of the Acquired Companies' current or former employees has a right to be rehired by the relevant employing Acquired Company before the hiring of a Person not previously employed by such Acquired Company.

(h) There has been no "mass layoff" or "plant closing" (as defined under the WARN Act) with respect to any Acquired Company within six months before the Closing Date. None of the Acquired Companies' employees has experienced an "employment loss" (as defined under the WARN Act) within 90 calendar days before the Closing Date.

(i) Except as required by Code § 4980B or other similar state Law, no Acquired Company has Liability to provide medical or life insurance benefits to former employees (or its employees after the termination of employment), their spouses or dependents or any other individual not employed by an Acquired Company.

(j) No Seller Party has taken any action that was intended to dissuade any of the Acquired Companies' employees and independent contractors from continuing to be associated with the Acquired Companies after the Closing. To the Seller Parties' Knowledge, none of the Acquired Companies' employees and independent contractors has notified such Acquired Company in writing that such Person intends to terminate such Person's employment or engagement with the relevant Acquired Company before or after the Closing.

3.22 Employee Benefits.

(a) Schedule 3.22 lists each Employee Benefit Plan. With respect to each Employee Benefit Plan, the Seller Parties have provided to the Purchaser complete and accurate copies of (i) all documents comprising such Employee Benefit Plan (including a detailed written description for any unwritten Employee Benefit Plan), (ii) all related trust agreements, insurance contracts and other funding instruments, (iii) all related rulings, determination letters or advisory opinions of any governmental authority, (iv) all related summary plan descriptions, summaries of material modifications, employee handbooks, (v) the most recent related actuarial and financial reports, (vi) all Form 5500 annual reports and other reports (including any Forms PBGC-1) filed with any governmental authority within the three years preceding the date of this Agreement, and (vii) all related Contracts with third-party administrators, actuaries, investment managers and other service providers.

(b) Each Employee Benefit Plan (and each related trust, insurance contract and fund) (i) has been maintained, funded and administered in compliance in all material respects with its terms and any applicable collective bargaining agreements, and (ii) complies in all material respects in form and operation with all applicable requirements of ERISA, the Code and other applicable Laws (including state insurance Laws). All contributions and premium payments due prior to the Closing Date with respect to

any Employee Benefit Plan have been timely made and any such contributions and premium payments not yet due have been properly accrued.

(c) All required reports and descriptions (including Form 5500 annual reports, summary annual reports and summary plan descriptions) have been timely filed and distributed with respect to each Employee Benefit Plan in accordance with the applicable requirements of ERISA and the Code. Each Employee Benefit Plan that is subject to Code § 4980B and ERISA § 601, *et seq.* and any similar state Law (collectively, “COBRA”) meets the requirements of COBRA.

(d) With respect to each Employee Benefit Plan that is intended to meet the requirements of a “*qualified plan*” under Code § 401(a), (i) such Employee Benefit Plan meets all requirements for qualification under Code § 401(a), except such noncompliance as would not reasonably be expected to result in a material liability to the Plan; and (ii) such Employee Benefit Plan has received a favorable determination from the IRS as to such Plan’s qualification under the Code, and nothing has occurred since the date of such determination that would reasonably be expected to result in the revocation of such favorable IRS determination letter or opinion letter.

(e) The Acquired Companies and their ERISA Affiliates do not sponsor, maintain, contribute to, or otherwise have any Liability with respect to, any “*defined benefit plan*” as defined in ERISA § 3(35) or that is subject to ERISA Title IV or Employee Benefit Plan subject to Section 412 of the Code.

(f) The Acquired Companies and their ERISA Affiliates do not sponsor, maintain, contribute to or otherwise have any Liability (including withdrawal liability as defined in ERISA § 4201) with respect to any “*multi-employer plan*” as defined in ERISA § 4001(a)(3).

(g) The Acquired Companies and their ERISA Affiliates do not sponsor, maintain, contribute to or otherwise have any Liability with respect to any “*welfare plan*” as defined in ERISA § 3(1) providing continuing benefits or coverage for any participant or any beneficiary of a participant after such participant’s termination of employment, except in accordance with COBRA or other similar state Law.

(h) There are no pending or, to the Seller Parties’ Knowledge, threatened claims, lawsuits, audits, investigations or other actions against any Employee Benefit Plan by any employee or beneficiary covered under any Employee Benefit Plan or any Governmental Authority or otherwise involving any Employee Benefit Plan (other than routine claims for benefits).

(i) With respect to each Employee Benefit Plan, there has not occurred, and no Person is contractually bound to enter into, any “*prohibited transaction*” within the meaning of Code § 4975(c) or ERISA § 406 that is not exempt under Code § 4975(d) or ERISA § 408, except such noncompliance as would not reasonably be expected to result in a material Tax or penalty. No fiduciary (as defined in Section 3(21) of ERISA) that is any Seller Party or any employee of a Seller Party, or, to the Seller Parties’ Knowledge, no other fiduciary, has any liability for breach of fiduciary duty with respect to the investment of the assets or administration of any Employee Benefit Plan.

(j) Consummation of the Contemplated Transactions will not (i) entitle any current or former employee of the Acquired Companies and their ERISA Affiliates to severance pay, unemployment compensation or any similar payment, (ii) accelerate the time of payment or vesting, or increase the amount of any compensation due to, or in respect of, any current or former employee of the Acquired Companies and their ERISA Affiliates, or (iii) result in or satisfy a condition to the payment of compensation that would, in combination with any other payment, result in an “*excess parachute payment*” within the meaning of Sections 280(G) and 4999 of the Code. No Acquired Company or any

ERISA Affiliate has entered into a Contract to “gross-up” any employee, officer or director for any excise taxes due under Section 4999 of the Code.

(k) Each Employee Benefit Plan permits the plan sponsor to amend or terminate the plan at any time and without Liability, subject to the applicable filing and notice requirements under ERISA and the Code for amendment or plan termination.

(l) Schedule 3.22 lists each Contract, plan or other arrangement (whether or not written or an Employee Benefit Plan) to which any Acquired Company is party and that is a “*non-qualified deferred compensation plan*” subject to Code § 409A. Each such Contract, plan or other arrangement complies in all material respects with the requirements of Code §§ 409A(a)(2)-(4) and all IRS regulations and other guidance promulgated thereunder. No non-qualified deferred compensation plan has been administered in all material respects in a manner that would violate Code § 409A or the regulations or guidance thereunder. No Acquired Company or any ERISA Affiliate has entered into a Contract to “gross-up” any employee, officer or director for any excise taxes due under Section 409A of the Code.

3.23 Real Estate.

(a) The Acquired Companies own no real property.

(b) Schedule 3.23(b) lists all real property that is leased or subleased to the Acquired Companies as lessee or sublessee and used in the Business (the “Leased Real Estate”). No Acquired Company is in default in any material respect under any Leased Real Estate lease or sublease. To the Seller Parties’ Knowledge, no event has occurred or fact, circumstance or condition exists that, with or without notice or the lapse of time, or the happening of any future event or existence of any future fact, circumstance or condition would become a default in any material respect by any Acquired Company under any Leased Real Estate lease or sublease. To the Seller Parties’ Knowledge, no security deposit or portion thereof deposited with respect to any Leased Real Estate has been applied in respect of a breach or default under the applicable lease or sublease without redeposit in full. To the Seller Parties’ Knowledge, after the Closing, no brokerage commissions or finder’s fees will be due with respect to any Leased Real Estate. Each Acquired Company is the sole tenant of the Leased Real Estate, does not share the Leased Real Estate with or sublease any space to any other Person and enjoys peaceful and quiet possession of the Leased Real Estate.

(c) The improvements on the Leased Real Estate are in satisfactory operating condition and repair for the purposes for which they are used (ordinary wear and tear excepted). No material capital expenditures are required for the maintenance and/or repair of the Leased Real Estate.

3.24 Environmental. Except as would not reasonably be expected to have a Material Adverse Effect or as disclosed on Schedule 3.24:

(a) Each Acquired Company is and has, since the date of Opco’s lease for the Leased Real Estate, been owned and operated in compliance in all material respects with all Environmental Laws and Environmental Permits. No written notice, citation, inquiry or complaint has been issued to or threatened against Owner (with respect to the Business) or any Acquired Company in the past three years alleging any violation of or Liability under any Environmental Law or Environmental Permit.

(b) Schedule 3.24 lists all Environmental Permits issued to the Seller Parties for the operation of the Business as currently conducted. Each Acquired Company possesses and the Seller Parties have provided the Purchaser with complete and accurate copies of all Environmental Permits required to be listed in Schedule 3.24.

(c) To the Seller Parties' Knowledge, at the Leased Real Estate, there exists no (i) underground or above ground storage tanks, (ii) materials or equipment containing friable asbestos or polychlorinated biphenyls, (iii) groundwater monitoring wells, drinking water wells or production water wells, or (iv) landfills, surface impoundments or disposal areas. To the Seller Parties' Knowledge, all underground and above-ground storage tanks previously located at any such real property and not present as of the Closing Date were removed in accordance with all Environmental Laws.

(d) The Seller Parties have not generated, treated, stored, transported, disposed (whether on-site or offsite) or Released any Hazardous Materials for which any Acquired Company is responsible or for which it has Liability (including any Liability for fines, penalties, response costs, corrective action costs, personal injury, property damage, natural resource damage or attorney's fees and costs) under any Environmental Law, and, to the Seller Parties' Knowledge, none of the foregoing has occurred.

(e) The Seller Parties, except for Hazardous Materials maintained on the Leased Real Estate in the ordinary course of business and in compliance in all material respects with applicable Environmental Laws by the respective Acquired Company, have not located any Hazardous Materials at, on or under, or migrated to or from, the Leased Real Estate, and, to the Seller Parties' Knowledge, none of the foregoing has occurred.

(f) No Acquired Company has assumed, provided an indemnity with respect to, or, except as required under applicable Law, otherwise become subject to any Liability (including any obligation for corrective or remedial action) of any other Person relating to any Environmental Law or Environmental Permit.

(g) The Purchaser has been provided with complete copies of all environmental audits, reports and other documents that (i) relate to the past or current facilities and operations of the Acquired Companies, and (ii) are in the custody, possession or control of the Seller Parties.

3.25 Intellectual Property; IT Security; Data Privacy.

(a) Schedule 3.25 lists all patents, patent applications, trade marks, service marks, trade dress, logos, slogans, internet domain names, copyrights, telephone and facsimile numbers and Software that are used in the Business or in which any Acquired Company claims any ownership rights. The Acquired Companies are the owners of or duly licensed to use their material Intellectual Property Assets, and all such Intellectual Property Assets exist, have been maintained in good standing and, as applicable, have been properly assigned or licensed to the Acquired Companies. To the Seller Parties' Knowledge, no other Person claims the right to use in connection with similar or closely related goods and in the same geographic area, any mark that is identical or confusingly similar to any trademark of the Acquired Companies. No other Person has asserted ownership rights against the Seller or any Acquired Company in any Intellectual Property Asset, except to the extent that such Intellectual Property Asset has been licensed to or by the Acquired Companies. Each Acquired Company's use of Intellectual Property Assets owned by an Acquired Company does not infringe any right of any other Person and no other Person is infringing any of the Intellectual Property Assets owned by an Acquired Company. Each Acquired Company's use of the Intellectual Property Assets owned by Third-Parties does not infringe any right of any other Person, and, to the Seller Parties' Knowledge, no other Person is infringing any of the Intellectual Property Assets owned by Third-Parties. Each Acquired Company has used commercially reasonable efforts to secure its trade secrets and other proprietary undisclosed information. Each Acquired Company has, and after the Closing will have, the legal right to use all copies of all Software currently used by such Acquired Company and its personnel in the Business. The consummation of the Contemplated Transactions will not cause the alteration, amendment, termination or breach of any material Intellectual Property Licenses.

(b) Each Acquired Company has used commercially reasonable efforts to safeguard the information technology systems utilized in the Business, including the implementation of procedures to ensure that such systems are free from disabling codes or instructions, time, copy protection device, clock, counter or other limiting design or routing and any “back door,” “time bomb,” “Trojan horse,” “worm,” “drop dead device,” “virus” or other software or hardware that permit unauthorized access or the unauthorized disablement or erasure of data or other software by a Third-Party. There have been no material failures, breakdowns, outages, unavailability or, to the Seller Parties’ Knowledge, breaches of the information technology systems utilized in the Business.

(c) Each Acquired Company has access to the source code for all material information technology and data processing systems developed by or on behalf of such Acquired Company in up-to-date appropriately catalogued versions accessible by such Acquired Company’s personnel. The software for such systems has been catalogued and documented as reasonably necessary to enable competently skilled programmers and engineers to use, update and enhance the software by readily using the existing source code and documentation. Each Acquired Company has the right to use all software development tools, library functions, compilers and other Software required to operate, modify, distribute and support such systems. No source code for material proprietary Software has been delivered, licensed or made available to any escrow agent, and no Acquired Company has a duty or obligation to do so. None of the Acquired Companies’ proprietary Intellectual Property Assets utilizes any open source application Software or is otherwise subject to any open source license, and no Acquired Company has incorporated any “open source,” “freeware,” “shareware” or other Software having similar licensing or distribution models in any material software developed, licensed, distributed or otherwise exploited by or for such Acquired Company. With respect to such Software, no Acquired Company is obligated to divulge the source code for such Software to any Third-Party, permit or license the creation of any derivative work based, in whole or in part, on such Software or permit the distribution or redistribution of such Software, in whole or in part, free of charge.

(d) The Acquired Companies’ operation of the Business are operating and have, since the Operating Date, operated in compliance in all material respects with all Laws and Orders applicable to data privacy, data security and/or personal information, except as disclosed pursuant to Section 3.29(g). No Acquired Company has experienced incidences since the Operating Date in which personal information or other sensitive data was or may have been stolen or improperly accessed.

3.26 Taxes.

(a) All Tax Returns required to be filed by or in respect of the Business or any Acquired Company have been duly and timely filed (taking into account any extension of time to file). All such Tax Returns were or will be (when filed) complete and accurate and prepared in compliance in all material respects with all applicable Laws. All Taxes payable by or otherwise on account of the Business and the Acquired Companies, whether or not shown on any Tax Return, have been or will be paid in full when due (except to the extent such Taxes are being contested in good faith with adequate reserves reflected in the Interim Financial Statements), and each Acquired Company has complied in all material respects with all applicable Tax Laws. Each of the Acquired Companies has maintained all material documentation, as required by applicable Law relating to all Tax returns, as applicable. No claim has ever been made by a taxing authority in a jurisdiction where an Acquired Company does not file Tax Returns that such Acquired Company is or may be subject to taxation by that jurisdiction. There are no Encumbrances other than Permitted Encumbrances on any of the Acquired Companies’ assets that arose in connection with any failure or alleged failure to pay any Tax.

(b) No Acquired Company has requested, offered to enter into or entered into any agreement or other arrangement, or executed any waiver, providing for any extension of time within which (i) to file any Tax Return covering any Taxes for which it is or may be liable; (ii) to file any elections, designations or similar filings relating to Taxes for which it is or may be liable; (iii) it is

required to pay or remit any Taxes or amounts on account of Taxes; or (iv) any governmental authority may assess or collect Taxes for which it is or may be liable. No Acquired Company has entered into any agreement with, or provided any undertaking to, any Person, and, except as set forth on Schedule 3.26(b), no circumstances exist by reason of which any Acquired Company has assumed liability for the payment of Taxes owing by another Person, or has or may be liable for another Person's Taxes. No Acquired Company is subject to any action or proceeding of a governmental authority imposing any obligations or liabilities with respect to another Person's Taxes.

(c) Each Acquired Company has withheld and paid all Taxes required to have been withheld and paid in connection with amounts paid or owing to any employee, independent contractor, creditor, equityholder or other Person. All Forms W-2 and Forms 1099 required with respect to such withholding and payment have been properly completed and timely filed.

(d) There is no proceeding, audit or investigation concerning any Liability of any Acquired Company for Taxes on account of the Business pending or, to the Seller Parties' Knowledge, threatened by any Taxing authority.

(e) No Acquired Company has ever been subject to income Tax imposed by any jurisdiction other than the United States of America and the states, territories and other subdivisions within the United States of America.

(f) No Acquired Company has ever been a United States real property holding corporation (as defined in Code § 897(c)(2)) during the applicable period specified in Code § 897(c)(1)(A)(ii).

(g) Except as set forth on Schedule 3.26(g), no Acquired Company is party to any Tax allocation or sharing Contract.

(h) No Acquired Company will be required to include any item of income or exclude any item of deduction for any post-Closing taxable period (including any Post-Closing Straddle Period) that would not have otherwise so been included or excluded as the case may be, as a result of (i) a change in method of accounting for a pre-Closing taxable period (including any Pre-Closing Straddle Period) to include any adjustment under Code § 481(c) (or any corresponding provision of state, local or foreign Law) in taxable income for any post-Closing taxable period (including any Post-Closing Straddle Period), (ii) any "closing agreement," as described in Code § 7121 (or any corresponding provision of state, local or foreign Law), (iii) any installment sale or open transaction disposition, (iv) the receipt of any prepaid revenue, (v) deferral under Code § 108(i) or (vi) an intercompany transaction or excess loss account described in Treasury Regulations under Code § 1502 (or any corresponding or similar provision of national, state or local Tax Law).

(i) No Acquired Company constitutes a "distributing corporation" or a "controlled corporation" (within the meaning of Code § 355(a)(1)(A)) in a distribution of shares qualifying for tax-free treatment under Code § 355 (i) in the five years preceding the date of this Agreement or (ii) in a distribution that could otherwise constitute part of a "plan" or "series of related transactions" (within the meaning of Code § 355(e)) in conjunction with the consummation of the Contemplated Transactions.

(j) Other than Code § 197(f)(9) intangibles that were acquired by an Acquired Company after August 10, 1993 in a transaction giving rise to a significant change in ownership or use, none of the Acquired Companies' assets are "section 197(f)(9) intangibles" (as defined in Treasury Regulation § 1.197-2(h)(1)(i) and assuming for this purpose that the transition period ends on August 10, 1993).

(k) Schedule 3.26(k) lists the most recent examinations and audits by governmental authorities for which any Acquired Company has been audited during the last five (5) years. The Owner

has provided to Purchaser true and complete copies of the relevant portions of any Tax audit reports, statements of deficiency and notices of assessment of the relevant governmental authority and any closing or other agreement or any final report received by or on behalf of the Acquired Companies or otherwise relating to any Taxes of or with respect to the any Acquired Company in each case for each such examination or audit showing any adjustments to Taxes and the basis therefore. Owner has provided Purchaser with true and complete copies of all federal and state income or franchise Tax returns for each Acquired Company and all other material Tax returns filed by or on behalf of the Acquired Companies for all periods ending on or after December 31, 2010.

(l) No Acquired Company has been a member of an affiliated group filing a consolidated federal income Tax Return nor does it have any liability for the Taxes of any Person under Treasury Regulations § 1.1502-6 (or any similar provision of national, state or local Law), as a transferee or successor, by Contract, or otherwise.

(m) No power of attorney is currently in effect on behalf of any Acquired Company with respect to any Taxes.

(n) Holdco is and always has been treated as a disregarded entity for Federal, state and local income Tax purposes and Midco and Opco are and always have been treated as partnerships for Federal, state and local income Tax purposes.

(o) No Seller Party is a "foreign person" within the meaning of Section 1445 of the Code.

(p) No Seller Party has engaged in a "reportable transaction" within the meaning of Treasury Regulations § 1.6011-4(b).

3.27 Litigation and Investigations. Except as set forth on Schedule 3.27, there is no litigation, proceeding (at law or in equity) or governmental, quasi-governmental or other investigation pending or, to the Seller Parties' Knowledge, threatened (a) against any Acquired Company or any of the Acquired Companies' equityholders, directors or officers that is related to the Business, (b) with respect to or affecting the Acquired Companies' operations, business or financial condition, or (c) related to the consummation of the Contemplated Transactions. No insurer has denied coverage for any litigation, or litigation-related claim or proceeding, submitted or made by or on behalf of an Acquired Company.

3.28 Compliance with Laws. No Seller Party is party to or bound by any Order (or any agreement entered into in any administrative, judicial or arbitration proceeding with any governmental or other authority) with respect to any of the Acquired Companies' assets or business activities. No Seller Party (with respect to the Business) is in violation in any material respect of or, to the Seller Parties' Knowledge, being investigated for violation of any Law, Order or Permit by which any Seller Party is bound or to which any asset or business activity of any Seller Party is subject.

3.29 Health Care Compliance. Except as set forth on Schedule 3.29:

(a) **Compliance with Health Care Laws.** The Acquired Companies are operating and have been operated in compliance in all material respects with all applicable Health Care Laws. None of the Acquired Companies and their respective Affiliates, officers, managers and personnel and the physicians practitioners and other health care professionals who have been engaged to provide professional services to Opco is in violation in any material respect of or, to the Seller Parties' Knowledge, being investigated for violation of any Health Care Laws by which such Person is bound or to which any business activity or professional services performed by such Person for Opco (including services provided to other Persons but arranged by Opco) is subject. Without limiting the generality of the foregoing, the Acquired Companies are operating and have been operated in compliance in all material respects with the federal health care program anti-kickback statute (42 U.S.C. § 1320a-7b, *et*

seq.), the federal physician self-referral law (commonly known as the Stark Law) (42 U.S.C. § 1395nn, *et seq.* and its implementing regulations, 42 C.F.R. Subpart J), and all other applicable Laws with respect to compensation arrangements, ownership interests or other relationships between referral sources and referral recipients (collectively, the “Fraud and Abuse Laws”). No Seller Party, and, to the Seller Parties’ Knowledge, none of the Acquired Companies’ equityholders, directors, partners, officers, employees, independent contractors or authorized representatives has, directly or indirectly, (i) offered or paid any remuneration (in cash or in kind) to or made any financial arrangements with any past, present or potential patient physician, supplier, contractor, Third-Party Payor or other Person in a position to refer, recommend or arrange for the referral of patients or other health care business (a “Referral Source”) to obtain any patient referrals or other business or payments from any such Person, (ii) given or agreed to give any gift or gratuitous payment (whether in money, property or services) to any such Referral Source, or (iii) made or agreed to make any illegal contribution, gift or gratuitous payment (whether in money, property or services) to, or for the private use of, any governmental authority or any government official, employee or agent. The Owner is not a Referral Source to Opco.

(b) **Participation in Federal Healthcare Programs.** Each of the Acquired Companies and their Affiliates that participates in any Federal Health Care Program is qualified to participate in such Federal Health Care Program and is enrolled and certified in such Federal Health Care Program as a provider of medical or administrative services at every location at which such Person has operations. Each of the Acquired Companies and their Affiliates is operating and has operated in compliance in all material respects with all Federal Health Care Program rules and regulations and all provisions of each Federal Health Care Program Contract to which it is party or by which it is bound. None of the Acquired Companies and their Affiliates is party to a corporate integrity agreement with the Office of Inspector General of the United States Department of Health and Human Services or otherwise has any continuing reporting obligations pursuant to any settlement agreement with any governmental authority. There is no litigation or proceeding (at law or in equity) or, to the Seller Parties’ Knowledge, inquiry or investigation pending or, to the Seller Parties’ Knowledge, threatened with respect to the termination or suspension of the participation by any of the Acquired Companies and their Affiliates in any Federal Health Care Program because of alleged violations of or non-compliance with applicable Federal Health Care Program Regulations or other participation requirements.

(c) **Exclusion of the Acquired Companies and their Affiliates from Federal Health Care Programs.** None of the Acquired Companies and their Affiliates is or ever has been (i) debarred, excluded or suspended from participating in any Federal Health Care Program, (ii) subject to a civil monetary penalty assessed under Section 1128A of the Social Security Act, or (iii) listed on the General Services Administration published list of parties excluded from federal procurement programs and non-procurement programs.

(d) **Exclusion of Personnel from Federal Health Care Program.** None of the Acquired Companies’ employees and independent contractors who, directly or indirectly, provide items or services reimbursed by any Federal Health Care Program and directors is or ever has been (i) debarred, excluded or suspended from participating in any Federal Health Care Program, (ii) subject to sanction, indicted or convicted of a crime, or pled *nolo contendere* or to sufficient facts, in connection with any allegation of violation of any Federal Health Care Program requirement or Health Care Law, (iii) listed on the General Services Administration published list of parties excluded from federal procurement programs and non-procurement programs, or (iv) designated a Specially Designated National or Blocked Person by the Office of Foreign Asset Control of the U.S. Department of Treasury.

(e) **Accreditation.** Neither Opco, any facility operated by Opco, nor any service provided by Opco is accredited by any accreditation organization.

(f) **Reporting and Billing.** Opco has timely filed all reports and billings required to be filed with respect to each Third-Party Payor, all of which were prepared in compliance in all material

respects with applicable Laws governing reimbursement and claims and the payment policies of the applicable Third-Party Payor. Opco has paid all known and undisputed refunds, overpayments, discounts and adjustments due with respect to any such report or billing, and there is no pending or, to the Seller Parties' Knowledge, threatened appeal, adjustment, challenge, audit (including written notice of an intent to audit), inquiry or litigation by any Third-Party Payor with respect to Opco's billing practices and reimbursement claims. Opco has not been audited or otherwise examined by any Third-Party Payor other than in the ordinary course of business.

(g) **HIPAA.** Opco has and has, since the Operating Date, had privacy and security plans, policies and procedures that comply in all material respects with then-applicable HIPAA requirements (collectively, "HIPAA Policies and Procedures"). Opco has provided to the Purchaser complete and accurate copies of all HIPAA Policies and Procedures. No Seller Party has received written notice of, and there is no litigation, proceeding (at law or in equity) or, to the Seller Parties' Knowledge, inquiry or investigation pending or, to the Seller Parties' Knowledge, threatened with respect to, any alleged "*breach*" as defined in 45 C.F.R. § 164.402 (a "Breach") or any other violation of HIPAA by Opco or its "*workforce*" (as defined under HIPAA). No Breach or other violation of HIPAA by Opco or its "*workforce*" or successful "*security incident*" (as defined in 45 C.F.R. § 164.304) has occurred with respect to "*protected health information*" (as defined in 45 C.F.R. § 164.103) in the possession or under the control of Opco.

(h) **Medical Waste.** With respect to the generation, transportation, treatment, storage, disposal and other handling of Medical Waste, each Acquired Company is operating and has, since the Operating Date, operated in compliance in all material respects with the Medical Waste Tracking Act of 1988, 42 U.S.C. § 6992, *et seq.*, the United States Public Vessel Medical Waste Anti-Dumping Act of 1988, 33 U.S.C. § 2501, *et seq.*, the Marine Protection, Research and Sanctuaries Act of 1972, 33 U.S.C. § 1401 *et seq.*, the Occupational Safety and Health Act, 29 U.S.C. § 651, *et seq.*, the United States Department of Health and Human Services, National Institute for Occupational Self-Safety and Health Infectious Waste Disposal Guidelines, Publication No. 88-119, *et seq.*, and all other applicable Laws regulating Medical Waste or imposing requirements relating to Medical Waste.

(i) **Employment of Physicians.** No Acquired Company employs physicians.

3.30 Significant Third-Party Payors and Suppliers. Schedule 3.30 lists Opco's 10 largest Third-Party Payors (in terms of Opco's revenues) during the 12-month period ended December 31, 2012 (the "Significant Third-Party Payors"), and Opco's 27 largest suppliers (in terms of goods and services purchased by Opco) during the 12-month period ended December 31, 2012 (the "Significant Suppliers"). No Significant Third-Party Payor or Significant Supplier has indicated in writing that it intends to terminate, limit or negatively alter its business relationship with Opco or the Business.

3.31 Warranties. No Acquired Company has made any written warranties with respect to the quality of or absence of defects from the services performed or products sold by any Acquired Company in the Business. There are no Actions pending or, to the Seller Parties' Knowledge, anticipated or threatened against any Acquired Company with respect to the quality of or absence of defects from such services or products.

3.32 Related Party Transactions. Except as set forth on Schedule 3.32, the Owner does not own, directly or indirectly (except through the Acquired Companies), any asset that is used in the Business, and Owner is not engaged, directly or indirectly, in any business that competes with the Acquired Companies or the Business in Illinois or the states that are adjacent to it.

3.33 Inter-Company Claims. To the Seller Parties' Knowledge, no Acquired Company has made or threatened or has any reasonable basis to make or threaten any Non-Transaction Action against another Acquired Company or the Owner, or any of their respective directors, officers, managers,

members, shareholders, employees and representatives, and, to the Seller Parties' Knowledge, no Acquired Company or its Affiliates has any intent to make any Non-Transaction Action against another Acquired Company or the Owner.

3.34 Charitable Obligations. No Acquired Company has any Liability with respect to community or charitable pledges, contributions or commitments.

3.35 Investment Company Act. No Acquired Company is an "*investment company*" within the meaning of the Investment Company Act of 1940, 15 U.S.C. § 80b-1, *et seq.*

3.36 Brokers. No Acquired Company has any Liability to pay any fees or commissions to any broker, finder or similar agent with respect to the Contemplated Transactions.

3.37 Complete Disclosure. No representation or warranty of the Parent contained in this Article III (including the Disclosure Schedules) contains any untrue statement of material fact or omits to state a material fact necessary to make the statements in this Article III (including the Disclosure Schedules), in the light of the circumstances in which they were made, not misleading. The Seller Parties have made available to the Purchaser complete and accurate copies of all agreements, documents, instruments and other materials referenced in the Disclosure Schedule.

ARTICLE IV REPRESENTATIONS AND WARRANTIES REGARDING THE OWNER

The Owner represents and warrants to the Purchaser that, except as disclosed in the Disclosure Schedule:

4.1 Organization. The Owner is an entity duly incorporated, validly existing and in good standing under the Laws of the jurisdiction of its formation.

4.2 Power and Authority. The Owner has full power, authority and legal capacity to enter into and perform this Agreement and all other Transaction Documents to be executed by the Owner pursuant to this Agreement (collectively, the "Owner Documents").

4.3 Enforceability. This Agreement has been duly executed and delivered by the Owner and constitutes a valid and binding obligation of the Owner, enforceable against the Owner in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency, moratorium, fraudulent conveyance and similar generally applicable Laws regarding creditors' rights or by general equity principles. Upon execution and delivery by the Owner, the Owner Documents will have been duly executed and delivered by the Owner and will constitute valid and legally binding obligations of the Owner, enforceable against the Owner in accordance with their respective terms, except as may be limited by applicable bankruptcy, insolvency, moratorium, fraudulent conveyance and similar generally applicable Laws regarding creditors' rights or by general equity principles.

4.4 Consents. Except as set forth on Schedule 4.4, no consent, authorization, Order or approval of, or filing or registration with, any governmental authority or other Person is required for the Owner's execution and delivery of the Owner Documents or consummation of the Contemplated Transactions, except where the failure to obtain such consent, authorization, Order or approval or make such filing or registration such as would not reasonably be expected to have a Material Adverse Effect.

4.5 No Conflicts. Neither the Owner's execution and delivery of the Owner Documents nor the Owner's consummation of the Contemplated Transactions will conflict with or result in a breach of any provision of the Owner's Governing Documents. Neither the Owner's execution and delivery of the Owner Documents nor the Owner's consummation of the Contemplated Transactions will result in a breach of any Law or Order. Except as set forth on Schedule 4.5, the Owner is not party to or bound by

any material Contract under which (a) the Owner's execution and delivery of or performance under the Owner Documents or consummation of the Contemplated Transactions will (i) constitute a default or breach or event of acceleration or (ii) amend, or give the counterparty thereto any right to amend, any material right or obligation of the Owner thereunder, or (b) performance by the Owner according to the terms of the Owner Documents may be prohibited, prevented or delayed. Except as set forth on Schedule 4.5, the Owner is not party to or bound by any material Contract under which the Owner's or one of its Affiliate's execution and delivery of or performance under the Consulting Agreement will constitute a default or breach or event of acceleration.

4.6 Title to Purchased Interests. The Owner owns and is the beneficial holder of all of the equity interests ascribed to the Owner in Exhibit A and in Schedule 3.7 free and clear of all Encumbrances.

4.7 Exclusion of Personnel from Federal Health Care Program. The Owner is not and never has been (a) debarred, excluded or suspended from participating in any Federal Health Care Program, (b) subject to sanction, indicted or convicted of a crime, or pled nolo contendere or to sufficient facts, in connection with any allegation of violation of any Federal Health Care Program requirement or Health Care Law, (c) listed on the General Services Administrative published list of parties excluded from federal procurement programs and non-procurement programs, or (d) designated a Specially Designated National or Blocked Person by the Office of Foreign Asset Control of the U.S. Department of Treasury.

4.8 No Insolvency. The Owner (i) is not the subject of proceedings commenced by or against it under any bankruptcy, arrangement, reorganization, insolvency or similar Laws for the relief of debtors, (ii) does not have an application made by it pending for appointment, for the benefit of creditors, of a receiver or any other legal custodian with respect to its assets, and (iii) has not made any general assignment for the benefit of creditors.

4.9 Brokers. The Owner has no Liability to pay any fees or commissions to any broker, finder or similar agent with respect to the Contemplated Transactions.

4.10 Inter-Company Claims. To the Owner's knowledge, none of the Owner or its Affiliates has made or threatened or has any reasonable basis to make or threaten any Non-Transaction Action against the Acquired Companies, or any of their respective directors, officers, managers, members, shareholders, employees and representatives, other than the Transferred Claims, and, to the Owner's knowledge, neither Owner nor its Affiliates has any intent to make any Non-Transaction Action against an Acquired Company.

ARTICLE V REPRESENTATIONS AND WARRANTIES REGARDING THE PURCHASER

The Purchaser represents and warrants to the Owner that:

5.1 Organization. Purchaser is a not-for-profit corporation duly incorporated, validly existing and in good standing under the laws of the jurisdiction of its incorporation or formation.

5.2 Power and Authority. The Purchaser has full power and authority to enter into and perform this Agreement and all other Transaction Documents to be executed by the Purchaser pursuant to this Agreement (collectively, as to each of them, the "Purchaser Documents").

5.3 Enforceability. This Agreement has been duly executed and delivered by the Purchaser and constitutes a valid and binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency, moratorium, fraudulent conveyance and similar generally applicable Laws regarding creditors' rights or by general

equity principles. Upon execution and delivery by the Purchaser, the other Purchaser Documents will have been duly executed and delivered by the Purchaser and will constitute valid and legally binding obligations of the Purchaser, enforceable against the Purchaser in accordance with their respective terms, except as may be limited by applicable bankruptcy, insolvency, moratorium, fraudulent conveyance and similar generally applicable Laws regarding creditors' rights or by general equity principles.

5.4 Consents. No consent, authorization, Order or approval of, or filing or registration with, any governmental authority or other Person is required for the Purchaser's execution and delivery of the Purchaser Documents or the Purchaser's consummation of the Contemplated Transactions, except where the failure to obtain such consent, authorization, Order or approval or make such filing or registration such as would not reasonably be expected to have a material adverse effect on the Purchaser or the ability of Purchaser to consummate the Contemplated Transactions in a timely manner.

5.5 No Conflicts. Neither the Purchaser's execution and delivery of the Purchaser Documents nor the Purchaser's consummation of the Contemplated Transactions will conflict with or result in a breach of any provision of the Purchaser's Governing Documents. Neither the Purchaser's execution and delivery of Purchaser Documents nor the Purchaser's consummation of the Contemplated Transactions will result in a breach of any provision of any Law or Order. The Purchaser is not party to or bound by any Contract under which (a) the Purchaser's execution and delivery of or performance under the Purchaser Documents or consummation of the Contemplated Transactions will (i) constitute a default, breach or event of acceleration or (ii) amend, or give the counterparty thereto any right to amend, any material right or obligation of the Purchaser thereunder, or (b) performance by the Purchaser according to the terms of the Purchaser Documents may be prohibited, prevented or delayed.

5.6 Brokers. The Purchaser has no Liability to pay any fees or commissions to any broker, finder or similar agent with respect to the Contemplated Transactions.

5.7 Claims Against Seller Parties. To the Purchaser's knowledge, none of the Purchaser or its Affiliates has made or threatened or has any reasonable basis to make or threaten any Non-Transaction Action against a Seller Party, its Affiliates or any of their respective directors, officers, managers, members, shareholders, employees and representatives, and, to the Purchaser's knowledge, neither Purchaser nor its Affiliates has any intent to make any Non-Transaction Action against a Seller Party.

ARTICLE VI PRE-CLOSING COVENANTS AND AGREEMENTS

6.1 Further Actions. Until the Closing, each Party will, and will cause its Affiliates to, cooperate in good faith with the other Parties and their Affiliates and take such actions and execute and deliver such documents and instruments that are reasonably necessary, proper or advisable to consummate the Contemplated Transactions as promptly as practicable, including using commercially reasonable efforts to (a) obtain each of the consents, authorizations, Orders and approvals and make each of the filings, registrations and notices required to be disclosed pursuant to Section 3.4, Section 3.5, Section 4.4, Section 4.5, Section 5.4 or Section 5.5, (b) prevent the entry, enactment or promulgation of any pending or threatened Order that would prevent, prohibit or delay the consummation of the Contemplated Transactions, (c) lift or rescind any existing Order preventing, prohibiting or delaying the consummation of the Contemplated Transactions, (d) effect all necessary registrations, applications, notices and other filings required by applicable Law to consummate the Contemplated Transactions, and (e) cooperate with the other Parties with respect to all filings by any other Party that are required by applicable Law.

6.2 Operation of the Business. Except as set forth on Schedule 6.2, as expressly permitted by this Agreement or as the Purchaser may otherwise consent to in writing (which, for the purposes of this Section 6.2, will be deemed to have been given if contained in an email communication between executive officers of Opco and Purchaser), until the Closing, the Seller Parties will:

- (a) conduct the Business only in the ordinary course of business;
- (b) without making any commitment on the Purchaser's behalf (unless expressly authorized by the Purchaser to do so), use commercially reasonable efforts to preserve intact Opco's current business organization and maintain Opco's relations and goodwill with those having business relationships with Opco (including Third-Party Payors);
- (c) confer with the Purchaser regarding all material operational matters;
- (d) periodically report to the Purchaser regarding the Business and Opco's operations, financial condition and prospects;
- (e) maintain Opco's assets in a state of satisfactory repair (ordinary wear and tear excepted) and in a condition that complies in all material respects with all applicable Laws and is consistent with the ordinary conduct of the Business;
- (f) except as previously disclosed to Purchaser, pay when due or otherwise satisfy in the ordinary course of business all of its bona fide Liabilities incurred in the ordinary course of business, subject to good faith disputes;
- (g) comply in all material respects with all Laws, Orders and contractual obligations relating to the Business;
- (h) not hire, fire or change any material terms of employment or engagement with respect to any management personnel;
- (i) not make or change any material Tax election, file any amended Tax Return or settle any Tax claim, prepare any Tax Return in a manner that is inconsistent with the past practices of any of the Seller Parties, or incur any Liability for Taxes other than in the ordinary course of business;
- (j) continue in full force and effect the insurance coverage under the policies required to be disclosed in Schedule 3.16 or substantially equivalent policies;
- (k) except as required to comply with ERISA or maintain qualification under Code § 401(a) or otherwise as required under this Agreement, not amend, modify or terminate any Employee Benefit Plan, except an amendment or modification made in the ordinary course of business;
- (l) cooperate with and assist the Purchaser in identifying all Permits required by any of the Purchaser and Opco to operate the Business after the Closing Date, continuing Opco's existing Permits and obtaining new Permits for the Purchaser; and
- (m) maintain all books and records relating to the Business in the ordinary course of business.

6.3 Negative Covenant. Until the Closing, except as set forth on Schedule 6.3 or as otherwise expressly permitted by this Agreement, no Seller Party will, without the Purchaser's prior written consent (which, for the purposes of this Section 6.3, will be deemed to have been given if contained in an email communication between executive officers of Opco and Purchaser): (a) take any action or fail to take any action within its control, the likely result of which would be any change or event listed in Section 3.10 or Section 3.19, or (b) enter into any compromise or settlement of any material litigation, proceeding or governmental investigation relating to Opco or the Business.

6.4 Access and Investigation. Until the Closing, the Seller Parties will, and will cause their Affiliates to, (a) give the Purchaser Group reasonable access (at reasonable times during normal business hours, upon reasonable notice and in the manner that is not disruptive to the Seller Parties' business) to,

or copies of, all of Opco's properties, books, records, contracts, documents, insurance policies, personnel, suppliers and Third-Party Payors, (b) provide to the Purchaser Group such additional financial, operating and other relevant information as any member of the Purchaser Group reasonably requests, and (c) otherwise cooperate and assist, to the extent reasonably requested by the Purchaser, with the Purchaser's investigation of the Business and Opco's operations, assets, liabilities, financial condition and prospects.

6.5 Notifications; Disclosure Updates.

(a) Until the Closing, each Party will, as soon as possible after discovery, deliver to the other Parties written notice of any event, fact, circumstance or condition that does or would reasonably be expected to (i) cause a breach of any of such Party's covenants under this Agreement, (ii) render satisfaction of the conditions in Section 2.2 or Section 2.3 impossible or unlikely, or (iii) prohibit, prevent or delay the timely consummation of the Contemplated Transactions.

(b) Until the Closing, the Seller Parties will, as soon as possible after discovery (but at least three Business Days before the Closing Date), deliver to the Purchaser written notice (each a "Disclosure Schedule Update") updating the Disclosure Schedule to (i) reflect any event occurring or fact, circumstance or condition arising after the date of this Agreement that, if such event occurred or such fact, circumstance or condition arose before or on the date of this Agreement, would have been required to be disclosed in the Disclosure Schedule or that are necessary to correct any disclosures in the Disclosure Schedule that have been rendered inaccurate thereby (a "Schedule Update") or (ii) correct any existing inaccuracy or deficiency in the Disclosure Schedule based on any event that occurred or fact, circumstance or condition that existed before or on the date of this Agreement (a "Schedule Correction").

(c) If the Purchaser, in its reasonable discretion, determines that it should not consummate the Contemplated Transactions because any information contained in a Schedule Update or Schedule Correction, individually or in the aggregate, would result in a Material Adverse Effect, then the Purchaser may terminate this Agreement with prompt written notice given to the Owner.

(d) Notwithstanding the foregoing, if the Purchaser has not exercised its termination rights under Section 6.5(c), then after the Closing, (i) a Schedule Update and an immaterial or not adverse Schedule Correction will modify the corresponding Schedule, qualify the representations and warranties in this Agreement corresponding to such Schedule and cure any inaccuracy in or breach of representation or warranty that otherwise would have existed had such matter not been disclosed, and (ii) a material and adverse Schedule Correction will not modify the corresponding Schedule or qualify the representations and warranties in this Agreement corresponding to such Schedule and will not cure any inaccuracy in or breach of representation or warranty that otherwise might have existed hereunder by reason of the subject matter so disclosed or otherwise prejudice any indemnification rights under Article IX for Losses relating to the subject matter so disclosed.

6.6 Insurance Tail Policies. Effective at the Closing, the Seller Parties will at Owner's expense, purchase "prior acts" coverage and/or extended reporting period endorsements of indefinite duration (or such shorter time periods as the Parties may agree), for the directors' and officers' liability insurance of Opco with (a) coverage, conditions and retentions that are at least as favorable as the coverage, conditions and retentions of the underlying policies being terminated, (b) liability limits equal to or greater than those applicable to the underlying policies being terminated and (c) deductibles no greater than those applicable to the underlying policies being terminated (the "Insurance Tail Policies").

6.7 Transfer of Transferred Claims. Before or at the Closing, the Owner will transfer the Transferred Claims against Opco to the Purchaser.

6.8 Confidentiality. Until the Closing, each Party will keep confidential and not disclose, or permit its Affiliates, representatives, agents and advisors (including financial advisors, attorneys and

accountants) to disclose, the existence or any terms of the Transaction Documents and the Contemplated Transactions and all Confidential Information obtained from any other Party in connection with the investigation, negotiation, preparation and consummation of the Transaction Documents and the Contemplated Transactions; *provided, however, that* a Party may disclose the existence and terms of Transaction Documents and other Confidential Information if and only to the extent that (a) such information is disclosed to such Party's Affiliates, representatives, agents and advisors (including financial advisors, attorneys and accountants) who are advising such Party with respect to the Contemplated Transactions, but only for legitimate business purposes related to the investigation, negotiation, preparation and consummation of the Contemplated Transactions, (b) such information is required to be disclosed in making any filing or obtaining any consent or approval required for the consummation of the Contemplated Transactions, or (c) such information is required to be disclosed by any Law, Order or other legal process; *provided that* as soon as reasonably practicable before such disclosure, the disclosing Party gives the other Party prompt written notice of such disclosure to enable the appropriate Party to seek a protective order or otherwise preserve the confidentiality of such information.

6.9 Exclusivity. Until August 30, 2013 or the earlier termination of this Agreement pursuant to Article VII, the Seller Parties will not, and will not permit any of their Affiliates, representatives, agents and advisors (including financial advisors, attorneys and accountants) to solicit, initiate or encourage, directly or indirectly, any inquiries or proposals from, discuss or negotiate with, provide any non-public information to, or consider the merits of any unsolicited inquiry or proposal from, any Person (other than the Purchaser) relating to any transaction or series of transactions involving (a) the sale of Midco's or Opco's business operations or all or substantially all of Midco's or Opco's assets, (b) Midco's or Opco's equity securities, or (c) any merger, consolidation, combination or similar transaction involving Midco or Opco. The Seller Parties will notify the Purchaser of any such inquiry or proposal within twenty-four hours after its receipt or awareness of any such inquiry or proposal, identifying the Person who made such inquiry or proposal, the material terms of such inquiry or proposal and such other information regarding such Person and their inquiry or proposal as the Purchaser reasonably requests.

6.10 Schedules. All Schedules attached to this Agreement refer to the corresponding section number in the Agreement. Unless otherwise specified, each reference in this Agreement to any numbered Schedule is a reference to that numbered Schedule that is included in the Disclosure Schedule. Captions, headings and section references in the Disclosure Schedule are included for ease of reference only and shall have no legal effect. Matters reflected in the Disclosure Schedule are not necessarily limited to matters required by the Agreement to be reflected therein. Such additional matters are set forth solely for informational purposes and do not necessarily include other matters of a similar nature. Disclosure of any information in the Disclosure Schedule, whether or not in response to a requirement contained in the Agreement to schedule material matters or matter outside the ordinary course of business, shall not be deemed to be an admission by the Party or Parties making such disclosure that such information is material or outside the ordinary course of business nor is it or shall it be deemed to be a representation that such information must be set forth in the Disclosure Schedule. Nothing in the Disclosure Schedule shall constitute an admission of any liability or obligation of such Party or Parties or their respective Affiliates to any Third-Party nor an admission against such Party or Parties or their respective Affiliates' interests. A disclosure of information in any Section of the Disclosure Schedule shall be deemed to be disclosure in each other Section to the extent it is reasonably apparent from a reading of such Section that such disclosure is applicable to such other Section.

6.11 Consulting Agreement. Purchaser and the Owner will negotiate in good faith to cause Opco, on the one hand, and the Owner and/or its Affiliates, on the other hand, to enter into an amended and restated consulting services agreement, which shall include the terms set forth in Schedule 6.11 (the "Consulting Agreement").

6.12 Employee Matters.

(a) The Parties acknowledge the contribution and commitment of the Opco's current workforce and their importance to the ongoing success of the Business. In light of the foregoing, the Parties will agree in good faith on a fair and reasonable arrangement to help ensure the retention of the Qualified Employees.

(b) Except as set forth in Section 6.12(e), effective as of the Closing Date, all Employee Benefits Plans sponsored or maintained by Owner and its Affiliates shall cease to cover Opco employees and their spouses or dependents. For Opco' active employees as of the Closing Date, Owner shall fully vest the accounts of such employees under any defined contribution retirement plan sponsored or maintained by Owner.

(c) As of the Closing Date, Purchaser, or, at the election of Purchaser, Opco or one of Purchaser's Affiliates shall: (i) employ the Qualified Employees; (ii) provide or arrange to provide retirement and health and welfare benefits to the Qualified Employees; (iii) recognize the Qualified Employees' prior service with Opco for purposes of accruing paid time off; and (iv) waive the waiting periods under group health plans.

(d) Owner will have no obligation to pay PTO accruals for any Opco employee that will not be reimbursed by Opco.

(e) Owner shall retain the responsibility to provide COBRA continuation coverage (as defined in Section 4980B(f)(2) of the Code or similar state law) to those individuals for whom the Owner is providing such COBRA continuation coverage as of the Closing Date, to any individuals who are "M&A qualified beneficiaries" as such term is defined under COBRA (and whose qualifying event occurs before the Closing Date). Opco shall be responsible for providing or otherwise arranging COBRA continuation coverage for employees of the Acquired Companies, and their qualified beneficiaries, whose "qualifying event" occurs on or after the Closing Date.

(f) Opco shall be solely responsible for any notification and liability under the WARN Act and any similar state Laws relating to any layoff or termination of employees occurring after the Closing Date.

(g) Owner, Purchaser and their respective Affiliates agree to reasonably cooperate with each other to facilitate the orderly transition of employee benefits as contemplated herein. If Purchaser elects to transition the Qualified Employees to the payroll of Purchaser or one of its Affiliates at or before Closing (instead of after Closing), Owner will not incur any Liability or expense that is not reimbursed by Opco with respect to such transition if such liability or expense is directly and primarily attributable to actions or omissions of Purchaser (or actions or omissions of Owner or any of the Acquired Companies at the direction of Purchaser) in connection with such transition; it being understood that the foregoing shall not relieve Owner of any liability or expense for any other act or omission by Owner or any of the Acquired Companies prior to the Closing.

(h) Nothing contained in this Section 6.12 or elsewhere in this Agreement, express or implied, shall confer upon any current or former employee or legal representative or beneficiary thereof, or any other Person, any rights or remedies of any nature or kind whatsoever under or by reason of this Agreement or any representation made by Purchaser, an Acquired Company, Owner or any of their Affiliates, including any right to employment or continued employment for any specified period, or level of compensation or benefits. Nothing contained in this Section 6.12 or elsewhere in this Agreement, express or implied, shall constitute an amendment or modification of any employee benefit plan of Purchaser, an Acquired Company, Owner or any of their Affiliates.

ARTICLE VII TERMINATION

7.1 Termination Events. This Agreement and the Contemplated Transactions may be terminated before the Closing:

- (a) by mutual agreement of the Purchaser and the Owner;
- (b) by the Owner on behalf of the Seller Parties, with five Business Days' advance written notice to the Purchaser, if (i) the Purchaser has breached any provision of this Agreement and the Seller Parties have not waived in writing such breach, (ii) any condition in Section 2.2 is not satisfied as of the Closing Date or if satisfaction of such condition becomes impossible (other than through the failure of the Seller Parties to comply with their obligations under this Agreement) and the Owner has not waived in writing such condition, or (iii) the Closing has not occurred (other than through the failure of the Seller Parties to comply with their obligations under this Agreement) before or on August 30, 2013; or
- (c) by the Purchaser, with written notice to the Owner, if (i) any Seller Party has breached any provision of this Agreement and the Purchaser has not waived in writing such breach, (ii) any condition in Section 2.3 is not satisfied as of the Closing Date or if satisfaction of such condition becomes impossible (other than through the failure of the Purchaser to comply with its obligations under this Agreement) and the Purchaser has not waived in writing such condition, (iii) as permitted under Section 6.5(c), or (iv) the Closing has not occurred (other than through the failure of the Purchaser to comply with their obligations under this Agreement) before or on August 30, 2013.

7.2 Effect of Termination. If a Party terminates this Agreement pursuant to Section 7.1, then all further obligations of the Parties under this Agreement, other than those under this Section 7.2, Section 10.1 and Article XI, will terminate and the Parties' sole remedy will be an action for breach of contract or otherwise under law or in equity; *provided, however, that* the exercise of any termination right under Section 7.1 will not be an election of remedies and the terminating Party's right to pursue all remedies at law or in equity will survive such termination unimpaired.

ARTICLE VIII POST-CLOSING COVENANTS AND AGREEMENTS

After the Closing:

8.1 Further Assurances. Each Party will take all further actions and execute and deliver all further documents that are necessary to comply with the terms of the Transaction Documents and consummate the Contemplated Transactions.

8.2 Books and Records. The Owner will retain and, subject to compliance with applicable Law, make its books and records (including work papers in the possession of its accountants) with respect to the Business available for inspection and copy by the Acquired Companies and Purchaser or their duly appointed representatives (reasonably acceptable to the Owner) for reasonable business purposes at reasonable times during normal business hours, upon reasonable notice and in the manner that is not disruptive to the Owner's business, until the third anniversary of the Closing with respect to all transactions occurring before the Closing or related to the Closing and the Acquired Companies' historical financial condition, assets, liabilities, results of operations and cash flows.

8.3 Litigation Support. If any Party is actively contesting or defending against any Action in connection with the Contemplated Transactions or any activity, event, fact, circumstance or condition before or as of the Closing involving Opco or the Business, then, for so long as such contest or defense continues, each Party will (except to the extent that another Party is an adverse party with respect to such Action), at the sole cost and expense of the contesting or defending Party (unless the contesting or

defending Party has a right to indemnification therefor under Article IX), (a) cooperate with the contesting or defending Party and its counsel in the contest or defense and (b) make available all personnel and provide all testimony and access to its books that is necessary or reasonably requested by the contesting or defending Party in connection with such contest or defense.

8.4 Payment of Transaction Taxes and Fees. The Owner will (a) pay, when due, all Taxes (other than income Taxes), conveyance fees, title application fees, registration fees, recording charges and other fees and charges (including any interest and penalties) incurred in connection with consummation of the Contemplated Transactions, regardless of the Seller Party on whom such Taxes, fees and charges are imposed, and (b) at its own expense, file all necessary Tax Returns and other documentation with respect to such Taxes, fees and charges. If required by applicable Law, the Parties will, and will cause their Affiliates to, join in the execution of any such Tax Returns and other documentation.

8.5 Tax Matters.

(a) **Tax Returns.** Except as otherwise provided in Section 8.4:

(i) Owner shall prepare and timely file, or cause to be prepared and timely filed all Tax Returns that are required to be filed by or with respect to the income, assets or operations of any Acquired Company for taxable years or periods ending on or before the Closing Date. Owner shall timely remit, or cause to be timely remitted, all Taxes due in respect of such Tax Returns.

(ii) Purchaser shall prepare and timely file, or cause to be prepared and timely filed, all Tax Returns that are required to be filed by any Acquired Company for taxable years or periods ending after the Closing Date, including any Straddle Period. Purchaser shall timely remit, or cause to be timely remitted, all Taxes due in respect of such Tax Returns. Not later than thirty (30) days prior to the due date for filing of each such Tax Return, Purchaser shall provide Owner with a draft copy of such Tax Return for review and comment, and Purchaser shall include, in the Tax Return filed, all reasonable comments provided by Owner with respect to any such draft copy not later than five (5) days prior to such due date.

(iii) Purchaser shall not amend, refile or otherwise modify, or cause or permit to be amended, refiled or otherwise modified, any Tax Return filed by any Acquired Company for any taxable year or period beginning on or before the Closing Date.

(b) **Straddle Period Tax Liabilities.**

(i) Upon the written request of Purchaser setting forth in detail the computation of the amount owed, Owner shall pay to Purchaser, no later than three (3) days prior to the due date for the applicable Tax Return, Owner's allocable share of the Taxes for which Owner is liable pursuant to Section 8.5(b)(ii) below but which are payable with any Tax Return to be filed by Purchaser pursuant to Section 8.5(a).

(ii) Owner and Purchaser shall apportion or allocate all Taxes of or with respect to each Acquired Company or the income, assets or operations of each such entity for a Straddle Period between the period deemed to end at the close of the Closing Date and the period deemed to begin at the beginning of the day following the Closing Date on the basis of an interim closing of the books in accordance with Section 706 of the Code, if applicable, except that Taxes (such as real or personal property Taxes) imposed on a periodic basis shall be allocated on a daily basis.

(c) **Assistance and Cooperation.** After the Closing Date, (i) Purchaser shall (and shall cause its Affiliates to) assist Owner in preparing any Tax Returns that Owner is responsible for preparing and filing in accordance with Section 8.5(a)(i), (ii) Owner shall (and shall cause its Affiliates to) assist Purchaser in preparing any Tax Returns that Purchaser is responsible for preparing and filing in

accordance with Section 8.5(b)(ii), and (iii) Purchaser and Owner shall (and shall cause their respective Affiliates to) cooperate fully in preparing for any audits of, or disputes with any governmental authority regarding, any Tax Returns by or with respect to any Acquired Company or with respect to their income, assets or operations. The Owner will preserve all information, Tax Returns, books, records and other documents relating to any Tax Return or any Acquired Company's Liability for Taxes until the later of the expiration of all applicable statutes of limitation (including extensions) and a final determination with respect to Taxes for such period. The Owner will not destroy or otherwise dispose of any such record without first providing the Purchaser and the Acquired Companies a reasonable opportunity to review and copy such record.

(d) **Audits.** Purchase and Owner shall notify the other Party regarding, and within ten (10) days after, the receipt by Purchaser, Owner or any of their Affiliates (including the Acquired Companies) of notice of any inquiries, claims, assessments, audits or similar events with respect to (i) Taxes of or with respect to any Acquired Company or with respect to the income, assets or operations of any such entity to the extent relating to any taxable year or period (or portion thereof) ending on or before the Closing Date, or (ii) any matter for which Owner may be obligated to provide indemnity pursuant to Section 9.1(c)(i) (collectively, the "Owner Tax Claims"). Purchaser, at its sole cost and expense, shall control the resolution of any Owner Tax Claim with respect to Taxes of or with respect to any Acquired Company; *provided, however, that* Owner and its Affiliates and counsel of their choice shall have the right to participate fully in all aspects of the prosecution or defense of such Owner Tax Claim (at Owner's cost and expense). Purchaser shall not settle or compromise any Owner Tax Claim that could adversely affect Owner without the prior written consent of Owner (not to be unreasonably withheld, conditioned or delayed).

(e) **Tax Refunds.** Upon receipt, Purchaser shall promptly forward to Owner Owner's allocable share (at the time of such receipt) of any refund, rebate, abatement, reduction or other recovery (whether direct or indirect through a right of setoff or credit) of Taxes of or with respect to any Acquired Company or with respect to the income, assets or operations of any such entity, and any interest received thereon, with respect to any taxable year or period (or portion thereof) ending on or before the Closing Date.

(f) **754 Election.** To the extent a 754 election under the Code is not already in effect with respect to Midco and Opco, Owner shall obtain all consents and approvals from all third parties reasonably anticipated to be required in order to make (or cause to be made) such election with respect to the taxable year of Midco and Opco in which the Closing Date occurs.

8.6 Professional and General Liability Insurance. Following the Closing, the Owner either will (a) maintain and continue in full force and effect all insurance policies related to Opco that are underwritten on a claims-made basis (including general, professional and umbrella liability policies) with the retroactive dates provided thereon as of the date hereof or (b) if the Owner terminates any such policies, then the Owner will purchase, at the Owner's expense, replacement coverage or "prior acts" coverage and/or extended reporting period endorsements of indefinite duration (or such shorter time periods as the Parties may agree) with respect to the period before the Closing for such terminated policies with (i) coverage, conditions and retentions that are at least as favorable as the coverage, conditions and retentions of the underlying policies being terminated, (ii) liability limits equal to or greater than those applicable to the underlying policies being terminated and (iii) deductibles no greater than those applicable to the underlying policies being terminated. The Owner will furnish to Purchaser a certificate reflecting any replacement or prior acts coverage purchased by the Owner in accordance with this Section 8.6 at least 30 days before the original policies are terminated. If the Owner fails to obtain the coverage required by this Section 8.6, then the Purchaser or its Affiliates may purchase such coverage at the Owner's sole expense, which the Owner will reimburse the Purchaser or its Affiliate within 15 days of the Purchaser providing an invoice evidencing the costs it incurred in obtaining such coverage.

8.7 Further Management Services. Purchaser and the Owner will negotiate in good faith to cause Opco, on the one hand, and the Owner and/or its Affiliates, on the other hand, to enter into a management services agreement in a form reasonably satisfactory to Purchaser and the Owner, pursuant to which Owner and/or its Affiliates will provide Opco certain additional management services in exchange for a fair market value fee.

ARTICLE IX INDEMNIFICATION

9.1 Indemnification Obligations of the Owner. After the Closing, the Owner will defend, indemnify and hold harmless the Purchaser, the Acquired Companies, their respective Affiliates and each of their respective equityholders, directors, limited liability company managers, partners, officers, successors and permitted assigns (collectively, the “Purchaser Indemnitees”) from and against all losses, liabilities, demands, claims, Actions or causes of action, regulatory, legislative or judicial proceedings or investigations, assessments, levies, fines, penalties, damages, costs and expenses (including reasonable attorneys’, accountants’, investigators’, and experts’ fees and expenses) (“Damages”) sustained or incurred by any Purchaser Indemnitee arising from or related to:

(a) any inaccuracy in or breach of the representations and warranties in Article III, Article IV and by any Seller Party in any Transaction Document in each case without giving effect to any “materiality”, “material adverse effect” or similar qualifications therein for purposes of calculating Damages;

(b) any breach by any Seller Party of, or failure by any Seller Party to comply with, any of its covenants or obligations under this Agreement or any Transaction Document; or

(c) without being limited by Section 9.1(a) or Section 9.1(b) and without regard to the fact that any item referred to in this Section 9.1(c) may be disclosed in the Disclosure Schedule, any Disclosure Schedule Update or any documents included or referred to therein or otherwise known to the Purchaser or any of its Affiliates as of the Closing, any Liability arising from or related to:

(i) any violations of Law by a Seller Party before the Closing Date, including but not limited to the items disclosed in Schedule 3.29;

(ii) any Taxes (A) imposed on a Seller Party arising from or related to any pre-Closing Tax period or Pre-Closing Straddle Period, (B) otherwise imposed on or with respect to a Seller Party, (C) in the case of any Person other than a Seller Party that are imposed on a Seller Party relating to any Tax period (or portion thereof) that ends on or before the Closing Date under Treasury Regulations § 1.1502-6 or any similar provision of state, local or foreign Law, as a transferee or successor, by Contract or otherwise, or (D) any increase in the liability of Purchaser or any of its Affiliates for Taxes by reason of, arising out of, resulting from or relating to Purchaser or its Affiliate’s allocable share of the increase in U.S. federal and state taxable income or decrease in taxable loss with respect to any Acquired Company as a result of the failure by Midco to have a Section 754 of the Code in effect with respect to the taxable year of Midco in which the Closing Date occurs, but only to the extent such liability directly and solely results from Owner’s failure to obtain all consents and approvals from all third parties required in order to make (or cause to be made) such election with respect to Midco;

(iii) any amounts Purchaser may have been required to deduct and withhold from the Cash Consideration under any provision of Federal, state, local or foreign Tax Law (to the extent that they were not deducted and withheld from the Cash Consideration); or

(iv) any Transaction Expenses incurred by the Seller Parties.

9.2 Limitations on Indemnification Obligations of the Owner. The obligations of the Owner pursuant to the provisions of Section 9.1 are subject to the following limitations:

(a) **Survival of Representations and Warranties.** The representations and warranties in Article III and Article IV, and the Purchaser Indemnitees' corresponding rights to indemnification pursuant to Section 9.1(a) will survive the Closing (and none will merge into any instrument of conveyance) as follows:

(i) The representations and warranties made in Section 3.1 (Organization), Section 3.2 (Power and Authority), Section 3.3 (Enforceability), Section 3.7 (Capitalization), Section 3.26 (Taxes), Section 3.29 (Health Care Compliance), Section 4.1 (Organization), Section 4.2 (Power and Authority), and Section 4.3 (Enforceability) (collectively, the "Fundamental Warranties") will survive until the date that is 30 calendar days after the applicable statute of limitations expires.

(ii) The representations and warranties made in Section 3.28 (Compliance with Laws) (the "Legal Compliance Warranty") will survive until the date that is 24 months after the Closing Date.

(iii) All representations and warranties made in Article III and Article IV other than the Fundamental Warranties and the Legal Compliance Warranty (such other warranties, the "Business Warranties") will survive until the date that is 18 months after the Closing Date.

(b) **Basket.** Absent fraud or intentional misrepresentation, the Purchaser Indemnitees will not be entitled to recover under Section 9.1(a) for inaccuracies, breaches or alleged inaccuracies or breaches of the Business Warranties unless the total amount that the Purchaser Indemnitees would recover under Section 9.1(a) but for this Section 9.2(b) exceeds One Hundred Twenty-Five Thousand and 00/100 U.S. Dollars (\$125,000.00) (the "Basket"). If such amount exceeds the Basket, then the Purchaser Indemnitees will be entitled to recover the full amount of all Damages recoverable under Section 9.1(a) from and including the first dollar.

(c) **Indemnification Caps.**

(i) Absent fraud or intentional misrepresentation, the Purchaser Indemnitees will not be entitled to recover under Section 9.1(a) for inaccuracies, breaches or alleged inaccuracies or breaches of the Business Warranties for any Damages that, in the aggregate, exceed Two Million and 00/100 Dollars (\$2,000,000.00) (the "Business Warranties Cap").

(ii) Absent fraud or intentional misrepresentation, the Purchaser Indemnitees will not be entitled to recover under (A) Section 9.1(a) for inaccuracies, breaches or alleged inaccuracies or breaches of the Fundamental Warranties or the Legal Compliance Warranty or (B) Section 9.1(c)(i) for any Damages that, in the aggregate, exceed Thirteen Million and 00/100 Dollars (\$13,000,000.00) (less any amounts recovered pursuant to Section 9.2(c)(i)) (the "Compliance Cap"); *provided, however, that for any Damages recoverable by the Purchaser Indemnitees under (A) Section 9.1(a) for inaccuracies, breaches or alleged inaccuracies or breaches of the representations and warranties made in Section 3.29 (Health Care Compliance) or the Legal Compliance Warranty or (B) Section 9.1(c)(i) that, in the aggregate, exceed the Business Warranties Cap and result from either (Y) Purchaser Indemnitees making an unprompted self-disclosure to a governmental agency on behalf of an Acquired Company or (Z) a Third-Party's Claim in respect of a matter disclosed on the Disclosure Schedule, the Purchaser Indemnitees only will be entitled to recover eighty-seven and one-half percent (87.5%) of such Damages up to the Compliance Cap.*

9.3 Indemnification Obligations of the Purchaser. After the Closing, the Purchaser will indemnify the Owner, its Affiliates and each of their respective equityholders, directors, limited liability company managers, partners, officers, successors and permitted assigns (collectively, the "Owner

Indemnitees”) from and against all Damages sustained or incurred by any Owner Indemnitee arising from or related to:

(a) any inaccuracy in or breach of any of the Purchaser’s representations and warranties in Article V,

(b) any breach by the Purchaser of, or failure by the Purchaser to comply with, any of its covenants or obligations under this Agreement, or

(c) any Taxes imposed on the Purchaser or an Acquired Company arising from or related to any post-Closing Tax period or Post-Closing Straddle Period.

9.4 Third-Party Claims. If a Third-Party notifies any Persons entitled to indemnification under this Article IX (as applicable, the “Indemnified Parties”) with respect to any matter (a “Third-Party Claim”) that may give rise to a claim by such Indemnified Parties for indemnification against any Persons from whom indemnification may be sought under this Article IX (as applicable, the “Indemnifying Parties”), respectively, under this Article IX, then the Indemnified Parties will promptly deliver written notice thereof to each Indemnifying Party; *provided, however, that* no delay in delivering such notice will relieve the Indemnifying Parties from any indemnification obligation under this Agreement unless, and then only to the extent that, the Indemnifying Parties are prejudiced thereby.

(a) The Indemnifying Parties will have the right to contest and defend against the Third-Party Claim at the Indemnifying Parties’ sole cost and expense, subject to the other provisions of this Article IX, and with the advice of legal counsel of their choice (reasonably acceptable to the Indemnified Parties); *provided that* (i) the Indemnifying Parties notify the Indemnified Parties, in writing within 30 calendar days after receiving notice of the Third-Party Claim from the Indemnified Parties, that, subject to the other provisions of this Article IX, the Indemnifying Parties will indemnify the Indemnified Parties from and against all Damages that the Indemnified Parties may suffer resulting from or related to the Third-Party Claim, (ii) the Indemnifying Parties provide the Indemnified Parties with evidence reasonably acceptable to the Indemnified Parties that the Indemnifying Parties will have the financial resources to defend against such Third-Party Claim and fulfill their indemnification obligations under this Agreement, (iii) the Third-Party Claim involves only money damages and does not seek an injunction or other equitable relief, (iv) settlement of, or an adverse judgment with respect to, the Third-Party Claim is not, in the Indemnified Parties’ good faith judgment, likely to establish a precedential custom or practice adverse to any Indemnified Party or the Business, and (v) the Indemnifying Parties conduct the defense of the Third-Party Claim actively and diligently.

(b) If the Indemnifying Parties elect to contest or defend against a Third-Party Claim in accordance with Section 9.4(a), then (i) the Indemnified Parties may, at their sole cost and expense, retain separate co-counsel of their choice and otherwise participate in, but not control, such contest or defense of the Third-Party Claim, (ii) the Indemnified Parties will not consent to the entry of any judgment on or enter into any settlement with respect to the Third-Party Claim without the Indemnifying Parties’ prior written consent (not to be unreasonably withheld, conditioned or delayed), and (iii) the Indemnifying Parties will be entitled to conduct and control the Third-Party Claim; *provided, however, that* the Indemnifying Parties will not consent to the entry of any judgment on or enter into any settlement with respect to the Third-Party Claim without the Indemnified Parties’ prior written consent (not to be unreasonably withheld, conditioned or delayed).

(c) If any condition in Section 9.4(a) is or becomes unsatisfied, then (i) the Indemnified Parties may, in good faith and with the advice of legal counsel, contest, defend against, consent to the entry of any judgment on or enter into any settlement with respect to the Third-Party Claim, (ii) the Indemnifying Parties may, at their sole cost and expense, retain separate co-counsel of their choice and otherwise participate in, but not control, such contest or defense of the Third-Party Claim,

(iii) the Indemnified Parties will be entitled to conduct and control the Third-Party Claim; *provided, however, that* the Indemnified Parties will not consent to the entry of any judgment on or enter into any settlement with respect to the Third-Party Claim without the Indemnifying Parties' prior written consent (not to be unreasonably withheld, conditioned or delayed), (iv) the Indemnifying Parties will reimburse the Indemnified Parties promptly and periodically for all costs and expenses (including reasonable attorneys' fees and expenses) of contesting, defending against and settling the Third-Party Claim, and (v) the Indemnifying Parties will remain responsible for any Damages that the Indemnified Parties suffer resulting from or relating to the Third-Party Claim as provided in this Article IX.

9.5 Right to Setoff. The Purchaser acknowledges and agrees that no Purchaser Indemnitee shall have any right to set off or deduct from any amounts owing to the Owner or its Affiliates pursuant to (a) any of the Transaction Documents, (b) the Existing Consulting Agreement, or (c) any other Contract between Purchaser or its Affiliates, on the one hand, and Owner or its Affiliates, on the other hand, entered into after the Closing Date, any amount that the Purchaser claims are owed to it pursuant to this Article IX; *provided, however, that* the Purchaser may set off amounts in respect of which it is entitled to indemnification in accordance with this Agreement against amounts owed to the Purchaser pursuant to the Promissory Note in accordance with the terms of the Promissory Note.

9.6 Adjustment to the Purchase Consideration. All indemnification payments made pursuant to this Article IX will be treated as adjustments to the Purchase Consideration.

9.7 Limitations on Indemnification. Notwithstanding anything to the contrary contained in this Agreement:

(a) The amount of any Damages for which indemnification is provided to any Purchaser Indemnitee under this Article IX shall be net of (i) any funded accruals or cash reserves held by an Acquired Company and listed on the Interim Balance Sheet with respect to the matters to which the Damages relate, and (ii) any amounts actually recovered by the Purchaser Indemnitee from any insurance proceeds, by way of indemnification or otherwise; *provided, however,* that the foregoing does not limit the Owner's obligations or the timing of any payment of Damages to a Purchaser Indemnitee under this Article IX while any insurance claim is pending; *provided, further,* that if the amount to be netted hereunder from any payment required under this Article IX is determined after payment by the Owner of any amount otherwise required to be paid to a Purchaser Indemnitee pursuant to this Article IX, the Purchaser shall repay to the Owner such amount promptly after receipt thereof.

(b) No claim for indemnification may be made (and each Party, as applicable, expressly waives any right to indemnification) for: (i) any punitive Damages, (ii) for any matters attributable to the acts or omissions of, or on behalf of, any Indemnified Party or any of its representatives in such Person's capacity as landlord of the Leased Real Estate, or (iii) Damages that could reasonably be expected to have been avoided by use of commercially reasonable efforts on the part of an Indemnified Party (and each Party shall take and shall cause its Affiliates to take all commercially reasonable steps to mitigate any Damages upon becoming aware of any event that gives rise to or would reasonably be expected to give rise to Damages).

(c) The Owner shall not have any Liability for any breach of or any inaccuracy in any representation or warranty made by the Owner in Section 3.23 and Section 3.24 to the extent that the Purchaser or any of its officers, employees, counsel or representatives had actual knowledge at or before the date of this Agreement of such breach of or inaccuracy in such representation or warranty.

(d) In no event shall the Owner have any Liability with respect to any income Taxes, unrelated business taxable income as defined in Code § 511 or other similar Taxes imposed or assessed on the Purchaser or its Affiliates or loss of tax status of such Person arising out of consummation by the Purchaser of the Contemplated Transactions.

9.8 Exclusive Remedy. The provisions of this Article IX shall, in the absence of fraud, constitute the sole and exclusive remedy of all Parties, their Affiliates, successors and permitted assigns with respect to the matters covered by this Article IX.

**ARTICLE X
DEFINITIONS; ACCOUNTING PRINCIPLES**

10.1 Defined Terms. For purposes of this Agreement, the following terms have the following meanings:

“Acquired Companies” means, collectively, Holdco, Midco and Opco; *provided, that*, after the Company Merger, “Acquired Companies” means Midco and Opco.

“Acquired Company Documents” is defined in Section 3.2.

“Action” means any action, suit, proceeding, hearing, investigation, charge, complaint, claim or demand.

“Affiliate” means, with respect to a particular Person, (i) any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person, and (ii) any of such Person’s spouse, siblings (by law or marriage), ancestors and descendants and (iii) any trust for the primary benefit of such Person or any of the foregoing. The term “control” means possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of another Person, whether through the ownership of voting securities or equity interests, by contract or otherwise.

“Agent” is defined in Section 1.3(c).

“Agreement” is defined in the preamble to this Agreement.

“Basket” is defined in Section 9.2(b).

“Breach” is defined in Section 3.29(g).

“Business” is defined in Recital G of this Agreement.

“Business Day” means a day that is not a Saturday, Sunday or legal holiday on which banks are authorized or required to be closed in New York, New York.

“Business Warranties” is defined in Section 9.2(a)(iii).

“Business Warranties Cap” is defined in Section 9.2(c)(i).

“Cadence PIK Note” is defined in Recital A.

“Cadence Sub” means Central DuPage Hospital Association, an Illinois not-for-profit corporation.

“Cash Consideration” is defined in Section 1.2(a).

“CERCLA” means the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601, *et seq.*

“CHIP” means the children’s health insurance program established under Title XXI of the Social Security Act of 1965, 42. U.S.C. § 1396, *et seq.*

“CPTI” means Chicago Proton Treatment Investment, LLC, an Illinois limited liability company.

“CPTI Consents” is defined in Section 2.3(l).

“Closing” is defined in Section 2.1.

“Closing Date” is defined in Section 2.1.

“COBRA” is defined in Section 3.22(c).

“Code” means the Internal Revenue Code of 1986, 26 U.S.C. § 1, *et seq.*, as amended.

“Company Merger” is defined in Recital D.

“Compliance Cap” is defined in Section 9.2(c)(ii).

“Confidential Information” means, with respect to a particular Party, all confidential, proprietary and trade secret information (including all tangible and intangible embodiments thereof) that concerns such Party or any of its Affiliates or their respective businesses, the services, processes, therapies, treatments or products offered by such Party and its Affiliates, the patients with whom such Party or any of its Affiliates has or had a clinical or testing relationship, the hospitals and other health care facilities that are under contract with such Party or any of its Affiliates, the relationships among such Party and its Affiliates, or the research and development efforts and products of such Party and its Affiliates, including lists of and information regarding current and prospective patients, customers, referral sources, payors, vendors and suppliers of such Party and its Affiliates, personnel information (including the identity of former, current and prospective employees, independent contractors and other business associates of such Party and its Affiliates and the responsibilities, competence and abilities of such Persons), computer programs, unpatented inventions, discoveries or improvements, treatment techniques and results, marketing, manufacturing, or organizational research and development, contracts and contractual relations, licenses, accounting ledgers and financial statements, business plans, forecasts and projections, business methods, pricing and financial information, information concerning planned or pending acquisitions or divestitures, and information concerning purchases of real property or major equipment or other personal property, and any other information or data that such Party and its Affiliates treats as proprietary or designates as confidential information, whether or not owned or developed by such Party or any of its Affiliates; *provided, however, that* “Confidential Information” does not include any information that has been made generally available to the public (other than through a Party’s breach of this Agreement or by a third-party’s breach of a confidentiality covenant).

“Consulting Agreement” is defined in Section 6.11.

“Contemplated Transactions” means the transactions contemplated by this Agreement and the other Transaction Documents.

“Contract” means any agreement, contract, obligation, promise or undertaking (whether written or oral and whether express or implied) that is legally binding.

“Damages” is defined in Section 9.1.

“Disclosure Schedule” is defined in the preamble to Article III.

“Disclosure Schedule Update” is defined in Section 6.5(b).

“Employee Benefit Plan” means any pension, retirement, savings, disability, medical, dental, health, life, death benefit, group insurance, profit sharing, deferred compensation, stock option,

bonus, incentive, vacation pay, tuition reimbursement, severance pay, or other employee benefit plan, trust, agreement, contract, policy or commitment (including any pension plan, as defined in ERISA § 3(3)), whether any of the foregoing is funded, insured or self-funded, written or oral, and any other employee benefit plan, program or arrangement of any kind (i) sponsored or maintained by any of the Acquired Companies and their ERISA Affiliates, (ii) to which any of the Acquired Companies or their ERISA Affiliates are a party or are bound, or (iii) with respect to which any of the Acquired Companies or their ERISA Affiliates have made any payments, contributions or commitments or may otherwise have any liability (whether or not such Employee Benefit Plan is still maintained).

“Encumbrance” means any charge, claim, community property interest, condition, equitable interest, lien, option, pledge, security interest, right of first refusal or other restriction, including any restriction on use, voting, transfer, receipt of income or exercise of any other attribute of ownership but does not include any restrictions pursuant to applicable federal or state securities laws or transfer restrictions pursuant to the Governing Documents of the Acquired Companies.

“Environmental Laws” means all Laws and Orders that pertain to natural resources and the environment, public and worker health and safety and the identification, reporting, generation, manufacture, processing, distribution, use, treatment, storage, disposal, emission, discharge, Release, transport and other handling of Hazardous Materials, including CERCLA and RCRA.

“Environmental Permits” means licenses, permits, registrations, governmental approvals, agreements and consents that are required under or are issued pursuant to Environmental Laws.

“Equipment” means all furniture, fixtures, vehicles, machinery, equipment and other tangible personal property (other than Inventory) owned or leased by Opco.

“ERISA” means the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1001, *et seq.*

“ERISA Affiliate” means, with respect to a particular Person, any Affiliate of that Person to the extent such Affiliate is described in Code § 414(b), (c), (m) or (o) and corresponding Treasury Regulations.

“Existing Consulting Agreement” means the Consulting Services Agreement, dated March 4, 2008, between Procure Business Services, LLC and Opco

“Federal Funds Effective Rate” is defined in the definition of Rate.

“Federal Health Care Program” means any “*federal health care program*” as defined in 42 U.S.C. § 1320a-7b(f), including Medicare, state Medicaid programs, state CHIP programs, TRICARE and similar or successor programs with or for the benefit of any governmental authority.

“Financial Statements” is defined in Section 3.9(a).

“Fraud and Abuse Laws” is defined in Section 3.29(a).

“Fundamental Warranties” is defined in Section 9.2(a)(i).

“GAAP” means United States generally accepted accounting principles consistently applied.

“Governing Documents” means, with respect to a particular Person, (i) if a corporation, the articles or certificate of incorporation and bylaws, (ii) if a general partnership, the partnership agreement and any statement of partnership, (iii) if a limited partnership, the limited partnership agreement and certificate of limited partnership, (iv) if a limited liability company, the articles or

certificate of organization or formation and any limited liability company or operating agreement, (v) if another type of Person, all other charter, trust and similar documents adopted or filed in connection with the creation, governance, management or operation of the Person, and (vi) all amendments or supplements to any of the foregoing.

“Hazardous Materials” means pollutants, contaminants, pesticides, petroleum or petroleum products, radioactive substances, solid wastes or hazardous or extremely hazardous, special, dangerous, or toxic wastes, substances, chemicals or materials within the meaning of any Environmental Law, including any “*hazardous substance*” as defined in CERCLA, and any “*hazardous waste*” as defined in RCRA.

“Health Care Laws” means all Laws and Orders relating to health care providers and facilities, participation in Federal Health Care Programs, the practice of medicine, institutional and professional licensure, pharmacology and dispensing medicines or controlled substances, medical documentation and physician orders, medical record retention, laboratory services, unprofessional conduct, fee-splitting, referrals, billing and submission of false or fraudulent claims, claims processing, quality, safety, medical necessity, medical privacy and security, patient confidentiality and informed consent, the hiring of employees or acquisition of services or supplies from Persons excluded from participation in Federal Health Care Programs, standards of care, quality assurance, risk management, utilization review, peer review, mandated reporting of incidents, occurrences, diseases and events, advertising or marketing of health care services, and the enforceability of restrictive covenants on health care providers, including Medicare, Medicaid, CHIP, the TRICARE laws (10 U.S.C. § 1071, *et seq.*), the False Claims Act (31 U.S.C. § 3729, *et seq.*), the Civil Monetary Penalties Law (42 U.S.C. § 1320a-7a), federal and state anti kickback statutes (including 42 U.S.C. § 1320a 7b) federal and state referral laws (including 42 U.S.C. §1395nn), criminal false claims statutes (e.g. 18 U.S.C. §§ 287 and 1001), the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. §3801, *et seq.*), the Beneficiary Inducement Statute (42 U.S.C. §1320a-7(a)(5)), the Emergency Medical Treatment and Active Labor Act (42 U.S.C. § 1395dd), the Clinical Laboratory Improvement Act (42 U.S.C. § 263a, *et seq.*), the Confidentiality of Alcohol and Drug Abuse Patient Records Act (42 U.S.C. § 290ee-3, *et seq.*), Alcohol and Drug Abuse Treatment Program regulations (42 C.F.R. Part 2), Laws regulating the procurement of items and services, the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (P.L. 108-173, 117 Stat. 2066), the Food, Drug and Cosmetic Act of 1938 (21 U.S.C. § 301, *et seq.*), the Prescription Drug Marketing Act of 1987 (P.L. 100-293, 102 Stat. 95), the Deficit Reduction Act of 2005 (P.L. 109-171, 120 Stat. 4), the Controlled Substances Act (21 U.S.C. 801, *et seq.*) and HIPAA and the rules and regulations promulgated under the foregoing statutes.

“HIPAA” means the Health Insurance Portability and Accountability Act of 1996, P.L. 104-191 (including the Standards for Privacy of Individually Identifiable Health Information, the Security Standards for the Protection of Electronic Protected Health Information and the Standards for Electronic Transactions and Code Sets promulgated thereunder) and applicable state Laws regarding patient privacy and the security, use or disclosure of health care records.

“HIPAA Policies and Procedures” is defined in Section 3.29(g).

“Holdco” is defined in the preamble of this Agreement. After the Company Merger, references to Holdco will mean Midco (as successor to Holdco).

“IBA” is defined in Section 2.3(i).

“IBA Amendment” is defined in Section 2.3(i).

“IBA Encumbrances” is defined in Section 2.3(i).

“Indebtedness” means the combined principal amount of, and accrued interest and prepayment penalties or breakage fees with respect to, all of the Acquired Companies’ indebtedness for borrowed money, including all outstanding amounts under (i) notes, bonds, debentures, mortgages and similar instruments, (ii) capitalized leases, (iii) obligations under conditional sale or other title retention agreements, (iv) deferred purchase price for property or services (including all “earn out” and similar obligations but excluding accounts payable incurred in the ordinary course of business), (v) guarantees of indebtedness of any other Person, (vi) obligations, contingent or otherwise, as an account party in respect of letters of credit and letters of guaranty, (vii) deferred compensation and other similar Liabilities or arrangements with employees and independent contractors, and (viii) obligations, contingent or otherwise, in respect of any accrued interest, success fees, prepayment penalties, interest rate SWAP breakage costs, make-whole premiums or penalties and other costs and expenses associated with the repayment of any of the foregoing.

“Indemnified Parties” is defined in Section 9.4.

“Indemnifying Parties” is defined in Section 9.4.

“Insurance Tail Policies” is defined in Section 6.6.

“Intellectual Property” means (i) all inventions, developments, discoveries, know-how, concepts and ideas (whether or not patentable and whether or not reduced to practice), all improvements thereto and all patents, patent applications and patent disclosures, together with all re-issuances, continuations, continuations-in-part, divisions, revisions, extensions, reexaminations and counterparts thereof, and all industrial designs, industrial models and utility models, (ii) all trademarks, service marks, trade dress, logos, slogans, internet domain names, trade names, corporate names and all other indicia of origin, whether or not registered, together with all translations, adaptations, modifications, derivations and combinations thereof and including all goodwill associated therewith and all applications, registrations, renewals and extensions in connection therewith, (iii) all copyrightable works, including world wide web sites, all copyrights (whether or not registered) and all applications, registrations, renewals and extensions in connection therewith, together with all translations, adaptations, modifications, derivations, combinations and derivative works thereof, (iv) all trade secrets (including ideas, research and development, know-how, formulae, compositions, manufacturing and production processes and techniques, methods, technical data, designs, drawings, specifications, customer and supplier lists, pricing and cost information and marketing plans and proposals) and rights in any jurisdiction to limit the use or disclosure thereof by any Person, (v) all Software, (vi) all rights to internet web sites and internet domain names, (vii) all material advertising and promotional materials, (viii) telephone, telecopy and email addresses and listings, (ix) all other proprietary rights in intangible forms of property, and (x) all copies and tangible embodiments of the foregoing (in whatever form or medium).

“Intellectual Property Assets” means all Intellectual Property used in the Business or in which the Acquired Companies claim any ownership rights, including all goodwill associated with such intellectual and other intangible property rights, and all Intellectual Property Licenses.

“Intellectual Property Licenses” means all agreements (other than agreements with respect to Software purchased “off the shelf”) between any of the Acquired Companies and any Person granting any right to use or practice any rights under any Intellectual Property owned by any Acquired Company or any other Person.

“Interim Financial Statements” is defined in Section 3.9(a).

“Interim Balance Sheet” means the unaudited balance sheet of the Acquired Companies included within the Interim Financial Statements.

“Inventory” means all laboratory supplies, drugs, devices and other disposables and consumables used in the Business and, to the extent applicable, work in process and finished goods inventory (together with their related service parts, packing materials and supplies).

“IRS” means the United States Internal Revenue Service.

“Knowledge” with respect to the Seller Parties means, the actual knowledge of the following individuals: Jim Loughlin, Tom Wang, Adam Waxer, Chris Chandler, Sarah Oliker (solely with respect to the representations and warranties made in Section 3.28 (Compliance With Laws) and Section 3.29 (Health Care Compliance)) and Howard Rubin (solely with respect to the representations and warranties made in Section 3.25(b)), and such individuals will be deemed to have “Knowledge” of a particular activity, event, fact, circumstance or condition if: (i) such individual is actually aware of such activity, event, fact, circumstance or condition, or (ii) an individual in a similar position or capacity with similar resources and access to information, acting reasonably in light of such individual’s position or capacity, should have known of such activity, event, fact, circumstance or condition in the ordinary course of conduct of such individual’s responsibilities on behalf of the respective Seller Party, as applicable, but without having conducted an investigation.

“Law” means any federal, state, local, municipal, foreign, international, multinational or other constitution, statute, law, rule, regulation, ordinance, code, principle of common law or treaty.

“Leased Real Estate” is defined in Section 3.23(b).

“Legal Compliance Warranty” is defined in Section 9.2(a)(ii).

“Liability” means any obligation or liability (direct or indirect, matured or unmatured, absolute, accrued, contingent or otherwise), whether or not required by GAAP to be provided or reserved against on a balance sheet.

“Material Adverse Effect” means any fact, circumstance, change or event that:

- (i) does or would reasonably be expected to result in (A) the involuntary loss or suspension of any material Permit required to operate the Business as currently conducted or (B) the debarment or exclusion of Opco from participation in the Medicare or Medicaid programs,
- (ii) is or would reasonably be expected to be materially adverse to the business, assets, financial condition or results of operations of any Acquired Company or the Business, or
- (iii) has or would reasonably be expected to be materially adverse to the ability of any Seller Party to consummate the Contemplated Transactions in a timely manner.

The foregoing notwithstanding, no fact, circumstance, change or event will be deemed to be or have a Material Adverse Effect if it results from (A) changes in economic conditions that generally affect the U.S. economy generally or the industry in which Opco operates, (B) earthquakes, floods, natural disasters, acts of war, sabotage or terrorism, military actions or the escalation thereof, (C) changes in applicable accounting rules or principles, including changes in GAAP, (D) the announcement or pendency of the Contemplated Transactions (including any cancellations of or delays in transactions with or reimbursement from Third Party Payors, any reduction in business, or any disruption in any supplier, distributor, partner or similar relationships or any loss of management, employees or independent contractors attributable to such announcement or pendency) or the identity of the Purchaser, or to the extent that such fact, circumstance, change or event is attributable to compliance with the terms of, or the taking of any action required by, any Transaction Document, (E) changes in the global securities markets or (F) any failure by the Acquired Companies to meet any internal or published projections, forecasts, or revenue or earnings predictions for any period ending on or after the date of this Agreement *provided*,

however, that one or more facts, circumstances, changes or events relating to such failure may constitute a Material Adverse Effect; *provided, further*, that no event, change or action described in clause (A), (B), (C) and (E) above disproportionately adversely affect or would reasonably be expected to disproportionately affect any Acquired Company or the Business.

“Material Contracts” is defined in Section 3.20.

“Medicaid” means the medical assistance program established by Title XIX of the Social Security Act of 1965, 42. U.S.C. § 1396, *et seq.*

“Medical Waste” means (i) pathological waste, (ii) blood, (iii) wastes from surgery or autopsy, (iv) dialysis waste, including contaminated disposable equipment and supplies, (v) cultures and stocks of infectious agents and associated biological agents, (vi) contaminated animals, (vii) isolation wastes, (viii) contaminated equipment, (ix) laboratory waste, and (x) other biological waste and discarded materials contaminated with or exposed to blood, excretion, or secretions from human beings or animals, including any substance, pollutant, material or contaminant listed or regulated under the Medical Waste Tracking Act of 1988, 42 U.S.C. § 6992, *et seq.*

“Medicare” means the health insurance program for the elderly and disabled established by Title XVIII of the Social Security Act of 1965, 42. U.S.C. § 1395, *et seq.*

“Midco” is defined in the preamble of this Agreement and includes Midco’s predecessors for purposes of Article III, Article IV and Article VI.

“Midco Operating Agreement” means the Amended and Restated Operating Agreement of Midco effective November 7, 2008.

“Nixon” is defined in Section 11.15.

“Non-Transaction Action” means any Action except for Actions arising under or pursuant to the Transaction Documents.

“Opc” is defined in the preamble of this Agreement.

“Operating Date” means the date that Opc began providing services to patients and operating the Business.

“Order” means any order, injunction, judgment, decree, ruling, assessment or arbitration award of any governmental authority or arbitrator.

“Owner” is defined in the preamble to this Agreement.

“Owner Documents” is defined in Section 4.2.

“Owner Indemnitees” is defined in Section 9.3.

“Owner Tax Claims” is defined in Section 8.5(d).

“Parties” is defined in the preamble to this Agreement.

“PBGC” means the Pension Benefit Guaranty Corporation.

“Permits” means all licenses, permits, registrations, accreditations, certifications, approvals and consents issued by governmental or quasi-governmental authorities.

“Permitted Encumbrances” means (i) statutory liens for Taxes not yet due or being diligently contested in good faith and for which appropriate reserves have been established in accordance with GAAP, (ii) statutory liens of landlords, carriers, warehousemen, mechanics and materialmen incurred in the ordinary course of business for sums not yet due, (iii) liens incurred or deposits made in the ordinary course of business in connection with workers’ compensation, unemployment insurance and other types of social security, (iv) Encumbrances that are created solely by the Purchaser, (v) Encumbrances in the nature of zoning restrictions, building and land use laws, ordinances, orders, decrees, restrictions or any other conditions imposed by or pursuant to any Governmental Authority, or (vi) with respect to the Leased Real Estate, Encumbrances, easements, restrictions, covenants and other such matters (A) that are matters of public record (B) of which the Purchaser has been notified in writing or (C) permitted by any written lease with respect to such Leased Real Estate.

“Person” means any natural individual, corporation, partnership, limited liability company, joint venture, association, bank, trust company, trust or other entity, whether or not legal entities, or any governmental entity, agency or political subdivision.

“Post-Closing Representation” is defined in Section 11.15.

“Post-Closing Straddle Period” means the period of the Straddle Period that begins on the Closing Date and ends on the last day of the Straddle Period.

“Pre-Closing Straddle Period” means the period of the Straddle Period that begins on the first day of the Straddle Period and ends on the day immediately preceding the Closing Date.

“Privileged Communications” is defined in Section 11.15.

“Professional Fees” means the Purchaser’s reasonable professional fees and expenses relating to the administration of the Cadence PIK Note from November 1, 2012 to the Closing Date and workout and restructuring negotiations related thereto, not including any of the fees referred to in Section 11.3.

“Promissory Note” is defined in Section 1.2(b).

“Purchase Consideration” is defined in Section 1.2.

“Purchased Equity Interests” is defined in Recital E of this Agreement.

“Purchaser” is defined in the preamble to this Agreement.

“Purchaser Documents” is defined in Section 5.2.

“Purchaser Group” means (i) the Purchaser, its Affiliates and their respective officers, employees, agents, representatives, attorneys, consultants, accountants and other advisors, and (ii) the Purchaser’s prospective lenders and investors, their Affiliates and their respective officers, employees, agents, representatives, attorneys, consultants, accountants and other advisors.

“Purchaser Indemnitees” is defined in Section 9.1.

“Purchaser Material Adverse Effect” means any fact, circumstance, change or event that:

(i) is or would reasonably be expected to be materially adverse to the business, assets, financial condition or results of operations of the Purchaser, or

(iii) has or would reasonably be expected to be materially adverse to the ability of the Purchaser to consummate the Contemplated Transactions in a timely manner.

“Qualified Employees” is defined in Section 2.3(m).

“RCRA” means the Resource Conservation and Recovery Act, 42 U.S.C. § 6902, *et seq.*

“Receivables” means all of Opco’s trade accounts receivable, notes receivable, negotiable instruments payable to an Acquired Company and chattel paper payable to an Acquired Company, including receivables arising from or related to goods sold or services rendered before or on the Closing Date and underpayment amounts due or received from Third-Party Payors in respect of such receivables.

“Restrictive Covenant Agreement” is defined in Section 2.4(b).

“Referral Source” is defined in Section 3.29(a).

“Release” means any spill, discharge, leach, leak, emission, escape, injection, migration, dumping or other release or threatened release into the environment, whether or not notification or reporting to any governmental agency was or is required, including any Release which is subject to Environmental Laws.

“Schedule Correction” is defined in Section 6.5(b).

“Schedule Update” is defined in Section 6.5(b).

“Seller Group” is defined in Section 11.15.

“Seller Parties” means, collectively, Opco, the Owner, Holdco and Midco.

“Seller Party Documents” means, collectively the Acquired Company Documents and the Owner Documents.

“Senior Lenders” means, collectively, BNP Paribas S.A. and KBC Bank NV.

“Senior Loan Amendments” is defined in Section 2.3(h).

“Senior Lender Consents” is defined in Section 2.3(h).

“Senior Lender Release” is defined in Section 2.3(h).

“Senior Loan Documents” means the Credit Agreement by and among Opco and the Senior Lenders dated March 4, 2008 and all other agreements, documents and instruments delivered by the parties thereunder.

“Significant Suppliers” is defined in Section 3.30.

“Significant Third-Party Payors” is defined in Section 3.30.

“Software” means all computer software (including source code, object code, executable code, data, databases and related documentation), together with all translations, adaptations, modifications, derivations, combinations and derivative works thereof but excludes any shrink-wrapped Software or Software purchased “off the shelf.”

“Straddle Period” means any taxable period starting before the Closing Date and ending after the Closing Date.

“Tax” means any federal, state, local, foreign and other net income, gross income, gross receipts, sales, estimated, use, ad valorem, transfer, franchise, profits, license, lease, service, service use, withholding, payroll, employment, excise, severance, stamp, occupation, premium, property (including

personal property), windfall profits, customs, duties or other tax, fee, assessment or charge, together with any interest, penalties, additions to tax or additional amounts with respect thereto, including any Liability for Taxes as a transferee or successor (by contract or otherwise).

“Tax Return” means any return, declaration, report, statement and other document, including all amendments thereof and all schedules and attachments thereto, required to be filed in respect of any Tax.

“Third-Party” means any Person other than any of the Parties or their Affiliates.

“Third-Party Claim” is defined in Section 9.4.

“Third-Party Payors” means all Federal Health Care Programs and all other state or local governmental insurance programs, private, non-governmental insurance and managed care programs, governmental authorities, employers, health care providers and other Persons with which Opco contracts to provide services related to the Business or through which Opco receives reimbursements for services provided by Opco in the Business.

“Transaction Documents” means this Agreement and the other agreements, documents and instruments delivered by the Parties at the Closing pursuant to either Section 2.4 or Section 2.5.

“Transaction Expenses” means expenses incurred by the Seller Parties in connection with the negotiation, preparation, execution and delivery of the Transaction Documents and the consummation of the Contemplated Transactions, including (i) all attorneys’, accountants’ and other advisors’ fees and expenses payable by the Seller Parties that have not been paid as of the Closing, (ii) all sale or change of control bonuses and other similar Liabilities or contingent payments or increased costs triggered in whole or in part by the Contemplated Transactions, and (iii) all Liabilities with respect to procurement of the Insurance Tail Policies.

“Transfer” means to sell, assign, pledge, gift, convey or otherwise dispose of the subject matter of the Transfer.

“Transferred Claims” means the claims of Owner against the Acquired Companies listed on Schedule 10.1 attached hereto.

“Transferred Claims PIK Note” is defined in Section 2.3(k).

“Transferred Interests” means the Purchased Equity Interests together with the Transferred Claims.

“TRICARE” means the health care insurance system for United States military service members and their dependents that covers care not available through the usual United States military medical service or public health service facilities, formerly known as CHAMPUS.

“Waiving Parties” is defined in Section 11.15.

“WARN Act” means the Worker Adjustment and Retraining Notification Act of 1988, 29 U.S.C. § 2101, *et seq.*, and similar state and local “mass layoff” or “plant closing” Laws.

10.2 Accounting Principles. The classification, character and amount of all assets, liabilities, capital accounts and reserves and of all items of income and expense to be determined, and any consolidation or other accounting computations to be made, and the interpretation of any definition containing any financial term, pursuant to this Agreement will be determined and made in accordance with GAAP consistently applied.

**ARTICLE XI
GENERAL PROVISIONS**

11.1 Publicity. Except as otherwise required by Law, permitted by this Agreement or required to be included in notices to and other filings with governmental authorities, Third Party Payors and other Persons that are required to effect the Contemplated Transactions, none of the Seller Parties and their Affiliates, representatives, agents and advisors (including financial advisors, attorneys and accountants) may disclose to any Third-Party any terms of this Agreement or the other Transaction Documents without the prior written consent of the Purchaser. The form, content and timing of all press releases, public announcements or publicity statements prior to Closing are subject to the prior written approval of the Purchaser and the Owner. The Purchaser is hereby authorized and permitted to make any press release, publicity statement or announcement after Closing in its sole discretion.

11.2 Notices. All notices and other communications required or permitted under this Agreement (a) must be in writing, (b) will be duly given (i) when delivered personally to the recipient, (ii) one Business Day after being sent to the recipient by nationally recognized overnight private carrier (charges prepaid), or (iii) four Business Days after being mailed to the recipient by certified or registered mail (postage prepaid and return receipt requested), and (c) addressed as follows (as applicable):

If to the Owner or, before the Closing, Opco:

ProCure Treatment Centers, Inc.
192 Lexington Avenue, 4th Fl.
New York, New York 10016
Attn: Adam S. Waxer, Esq.

With a copy (not constituting notice) to:

Nixon Peabody LLP
437 Madison Avenue
New York, New York 10022
Attn: Richard F. Langan, Jr.

If to the Purchaser or, after the Closing, Opco:

CDH-Delnor Health System,
d/b/a Cadence Health
25 Winfield Road
Winfield, Illinois 60190
Attn: Michael Holzhueter, Esq.

With a copy (not constituting notice) to:

McDermott Will & Emery LLP
227 West Monroe Street
Chicago, Illinois 60606
Attn: John M. Callahan

or to such other respective address as each Party may designate by notice given in accordance with the provisions of this Section 11.2.

11.3 Fees and Expenses. Subject to Section 1.3(a), Section 8.4 and Article IX, (a) the Purchaser will bear all fees and expenses (including financial advisors', attorneys', accountants' and other professional fees and expenses) incurred by the Purchaser in connection with, arising from or relating to the negotiation, execution, delivery and performance of the Transaction Documents and consummation of the Contemplated Transactions and (b) Owner will bear all fees and expenses (including financial advisors', attorneys', accountants' and other professional fees and expenses) incurred by the Seller Parties in connection with, arising from or relating to the negotiation, execution, delivery and performance of the Transaction Documents and consummation of the Contemplated Transactions.

11.4 Entire Agreement. This Agreement, together with the other Transaction Documents, constitutes the complete agreement and understanding among the Parties regarding the subject matter of this Agreement and supersedes any prior understandings, agreement or representations regarding the subject matter of this Agreement.

11.5 Amendments. The Parties may amend this Agreement only pursuant to a written agreement executed by the Purchaser and the Owner.

11.6 Non-Waiver. Neither the failure nor any delay by any Party in exercising any right, power or privilege under this Agreement will operate as a waiver of such right, power or privilege, and no single or partial exercise of any such right, power or privilege will preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege. No waiver will be effective unless it is in writing and signed by an authorized representative of the waiving Party. No waiver given will be applicable except in the specific instance for which it was given. No notice to or demand on a Party will constitute a waiver of any obligation of such Party or the right of the Party giving such notice or demand to take further action without notice or demand as provided in this Agreement.

11.7 Assignment. None of the Parties may assign this Agreement or any rights under this Agreement, or delegate any duties under this Agreement, without the other Parties' prior written consent.

11.8 Binding Effect; Benefit. This Agreement will inure to the benefit of and bind the Parties and their respective successors and permitted assigns. Nothing in this Agreement, express or implied, may be construed to give any Person other than the Parties and their respective successors and permitted assigns any right, remedy, claim, obligation or liability arising from or related to this Agreement. This Agreement and all of its provisions and conditions are for the sole and exclusive benefit of the Parties and their respective successors and permitted assigns.

11.9 Severability. If any court of competent jurisdiction holds any provision of this Agreement invalid or unenforceable, then the other provisions of this Agreement will remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

11.10 References. The headings of Articles and Sections are provided for convenience only and will not affect the construction or interpretation of this Agreement. Unless otherwise provided, references to "Article(s)", "Section(s)" and "Exhibit(s)" refer to the corresponding article(s), section(s) and exhibit(s) of or to this Agreement. Unless otherwise provided, references to "Schedule(s)" refer to the corresponding Schedule(s) of the Disclosure Schedule. Each Exhibit and the Disclosure Schedule is hereby incorporated into this Agreement by reference. Reference to a statute refers to the statute and all rules and regulations promulgated under or implementing the statute, as in effect as of the date hereof. Reference to a contract, instrument or other document as of a given date means the contract, instrument or other document as amended, supplemented and modified from time to time through such date.

11.11 Construction. Each Party participated in the negotiation and drafting of this Agreement, assisted by such legal and tax counsel as it desired, and contributed to its revisions. Any ambiguities with respect to any provision of this Agreement will be construed fairly as to all Parties and not in favor of or against any Party. All pronouns and any variation thereof will be construed to refer to such gender and number as the identity of the subject may require. The terms "include" and "including" indicate examples of a predicate word or clause and not a limitation on that word or clause.

11.12 Governing Law. THIS AGREEMENT IS GOVERNED BY THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES.

11.13 Consent to Jurisdiction. Each Party hereby (a) agrees to the exclusive jurisdiction of the courts in the State of Illinois and the State of New York, with respect to any claim or cause of action arising under or relating to this Agreement, (b) waives any objection based on *forum non conveniens* and waives any objection to venue of any such suit, action or proceeding, (c) waives personal service of any and process upon it, and (d) consents that all services of process be made by registered or certified mail (postage prepaid, return receipt requested) directed to it at its address stated in Section 11.2 and service so made will be complete when received. Nothing in this Section 11.13 will affect the rights of the Parties to serve legal process in any other manner permitted by law.

11.14 Waiver of Trial by Jury. EACH PARTY HEREBY WAIVES ITS RIGHT TO A JURY TRIAL IN CONNECTION WITH ANY SUIT, ACTION OR PROCEEDING IN CONNECTION WITH ANY MATTER RELATING TO THIS AGREEMENT.

11.15 Legal Representation. Purchaser, Holdco, Midco and Opco, on behalf of themselves and each of their successors and assigns (all such parties, the "Waiving Parties") hereby agree, that Nixon Peabody LLP (or any successor) ("Nixon") may represent Owner or any of its Affiliates (the "Seller Group") or any director, member, partner, officer, employee or Affiliate of the Seller Group, in each case, in connection with any dispute, litigation, claim, proceeding or obligation arising out of or relating to this Agreement, including under Article IX, any Transaction Document or the Contemplated Transactions (any such representation, the "Post-Closing Representation") notwithstanding its representation of any of the Seller Parties in connection with this Agreement and the Contemplated Transactions, and each of the Waiving Parties hereby consents thereto and irrevocably waives (and will not assert) any conflict of interest arising therefrom or relating thereto in connection with the Post-Closing Representation, *provided, however, that* the parties agree to take all steps necessary to ensure that the any attorney-client privilege attaching as a result of Nixon representing Holdco, Midco, Opco and their Affiliates will survive the Closing, remain in effect and be controlled by Holdco, Midco, Opco and their Affiliates. Each of the Waiving Parties hereby irrevocably acknowledges and agrees that all communications between the Seller Group and their counsel prior to the Closing, including Nixon made solely in connection with the negotiation, preparation, execution, delivery and performance under this Agreement, any Transaction Document or the Contemplated Transactions (collectively, the "Privileged Communications") that were privileged communications between the Seller Group and such counsel prior to the Closing, shall continue from and after the Closing to be privileged and that neither Purchaser, Holdco, Midco, Opco nor any Person purporting to act on behalf of or through any of the Waiving Parties, will assert that such Privileged Communications are no longer privileged by virtue of the Closing. From and after the Closing, each of the Waiving Parties waives and will not assert any attorney-client privilege in any dispute between the Waiving Parties and Owner or any of its Affiliates with respect to any of the Privileged Communications between Nixon and the Seller Parties or any Person in the Seller Group occurring prior to the Closing solely in connection with any Post-Closing Representation, *provided, however, that* if requested by Purchaser, Holdco, Midco, Opco or any director, member, partner, officer, employee or Affiliate of the Seller Group, or Nixon, as applicable, seeks and obtains a protective order with respect to the Privileged Communications in question that is reasonably satisfactory to Purchaser.

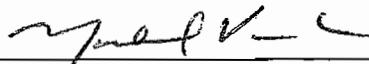
11.16 Counterparts. The Parties may execute this Agreement in multiple counterparts, each of which will constitute an original and all of which, when taken together, will constitute one and the same agreement. The Parties may deliver executed signature pages to this Agreement by facsimile or email transmission. No Party may raise as a defense to the formation or enforceability of this Agreement, and each Party forever waives any such defense, either (a) the use of a facsimile or email transmission to deliver a signature or (b) the fact that any signature was signed and subsequently transmitted by facsimile or email transmission.

[SIGNATURE PAGE IMMEDIATELY FOLLOWS]

The Parties sign this Membership Interest Purchase Agreement as of the date first written above.

THE PURCHASER:

CDH-DELNOR HEALTH SYSTEM, D/B/A CADENCE
HEALTH (FORMERLY KNOWN AS CENTRAL
DUPAGE HEALTH)

By: 
Name: MICHAEL VIVODA
Title: PRESIDENT AND CEO

HOLDCO:

PROCURE CHICAGO HOLDINGS, LLC

By: _____
Name: _____
Title: _____

MIDCO:

PROCURE ILLINOIS HOLDINGS, LLC

By: _____
Name: _____
Title: _____

OPCO:

CHICAGO PROCURE MANAGEMENT, LLC

By: _____
Name: _____
Title: _____

THE OWNER:

PROCURE TREATMENT CENTERS, INC.

By: _____
Name: _____
Title: _____

The Parties sign this Membership Interest Purchase Agreement as of the date first written above.

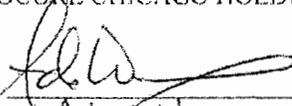
THE PURCHASER:

CDH-DELNOR HEALTH SYSTEM, D/B/A CADENCE
HEALTH (FORMERLY KNOWN AS CENTRAL
DUPAGE HEALTH)

By: _____
Name: _____
Title: _____

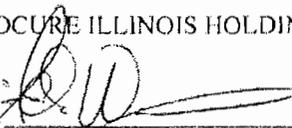
HOLDCO:

PROCURE CHICAGO HOLDINGS, LLC

By: 
Name: Adam Waxer
Title: Secretary

MIDCO:

PROCURE ILLINOIS HOLDINGS, LLC

By: 
Name: Adam Waxer
Title: Secretary

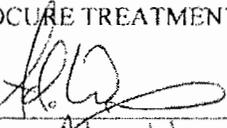
OPCO:

CHICAGO PROCURE MANAGEMENT, LLC

By: _____
Name: _____
Title: _____

THE OWNER:

PROCURE TREATMENT CENTERS, INC.

By: 
Name: Adam Waxer
Title: Secretary

The Parties sign this Membership Interest Purchase Agreement as of the date first written above.

THE PURCHASER:

CDH-DELNOR HEALTH SYSTEM, D/B/A CADENCE
HEALTH (FORMERLY KNOWN AS CENTRAL
DUPAGE HEALTH)

By: _____
Name: _____
Title: _____

HOLDCO:

PROCURE CHICAGO HOLDINGS, LLC

By: _____
Name: _____
Title: _____

MIDCO:

PROCURE ILLINOIS HOLDINGS, LLC

By: _____
Name: _____
Title: _____

OPCO:

CHICAGO PROCURE MANAGEMENT, LLC

By: 
Name: Chris Chandler
Title: President

THE OWNER:

PROCURE TREATMENT CENTERS, INC.

By: _____
Name: _____
Title: _____

EXHIBIT A

As of the date hereof, the Owner is the sole member of Holdco.

As of the date hereof, Midco's outstanding equity interests are as follows:

<u>Member</u>	<u>Membership Percentage</u>
Holdco	85%
Purchaser	15%

Following the Company Merger and the equitization transaction contemplated in Section 2.4(d), but before the purchase of the Purchased Equity Interests pursuant to Article I, Midco's outstanding equity interests will be as follows:

<u>Member</u>	<u>Membership Percentage</u>
Owner	Less than 50%
Purchaser / Cadence Sub	All of the other membership percentage not owned by Owner

Opco's outstanding equity interests are as follows:

<u>Member</u>	<u>Shares</u>	<u>Membership Percentage</u>
Midco	812.5	81.25%
CPTI	187.5	18.75%

EXHIBIT B
FORM OF PROMISSORY NOTE

[Attached]

THIS NOTE HAS NOT BEEN REGISTERED OR QUALIFIED FOR SALE UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAW AND MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED ABSENT SUCH REGISTRATION OR QUALIFICATION OR AN EXEMPTION THEREFROM UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND APPLICABLE STATE SECURITIES LAWS.

UNSECURED PROMISSORY NOTE

Principal Amount:

\$2,000,000.00

Issue Date:

[_____] , 2013

For value received, the undersigned, CDH-Delnor Health System, d/b/a Cadence Health, an Illinois not-for-profit corporation ("Maker"), hereby promises to pay to ProCure Treatment Centers, Inc., a Delaware corporation (the "Payee"), Two Million and 00/100 U.S. Dollars (\$2,000,000.00) (the "Principal Amount"), together with interest thereon, according to the terms of this unsecured promissory note (this "Note").

1. **Reference to Securities Purchase Agreement.** This Note is delivered pursuant to that certain Membership Interest Purchase Agreement of even date herewith, among Maker, the Payee, and the other parties named therein (the "Purchase Agreement"). Capitalized terms used but not defined in this Note are defined in the Purchase Agreement.

2. **Payment of Principal and Interest.** The unpaid Principal Amount will be due and payable to the Payee, together with simple interest accrued thereon from the Issue Date to the payment date at the semi-annual short-term Applicable Federal Rate as of the date hereof, as published by the United States Internal Revenue Service pursuant to Section 1274(d) of the Internal Revenue Code (the "AFR Rate") (or, if less, at the highest rate permitted under applicable law), computed on the basis of a 365- or 366-day year, as applicable, on [February __, 2015].¹ If any payment of principal or interest under this Note becomes due and payable on a Saturday, Sunday or other day on which banking institutions in New York City, New York are authorized or required by law to close, the maturity thereof shall be extended to the next succeeding business day and, with respect to payment of principal, interest thereon shall be payable at the interest rate specified above during such extension.

(a) **Optional Prepayments.** Maker may (but in no event shall be obligated to), prepay the Principal Amount and any interest accrued thereon, in whole or in part, at any time and from time to time, without premium or penalty.

(b) **Method of Payment.** Maker will make all payments of principal and interest under this Note by wire transfer of immediately available funds to the bank account specified below:

Bank Name: [_____]
ABA #: [_____]
Account Name: [_____]
Account Number: [_____]

¹ Note to Draft: 18 months from the Issue Date.

(c) **Surrender and Cancellation.** Once the Principal Amount, plus all accrued but unpaid interest thereon, has been paid in full, all obligations under this Note will immediately and automatically terminate, and the Payee will promptly surrender this Note to Maker for cancellation.

3. Event of Default; Remedies.

(a) An event of default (an "Event of Default") will occur if:

(i) Maker fails to pay timely any portion of the Principal Amount pursuant to this Note, together with all accrued but unpaid interest thereon, on the date such amount becomes due and payable in accordance with Section 2;

(ii) Maker: (i) shall generally not, or shall be unable to, or shall admit in writing its inability to pay its debts as such debts become due; (ii) shall make a general assignment for the benefit of creditors, petition or apply to any tribunal for the appointment of a custodian, receiver, trustee or other similar official for it or a substantial part of its assets; (iii) shall commence any proceeding under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution, or liquidation law or statute of any jurisdiction, whether now or hereafter in effect; (iv) shall have any such petition or application filed or any such proceeding commenced against it, in which an order for relief is entered or adjudication or appointment is made and which remains undismissed for a period of sixty (60) days or more; (v) by any act or omission shall indicate its consent to, approval of, or acquiescence in any such petition, application, or proceeding, or order for relief, or the appointment of a custodian, receiver, trustee or other similar official for all or any substantial part of its properties; or (vi) shall suffer any such custodianship, receivership, or trusteeship to continue undischarged for a period of sixty (60) days or more.

(b) Upon an Event of Default, the unpaid portion of the Principal Amount will bear simple interest from the date of the Event of Default to the payment date at a rate equal to the AFR Rate *plus* 4% per annum (the "Default Rate"), computed on the basis of a 365- or 366-day year, as applicable. The imposition of interest at the Default Rate shall not be construed as a waiver or limitation of any rights or remedies of the Payee arising out of any such Event of Default.

(c) Upon an Event of Default under subsection (a)(ii) above, the aggregate outstanding principal amount of this Note, and all interest thereon shall be immediately due and payable, without declaration, presentment, demand, protest or notice of any kind, all of which are hereby expressly waived by the Maker.

4. Right to Set-Off. Any contrary provision of this Note notwithstanding, Maker may, in its sole discretion, set-off against any amounts payable by Maker under this Note any amounts owed to Maker or any of the Purchaser Indemnitees from the Payee pursuant to Article IX of the Purchase Agreement. Any portion of the indebtedness evidenced hereby set-off under this provision shall be deemed paid by the Maker hereunder.

5. Miscellaneous.

(a) **Notices.** All notices and other communications required or permitted under this Note will be given as required or permitted under the Purchase Agreement.

(b) **Assignment.** Neither Maker nor Payee may sell, assign, pledge, negotiate or otherwise transfer this Note or any rights under this Note, or delegate any duties under this Note, without the prior written consent of the other party hereto.

(c) **Amendments.** Maker and the Payee may amend this Note only pursuant to a written agreement executed by Maker and the Payee. Upon amendment of this Note, the Payee will

promptly surrender this Note to Maker and Maker will promptly issue to Payee a new amended and restated Note incorporating such amendment.

(d) **Non-Waiver.** The parties' rights and remedies under this Note are cumulative and not alternative. Neither the failure nor any delay by any party in exercising any right, power or privilege under this Note will operate as a waiver of such right, power or privilege, and no single or partial exercise of any such right, power or privilege will preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege. No waiver will be effective unless it is in writing and signed by an authorized representative of the waiving party. No waiver given will be applicable except in the specific instance for which it was given. No notice to or demand on a party will constitute a waiver of any obligation of such party or the right of the party giving such notice or demand to take further action without notice or demand as provided in this Note.

(e) **Excessive Charges.** Interest may not accrue under this Note in excess of the maximum interest rate allowed by applicable Law. If the Payee receives interest payments at an interest rate in excess of the maximum interest rate allowed by applicable Law, then the excess amount will be treated as being received on account of, and will automatically reduce, the principal amount then-outstanding under this Note, and if such excess amount exceeds the principal amount then-outstanding under this Note, then the Payee will refund to Maker the amount by which such excess exceeds the principal amount then-outstanding under this Note.

(f) **References.** The headings of Sections are provided for convenience only and will not affect the construction or interpretation of this Note. Unless otherwise provided, references to "Section(s)" refer to the corresponding section(s) of this Note.

(g) **Construction.** Both Maker and the Payee participated in the negotiation and drafting of this Note, assisted by such legal counsel as it desired, and contributed to its revisions. Any ambiguities with respect to any provision of this Note will be construed fairly as to both Maker and the Payee and not in favor of or against Maker or the Payee. All pronouns and any variation thereof will be construed to refer to such gender and number as the identity of the subject may require. The terms "include" and "including" indicate examples of a predicate word or clause and not a limitation on that word or clause. To the extent any provision of the Purchase Agreement conflicts with the provisions of this Note, the provisions of this Note will control.

(h) **Governing Law.** THIS NOTE IS GOVERNED BY THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES.

(i) **Consent to Jurisdiction.** Each party hereby (i) agrees to the exclusive jurisdiction of the courts in the State of Illinois and the State of New York, with respect to any claim or cause of action arising under or relating to this Note, (ii) waives any objection based on *forum non conveniens* and waives any objection to venue of any such suit, action or proceeding, (iii) waives personal service of any and process upon it, and (iv) consents that all services of process be made by registered or certified mail (postage prepaid, return receipt requested) directed to it at its address stated in Section 11.2 of the Purchase Agreement and service so made will be complete when received. Nothing in this Section 5(i) will affect the rights of the parties to serve legal process in any other manner permitted by law.

(j) **Waiver of Trial by Jury.** EACH PARTY HEREBY WAIVES ITS RIGHT TO A JURY TRIAL IN CONNECTION WITH ANY SUIT, ACTION OR PROCEEDING IN CONNECTION WITH ANY MATTER RELATING TO THIS AGREEMENT.

[SIGNATURE PAGE IMMEDIATELY FOLLOWS]

Maker hereby signs this Note as of the date first written above.

MAKER:

CDH-DELNOR HEALTH SYSTEM, D/B/A CADENCE HEALTH

By: _____

Name: _____

Title: _____

EXHIBIT C
FORM OF RESTRICTIVE COVENANT AGREEMENT

[Attached]

RESTRICTIVE COVENANT AGREEMENT

This Restrictive Covenant Agreement (this "Agreement") dated _____, 2013 is among CDH-Delnor Health System, d/b/a Cadence Health, an Illinois not-for-profit corporation (the "Company"), on behalf of itself and its controlled Affiliates (collectively with the Company, the "Cadence Restricted Parties"), and ProCure Treatment Centers, Inc., a Delaware corporation ("Owner"), on behalf of itself and its controlled Affiliates (collectively with Owner, the "ProCure Restricted Parties" and, collectively with the Cadence Restricted Parties, the "Restricted Parties"). The Company and Owner are collectively referred to herein as the "Parties".

RECITALS

A. The Owner is the owner of all the outstanding equity interests of ProCure Illinois Holdings, LLC, a Delaware limited liability company ("Midco"), not owned by Company and Central DuPage Hospital Association, an Illinois not-for-profit corporation.

B. The Company and Owner are party to that certain Membership Interest Purchase Agreement dated June 26, 2013 (the "Purchase Agreement"), pursuant to which Owner is contributing and otherwise selling to the Company all of Owner's equity securities of Midco, for the Purchase Consideration set forth therein.

C. The Restricted Parties have had and may continue to have knowledge of and access to Confidential Information that is proprietary to the other Party hereto, highly sensitive and constitutes valuable assets of such other Party.

D. The going concern value of the Business would be substantially diminished if any ProCure Restricted Party were to compete with the Company Group or engage in other harmful behavior.

E. Pursuant to Section 2.4 of the Purchase Agreement, the execution and delivery of this Agreement is a condition to the closing of the transactions contemplated by the Purchase Agreement, and the Restricted Parties would not consummate the transactions contemplated by the Purchase Agreement without entering into this Agreement with the other Restricted Parties.

AGREEMENT

The Parties agree as follows:

ARTICLE I AGREEMENT

1.1 Adoption of Recitals; Effectiveness of Agreement. The Parties adopt the foregoing Recitals and agree and affirm that the construction of this Agreement will be guided thereby.

1.2 Inducement; Additional Consideration. As an inducement for the other Party to consummate the transactions contemplated by the Purchase Agreement, each Party agrees to the covenants and restrictions contained in this Agreement.

ARTICLE II RESTRICTIVE COVENANTS

The Restricted Parties have had and may continue to have access to the most sensitive and valuable trade secrets, proprietary information and other Confidential Information of other Party hereto, which constitute valuable business assets of such Person, and the use, application or disclosure of such Confidential Information would cause immediate and irreparable harm to such Person, which could not be

adequately remedied through the payment of monetary damages. Therefore, as an inducement for the other Party hereto to enter into the Purchase Agreement and to protect its Confidential Information and other legitimate business interests, each Party agrees to be bound and will require its controlled Affiliates to be bound by the restrictive covenants contained in this Article 11, which the Parties expressly agree are reasonably and narrowly tailored to protect the Confidential Information and other legitimate business interests of each of the Parties.

2.1 Confidentiality. Owner will, and will require its controlled Affiliates to, keep confidential and not disclose to any other Person or use for its own benefit or the benefit of any other Person (other than the Company Group) any Confidential Information, and to keep confidential and not disclose to any other Person the terms of this Agreement, unless and only to the extent that (a) such information is disclosed to Owner's Affiliates, representatives, agents and advisors (including financial advisors, attorneys and accountants) who are informed of the confidential nature of the information and are under an obligation to keep such information confidential, (b) such information is required to be disclosed by any Law, Order or legal process; *provided that* as soon as, and to the extent, practicable before such disclosure, the Owner will, and will require its controlled Affiliates to, give the Company prompt written notice of such disclosure to enable the Company Group to seek a protective order or otherwise preserve the confidentiality of such information.

2.2 Non-Competition. During the Restricted Period, Owner will not, and will require its controlled Affiliates to not, directly or indirectly, build, own, manage or operate, participate in the building, ownership, management or operation of, or provide consulting services or any similar services to any Person or enterprise (other than the Company Group) that is engaged in any Competing Business anywhere in the Restricted Territory; *provided, however, that* nothing in this Section 2.2 will prohibit the Owner and its controlled Affiliates from owning, in the aggregate, less than 5.0% of any class of securities of any Person so long as none of the Owner and its controlled Affiliates participates in any way in the management, operation or control of such Person. This Section 2.2 shall be in substitution of any restriction on the Owner's ability to compete with any entity of the Company Group contained in any agreement, instrument, indenture or other arrangement between the Parties, including, without limitation under the Amended and Restated Operating Agreement of ProCure Illinois Holdings, LLC, effective November 7, 2008.

2.3 Owner Non-Solicitation.

(a) During the Restricted Period, unless consented to in writing by the Company, Owner will not, and will require its controlled Affiliates to not, directly or indirectly, solicit or induce or attempt to solicit or induce (including by recruiting, interviewing or targeting as a candidate for recruitment) any Business Associate of the Company Group to terminate, restrict or hinder such Business Associate's association with any Company Group entity or interfere in any way with the relationship between such Business Associate and any Company Group entity; *provided, however, that* the provisions of this Section 2.3(a) shall not restrict any ProCure Restricted Party from (i) soliciting, consulting with or hiring the individuals set forth on Exhibit A hereto, (ii) soliciting, consulting with or hiring such a Business Associate if such Business Associate's employment by or retention with the Company Group was terminated by the Company Group or if such Person had ceased to be employed or retained by the Company Group at the time of such solicitation, hiring or consultation, or (ii) making a general solicitations published in a journal, newspaper or other publication or posted on an internet job site, including, without limitation, the website of the Owner or any of its Affiliates, and not specifically directed toward such Business Associates;

(b) Unless consented to in writing by the Company, Owner will not, and will require its controlled Affiliates to not, directly or indirectly, hire or otherwise retain the services of a Protected Associate as an employee, officer, director, independent contractor, licensee, consultant, advisor, agent, or in any other capacity, or attempt or assist anyone else to do so at any time prior to December 31, 2013;

provided, however, that the provisions of this Section 2.3(b) shall not restrict any ProCure Restricted Party from consulting with or hiring a Protected Associate if: (i) such Protected Associate and the Company Group fail to enter into a definitive employment agreement prior to the Closing Date as defined in the Purchase Agreement ("Closing Date"), or (ii) such Protected Associate's employment by or retention with the Company Group was terminated or not renewed by the Company Group, and, *provided, further, that*, nothing in the foregoing shall restrict Chris Chandler from continuing to be and act as a director of Owner's subsidiaries; or

(c) During the Restricted Period, Owner will not, and will require its controlled Affiliates to not, knowingly impair the relationship between any Company Group entity and any Person who is a supplier, vendor, lessor, lessee, dealer, distributor, licensor, licensee, proprietor, partner, stockholder, lender, joint venturer, investor, consultant or agent having a business relationship with any Company Group entity with an intent to harm any entity of the Company Group.

2.4 Company Non-Solicitation.

(a) During the Restricted Period, unless consented to in writing by the Owner, the Company will not, and will require its controlled Affiliates to not, directly or indirectly, solicit or induce or attempt to solicit or induce (including by recruiting, interviewing or targeting as a candidate for recruitment) any Business Associate of the Owner Group to terminate, restrict or hinder such Business Associate's association with any Owner Group entity or interfere in any way with the relationship between such Business Associate and any Owner Group entity; *provided, however, that* the provisions of this Section 2.4(a) shall not restrict any Cadence Restricted Party from: (i) soliciting, consulting with or hiring such a Business Associate if such Business Associate's employment by or retention with the Owner Group was terminated by the Owner Group or if such Person had ceased to be employed or retained by the Owner Group at the time of such solicitation, hiring or consultation, or (iii) making a general solicitations published in a journal, newspaper or other publication or posted on an internet job site, including, without limitation, the website of the Company or any of its Affiliates, and not specifically directed toward such Business Associates;

(b) During the Restricted Period, the Company will not, and will require its controlled Affiliates to not, knowingly impair the relationship between any Owner Group entity and any Person who is a supplier, vendor, lessor, lessee, dealer, distributor, licensor, licensee, proprietor, partner, stockholder, lender, joint venturer, investor, consultant or agent having a business relationship with any Owner Group entity with an intent to harm any entity of the Owner Group.

2.5 Non-Disparagement. After the date of this Agreement, each Party will, and will require its controlled Affiliates to:

(a) not, directly or indirectly, make any disparaging, derogatory, negative or knowingly false statement about the other Party or its Affiliates and their respective equityholders, members, directors, managers, officers, employees, agents, successors and permitted assigns, or any of their respective businesses, operations, financial condition or prospects, except as required by applicable Law, Order or legal process; and

(b) not, directly or indirectly, provide technical or professional opinions as an expert in the review of records for claims or actions brought against the other Party or its Affiliates or, any member, director, manager, officer, employee of such other Party or its Affiliates, any patient referral source of such other Party or its Affiliates or any hospital or other health care facility to or on behalf of which such other Party or its Affiliates provide services, except as required by applicable Law, Order or legal process.

2.6 Use of Names.

(a) Other than for the benefit of the Company Group, Owner will not, and will require its controlled Affiliates to not, directly or indirectly, use (or cause to be used) the name "Cadence Health" or "CDH Proton Therapy Center" (including, in each case, acronyms and derivations thereof) without the Company's express written consent (which may be withheld by the Company in its sole discretion).

(b) Other than for the benefit of the Owner Group, the Company will not, and will require its controlled Affiliates to not, directly or indirectly, use (or cause to be used) the name "ProCure" or "ProCure Proton Therapy Center" (including, in each case, acronyms and derivations thereof) without the Owner's express written consent (which may be withheld by the Owner in its sole discretion); *provided, however, that* the Company Group will be entitled to use the name "ProCure" or "ProCure Proton Therapy Center" (including, in each case, acronyms and derivations thereof) for a period not to exceed 150 days from the date hereof, during which time the Company Group will use commercially reasonable efforts to de-brand such names from Opco's business as soon as possible but in any event within such 150-day period.

2.7 Independence. The existence of any claim, demand, action or cause of action of any Restricted Party against any other Restricted Party, whether predicated on this Agreement or otherwise, will not constitute a defense to the enforcement by such other Restricted Party of any covenant or agreement of such Restricted Party contained in this Agreement. Nothing in this Agreement will supersede or otherwise adversely affect the validity of any restrictive covenant (including confidentiality, non-competition, non-solicitation and similar covenants) contained in any other agreement to which any Restricted Party is a party.

2.8 Scope of Covenants; Equitable Relief. Each of the Parties acknowledges and agrees, and will require its controlled Affiliates to acknowledge and agree, that (a) the restrictive covenants contained in this Article II and the territorial, time, activity and other limitations set forth herein are commercially reasonable and do not impose a greater restraint than is necessary to protect the goodwill and legitimate business interests of the other Restricted Party and its controlled Affiliates, (b) any breach of the restrictive covenants in this Article II will cause immediate and irreparable harm to the other Restricted Party, which could not be adequately remedied through the payment of monetary damages, (c) if any breach of any such covenant occurs, then the other Party will be entitled to injunctive relief (without the posting of a bond or similar security) in addition to such other legal and equitable remedies that may be available (without limiting the availability of legal or equitable, including injunctive, remedies under any other provisions of this Agreement), and (d) each Party hereby waives the claim or defense that an adequate remedy at law exists for a breach of any covenant in this Article II.

2.9 Equitable Tolling. If a Restricted Party breaches any covenant in this Article II, then the duration of such covenant will be tolled with respect to such Restricted Party for a period of time equal to the time of such breach and, if the other Party seeks injunctive relief or other remedies for any such breach, then the duration of such covenant will be tolled with respect to such Restricted Party for a period of time equal to the pendency of such proceedings (including all appeals).

ARTICLE III REPRESENTATIONS AND WARRANTIES

Each Party represents and warrants to the other Party that:

3.1 Power and Authority. It is an entity duly incorporated, validly existing and in good standing under the Laws of the jurisdiction of its incorporation. It has full power, authority and legal capacity to enter into and perform this Agreement on behalf of itself and its controlled Affiliates.

3.2 Enforceability. This Agreement has been duly executed and delivered by such Party and constitutes a valid and legally binding obligation of such Party, enforceable against it in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency, moratorium and similar generally applicable Laws regarding creditors' rights or by general equity principles.

3.3 Consents. No consent, authorization, Order or approval of, or filing or registration with, any governmental authority or other Person is required for such Party's execution and delivery of this Agreement.

3.4 No Conflicts. Neither such Party's execution and delivery of this Agreement nor any of its controlled Affiliates' performance under this Agreement will conflict with or result in a breach of any provision of any Law or Order to which such Restricted Party is party or by which such Restricted Party is bound. Neither such Person nor its controlled Affiliates is a party to or bound by any contract or other agreement under which (a) such Restricted Party's execution and delivery of or performance under this Agreement will constitute a default, breach or event of acceleration, or (b) performance by such Restricted Party according to the terms of this Agreement may be prohibited, prevented or delayed.

ARTICLE IV DEFINED TERMS

4.1 Definitions. For purposes of this Agreement, the following terms have the meanings set forth below. Capitalized terms not defined below or otherwise defined herein are defined in the Purchase Agreement.

"Affiliate" means, with respect to a particular Person, (i) any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person, and (ii) if such Person is a partnership, any partner thereof; *provided, however*, that a Person shall be considered as an "Affiliate" of another Person only if such Person meets one of the criteria in (i) or (ii) at the time that such determination is made and no prior affiliates shall be considered Affiliates for the purposes of this Agreement. The term "control" means possession, direct or indirect, of the power to direct or cause the direction of the management and policies of another Person, whether through the ownership of voting securities or equity interests, by contract or otherwise. With respect to Owner, "Affiliate" does not include Midco or Opco upon consummation of the transactions contemplated by the Purchase Agreement.

"Agreement" is defined in the preamble to this Agreement.

"Business" means the business of building, owning, managing or operating a proton treatment center and providing proton therapy services and related clinical and diagnostic services.

"Business Associate" means: (i) with respect to Owner, any officer, physician or non-physician employee or independent contractor of any Company Group entity who is acting in such capacity or acted in such capacity at any time within the 6-month period immediately preceding the date of a solicitation, inducement or attempt described in Sections 2.3 or 2.4, and (ii) with respect to the Company, any officer, physician or non-physician employee or independent contractor of any Owner Group entity who is acting in such capacity or acted in such capacity at any time within the 6-month period immediately preceding the date of a solicitation, inducement or attempt described in Sections 2.3 or 2.4.

"Business Day" means a day that is not a Saturday, Sunday or legal holiday on which banks are authorized or required to be closed in New York, New York.

"Cadence Restricted Parties" is defined in the preamble to this Agreement.

"Company" is defined in the preamble to this Agreement.

“Company Group” means, collectively, the Company, Midco, Opco, and their respective Affiliates and predecessors.

“Competing Business” means any business enterprise or service or product offering, in existence or under development, that competes with, or that is intended to compete with or displace in the market, the Business as conducted by the Company Group or any of the services or products provided or sold by the Company Group.

“Confidential Information” means all confidential, proprietary and trade secret information (including all tangible and intangible embodiments thereof) that concerns the Company Group, and their respective businesses, the services, processes, products offered by the Company Group, the Company Group’s clients and the hospitals, physician practices, treatment centers and other health care facilities that are under contract with any Company Group entity, the relationships among the Company Group, or the research and development efforts and products of the Company Group, including lists of and information regarding current and prospective patients, customers, referral sources, payors, vendors and suppliers of the Company Group personnel information (including the identity of former, current and prospective employees, independent contractors and other Business Associates of the Company Group and the responsibilities, competence, abilities and compensation of such Persons), computer programs, unpatented inventions, discoveries or improvements, testing techniques and results, marketing, manufacturing, or organizational research and development, contracts and contractual relations, licenses, accounting ledgers and financial statements, business plans, forecasts and projections, business methods, pricing and financial information, information concerning planned or pending acquisitions or divestitures, and information concerning purchases of real property or major equipment or other personal property, and any other information or data that the Company Group treats as proprietary or designates as confidential information, whether or not owned or developed by a Company Group entity; *provided, however, that* “Confidential Information” does not include any information that has been made generally available to the public (other than through a ProCure Restricted Party’s breach of this Agreement or by a third-party’s breach of a confidentiality covenant).

“Law” means any federal, state, local, municipal, foreign, international, multinational or other constitution, statute, law, rule, regulation, ordinance, code, principle of common law or treaty.

“Midco” is defined in Recital A.

“Opco” means Chicago ProCure Management, LLC, a Delaware limited liability company.

“Order” means any order, injunction, judgment, decree, ruling, assessment or arbitration award of any governmental authority or arbitrator.

“Owner” is defined in the preamble to this Agreement.

“Owner Group” means the Owner and each of its subsidiaries immediately after consummation of the transactions contemplated by the Purchase Agreement.

“Parties” is defined in the preamble to this Agreement.

“Person” means any natural individual, corporation, partnership, limited liability company, joint venture, association, bank, trust company, trust or other entity, whether or not legal entities, or any governmental entity, agency or political subdivision.

“ProCure Restricted Parties” is defined in the preamble to this Agreement.

“Protected Associates” means Christopher Chandler and Mark Pankuch.

“Purchase Agreement” is defined in Recital A of this Agreement.

“Restricted Parties” is defined in the preamble to this Agreement.

“Restricted Period” means the shorter of (i) the period from the date of this Agreement until the fourth anniversary of the date of this Agreement, or (ii) the longest time period after the date of this Agreement that is permitted by applicable Law if four years after the date of this Agreement is not permitted.

“Restricted Territory” means 100 miles from 4455 Weaver Parkway, Warrenville, Illinois 60555, which is the principal place of business of Opco as of the date hereof.

ARTICLE V GENERAL PROVISIONS

5.1 Notices. All notices and other communications required or permitted under this Agreement (a) must be in writing, (b) will be duly given (i) when delivered personally to the recipient, (ii) one Business Day after being sent to the recipient by nationally recognized overnight private carrier (charges prepaid), or (iii) four Business Days after being mailed to the recipient by certified or registered mail (postage prepaid and return receipt requested), and (c) addressed as follows (as applicable):

If to a ProCure Restricted Party:

with a copy (not constituting notice) to:

ProCure Treatment Centers, Inc.
192 Lexington Avenue, 4th Fl.
New York, New York 10016
Attn: Adam S. Waxer, Esq.

Nixon Peabody LLP
437 Madison Avenue
New York, New York 10022
Attn: Richard F. Langan, Jr.

If to a Cadence Restricted Party:

CDH-Delnor Health System,
d/b/a Cadence Health
25 Winfield Road
Winfield, Illinois 60190
Attn: Michael Holzhueter, Esq.

McDermott Will & Emery LLP
227 West Monroe Street
Chicago, Illinois 60606
Attn: John M. Callahan

or to such other respective address as each Party may designate by notice given in accordance with this Section 5.1.

5.2 Amendments. The Parties may amend this Agreement only pursuant to a written agreement executed by the Parties.

5.3 Non-Waiver. The Parties' respective rights and remedies under this Agreement are cumulative and not alternative. Neither the failure nor any delay by any Party in exercising any right, power or privilege under this Agreement will operate as a waiver of such right, power or privilege, and no single or partial exercise of any such right, power or privilege will preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege. No waiver will be effective unless it is in writing and signed by an authorized representative of the waiving Party. No waiver given will be applicable except in the specific instance for which it was given. No notice to or demand on a Party will constitute a waiver of any obligation of such Party or the right of the Party giving such notice or demand to take further action without notice or demand as provided in this Agreement.

5.4 Assignment. Neither Party may, nor may it permit its controlled Affiliates to assign this Agreement or any rights under this Agreement, or delegate any duties under this Agreement, without the prior written consent of the other Party hereto.

5.5 Binding Effect; Benefit. This Agreement will inure to the benefit of and bind the Parties and their respective successors and permitted assigns. The provisions of this Agreement are expressly intended to benefit and be enforceable by each Company Group entity and each Owner Group entity.

5.6 Severability. If any court of competent jurisdiction holds any provision of this Agreement invalid or unenforceable, then the other provisions of this Agreement will remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable. If any court of competent jurisdiction holds the geographic or temporal scope of any restrictive covenant in Article II invalid or unenforceable, then such restrictive covenant will be construed as a series of parallel restrictive covenants and the geographic or temporal scope of each such restrictive covenant will be deemed modified (including by application of any "blue pencil" doctrine under applicable Law) to the minimum extent necessary to render such restrictive covenant valid and enforceable.

5.7 References. The headings of Sections are provided for convenience only and will not affect the construction or interpretation of this Agreement. Unless otherwise provided, references to "Section(s)" refer to the corresponding section(s) of this Agreement. Reference to a statute refers to the statute, any amendments or successor legislation and all rules and regulations promulgated under or implementing the statute, as in effect at the relevant time. Reference to a contract, instrument or other document as of a given date means the contract, instrument or other document as amended, supplemented and modified from time to time through such date.

5.8 Construction. Each Party participated in the negotiation and drafting of this Agreement, assisted by such legal counsel as it desired, and contributed to its revisions. Any ambiguities with respect to any provision of this Agreement will be construed fairly as to all Parties and not in favor of or against any Party. All pronouns and any variation thereof will be construed to refer to such gender and number as the identity of the subject may require. The terms "include" and "including" indicate examples of a predicate word or clause and not a limitation on that word or clause.

5.9 Governing Law. THIS AGREEMENT IS GOVERNED BY THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES.

5.10 Waiver of Trial by Jury. EACH PARTY HEREBY WAIVES ITS RIGHT TO A JURY TRIAL IN CONNECTION WITH ANY SUIT, ACTION OR PROCEEDING IN CONNECTION WITH ANY MATTER RELATING TO THIS AGREEMENT.

5.11 Counterparts. The Parties may execute this Agreement in multiple counterparts, each of which will constitute an original and all of which, when taken together, will constitute one and the same agreement. The Parties may deliver executed signature pages to this Agreement by facsimile or email transmission. No Party may raise as a defense to the formation or enforceability of this Agreement, and each Party forever waives any such defense, either (a) the use of a facsimile or email transmission to deliver a signature or (b) the fact that any signature was signed and subsequently transmitted by facsimile or email transmission.

[SIGNATURE PAGE IMMEDIATELY FOLLOWS]

The Parties execute this Restrictive Covenant Agreement on the date first above written.

CDH-DELNOR HEALTH SYSTEM, D/B/A CADENCE HEALTH

By: _____
Name: _____
Title: _____

PROCURE TREATMENT CENTERS, INC.

By: _____
Name: _____
Title: _____

Exhibit A

Cynthia Gubricky; *provided, however, that* such Person shall continue to provide the same services to Opco after the Closing Date as she provides immediately prior to the Closing Date until the earlier of: (i) December 31, 2013, and (ii) termination of the Consulting Agreement as defined in the Purchase Agreement.

EXHIBIT D
FORM OF OPINION

[Attached]

FORM OF LEGAL OPINIONS

NOTE: Capitalized terms not defined below are defined in the Membership Interest Purchase Agreement

1. Each Acquired Company (other than Holdco) is a limited liability company, validly existing and in good standing under the laws of the State of Delaware. Each Acquired Company (other than Holdco) is admitted to transact business as a foreign limited liability company and is in good standing under the laws of the State of Illinois. At the date of its execution of the Agreement, Holdco was a limited liability company, validly existing and in good standing under the laws of the State of Delaware. The Owner is a corporation validly existing and in good standing under the laws of the State of Delaware.

2. As of the Closing Date (but before the purchase of the Purchased Equity Interests pursuant to Article I of the Agreement), all of Midco's issued and outstanding equity interests were validly issued, and, to such counsel's knowledge, based solely upon a certificate of officer of Midco addressed to such counsel and dated as of even date herewith, owned by Owner except for those equity interests of Midco owned by Purchaser and Cadence Sub. All of Opco's issued and outstanding equity interests have been validly issued, and, to such counsel's knowledge, based solely upon a certificate of officer of Opco addressed to such counsel and dated as of even date herewith, 81.25% of which are owned of record by Midco.

3. Each Acquired Company (other than Holdco) has all necessary limited liability company power and authority to enter into and deliver the Acquired Company Documents to which it is party and to perform its obligations thereunder. The Owner has all necessary corporate power and authority to sell the Purchased Equity Interests and enter into and deliver the Owner Documents and to perform its obligations thereunder.

4. The Seller Parties have duly authorized, executed and delivered each of the Transaction Documents to which it is a party.

EXHIBIT E
DISCLOSURE SCHEDULE

[Attached]

**DISCLOSURE SCHEDULE TO THE
MEMBERSHIP INTEREST PURCHASE AGREEMENT
DATED JUNE 26, 2013**

This Disclosure Schedule (the “Disclosure Schedule”) has been prepared and delivered in accordance with that certain Membership Interest Purchase Agreement, dated as of June 26, 2013 (the “Agreement”), by and among CDH-Delnor Health System, Inc. d/b/a Cadence Health (the “Purchaser”), Procure Chicago Holdings, LLC (“Holdco”), Procure Illinois Holdings, LLC (“Midco”), Chicago Procure Management, LLC (“Opco”), and Procure Treatment Centers, Inc. (the “Owner”). Capitalized terms used in this Disclosure Schedule without definition shall have the respective meanings ascribed to such terms in the Agreement.

The sections of the Disclosure Schedule are numbered to refer to the corresponding section number in the Agreement that it is intended to qualify. Captions, headings and section references in the Disclosure Schedule are included for ease of reference only and shall have no legal effect.

Matters reflected in the Disclosure Schedule are not necessarily limited to matters required by the Agreement to be reflected therein. Such additional matters are set forth solely for informational purposes and do not necessarily include other matters of a similar nature. Disclosure of any information in the Disclosure Schedule, whether or not in response to a requirement contained in the Agreement to schedule material matters or matter outside the ordinary course of business, shall not be deemed to be an admission by the Party or Parties making such disclosure that such information is material or outside the ordinary course of business nor is it or shall it be deemed to be a representation that such information must be set forth in the Disclosure Schedule. Nothing in the Disclosure Schedule shall constitute an admission of any liability or obligation of such Party or Parties or their respective affiliates to any Third-Party nor an admission against such Party or Parties or their respective Affiliates’ interests.

A disclosure of information in any Section of the Disclosure Schedule shall be deemed to be disclosure in each other Section to the extent it is reasonably apparent from a reading of such Section that such disclosure is applicable to such other Section.

SCHEDULE 2.3(e)
Required Consents

1. Consent of Chicago Proton Treatment Investment LLC (“CPTI”) and waiver of right of first refusal under Opco’s Second Amended and Restated Limited Liability Company Agreement, dated 11/7/2008.
2. Consent of the Illinois Health Facilities Planning Board.
3. Consent and waiver of default pursuant to the Credit Agreement, dated March 4, 2008 among Opco as borrower, Fortis Bank, S.A./N.V. (currently known as BNP Paribas Fortis SA/NV) (“Fortis”) as agent, lender and hedge provider, KBC Bank NV (“KBC”) as lender and hedge provider and the other lenders from time to time party thereto, as amended (the “Credit Agreement”) and the Loan Documents as defined in the Credit Agreement.
4. Consent of Fortis for the assignment of the Transferred Claims pursuant to the Amended and Restated Subordination and Pledge and Security Agreement dated April 30, 2012 by and among Opco, Owner as subordinated lender and Fortis.
5. Consent under the Amended and Restated Support Agreement dated January 15, 2009 between Owner and Fortis, as amended (including indemnification provisions that survive termination).
6. Consent of Radiation Oncology Consultants, Ltd. is required for assignment of the Services Agreement dated March 4, 2008 between Opco and of Radiation Oncology Consultants, Ltd.
7. Customer License Agreement dated November 15, 2011 between Five9, Inc. and Owner (the party to Addendum B Service Order dated July 21, 2012 is ProCure Chicago).
8. Purchase Order dated April 14, 2010 between CMS Software The Elekta Group and Owner, and Pricing Summary dated March 2, 2009.
9. Purchase and License Agreement re ePrescription dated December 2, 2011 between Owner and Elekta, Inc.
10. Purchase and License Agreement re ESI dated October 10, 2010 between Elekta, Inc. and Owner.
11. Purchase and License Agreement Amendment re Mosaiq dated June 22, 2010 between Owner and Elekta, Inc. and Addendum thereto.
12. Purchase and License Agreement re Mosaiq dated April 6, 2009 between IMPAC Medical Systems and Owner; and Purchaser Order dated April 14, 2009.

SCHEDULE 2.3(f)
Required Permits

1. Certificate of Need from Illinois Health Facilities Planning Board.
2. Radioactive Material License No. IL-02392-01 issued to Opco.
3. Certificate of X-Ray Registration (Registration No. 9259127) issued to Opco.
4. Certificate of Occupancy for 4455 Weaver Parkway issued by the City of Warrenville Community Development Department.
5. Medicare Number (IL3809) and NPI (1972824142) issued to Opco.
6. Illinois Department of Healthcare and Family Services Provider ID Number 260876468401 and Payee ID # 260876468-64187-01 EFF 12.1.11.
7. Wisconsin Provider Primary Taxonomy Number 261QX0203X and Provider ID Number 1972824142, PAR EFF 9.1.11.

SCHEDULE 2.4(i)
Equityholder Agreements to be Terminated

1. Amended and Restated Support Agreement dated January 15, 2009 between Owner and Fortis, as amended (including indemnification provisions that survive termination).

SCHEDULE 3.1
Foreign Qualifications

Holdco: Illinois

Midco: Illinois

Opco: Illinois

SCHEDULE 3.4
Consents for the Transactions

1. Consent of the Illinois Health Facilities Planning Board.
2. Waiver of CPTI's right of first refusal and tag-along right is required under Opco's Operating Agreement for an indirect transfer of Midco's interest in Opco.
3. Consent of IBA is required for the Company Merger and for release of liens on Holdco's interests.
4. Consent and waiver of default is required pursuant to the Credit Agreement, dated March 4, 2008 among Opco as borrower, Fortis as agent, lender and hedge provider, KBC Bank NV ("KBC") as lender and hedge provider and the other lenders from time to time party thereto, as amended (the "Credit Agreement") and the Loan Documents as defined in the Credit Agreement.
5. Consent of Fortis for the assignment of the Transferred Claims pursuant to the Amended and Restated Subordination and Pledge and Security Agreement dated April 30, 2012 by and among Opco, Owner as subordinated lender and Fortis.
6. Waiver of the Purchaser's rights upon a change of control pursuant to the Amended and Restated Umbrella Agreement dated March 4, 2008 among Central DuPage Health, Holdco, Midco and Opco.
7. Waiver of the Purchaser's rights upon a change of control and consent to assignment pursuant to the Senior Unsecured PIK Note dated November 14, 2008 by Holdco in favor of Central Dupage Health, Inc. in the principal amount of \$40,000,000.
8. Consent of Purchaser is required under the Ground Lease Agreement dated March 4, 2008 between Purchaser and Opco, and Memorandum of Lease dated November 6, 2008.
9. Consent of Cigna HealthCare of Illinois ("CIGNA") is required for assignment under the Ancillary Services Agreement dated November 1, 2010 between CIGNA and Opco.
10. Notice to Aetna Health Inc. is required for change of control to an entity not acceptable to Aetna Health Inc. under the Facility Services Agreement dated January 1, 2011 between Aetna Health Inc. and Opco.
11. Consent of Northwestern University is required for assignment of the Sub-Contract Agreement dated January 22, 2013 between Northwestern University and Opco d/b/a CDH Proton Center.
12. Consent of Radiation Oncology Consultants, Ltd. is required for assignment of the Services Agreement dated March 4, 2008 between Opco and of Radiation Oncology Consultants, Ltd.

13. Consent of the service provider is required under the following agreements in order for Owner continue to provide the services to Opco after the Closing Date: (i) Customer License Agreement dated November 15, 2011 between Five9, Inc. and Owner (the party to Addendum B Service Order dated July 21, 2012 is ProCure Chicago), (ii) Purchase Order dated April 14, 2010 between CMS Software The Elekta Group and Owner, and Pricing Summary dated March 2, 2009, (iii) Purchase and License Agreement re ePrescription dated December 2, 2011 between Owner and Elekta, Inc., (iv) Purchase and License Agreement re ESI dated October 10, 2010 between Elekta, Inc. and Owner, (v) Purchase and License Agreement Amendment re Mosaiq dated June 22, 2010 between Owner and Elekta, Inc. and Addendum thereto, (vi) Purchase and License Agreement re Mosaiq dated April 6, 2009 between IMPAC Medical Systems and Owner; and Purchaser Order dated April 14, 2009, (vii) Member Agreement dated March 3, 2011 between Verizon Wireless and Owner, (ix) End User License Agreement dated August 2, 2011 between AirWatch, LLC and Owner, (x) Hosting Services Agreement dated March 18, 2009 between Rackspace US, Inc. and Owner and Upgrade dated September 13, 2010, (xi) Service Contract re PeopleSoft dated April 23, 2013 between Oracle Support Services and Owner, and (xii) Pricing Summary dated March 2, 2009 between CMS Software – The Elekta Inc. Group and Owner. Additional consents may be required under one or more of the agreements set forth in item 1.a. of Schedule 3.32, depending on the scope of the Consulting Agreement to be entered into at Closing.

SCHEDULE 3.5
No Conflicts

1. Credit Agreement and the Loan Documents as defined in the Credit Agreement. Entry into the Agreement and consummation of the transactions under the Agreement constitutes a default under the Credit Agreement and the Loan Documents.
2. Amended and Restated Umbrella Agreement dated March 4, 2008 among Central DuPage Health, Holdco, Midco and Opco.
3. Senior Unsecured PIK Note dated November 14, 2008 by Holdco in favor of Central Dupage Health, Inc. in the principal amount of \$40,000,000.
4. Amended and Restated Subordination and Pledge and Security Agreement dated April 30, 2012 by and among Opco, Owner as subordinated lender and Fortis.
5. Membership Interest Pledge Agreement dated January 20, 2011 between Owner and Ion Beam Applications S.A. pursuant to the IBA Purchase Agreement.
6. Depositary and Account Control Agreement dated November 7, 2008 among Opco, Fortis and U.M.B. Bank, N.A., as amended.
7. Ground Lease Agreement, dated March 4, 2008 between Purchaser and Opco, and Memorandum of Lease, dated November 6, 2008.
8. Leasehold Mortgage with Security Agreement, Assignment of Leases and Rents and Fixture Filing Statement dated November 3, 2008 by Opco in favor of Fortis.
9. Subordination Agreement dated November 3, 2008 among Purchaser, Opco and Fortis.
10. Ancillary Services Agreement dated November 1, 2010 between CIGNA and Opco.
11. Facility Services Agreement dated January 1, 2011 between Aetna Health Inc. and Opco.

SCHEDULE 3.7
Capitalization/ Equity Interests

Capitalization of Acquired Companies

Holdco

The Owner is the sole member of Holdco.

Midco

<i>Member</i>	<i>Membership Percentage</i>
Holdco	85%
Central DuPage Health	15%

Opco

<i>Member</i>	<i>Shares</i>	<i>Percentage Interest</i>
Midco	812.5	81.25%
CPTI	187.5	18.75%

Agreements relating to the Acquired Companies' Equity Interests

1. Ion Beam Applications S.A. holds a first priority security interest in, an assignment of, and a general lien on all of Owner's right title and interest in and to its membership interests in Holdco under the Membership Interest Pledge Agreement dated January 20, 2011 between Owner and Ion Beam Applications S.A.
2. Limited Liability Company Agreement of Holdco dated March 26, 2007.
3. Amended and Restated Operating Agreement of Midco dated November 7, 2008.
4. Second Amended and Restated Operating Agreement of Opco dated November 7, 2008.
5. First Amendment to Second Amended and Restated Operating Agreement of Opco dated March 30, 2010.
6. Second Amendment to Second Amended and Restated Operating Agreement of Opco dated February 14, 2013.

7. Amended and Restated Umbrella Agreement dated March 4, 2008 among Central Dupage Health, Holdco, Midco and Opco.
8. Assignment, Pledge, and Security Agreement dated March 4, 2008 between Midco as pledgor and Fortis.
9. Assignment, Pledge, and Security Agreement dated March 4, 2008 between CPTI as pledgor and Fortis.

SCHEDULE 3.9(a)
Financial Statements

See attached.

The audit letter of the auditors, BKD LLP, for the financial year ended December 31, 2009 and the period from inception to December 31, 2009 identified significant deficiencies, deficiencies and other matters regarding the internal control over financial reporting of Opco. The audit letter of the auditors, BKD LLP, for the financial year ended December 31, 2010 identified a material weakness, deficiencies and other matters regarding the internal control over financial reporting of Opco. The audit letter of the auditors, BKD LLP, for the financial year ended December 31, 2011 identified deficiencies and other matters regarding the internal control over financial reporting of Opco. Certain of these weaknesses, significant deficiencies and deficiencies may be ongoing.

ProCure Illinois Holdings, LLC
(A Development Stage Company)

Accountants' Report and Consolidated Financial Statements

December 31, 2010 and 2009

ProCure Illinois Holdings, LLC
(A Development Stage Company)
December 31, 2010 and 2009

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Independent Accountants' Report

Board of Managers
ProCure Illinois Holdings, LLC
New York, New York

We have audited the accompanying consolidated balance sheets of ProCure Illinois Holdings, LLC (A Development Stage Company) as of December 31, 2010 and 2009, and the related consolidated statements of operations, comprehensive income (loss), changes in members' equity and cash flows for the years then ended and for the cumulative operating period from March 26, 2007 (inception) to December 31, 2010. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of ProCure Illinois Holdings, LLC (A Development Stage Company) as of December 31, 2010 and 2009, and the results of its operations and its cash flows for the years then ended and the cumulative period from March 26, 2007 (inception) to December 31, 2010 in conformity with accounting principles generally accepted in the United States of America.

BKD, LLP

March 29, 2011

ProCure Illinois Holdings, LLC

(A Development Stage Company)

Consolidated Balance Sheets

December 31, 2010 and 2009

Assets

	2010	2009
Current Assets		
Cash and cash equivalents	\$ 354,579	\$ 78
Patient accounts receivable	1,120,569	-
Prepays and other current assets	37,600	-
Total current assets	1,512,748	78
Noncurrent Assets		
Property and equipment, net	112,179,810	71,081,772
Deferred financing costs, net	2,361,600	2,790,800
Other long-term assets	1,680,911	-
	116,222,321	73,872,572
	\$ 117,735,069	\$ 73,872,650

Liabilities and Members' Equity

Current Liabilities		
Accounts payable	\$ 6,774,058	\$ 2,152,663
Accrued interest	511,000	445,000
Accrued expenses	430,219	38,700
Due to related party	903,904	373,974
Total current liabilities	8,619,181	3,010,337
Long-Term Liabilities		
Long-term debt	96,722,868	59,195,048
Interest rate swap agreements	11,299,000	6,347,000
Deferred rent	520,246	302,328
	108,542,114	65,844,376
Members' Equity		
ProCure Illinois Holdings, LLC members' equity	10,849,744	11,639,804
Accumulated other comprehensive loss	(9,029,379)	(5,005,879)
Total ProCure Illinois Holdings, LLC members' equity	1,820,365	6,633,925
Noncontrolling interest	(1,246,591)	(1,615,988)
Total members' equity	573,774	5,017,937
	\$ 117,735,069	\$ 73,872,650

ProCure Illinois Holdings, LLC
(A Development Stage Company)
Consolidated Statements of Operations
Years Ended December 31, 2010 and 2009 and
Period From March 26, 2007 (Inception) to December 31, 2010

	Year Ended December 31, 2010	Year Ended December 31, 2009	Cumulative From March 26, 2007 (Inception) to December 31, 2010
Revenues			
Net patient service revenue	\$ 1,186,489	\$ -	\$ 1,186,489
Services - TC	318,427	-	318,427
	<u>1,504,916</u>	<u>-</u>	<u>1,504,916</u>
Operating Expenses			
Salaries and wages	2,503,496	270,243	2,773,739
Depreciation and amortization	1,916,423	-	1,916,423
Legal and professional fees	814,035	150,010	1,891,039
Repairs and maintenance	653,467	866	654,333
Land lease and equipment rental	430,694	451,057	889,878
Utilities	389,950	9,143	399,093
Advertising and marketing	389,338	161,482	1,099,469
Management fees	364,130	-	364,130
Supplies	224,795	-	224,795
Office expense	180,854	10,472	191,808
Travel	156,648	59,893	216,831
General and administrative - other	27,004	14,448	41,452
Insurance	55,767	-	55,767
Services - TC	9,090	-	9,090
Total operating expenses	<u>8,115,691</u>	<u>1,127,614</u>	<u>10,727,847</u>
Operating Loss	(6,610,775)	(1,127,614)	(9,222,931)
Other Expense			
Interest expense	<u>(831,388)</u>	<u>(22,979)</u>	<u>(854,295)</u>
Net Loss	(7,442,163)	(1,150,593)	(10,077,226)
Less: Net Loss Attributable to the Noncontrolling Interest	<u>(1,402,103)</u>	<u>(242,275)</u>	<u>(1,676,970)</u>
Net Loss Attributable to ProCure Illinois Holdings, LLC	<u>\$ (6,040,060)</u>	<u>\$ (908,318)</u>	<u>\$ (8,400,256)</u>

ProCure Illinois Holdings, LLC
(A Development Stage Company)
Consolidated Statements of Comprehensive Income (Loss)
Years Ended December 31, 2010 and 2009 and
Period From March 26, 2007 (Inception) to December 31, 2010

	Year Ended December 31, 2010	Year Ended December 31, 2009	Cumulative March 26, 2007 (Inception) to December 31, 2010
Net Loss	\$ (7,442,163)	\$ (1,150,593)	\$ (10,077,226)
Other Comprehensive Income (Loss)			
Change in fair value of swap agreements	<u>(4,952,000)</u>	<u>5,475,238</u>	<u>(11,299,000)</u>
Comprehensive Income (Loss)	(12,394,163)	4,324,645	(21,376,226)
Less: Comprehensive Income (Loss) Attributable to Noncontrolling Interest	<u>(2,330,603)</u>	<u>914,643</u>	<u>(3,946,591)</u>
Comprehensive Income (Loss) Attributable to ProCure Illinois Holdings, LLC	<u>\$ (10,063,560)</u>	<u>\$ 3,410,002</u>	<u>\$ (17,429,635)</u>

ProCure Illinois Holdings, LLC
(A Development Stage Company)
Consolidated Statements of Changes in Members' Equity
Years Ended December 31, 2010 and 2009 and
Period From March 26, 2007 (Inception) to December 31, 2010

	<u>ProCure Illinois Holdings, LLC</u>			
	<u>Total</u>	<u>Members'</u> <u>Equity</u>	<u>Accumulated</u> <u>Other</u> <u>Comprehensive</u> <u>Loss</u>	<u>Noncontrolling</u> <u>Interest</u>
Net Loss From March 26, 2007 (Inception) to December 31, 2007	\$ (441,875)	\$ (441,875)	\$ -	\$ -
Member contributions	14,000,000	14,000,000		-
Net loss	(1,042,595)	(1,010,003)		(32,592)
Change in fair value of interest rate swap agreements	<u>(11,822,238)</u>		<u>(9,324,199)</u>	<u>(2,498,039)</u>
Balance, December 31, 2008	693,292	12,548,122	(9,324,199)	(2,530,631)
Net loss	(1,150,593)	(908,318)		(242,275)
Change in fair value of interest rate swap agreements	<u>5,475,238</u>		<u>4,318,320</u>	<u>1,156,918</u>
Balance, December 31, 2009	5,017,937	11,639,804	(5,005,879)	(1,615,988)
Member contributions	5,250,000	5,250,000		-
Noncontrolling interest contributions	2,700,000	-		2,700,000
Net loss	(7,442,163)	(6,040,060)		(1,402,103)
Change in fair value of interest rate swap agreements	<u>(4,952,000)</u>		<u>(4,023,500)</u>	<u>(928,500)</u>
Balance, December 31, 2010	<u>\$ 573,774</u>	<u>\$ 10,849,744</u>	<u>\$ (9,029,379)</u>	<u>\$ (1,246,591)</u>

ProCure Illinois Holdings, LLC
(A Development Stage Company)
Consolidated Statements of Cash Flows
Years Ended December 31, 2010 and 2009 and
Period From March 26, 2007 (Inception) to December 31, 2010

	Year Ended December 31, 2010	Year Ended December 31, 2009	Cumulative From March 26, 2007 (Inception) to December 31, 2010
Operating Activities			
Net loss before attribution of noncontrolling interest	\$ (7,442,163)	\$ (1,150,593)	\$ (10,077,226)
Net loss attributable to noncontrolling interest	1,402,103	242,275	1,676,970
Net loss attributable to ProCure Illinois Holdings, LLC	<u>(6,040,060)</u>	<u>(908,318)</u>	<u>(8,400,256)</u>
Items not requiring (providing) cash			
Depreciation and amortization	1,916,423	-	1,916,423
Amortization of deferred financing fees	73,800	-	73,800
Paid in-kind interest on note payable	229,005	22,985	251,990
Deferred rent	217,918	302,328	520,246
Changes in			
Patient accounts receivable	(1,120,569)	-	(1,120,569)
Prepaid and other current assets	(37,600)	-	(37,600)
Accounts payable and accrued expenses	1,230,491	263,231	1,493,722
Other long-term assets	(78,168)	-	(78,168)
Noncontrolling interest	(1,402,103)	(242,275)	(1,676,970)
Net cash used in operating activities	<u>(5,010,863)</u>	<u>(562,049)</u>	<u>(7,057,382)</u>
Investing Activity - purchase of property and equipment	<u>(40,085,003)</u>	<u>(42,869,119)</u>	<u>(108,253,792)</u>
Financing Activities			
Advances from (repayments to) Parent	201,552	(143,495)	575,526
Proceeds from issuance of long-term debt	37,298,815	42,033,668	94,795,878
Proceeds from issuance of Parent PIK note	-	1,675,000	1,675,000
Financing costs paid	-	(134,000)	(3,330,651)
Members' capital contributions	5,250,000	-	19,250,000
Noncontrolling interest capital contributions	2,700,000	-	2,700,000
Net cash provided by financing activities	<u>45,450,367</u>	<u>43,431,173</u>	<u>115,665,753</u>
Increase in Cash and Cash Equivalents	354,501	5	354,579
Cash and Cash Equivalents, Beginning of Period	<u>78</u>	<u>73</u>	<u>-</u>
Cash and Cash Equivalents, End of Period	<u>\$ 354,579</u>	<u>\$ 78</u>	<u>\$ 354,579</u>
Supplemental Cash Flows Information			
Noncash investing and financing activity			
Amortization of deferred financing costs capitalized as interest during construction period	\$ 221,400	\$ 295,200	\$ 761,251
Property and equipment and construction in progress included in accounts payable and accrued interest	6,549,933	2,373,132	6,549,933

ProCure Illinois Holdings, LLC
(A Development Stage Company)
Notes to Consolidated Financial Statements
December 31, 2010 and 2009

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Organization and Basis of Presentation

ProCure Illinois Holdings, LLC (MidCo) was founded as the holding company for Chicago ProCure Management, LLC (OpCo), which was formed to construct and operate a proton therapy facility in Warrenville, Illinois for use in the treatment of cancer. MidCo and OpCo are collectively referred to as “the Company.” MidCo was formed in the State of Delaware and commenced activities on March 26, 2007. Since the Company has not derived significant revenues from its intended principal business activity through December 31, 2010, it is still in the development stage at this date. As a development stage enterprise, the Company’s primary efforts to date have been devoted to raising capital, construction and the development of technology and infrastructure to support operating activities after the center opens. The Company has a deficit accumulated during the development stage of \$10,077,226 as of December 31, 2010.

Members’ Equity

MidCo is a Delaware limited liability company with a perpetual life. No member shall be liable for the liabilities of MidCo.

The original Operating Agreement was dated March 26, 2007. The Operating Agreement was amended in November 2008, to provide for (1) ProCure Chicago Holdings, LLC to contribute \$40,000,000 (\$4,000,000 in cash and \$36,000,000 in other intangible assets) in return for an 85% membership interest therein; (2) that our hospital affiliate will contribute \$10,000,000 in cash in return for a 15% membership interest therein.

The operating agreement calls for HoldCo to receive a priority return of 12% per annum. At December 31, 2010 and 2009, the accumulated unpaid priority return was approximately \$4,800,000 and \$10,330,000, respectively.

In November 2008, MidCo invested \$14,000,000 in return for a 78.87% interest in OpCo. During 2010, in accordance with bank lending requirements, MidCo contributed an additional \$5,250,000 of equity to OpCo, which was funded with existing letters of credit held by Parent, increasing its ownership interest to 81.25%.

ProCure Chicago Holdings, LLC is a wholly owned subsidiary of ProCure Treatment Centers, Inc. (Parent).

Principles of Consolidation

The consolidated financial statements include the accounts of MidCo and OpCo. All significant intercompany accounts and transactions have been eliminated in consolidation.

ProCure Illinois Holdings, LLC
(A Development Stage Company)
Notes to Consolidated Financial Statements
December 31, 2010 and 2009

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2010, cash equivalents consisted primarily of money market mutual funds with a bank. At December 31, 2009, there were no cash equivalents.

One or more of the financial institutions holding the Company's cash accounts are participating in the FDIC's Transaction Account Guarantee Program. Under that program, through December 31, 2010, all noninterest-bearing transaction accounts are fully guaranteed by the FDIC for the entire amount in the account. Pursuant to legislation enacted in 2010, the FDIC will fully insure all noninterest-bearing transaction accounts beginning December 31, 2010 through December 31, 2012, at all FDIC-insured institutions.

For financial institutions opting out of the FDIC's Transaction Account Guarantee Program or interest-bearing cash accounts, the FDIC's insurance limits were permanently increased to \$250,000, effective July 21, 2010.

At December 31, 2010, the Company's cash and cash equivalents accounts exceeded federally insured limits by approximately \$300,000.

Construction in Progress

Construction in progress includes the construction costs of the facility in Warrenville and the development of the proton therapy equipment. Upon completion of construction in October 2010, these assets were transferred to property and equipment.

OpCo capitalizes interest costs as a component of construction in progress, based on the weighted-average rates paid for long-term borrowings.

ProCure Illinois Holdings, LLC
(A Development Stage Company)
Notes to Consolidated Financial Statements
December 31, 2010 and 2009

Property and Equipment

Property and equipment acquisitions are recorded at cost and are depreciated over the estimated useful life of each asset. Assets under land improvements are amortized over the shorter of the lease term or their respective estimated useful lives. Software is amortized over the estimated useful life. Annual depreciation and amortization is computed using the straight-line method over the following lives:

Medical equipment	5 - 15 years
Building and improvements	5 - 39 years
Purchased software	3 years
Land improvements	15 years
Other equipment	5 - 7 years
Furniture and fixtures	7 years

Long-Lived Asset Impairment

The Company evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

No asset impairment was recognized during the years ended December 31, 2010 and 2009.

Deferred Financing Costs

Deferred financing costs represent costs incurred in conjunction with the OpCo's debt financing and are amortized over the term of the related debt instruments. Amortization of the deferred financing costs during the construction period of the proton facility is included with the interest cost capitalized as part of the construction costs. Amortization is included in interest expense for the post-construction period.

Intangible Assets

Intangible assets consist of a certificate of need acquired to construct the facility. This intangible is considered an indefinite life intangible and is periodically evaluated as to the recoverability of its carrying value. It's recorded in other long-term assets on the balance sheet and its balance was \$1,680,911 at December 31, 2010.

ProCure Illinois Holdings, LLC
(A Development Stage Company)
Notes to Consolidated Financial Statements
December 31, 2010 and 2009

Income Taxes

MidCo is not directly subject to income taxes under the provisions of the Internal Revenue Code and applicable state laws. Therefore, taxable income or loss is allocated to its members in accordance with their respective percentage ownership for inclusion in their respective tax returns and no provision for federal and state income taxes has been included in these statements.

MidCo recognizes the benefit or expense of an uncertain tax position in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740, *Income Taxes*, after considering if its more likely than not, based on the technical merits, that a tax position will be realized and sustained upon examination. For tax positions meeting a “more-likely-than-not” threshold, the amount recognized in the consolidated financial statements is the largest amount expected to be realized upon settlement with the tax authority. All of MidCo’s income tax returns are subject to federal and state examinations by tax authorities. As of December 31, 2010, MidCo has not identified any uncertain tax positions.

The Company is no longer subject to U.S. federal, state and local income tax examinations for years prior to 2007.

Revenue Recognition, Contractual Adjustments and Concentration of Credit Risk

Revenues for services are recorded in the period the services are rendered. Net patient service revenues are recorded at net realizable amounts estimated to be paid by the patients and third-party payers. A provision for contractual adjustments is recorded as a reduction to net patient service revenues and consists of a) the difference between the payer’s allowable amount and the customary billing rate; and b) services for which payment is denied by governmental or third-party payers or otherwise deemed non-billable. OpCo records the provision for contractual adjustments based on a percentage of revenue using historical data and current contracts or letters of agreement in place. Due to the complexity of many third-party billing arrangements, adjustments are sometimes made to amounts originally recorded. These adjustments are typically identified and recorded upon cash remittance or claim denial. At such time as OpCo can determine the ultimate collections have exceeded or are less than the net realizable amount recorded, additional revenue or reduction in revenue is recorded as a change in estimate during the current period.

Approximately 20% of OpCo’s net patient service revenue are from participation in the Medicare and state-sponsored Medicaid programs for the year ended December 31, 2010. Laws and regulations governing Medicare are complex and subject to interpretations and change. As a result, it is reasonably possible recorded estimates will change materially in the near term. One other third-party payer represented 55% of net patient service revenues for the year ended December 31, 2010.

ProCure Illinois Holdings, LLC
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Notes to Consolidated Financial Statements
December 31, 2010 and 2009

The following table shows gross treatment revenues and contractual allowances for the year ended December 31, 2010:

	2010
Gross billed treatment charges	\$ 3,089,183
Contractual allowances	(1,902,694)
Net patient service revenue	\$ 1,186,489

OpCo grants credit without collateral to its patients, most of whom are area residents and are insured under third-party payer agreements. The mix of net receivables from patients and third-party payers at December 31, 2010:

	2010
Medicare and medicaid	17 %
Other third-party payers	83
	100 %

Patient Accounts Receivable and Allowance for Doubtful Accounts

OpCo reviews its accounts receivable balances on a periodic basis. OpCo bills third-party payers, which include insurance companies, Medicare and self-pay patients. Third-party billings are recorded as the amount which OpCo charges, less the contractual allowance provision.

An allowance for doubtful accounts is estimated by payer group and determined based upon a review of the reimbursement policies and subsequent collections from the different types of payers. As of December 31, 2010, no allowance for doubtful accounts has been recorded. Accounts are considered delinquent and subsequently written off as bad debts based on individual credit evaluations and specific circumstances of the account.

Subsequent Events

Subsequent events have been evaluated through March 29, 2011, which is the date the consolidated financial statements were available to be issued.

ProCure Illinois Holdings, LLC
(A Development Stage Company)
Notes to Consolidated Financial Statements
December 31, 2010 and 2009

Note 2: Property and Equipment

OpCo completed construction of its treatment facility and related medical equipment in October 2010. As of December 31, 2009, the balances included in the following schedule were included in construction in progress and subsequently transferred to property and equipment in 2010.

Property and equipment and construction in progress at December 31, 2010 and 2009 consists of:

	<u>2010</u>	<u>2009</u>
Medical equipment	\$ 65,873,621	\$ -
Building and improvements	39,441,139	-
Purchased software	3,997,765	-
Land improvements	1,733,831	-
Equipment - other	2,371,260	-
Furniture and fixtures	651,451	-
Construction in progress	-	71,081,772
Total cost	<u>114,069,067</u>	<u>71,081,772</u>
Less accumulated depreciation and amortization	<u>(1,889,257)</u>	<u>-</u>
	<u>\$ 112,179,810</u>	<u>\$ 71,081,772</u>

Included in property and equipment and construction in progress is capitalized interest and amortization of deferred financing costs of \$6,694,746 and \$3,683,901 at December 31, 2010 and 2009, respectively.

Note 3: Long-Term Debt

Long-term debt consists of the following:

	<u>2010</u>	<u>2009</u>
Note dated March 4, 2008 to banks under a buyer credit facility accruing interest at LIBOR plus 3.25%; payable quarterly (3.56% interest rate at December 31, 2010)	\$ 54,166,008	\$ 32,855,136
Note dated March 4, 2008 to banks under a commercial credit facility accruing interest at LIBOR plus 4.25%; payable quarterly (4.56% interest rate at December 31, 2010)	40,629,870	24,641,927
Note dated November 23, 2009 to Parent; interest accrues quarterly at a fixed rate of 13.00% and is payable in-kind through the fifth anniversary of the note. The note is subordinated to the notes referenced above	<u>1,926,990</u>	<u>1,697,985</u>
	<u>\$ 96,722,868</u>	<u>\$ 59,195,048</u>

ProCure Illinois Holdings, LLC
(A Development Stage Company)
Notes to Consolidated Financial Statements
December 31, 2010 and 2009

The scheduled annual principal payments are as follows:

	Long-Term Debt
2011	\$ -
2012	7,042,171
2013	10,461,677
2014	15,986,781
2015	13,298,474
Thereafter	49,933,765
	\$ 96,722,868

The buyer and commercial credit facilities are carried by OpCo for construction of the treatment center in Warrenville, Illinois. The commercial credit facility has a commitment amount of \$51,000,000. The buyer credit facility has a commitment amount of \$68,000,000. Two banks each carry 50% of the total commitment. Quarterly principal payments will commence in January 2012 and are payable in varying amounts over six years for the commercial credit facility and over eight years for the buyer credit facility. Principal payments are based on specified percentages of the amounts outstanding as of the date of the first required payment. The scheduled annual principal payments are as follows:

Year	Buyer Credit Facility	Commercial Credit Facility
1	4.75%	11.00%
2	7.20%	16.15%
3	15.00%	19.35%
4	14.50%	13.40%
5	5.75%	22.20%
6	17.50%	17.90%
7	30.75%	0.00%
8	4.55%	0.00%
	100.00%	100.00%

The credit facility loans are collateralized by a first priority security interest in all of the existing and after-acquired personal and real property and certain assets and members' interest of OpCo.

ProCure Illinois Holdings, LLC
(A Development Stage Company)
Notes to Consolidated Financial Statements
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In November 2009, OpCo entered into an agreement with the Parent to borrow \$1,675,000 due October 31, 2022. Interest accrues on the outstanding balance of the loan at 13% per year compounded semi-annually through the fifth anniversary date. All interest is accrued to the principal balance during the first five years. After the fifth anniversary, the note accrues interest at 13% compounded and payable semi-annually in cash through the maturity of the note on October 31, 2022. This loan is subordinate to the buyer and commercial credit facilities. OpCo recognized interest expense of \$229,005 and \$22,985 on the Parent PIK note in 2010 and 2009, respectively.

OpCo's doctor group has issued a letter of credit in favor of OpCo credit facility lenders to guaranty that the balance of their capital commitment (\$6,050,000) will be contributed. The letter of credit expires December 31, 2011.

Note 4: Interest Rate Swap Agreements

During 2008, as a strategy to maintain acceptable levels of exposure to the risk of changes in future cash flows due to interest rate fluctuations, OpCo entered into two interest rate swap agreements for a portion of its bank term loans. The notional amount amortizes throughout the term of the swap agreements to a balance of \$0 at the termination date, November 2018. The agreements provide for OpCo to receive interest from the counterparty at LIBOR and to pay interest to the counterparty at a fixed rate of 4.44%. The notional amounts were \$84,236,408 and \$66,510,576 at December 31, 2010 and 2009, respectively. Under the agreements, OpCo pays or receives the net interest amount quarterly, with the settlements included in construction in progress during the construction period and interest expense in the post-construction period.

Management has designated the interest rate swap agreements as cash flow hedging instruments. For derivative instruments that are designated and qualify as a cash flow hedge, the effective portion of the gain or loss on the derivative is reported as a component of other comprehensive loss and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings.

The table below presents certain information regarding OpCo's interest rate swap agreements designated as a cash flow hedge. OpCo did not have any derivative instruments at December 31, 2010 and 2009 that were not designated as hedging instruments in accordance with ASC Topic 815, *Derivatives and Hedging*.

	<u>2010</u>	<u>2009</u>
Fair value of interest rate swap agreements	\$ 11,299,000	\$ 6,347,000
Balance sheet location of fair value amount	Long-Term Liabilities	Long-Term Liabilities
Gain (loss) recognized in other comprehensive income (effective portion)	\$ (4,952,000)	\$ 5,475,238

ProCure Illinois Holdings, LLC
(A Development Stage Company)
Notes to Consolidated Financial Statements
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Note 5: Fair Value of Financial Instruments

ASC Topic 820, *Fair Value Measurements*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Topic 820 also specifies a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

Following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying consolidated balance sheets, as well as the general classification of such liabilities pursuant to the valuation hierarchy.

Interest Rate Swap Agreements

OpCo has interest rate swap agreements that are recorded at fair value. The fair value is estimated using forward-looking interest rate curves and discounted cash flows that are observable or that can be corroborated by observable market data and, therefore, are classified within Level 2 of the valuation hierarchy.

Cash Equivalents

Where quoted market prices are available in an active market, cash equivalents are classified within Level 1 of the valuation hierarchy. OpCo's investment in money market mutual funds are valued based on quoted market prices and are included in Level 1 of the hierarchy.

No other assets or liabilities are measured at fair value in the accompanying consolidated balance sheets. The carrying value of the Company's long-term debt approximates fair value as all interest terms are based on variable rates. The carrying value of all other financial instruments approximate their fair value.

ProCure Illinois Holdings, LLC
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Notes to Consolidated Financial Statements
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The following tables present the fair value measurements of assets and liabilities recognized in the accompanying consolidated balance sheets measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2010 and 2009:

	Fair Value	2010 Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Money market mutual funds	\$ 319,544	\$ 319,544	\$ -	\$ -
Liabilities				
Interest rate swap agreements	(11,299,000)	-	(11,299,000)	-
Total net asset (liability)	\$ (10,979,456)	\$ 319,544	\$ (11,299,000)	\$ -

	Fair Value	2009 Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Liabilities				
Interest rate swap agreements	\$ (6,347,000)	\$ -	\$ (6,347,000)	\$ -

Note 6: Related Party Transactions

Parent has funded certain of the Company's expenditures as a source of working capital. The amount due to related party associated with these expenditures is noninterest-bearing. The balance due to Parent was \$539,774 and \$373,974 at December 31, 2010 and 2009, respectively

Other amounts due to related parties totaling \$364,130 at December 31, 2010 represents a payable to ProCure Business Services, LLC under a consulting services agreement. No amounts were due to ProCure Business Services, LLC under this agreement at December 31, 2009. See further discussion in Note 7.

See Note 3 for discussion of PIK Note from the Parent.

See Note 7 for discussion of the land lease and consulting services agreements with related parties.

ProCure Illinois Holdings, LLC
(A Development Stage Company)
Notes to Consolidated Financial Statements
December 31, 2010 and 2009

Note 7: Commitments and Contingencies

Current Economic Conditions

The current protracted economic decline continues to present companies with difficult circumstances and challenges, which in some cases have resulted in large and unanticipated declines in the fair value of property and equipment, constraints on liquidity and difficulty obtaining financing. The consolidated financial statements have been prepared using values and information currently available to the Company.

Current economic and financial market conditions could adversely affect our results of operations in future periods. Given the volatility of current economic conditions, the values of assets and liabilities recorded in the consolidated financial statements could change rapidly, resulting in material future adjustments that could negatively impact the Company's ability to meet debt covenants or maintain sufficient liquidity.

Land Lease

OpCo has leased the land on which the proton facility has been constructed from an entity, which owns a 15% membership interest in MidCo. The initial term, which incorporates the construction period of the proton facility, expired upon the completion of construction. The primary term commenced upon completion of construction and continues for fifty years. OpCo has the option to renew the lease for two consecutive twenty-year terms commencing at the end of the primary term. The annual base rent during the first lease year is \$97,524. Beginning with the second lease year through the fifth lease year, the rent is equal to the total square footage of the leased premise times \$66.00 per square foot times 10% (approximately \$400,000 per year). After the fifth lease year, the annual rent increases by the change in the consumer price index. The lease is a net lease and the tenant is required to pay taxes, insurance, maintenance and common area maintenance charges in addition to the base rent. OpCo has recognized the expense related to the scheduled rent escalation after the first lease year on a straight-line basis with an offsetting deferred rent liability of \$297,169 and \$302,328 at December 31, 2010 and 2009, respectively.

OpCo has the option after the first lease year through the earlier of the repayment of the bank debt or the 126th month of the lease to defer any annual rent over \$216,720. Deferred rent accrues interest at 14% and is payable in accordance with the terms of the credit facility with the banks until such time that the bank borrowings are repaid in full. At that time, the deferred rent is due on demand. OpCo's obligations under the lease have been subordinated to its loan payable. OpCo has deferred rent payments of totaling \$223,077 at December 31, 2010.

ProCure Illinois Holdings, LLC
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Rental expense in connection with this lease totaled \$425,465 and \$439,057 for the years ended December 31, 2010 and 2009, respectively, and \$872,649 from inception on March 27, 2007 to December 31, 2010. A portion of the rental expense paid on this lease relates to amounts paid for common area expenses, real estate taxes and similar charges.

OpCo paid a one-time lump sum payment of \$1,000,000 towards lessor's initial improvements during 2008. This amount was included in construction in progress at December 31, 2009 and transferred to property and equipment during 2010 and is being amortized over the initial term of the lease.

Proton System Purchase

On December 3, 2007, as amended and restated on February 20, 2008, OpCo entered into a "Single Proton System Purchase Agreement" (the "Purchase Agreement") with IBA Proton Therapy, Inc. ("IBA") to construct a single proton system for 30,224,563 Euros plus \$10,612,513 (or approximately \$49,000,000). In January and August 2009, OpCo added addendums to the purchase agreement for upgraded equipment totaling approximately \$1,650,000. Payments are to be made in six installments at various phases throughout the construction, delivery and operation of the equipment. The balance due under this contract is approximately \$6,549,933 at December 31, 2010 and is included in accounts payable.

Proton Service Agreement

On December 31, 2007, as amended and restated on February 20, 2008 and as amended by amendment #1 on March 3, 2008 and as amended by addendum #1 on January 20, 2009, OpCo and IBA entered into a "Service Agreement", which provides for IBA to provide regular maintenance and operational services to the proton system for ten years commencing on the date of the first patient treatment. OpCo has the option to extend the agreement for an additional five-year term. The future fees are payable in U.S. currency, a portion of which is to be based on the Euro to U.S. dollar conversion rate in effect when the first installment of the Purchase Agreement was paid in December 2008. These are summarized as follows:

2011	\$ 2,194,665
2012	3,898,702
2013	4,123,616
2014	4,314,980
2015	4,889,070
Thereafter	23,223,083

During 2010, OpCo recognized \$450,351 of expense under this agreement.

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December 31, 2010 and 2009

Consulting Services Agreement

On March 4, 2008, OpCo entered into the "Consulting Services Agreement" with ProCure Business Services, LLC, a company related through common ownership, to provide management, advisory and consulting services to OpCo for \$2,000,000 a year (adjusted based on changes in the consumer price index after the fifth year), to accrue from the date on which OpCo treated its first patient. The initial term began when OpCo treated its first patient and continues for a period of five years. The first renewal period automatically begins at the expiration of the initial term, for a period to end on the earlier of twelve months after the maturity date of the buyer and commercial credit facilities or the Termination Date of the credit facility as defined in the credit agreement. After the first renewal term, the agreement renews for successive five-year terms unless either party provides sixty days notice to terminate. The annual fee is payable in arrears for four equal installments on the first day of each fiscal quarter.

OpCo recognized \$364,130 of consulting fees under this agreement in 2010. OpCo has not made any payments as of December 31, 2010 and the balance is included in "Due to related parties", which is expected to be repaid in 2011.

Physician Services Agreement

In March 2008, OpCo entered into a professional services agreement with a professional service corporation (P.C.). The initial term began when OpCo treated its first patient and continues for a period of five years. The first renewal period automatically begins at the expiration of the initial term, for a period to end on the earlier of twelve months after the maturity date of the buyer and commercial credit facilities or the Termination Date of the credit facility as defined in the credit agreement. After the first renewal term the agreement renews for successive five-year terms unless either party provides sixty days notice to terminate. The agreement calls for the P.C. to appoint a medical director. OpCo agreed to compensate the P.C. for the medical director position equal to \$200,000 for the sixth-month period leading up to the treatment of the first patient and \$400,000 per year (subject to inflationary increases) after that for the term of the agreement. During 2010, OpCo recognized \$233,331 of medical director fees under this agreement.

Note 8: Medical Malpractice Claims

OpCo purchases medical malpractice insurance under a claims-made policy on a fixed premium basis. Accounting principles generally accepted in the United States of America require a health care provider to accrue the expense of its share of malpractice claim costs, if any, for any reported and unreported incidents of potential improper professional service occurring during the year by estimating the probable ultimate costs of the incidents. Based upon OpCo's claim experience, no such accrual has been made. It is reasonably possible that this estimate could change materially in the near term.

ProCure Illinois Holdings, LLC
(A Development Stage Company)
Notes to Consolidated Financial Statements
December 31, 2010 and 2009

Note 9: Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Allowance for Net Patient Service Revenue Adjustments

Estimates of allowances for adjustments included in net patient service revenue are described in Note 1.

Concentration of Credit Risk

Concentrations of net patient revenue and net patient accounts receivable with Medicare and other third-party payers are described in Note 1.

ProCure Chicago Holdings, LLC

Accountants' Report and Consolidated Financial Statements

December 31, 2011 and 2010

ProCure Chicago Holdings, LLC
December 31, 2011 and 2010

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Independent Accountants' Report

Board of Directors
ProCure Chicago Holdings, LLC
New York, New York

We have audited the accompanying consolidated balance sheets of ProCure Chicago Holdings, LLC (a wholly owned subsidiary of ProCure Treatment Centers, Inc.) as of December 31, 2011 and 2010, and the related consolidated statements of operations, comprehensive loss, changes in member's deficit and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of ProCure Chicago Holdings, LLC as of December 31, 2011 and 2010, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 2, in 2011, the Company changed its method of presentation and disclosure of patient service revenue, provision for bad debts and the allowance for doubtful accounts in accordance with Accounting Standards Update 2011-07.

BKD, LLP

March 30, 2012

ProCure Chicago Holdings, LLC

Consolidated Balance Sheets

December 31, 2011 and 2010

Assets

	<u>2011</u>	<u>2010</u>
Current Assets		
Cash and cash equivalents	\$ 20,435,295	\$ 354,579
Patient accounts receivable, net of allowance; 2011 - \$348,000	4,109,360	1,120,569
Prepays and other current assets	234,262	37,600
Total current assets	<u>24,778,917</u>	<u>1,512,748</u>
Noncurrent Assets		
Property and equipment, net	103,532,400	112,179,810
Deferred financing costs, net	2,158,952	2,361,600
Other long-term assets	1,708,076	1,680,911
	<u>107,399,428</u>	<u>116,222,321</u>
	<u>\$ 132,178,345</u>	<u>\$ 117,735,069</u>

Liabilities and Member's Deficit

Current Liabilities		
Current maturities of long-term debt	\$ 8,629,958	\$ -
Accounts payable	212,604	6,774,058
Accrued interest	660,000	511,000
Accrued expenses	1,042,777	430,219
Due to related party	2,483,017	904,099
Total current liabilities	<u>13,028,356</u>	<u>8,619,376</u>
Long-Term Liabilities		
Long-term debt	170,852,927	150,113,046
Interest rate swap agreements	13,579,000	11,299,000
Deferred rent	750,125	520,246
	<u>185,182,052</u>	<u>161,932,292</u>
Member's Deficit		
ProCure Chicago Holdings, LLC member's deficit	(65,602,739)	(51,475,958)
Accumulated other comprehensive loss	(9,249,597)	(7,674,972)
Total ProCure Chicago Holdings, LLC member's deficit	<u>(74,852,336)</u>	<u>(59,150,930)</u>
Noncontrolling interest	8,820,273	6,334,331
Total member's deficit	<u>(66,032,063)</u>	<u>(52,816,599)</u>
	<u>\$ 132,178,345</u>	<u>\$ 117,735,069</u>

ProCure Chicago Holdings, LLC

Consolidated Statements of Operations Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Revenues		
Patient service revenue (net of contractual discounts and allowances)	\$ 27,076,033	\$ 1,186,489
Provision for uncollectible accounts	(478,661)	-
Net patient service revenue	<u>26,597,372</u>	<u>1,186,489</u>
Other	419,809	318,427
	<u>27,017,181</u>	<u>1,504,916</u>
Operating Expenses		
Salaries and wages	8,574,381	2,503,496
Advertising and marketing	1,949,439	389,338
Legal fees	46,058	25,623
Professional fees	705,177	788,412
Office expense	228,667	174,513
Land lease and equipment rental	405,163	430,694
Management fees	2,000,000	364,130
Repairs and maintenance	2,892,511	653,467
Utilities	617,378	389,950
Travel	131,660	156,648
Insurance	340,058	55,767
General and administrative - other	184,674	33,540
Supplies	871,040	224,795
Services - TC	663,718	9,090
Depreciation and amortization	7,729,887	1,916,423
Total operating expenses	<u>27,339,811</u>	<u>8,115,886</u>
Operating Loss	(322,630)	(6,610,970)
Other Expense		
Interest expense	(16,662,834)	(7,598,534)
Net Loss	(16,985,464)	(14,209,504)
Less: Net Loss Attributable to the Noncontrolling Interest	<u>(2,858,683)</u>	<u>(2,308,112)</u>
Net Loss Attributable to ProCure Chicago Holdings, LLC	<u>\$ (14,126,781)</u>	<u>\$ (11,901,392)</u>

ProCure Chicago Holdings, LLC
Consolidated Statements of Comprehensive Loss
Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Net Loss	\$ (16,985,464)	\$ (14,209,504)
Other Comprehensive Loss		
Change in fair value of swap agreements	<u>(2,280,000)</u>	<u>(4,952,000)</u>
Comprehensive Loss	(19,265,464)	(19,161,504)
Less: Comprehensive Loss Attributable to Noncontrolling Interest	<u>(3,564,058)</u>	<u>(3,840,137)</u>
Comprehensive Loss Attributable to ProCure Chicago Holdings, LLC	<u>\$ (15,701,406)</u>	<u>\$ (15,321,367)</u>

ProCure Chicago Holdings, LLC
Consolidated Statements of Changes in Member's Deficit
Years Ended December 31, 2011 and 2010

	<u>ProCure Chicago Holdings, LLC</u>			
	<u>Total</u>	<u>Member's</u>	<u>Accumulated</u>	<u>Noncontrolling</u>
		<u>Deficit</u>	<u>Other</u>	<u>Interest</u>
			<u>Comprehensive</u>	
			<u>Loss</u>	
Balance, January 1, 2010	\$ (41,605,095)	\$ (44,824,566)	\$ (4,254,997)	\$ 7,474,468
Member capital contributions	5,250,000	5,250,000		-
Noncontrolling interest capital contributions	2,700,000			2,700,000
Net loss	(14,209,504)	(11,901,392)		(2,308,112)
Change in fair value of interest rate swap agreements	(4,952,000)		(3,419,975)	(1,532,025)
Balance, December 31, 2010	(52,816,599)	(51,475,958)	(7,674,972)	6,334,331
Noncontrolling interest capital contributions	6,050,000			6,050,000
Net loss	(16,985,464)	(14,126,781)		(2,858,683)
Change in fair value of interest rate swap agreements	(2,280,000)		(1,574,625)	(705,375)
Balance, December 31, 2011	<u>\$ (66,032,063)</u>	<u>\$ (65,602,739)</u>	<u>\$ (9,249,597)</u>	<u>\$ 8,820,273</u>

ProCure Chicago Holdings, LLC
Consolidated Statements of Cash Flows
Years Ended December 31, 2011 and 2010

	2011	2010
Operating Activities		
Net loss before attribution of noncontrolling interest	\$ (16,985,464)	\$ (14,209,504)
Net loss attributable to noncontrolling interest	2,858,683	2,308,112
Net loss attributable to ProCure Chicago Holdings, LLC	(14,126,781)	(11,901,392)
Items not requiring cash		
Depreciation and amortization	7,729,887	1,916,423
Amortization of deferred financing fees	202,648	73,800
Paid in-kind interest on loan payable	7,994,888	6,996,151
Deferred rent	229,879	217,918
Provision for uncollectible accounts	478,661	-
Changes in		
Patient accounts receivable	(3,467,452)	(1,120,569)
Prepaid and other current assets	(196,662)	(37,600)
Accounts payable and accrued expenses	4,312,832	1,230,491
Other long-term assets	-	(78,168)
Noncontrolling interest	(2,858,683)	(2,308,112)
Net cash used in operating activities	299,217	(5,011,058)
Investing Activity - purchase of property and equipment	(7,222,370)	(40,085,003)
Financing Activities		
Advances from (repayment to) Parent	(421,082)	201,747
Proceeds from issuance of long-term debt	21,374,951	37,298,815
Member capital contributions	-	5,250,000
Noncontrolling interest capital contributions	6,050,000	2,700,000
Net cash provided by financing activities	27,003,869	45,450,562
Increase in Cash and Cash Equivalents	20,080,716	354,501
Cash and Cash Equivalents, Beginning of Year	354,579	78
Cash and Cash Equivalents, End of Year	\$ 20,435,295	\$ 354,579
Supplemental Cash Flows Information		
Noncash investing and financing activity		
Amortization of deferred financing costs capitalized as interest during construction period	\$ -	\$ 221,400
Property and equipment and construction in progress included in accounts payable and accrued interest	-	6,549,933
Interest paid (net of amount capitalized)	8,575,738	246,596

ProCure Chicago Holdings, LLC
Notes to Consolidated Financial Statements
December 31, 2011 and 2010

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Organization and Basis of Presentation

ProCure Chicago Holdings, LLC (HoldCo) was founded as the holding company for ProCure Illinois Holdings, LLC (MidCo), which was founded as the holding company for Chicago ProCure Management, LLC (OpCo), which was formed to construct and operate a proton therapy facility in Warrenville, Illinois for use in the treatment of cancer. HoldCo, MidCo and OpCo are collectively referred to as "the Company." HoldCo is a wholly owned subsidiary of ProCure Treatment Centers, Inc. (Parent). HoldCo was formed in the State of Delaware as a limited liability company with a perpetual life and commenced activities on March 26, 2007. No member shall be liable for the liabilities of HoldCo. The facility opened for operations in October 2010. The Company was considered to be in development stage in 2010.

Principles of Consolidation

The consolidated financial statements include the accounts of HoldCo, MidCo and OpCo. All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2011 and 2010, cash equivalents consisted primarily of money market mutual funds with a bank.

Effective July 21, 2010, the FDIC's insurance limits were permanently increased to \$250,000. At December 31, 2011, the Company's cash accounts exceeded federally insured limits by approximately \$19,181,000.

Pursuant to legislation enacted in 2010, the FDIC will fully insure all noninterest-bearing transaction accounts through December 31, 2012, at all FDIC-insured institutions.

ProCure Chicago Holdings, LLC
Notes to Consolidated Financial Statements
December 31, 2011 and 2010

Property and Equipment

Property and equipment acquisitions are recorded at cost and are depreciated over the estimated useful life of each asset. Assets under land improvements are amortized over the shorter of the lease term or their respective estimated useful lives. Software is amortized over the estimated useful life. Annual depreciation and amortization is computed using the straight-line method over the following lives:

Medical equipment	5 - 15 years
Building and improvements	5 - 39 years
Purchased software	3 years
Land improvements	15 years
Other equipment	5 - 7 years
Furniture and fixtures	7 years

OpCo capitalizes interest costs as a component of construction in progress, based on the weighted-average rates paid for long-term borrowings. Total interest incurred was:

	<u>2011</u>	<u>2010</u>
Interest costs capitalized	\$ -	\$ 6,694,746
Interest costs charged to expenses	<u>8,926,598</u>	<u>831,388</u>
Total interest incurred	<u>\$ 8,926,598</u>	<u>\$ 7,526,134</u>

Long-Lived Asset Impairment

The Company evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

No asset impairment was recognized during the years ended December 31, 2011 and 2010.

Deferred Financing Costs

Deferred financing costs represent costs incurred in conjunction with the OpCo's debt financing and are amortized over the term of the related debt instruments. Amortization of the deferred financing costs during the construction period of the proton facility is included with the interest cost capitalized as part of the construction costs. Amortization is included in interest expense for the post-construction period.

ProCure Chicago Holdings, LLC
Notes to Consolidated Financial Statements
December 31, 2011 and 2010

Intangible Assets

Intangible assets consist of a certificate of need acquired to construct the facility. This intangible is considered an indefinite life intangible and is periodically evaluated as to the recoverability of its carrying value. It is recorded in other long-term assets on the balance sheet, and its balance was \$1,629,908 at December 31, 2011 and 2010.

Income Taxes

HoldCo is organized as a single member limited liability company. For federal and state income tax purposes, HoldCo is a disregarded entity. The results of its operations are reported in the Parent's income tax return.

HoldCo recognizes the benefit or expense of an uncertain tax position in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740, *Income Taxes*, after considering if it is more likely than not, based on the technical merits, that a tax position will be realized and sustained upon examination. For tax positions meeting a "more-likely-than-not" threshold, the amount recognized in the consolidated financial statements is the largest amount expected to be realized upon settlement with the tax authority. As of December 31, 2011, HoldCo has not identified any uncertain tax positions.

Net Patient Service Revenue, Contractual Adjustments and Concentration of Credit Risk

Revenues for services are recorded in the period the services are rendered. Net patient service revenues are recorded at net realizable amounts estimated to be paid by the patients and third-party payers. OpCo participates in the Medicare and state-sponsored Medicaid programs. Laws and regulations governing Medicare are complex and subject to interpretations and change. As a result, it is reasonably possible recorded estimates will change materially in the near term. OpCo has also entered into payment agreements with certain commercial insurance carriers. The basis for payments to OpCo under these agreements include prospectively determined rates and discounts from established charges.

A provision for contractual adjustments is recorded as a reduction to net patient service revenues and consists of a) the difference between the payer's allowable amount and the customary billing rate; and b) services for which payment is denied by governmental or third-party payers or otherwise deemed non-billable. OpCo records the provision for contractual adjustments based on a percentage of revenue using historical data and current contracts or letters of agreement in place. Due to the complexity of many third-party billing arrangements, adjustments are sometimes made to amounts originally recorded. These adjustments are typically identified and recorded upon cash remittance or claim denial. At such time as OpCo can determine the ultimate collections have exceeded or are less than the net realizable amount recorded, additional revenue or reduction in revenue is recorded as a change in estimate during the current period.

ProCure Chicago Holdings, LLC
Notes to Consolidated Financial Statements
December 31, 2011 and 2010

For uninsured patients who do not qualify for charity care, OpCo recognizes revenue on the basis of its standard rates for services provided. On the basis of historical experience, a portion of the OpCo's uninsured patients will be unable or unwilling to pay for the services provided. Thus, OpCo records a significant provision for bad debts related to uninsured patients in the period the services are provided. This provision for bad debts is presented on the statements of operations as a component of net patient service revenue.

Patient service revenues, net of contractual allowances and discounts (but before the provision for bad debts), recognized in the years ended December 31, 2011 and 2010, were approximately:

	2011	2010
Medicare	\$ 3,603,158	\$ 233,606
Medicaid	287,481	-
Other third-party payers	22,750,460	919,851
Self-pay	434,934	33,032
	\$ 27,076,033	\$ 1,186,489

OpCo grants credit without collateral to its patients, most of whom are area residents and are insured under third-party payer agreements. The mix of net receivables from patients and third-party payers at December 31, 2011 and 2010:

	2011	2010
Medicare and medicaid	20 %	17 %
Other third-party payers	80	83
	100 %	100 %

Patient Accounts Receivable and Allowance for Doubtful Accounts

OpCo reviews its accounts receivable balances on a periodic basis. OpCo bills third-party payers, which include insurance companies, Medicare and self-pay patients. Third-party billings are recorded as the amount which OpCo charges, less the contractual allowance provision.

Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectibility of accounts receivable, OpCo analyzes its past history and identifies trends for each of its major payer sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payer sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts.

For receivables associated with services provided to patients who have third-party coverage, OpCo analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payer has not yet paid, or for payers who are known to be having financial difficulties that make the realization of amounts due unlikely).

ProCure Chicago Holdings, LLC
Notes to Consolidated Financial Statements
December 31, 2011 and 2010

For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), OpCo records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated or provided by policy) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

OpCo's allowance for doubtful accounts for self-pay patients was \$348,000 at December 31, 2011. No allowance was established at December 31, 2010. This increase was the result of establishing collection history of amounts from self-pay patients during the fiscal year due to limited operations in 2010.

Charity Care

OpCo provides care without charges or at amounts less than its established rates to patients meeting certain criteria under its charity care policy. Charity care is not reported as revenue. Charges excluded from revenue under OpCo's charity care policy were approximately \$833,000 for 2011. Total cost for these charges as estimated based on the ratio of both direct and indirect costs of providing services as a percentage of gross revenues was approximately \$256,000 for 2011. There were no charity care charges in 2010.

Reclassifications

Certain reclassifications have been made to the 2010 financial statements to conform to the 2011 financial statement presentation. These reclassifications had no effect on net earnings.

Subsequent Events

Subsequent events have been evaluated through the date of the Independent Accountants' Report, which is the date the consolidated financial statements were available to be issued.

Note 2: Change in Accounting Principle

In 2011, OpCo changed its method of presentation and disclosure of patient service revenue, provision for bad debts and the allowance for doubtful accounts in accordance with Accounting Standards Update (ASU) 2011-07, *Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts and the Allowance for Doubtful Accounts for Certain Health Care Entities*. The major changes associated with ASU 2011-07 are to reclassify the provision for uncollectible accounts related to patient service revenue to a deduction from patient service revenue and to provide enhanced disclosures around OpCo's policies related to uncollectible accounts. The change had no effect on prior year net loss.

ProCure Chicago Holdings, LLC
Notes to Consolidated Financial Statements
December 31, 2011 and 2010

The following financial statement line items for fiscal years 2011 was affected by the change in accounting principle. No line items were affected in 2010 as no provision for uncollectible accounts was recorded.

2011			
Statement of Changes in Net Assets			
Available for Benefits			
	As Computed	As Computed	Effect of
	Under	Under	Change
	Previous	ASU 2011-07	Change
	Guidance	ASU 2011-07	Change
Patient service revenue (net of contractual discounts and allowances)	\$ 27,076,033	\$ 27,076,033	\$ -
Provision for uncollectible accounts	-	478,661	478,661
Net patient service revenue	27,076,033	26,597,372	(478,661)
Operating expense - provision for uncollectible accounts	478,661	-	(478,661)

Note 3: Property and Equipment

Property and equipment at December 31, 2011 and 2010 consists of:

	2011	2010
Medical equipment	\$ 64,568,473	\$ 65,873,621
Building and improvements	39,584,154	39,441,139
Purchased software	4,145,304	3,997,765
Land improvements	1,733,831	1,733,831
Equipment - other	2,448,042	2,371,260
Furniture and fixtures	708,739	651,451
Total cost	113,188,543	114,069,067
Less accumulated depreciation and amortization	(9,656,143)	(1,889,257)
	<u>\$ 103,532,400</u>	<u>\$ 112,179,810</u>

ProCure Chicago Holdings, LLC
Notes to Consolidated Financial Statements
December 31, 2011 and 2010

Note 4: Long-Term Debt

Long-term debt consists of the following:

	<u>2011</u>	<u>2010</u>
Note dated March 4, 2008 to banks under a buyer credit facility; accruing interest at LIBOR plus 3.25%; payable quarterly (3.63% interest rate at December 31, 2011)	\$ 66,381,326	\$ 54,166,008
Note dated March 4, 2008 to banks under a commercial credit facility; accruing interest at LIBOR plus 4.25%; payable quarterly (4.63% interest rate at December 31, 2011)	49,789,503	40,629,870
Note dated November 2008 to Hospital affiliate; interest accrues annually at 14%; payable in-kind through November 2012. Beginning in December 2012, interest is payable semi-annually in cash and outstanding balance due July 2019	61,126,415	53,390,178
Note dated November 23, 2009 to Parent; interest accrues quarterly at a fixed rate of 13.00% and is payable in-kind through the fifth anniversary of the note	<u>2,185,641</u>	<u>1,926,990</u>
	179,482,885	150,113,046
Less current maturities	<u>8,629,958</u>	<u>-</u>
	<u>\$ 170,852,927</u>	<u>\$ 150,113,046</u>

The scheduled annual principal payments at December 31, 2011 are as follows:

	<u>Long-Term Debt</u>
2012	\$ 8,629,958
2013	12,820,460
2014	19,591,468
2015	16,297,086
2016	14,870,196
Thereafter	<u>107,273,717</u>
	<u>\$ 179,482,885</u>

ProCure Chicago Holdings, LLC
Notes to Consolidated Financial Statements
December 31, 2011 and 2010

The buyer and commercial credit facilities are carried by OpCo for construction of the treatment center in Warrenville, Illinois. The commercial credit facility has a commitment amount of \$51,000,000. The buyer credit facility has a commitment amount of \$68,000,000. Two banks each carry 50% of the total commitment. Quarterly principal payments will commence in January 2012 and are payable in varying amounts over six years for the commercial credit facility and over eight years for the buyer credit facility. Principal payments are based on specified percentages of the amounts outstanding as of the date of the first required payment. The scheduled annual principal payments are as follows:

Year	Buyer Credit Facility	Commercial Credit Facility
1	4.75%	11.00%
2	7.20%	16.15%
3	15.00%	19.35%
4	14.50%	13.40%
5	5.75%	22.20%
6	17.50%	17.90%
7	30.75%	0.00%
8	4.55%	0.00%
	<u>100.00%</u>	<u>100.00%</u>

The credit facility loans are collateralized by a first priority security interest in all of the existing and after-acquired personal and real property and certain assets and members' interest of OpCo.

In November 2008, HoldCo entered into an agreement with a hospital (Hospital affiliate), who is a 15% owner of MidCo, to borrow \$40 million due July 2019. Interest accrues on the outstanding balance of the loan at 14% per year, compounded semi-annually. Through November 2012, the interest is to be added to the principal balance of the note and is payable with the outstanding balance at maturity. After November 2012, the interest continues to accrue at 14% and is to be paid semi-annually on June 30th and December 31st. The note is subordinated to the buyer and commercial credit facilities and is unsecured. HoldCo recognized interest expense of \$7,736,237 and \$6,767,146 on this note during 2011 and 2010, respectively.

In November 2009, OpCo entered into an agreement with the Parent to borrow \$1,675,000 due October 31, 2022. Interest accrues on the outstanding balance of the loan at 13% per year compounded semi-annually through the fifth anniversary date. All interest is accrued to the principal balance during the first five years. After the fifth anniversary, the note accrues interest at 13% compounded and payable semi-annually in cash through the maturity of the note on October 31, 2022. This note is subordinate to the buyer and commercial credit facilities and is unsecured. OpCo recognized interest expense of \$258,651 and \$229,005 on the Parent PIK note in 2011 and 2010, respectively.

ProCure Chicago Holdings, LLC
Notes to Consolidated Financial Statements
December 31, 2011 and 2010

Note 5: Interest Rate Swap Agreements

During 2008, as a strategy to maintain acceptable levels of exposure to the risk of changes in future cash flows due to interest rate fluctuations, OpCo entered into two interest rate swap agreements for a portion of its bank term loans. The notional amount amortizes throughout the term of the swap agreements to a balance of \$0 at the termination date, November 2018. The agreements provide for OpCo to receive interest from the counterparty at LIBOR and to pay interest to the counterparty at a fixed rate of 4.44%. The notional amounts were \$112,244,456 and \$84,236,408 at December 31, 2011 and 2010, respectively. Under the agreements, OpCo pays or receives the net interest amount quarterly, with the settlements included in construction in progress during the construction period and interest expense in the post-construction period.

Management has designated the interest rate swap agreements as cash flow hedging instruments. For derivative instruments that are designated and qualify as a cash flow hedge, the effective portion of the gain or loss on the derivative is reported as a component of other comprehensive loss and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings.

In December 2011, the interest rate swap's sliding option was partially exercised to maintain alignment of the swap payment schedule with the senior debt repayment schedule.

The table below presents certain information regarding OpCo's interest rate swap agreements designated as cash flow hedges. OpCo did not have any derivative instruments at December 31, 2011 and 2010 that were not designated as hedging instruments in accordance with ASC Topic 815, *Derivatives and Hedging*.

	2011	2010
Fair value of interest rate swap agreements	\$ 13,579,000	\$ 11,299,000
Balance sheet location of fair value amount	Long-Term Liabilities	Long-Term Liabilities
Loss recognized in other comprehensive income (effective portion)	\$ (2,280,000)	\$ (4,952,000)

ProCure Chicago Holdings, LLC
Notes to Consolidated Financial Statements
December 31, 2011 and 2010

Note 6: Fair Value of Financial Instruments

ASC Topic 820, *Fair Value Measurements*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Topic 820 also specifies a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

Following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying consolidated balance sheets, as well as the general classification of such liabilities pursuant to the valuation hierarchy.

Interest Rate Swap Agreements

OpCo has interest rate swap agreements that are recorded at fair value. The fair value is estimated using forward-looking interest rate curves and discounted cash flows that are observable or that can be corroborated by observable market data and, therefore, are classified within Level 2 of the valuation hierarchy.

Cash Equivalents

Where quoted market prices are available in an active market, cash equivalents are classified within Level 1 of the valuation hierarchy. OpCo's investment in money market mutual funds are valued based on quoted market prices and are included in Level 1 of the hierarchy.

ProCure Chicago Holdings, LLC
Notes to Consolidated Financial Statements
December 31, 2011 and 2010

The following tables present the fair value measurements of assets and liabilities recognized in the accompanying consolidated balance sheets measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2011 and 2010:

		2011			
		Fair Value Measurements Using			
		Quoted Prices	Significant	Significant	
		in Active	Other	Unobservable	
		Markets for	Observable	Inputs	
		Identical	Inputs	(Level 3)	
		Assets	(Level 2)	(Level 3)	
		(Level 1)			
Fair	Value				
Assets					
Money market mutual funds	\$ 19,180,762	\$ 19,180,762	\$ -	\$ -	-
Liabilities					
Interest rate swap agreements	(13,579,000)	-	(13,579,000)	-	-
Total net asset (liability)	<u>\$ 5,601,762</u>	<u>\$ 19,180,762</u>	<u>\$ (13,579,000)</u>	<u>\$ -</u>	<u>-</u>

		2010			
		Fair Value Measurements Using			
		Quoted Prices	Significant	Significant	
		in Active	Other	Unobservable	
		Markets for	Observable	Inputs	
		Identical	Inputs	(Level 3)	
		Assets	(Level 2)	(Level 3)	
		(Level 1)			
Fair	Value				
Assets					
Money market mutual funds	\$ 319,544	\$ 319,544	\$ -	\$ -	-
Liabilities					
Interest rate swap agreements	(11,299,000)	-	(11,299,000)	-	-
Total net asset (liability)	<u>\$ (10,979,456)</u>	<u>\$ 319,544</u>	<u>\$ (11,299,000)</u>	<u>\$ -</u>	<u>-</u>

ProCure Chicago Holdings, LLC
Notes to Consolidated Financial Statements
December 31, 2011 and 2010

The following methods were used to estimate the fair value of all other financial instruments recognized in the accompanying consolidated balance sheets at amounts other than fair value.

Long-Term Debt

The carrying value of the Company's long-term debt with banks approximates fair value as all interest terms are based on variable rates. It was not practical to estimate the fair value of the Company's notes with Parent and the Hospital affiliate.

Note 7: Related Party Transactions

Parent has funded certain of the Company's expenditures as a source of working capital. The amount due to related party associated with these expenditures is noninterest-bearing. The balance due to Parent was \$118,887 and \$539,969 at December 31, 2011 and 2010, respectively.

Other amounts due to related parties totaling \$2,364,130 and \$364,130 at December 31, 2011 and 2010, respectively, represent a payable to ProCure Business Services, LLC under a consulting services agreement. See further discussion in Note 9.

See Note 4 for discussion of Parent and Hospital affiliate PIK Notes.

See Note 9 for discussion of the land lease and consulting services agreements with related parties.

Note 8: Employee Benefits

Parent maintains a 401(k) defined-contribution plan for the benefit of substantially all of OpCo's employees. The plan allows for employee contributions up to the maximum allowable by law. OpCo matching contributions are discretionary as determined by OpCo's Board of Directors. OpCo has not made any contributions to the plan for the years ending December 31, 2011 and 2010.

ProCure Chicago Holdings, LLC
Notes to Consolidated Financial Statements
December 31, 2011 and 2010

Note 9: Commitments and Contingencies

Current Economic Conditions

The current protracted economic decline continues to present companies with difficult circumstances and challenges, which in some cases have resulted in large and unanticipated declines in the fair value of property and equipment, constraints on liquidity and difficulty obtaining financing. The consolidated financial statements have been prepared using values and information currently available to the Company.

Current economic and financial market conditions could adversely affect the Company's results of operations in future periods. Given the volatility of current economic conditions, the values of assets and liabilities recorded in the consolidated financial statements could change rapidly, resulting in material future adjustments that could negatively impact the Company's ability to meet debt covenants or maintain sufficient liquidity.

Land Lease

OpCo has leased the land on which the proton facility has been constructed from an entity, which owns a 15% membership interest in MidCo. The initial term, which incorporates the construction period of the proton facility, expired upon the completion of construction. The primary term commenced upon completion of construction and continues for fifty years. OpCo has the option to renew the lease for two consecutive twenty-year terms commencing at the end of the primary term. The annual base rent during the first lease year is \$97,524. Beginning with the second lease year through the fifth lease year, the rent is equal to the total square footage of the leased premise times \$66.00 per square foot times 10% (approximately \$400,000 per year). After the fifth lease year and every fifth year thereafter, the annual rent increases by the change in the consumer price index. The lease is a net lease, and the tenant is required to pay taxes, insurance, maintenance and common area maintenance charges in addition to the base rent. OpCo has recognized the expense related to the scheduled rent escalation after the first lease year on a straight-line basis with an offsetting deferred rent liability of \$289,708 and \$297,169 at December 31, 2011 and 2010, respectively.

OpCo has the option after the first lease year through the earlier of the repayment of the bank debt or the 126th month of the lease to defer any annual rent over \$216,720. Deferred rent accrues interest at 14% and is payable in accordance with the terms of the credit facility with the banks until such time that the bank borrowings are repaid in full. At that time, the deferred rent is due on demand. OpCo's obligations under the lease have been subordinated to its loan payable. OpCo has deferred rent payments totaling \$460,417 and \$223,077 at December 31, 2011 and 2010, respectively.

Rental expense in connection with this lease totaled \$398,939 and \$425,465 for the years ended December 31, 2011 and 2010, respectively. A portion of the rental expense paid on this lease relates to amounts paid for common area expenses, real estate taxes and similar charges.

ProCure Chicago Holdings, LLC
Notes to Consolidated Financial Statements
December 31, 2011 and 2010

Proton Service Agreement

On December 31, 2007, as amended and restated on February 20, 2008 and as amended by amendment #1 on March 3, 2008 and as amended by addendum 1 on January 20, 2009, OpCo and IBA entered into a "Service Agreement," which provides for IBA to provide regular maintenance and operational services to the proton system for ten years commencing on the date of the first patient treatment. OpCo has the option to extend the agreement for an additional five-year term. The future fees are payable in U.S. currency, a portion of which is to be based on the Euro to U.S. dollar conversion rate in effect when the first installment of the Purchase Agreement was paid in December 2008. The future fees are summarized as follows:

2012	\$ 3,898,702
2013	4,123,616
2014	4,314,980
2015	4,889,070
2016	4,889,070
Thereafter	18,334,013

OpCo recognized \$2,224,544 and \$450,351 of expense under this agreement in 2011 and 2010, respectively.

Consulting Services Agreement

On March 4, 2008, OpCo entered into the "Consulting Services Agreement" with ProCure Business Services, LLC, a company related through common ownership, to provide management, advisory and consulting services to OpCo for \$2,000,000 a year (adjusted based on changes in the consumer price index after the fifth year), to accrue from the date on which OpCo treated its first patient. The initial term began when OpCo treated its first patient and continues for a period of five years. The first renewal period automatically begins at the expiration of the initial term, for a period to end on the earlier of twelve months after the maturity date of the buyer and commercial credit facilities or the Termination Date of the credit facility as defined in the credit agreement. After the first renewal term, the agreement renews for successive five-year terms unless either party provides sixty days notice to terminate. The annual fee is payable in arrears for four equal installments on the first day of each fiscal quarter.

OpCo recognized \$2,000,000 and \$364,130 of consulting fees under this agreement in 2011 and 2010, respectively. OpCo has not made any payments as of December 31, 2011, and the balance is included in "Due to related parties", which is expected to be repaid in 2012.

ProCure Chicago Holdings, LLC
Notes to Consolidated Financial Statements
December 31, 2011 and 2010

Physician Services Agreement

In March 2008, OpCo entered into a professional services agreement with a professional service corporation (P.C.). The initial term began when OpCo treated its first patient and continues for a period of five years. The first renewal period automatically begins at the expiration of the initial term, for a period to end on the earlier of twelve months after the maturity date of the buyer and commercial credit facilities or the Termination Date of the credit facility as defined in the credit agreement. After the first renewal term the agreement renews for successive five-year terms unless either party provides sixty days notice to terminate. The agreement calls for the P.C. to appoint a medical director. OpCo agreed to compensate the P.C. for the medical director position equal to \$200,000 for the sixth-month period leading up to the treatment of the first patient and \$400,000 per year (subject to inflationary increases) after that for the term of the agreement. OpCo recognized \$433,334 and \$233,331 of medical director fees under this agreement in 2011 and 2010, respectively.

Note 10: Medical Malpractice Claims

OpCo purchases medical malpractice insurance under a claims-made policy on a fixed premium basis. Accounting principles generally accepted in the United States of America require a health care provider to accrue the expense of its share of malpractice claim costs, if any, for any reported and unreported incidents of potential improper professional service occurring during the year by estimating the probable ultimate costs of the incidents. Based upon OpCo's claim experience, no such accrual has been made. It is reasonably possible that this estimate could change materially in the near term.

Note 11: Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Allowance for Net Patient Service Revenue Adjustments

Estimates of allowances for adjustments included in net patient service revenue are described in Note 1.

Concentration of Credit Risk

Concentrations of net patient revenue and net patient accounts receivable with Medicare, Medicaid and other third-party payers are described in Note 1.

Chicago ProCure Management, LLC
(A Development Stage Company)

Accountants' Report and Financial Statements
December 31, 2010 and 2009

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Chicago ProCure Management, LLC

(A Development Stage Company)

December 31, 2010 and 2009

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Independent Accountants' Report

Board of Directors
Chicago ProCure Management, LLC
New York, New York

We have audited the accompanying balance sheets of Chicago ProCure Management, LLC (A Development Stage Company) as of December 31, 2010 and 2009, and the related statements of operations and comprehensive income (loss), changes in members' equity and cash flows for the years then ended and for the cumulative operating period from March 26, 2007 (inception) to December 31, 2010. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Chicago ProCure Management, LLC (A Development Stage Company) as of December 31, 2010 and 2009, and the results of its operations and its cash flows for the years then ended and the cumulative period from March 26, 2007 (inception) to December 31, 2010 in conformity with accounting principles generally accepted in the United States of America.

BKD, LLP

March 29, 2011

Chicago ProCure Management, LLC

(A Development Stage Company)

Balance Sheets
December 31, 2010 and 2009

Assets

Current Assets

	2010	2009
Cash and cash equivalents	\$ 354,579	\$ 78
Patient accounts receivable	7,120,569	-
Prepays and other current assets	37,600	-
Total current assets	<u>11,512,748</u>	<u>78</u>

Noncurrent Assets

Property and equipment, net	112,179,810	71,081,772
Deferred financing costs, net	2,361,600	2,790,800
Other long-term assets	1,680,911	-
	<u>116,222,321</u>	<u>73,872,572</u>
	<u>\$ 117,735,069</u>	<u>\$ 73,872,650</u>

Liabilities and Members' Equity

Current Liabilities

Accounts payable	\$ 6,774,057	\$ 2,152,663
Accrued interest	511,000	445,000
Accrued expenses	430,220	38,700
Due to related party	891,654	369,974
Total current liabilities	<u>8,606,931</u>	<u>3,006,337</u>

Long-Term Liabilities

Long-term debt	96,722,868	59,195,048
Interest rate swap agreements	11,299,000	6,347,000
Deferred rent	520,246	302,328
	<u>108,542,114</u>	<u>65,844,376</u>

Members' Equity

Members' equity	11,885,024	11,368,937
Accumulated other comprehensive loss	(11,299,000)	(6,347,000)
	<u>586,024</u>	<u>5,021,937</u>
	<u>\$ 1,17,735,069</u>	<u>\$ 73,872,650</u>

Chicago ProCure Management, LLC

(A Development Stage Company)

Statements of Operations and Comprehensive Income (Loss) Years Ended December 31, 2010 and 2009 and Period From March 26, 2007 (Inception) to December 31, 2010

	Year Ended December 31, 2010	Year Ended December 31, 2009	Cumulative From March 26, 2007 (Inception) to December 31, 2010
Revenues			
Net patient service revenue	\$ 1,186,489	\$ -	\$ 1,186,489
Other	318,427	-	318,427
	<u>1,504,916</u>	<u>-</u>	<u>1,504,916</u>
Operating Expenses			
Salaries and wages	2,503,496	270,243	2,773,739
Depreciation and amortization	1,916,423	-	1,916,423
Legal and professional fees	806,035	146,010	1,879,039
Repairs and maintenance	653,467	866	654,333
Land lease and equipment rental	430,694	451,057	889,878
Utilities	389,950	9,143	399,093
Advertising and marketing	389,338	161,482	1,099,469
Management fees	364,130	-	364,130
Supplies	224,795	-	224,795
Office expense	180,854	10,472	191,808
Travel	156,648	59,893	216,831
General and administrative - other	26,754	14,448	41,202
Insurance	55,767	-	55,767
Services - TC	9,090	-	9,090
Total operating expenses	<u>8,107,441</u>	<u>1,123,614</u>	<u>10,715,597</u>
Operating Loss	(6,602,525)	(1,123,614)	(9,210,681)
Other Expense			
Interest expense	(831,388)	(22,979)	(854,295)
Net Loss	(7,433,913)	(1,146,593)	(10,064,976)
Change in Fair Value of Interest Rate Swaps	(4,952,000)	5,475,238	(11,299,000)
Comprehensive Income (Loss)	<u>\$ (12,385,913)</u>	<u>\$ 4,328,645</u>	<u>\$ (21,363,976)</u>

Chicago ProCure Management, LLC

(A Development Stage Company)

Statements of Changes in Members' Equity Years Ended December 31, 2010 and 2009 and Period From March 26, 2007 (Inception) to December 31, 2010

	Members' Equity	Accumulated Other Comprehensive Loss	Total
Net Loss From March 26, 2007 (Inception) to December 31, 2007	\$ (441,875)	\$ -	\$ (441,875)
Member contributions	14,000,000		14,000,000
Net loss	(1,042,595)		(1,042,595)
Change in fair value of interest rate swap agreements		(11,822,238)	(11,822,238)
Balance, December 31, 2008	12,515,530	(11,822,238)	693,292
Net loss	(1,146,593)		(1,146,593)
Change in fair value of interest rate swap agreements		5,475,238	5,475,238
Balance, December 31, 2009	11,368,937	(6,347,000)	5,021,937
Member contributions	7,950,000		7,950,000
Net loss	(7,433,913)		(7,433,913)
Change in fair value of interest rate swap agreements		(4,952,000)	(4,952,000)
Balance, December 31, 2010	\$ 11,885,024	\$ (11,299,000)	\$ 586,024

Chicago ProCure Management, LLC

(A Development Stage Company)

Statements of Cash Flows Years Ended December 31, 2010 and 2009 and Period From March 26, 2007 (Inception) to December 31, 2010

	Year Ended December 31, 2010	Year Ended December 31, 2009	Cumulative From March 26, 2007 (Inception) to December 31, 2010
Operating Activities			
Net loss	\$ (7,433,913)	\$ (1,146,593)	\$ (10,064,976)
Items not requiring cash			
Depreciation and amortization	(1,916,423)	-	1,943,588
Amortization of deferred financing fees	73,800	-	73,800
Paid in-kind interest on loan payable	229,005	22,985	251,990
Deferred rent	217,918	302,328	520,246
Changes in			
Patient accounts receivable	(1,120,569)	-	(1,120,569)
Prepaid and other current assets	(37,600)	-	(37,600)
Accounts payable and accrued expenses	1,230,491	263,231	1,493,722
Other long-term assets	(78,168)	-	(78,168)
Net cash used in operating activities	<u>(5,002,613)</u>	<u>(558,049)</u>	<u>(7,017,967)</u>
Investing Activity - purchase of property and equipment	<u>(40,085,003)</u>	<u>(42,869,119)</u>	<u>(108,280,957)</u>
Financing Activities			
Advances from (repayments to) Parent	193,302	(147,495)	563,276
Proceeds from issuance of long-term debt	37,298,815	42,033,668	94,795,878
Proceeds from loan from Parent	-	1,675,000	1,675,000
Financing costs paid	-	(134,000)	(3,330,651)
Members' contributions	7,950,000	-	21,950,000
Net cash provided by financing activities	<u>45,442,117</u>	<u>43,427,173</u>	<u>115,653,503</u>
Increase in Cash and Cash Equivalents	<u>354,501</u>	<u>5</u>	<u>354,579</u>
Cash and Cash Equivalents, Beginning of Period	<u>78</u>	<u>73</u>	<u>-</u>
Cash and Cash Equivalents, End of Period	<u>\$ 354,579</u>	<u>\$ 78</u>	<u>\$ 354,579</u>
Supplemental Cash Flows Information			
Noncash investing and financing activity			
Amortization of deferred financing costs capitalized as interest during construction period	\$ 221,400	\$ 295,200	\$ 761,251
Property and equipment and construction in progress included in accounts payable and accrued interest	6,549,933	2,373,132	6,549,933

Chicago ProCure Management, LLC

(A Development Stage Company)

Notes to the Financial Statements
December 31, 2010 and 2009

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Chicago ProCure Management, LLC (OpCo) was founded to construct and operate a proton therapy facility in Warrenville, Illinois for use in the treatment of cancer. OpCo was formed in the State of Delaware and commenced activities on March 26, 2007. Since OpCo has not derived significant revenues from its intended business activity through December 31, 2010, it is still in the development stage at this date. As a development stage enterprise, OpCo's primary efforts to date have been devoted to raising capital, construction and the development of technology and infrastructure to support operating activities after the center opens. OpCo has a deficit accumulated during the development stage of \$10,064,976 as of December 31, 2010.

Members' Equity

OpCo is a Delaware limited-liability company with a perpetual life. No member shall be liable for the liabilities of OpCo.

The original Operating Agreement was dated April 3, 2007, between ProCure Illinois Holdings, LLC (MidCo) and a doctor group. The Operating Agreement was amended on March 4, 2008, to provide for (1) that the doctor group will contribute up to \$14,000,000 in equity in return for up to a 30% member interest therein; (2) that MidCo will contribute an amount of equity to OpCo, necessary to bring the total equity funds up to \$28,000,000.

The Second Amended and Restated Operating Agreement was executed on November 7, 2008, which called for (1) that the doctor group will initially contribute \$8,750,000 in equity, which at that point in time equals to a membership interest of 21.13% therein, which has been guaranteed in the form of a direct pay irrevocable letter of credit; (2) that MidCo will contribute an initial amount of \$14,000,000 in equity to OpCo. The agreement also gave the doctor group a purchase option on additional units that could have brought its total up to a 30% ownership by contributing an additional \$5,250,000. The purchase option expired unexercised on December 31, 2009, therefore, MidCo contributed the additional \$5,250,000 in 2010 to meet lender requirements. This contribution increased MidCo ownership to 81.25%.

The doctor group has issued a letter of credit in favor of OpCo credit facility lenders to guaranty that the balance of their capital commitment (\$6,050,000) will be contributed. The letter of credit will be drawn upon from time to time to pay the costs of equipping the facility and funding the working capital. The letter of credit expires December 31, 2011.

MidCo is a majority owned subsidiary of Parent through its investment in its wholly owned subsidiary, ProCure Chicago Holdings, LLC (HoldCo).

In conjunction with the November 2009 amendment of the credit agreement (see Note 3), OpCo has agreed to increase contributions from members to a minimum of \$29,675,000, of which \$1,675,000 must be contributed pursuant to the Parent PIK note (see Note 3.)

Chicago ProCure Management, LLC

(A Development Stage Company)

Notes to the Financial Statements
December 31, 2010 and 2009

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2010, cash equivalents consisted primarily of money market mutual funds with a bank. At December 31, 2009, there were no cash equivalents.

One or more of the financial institutions holding the Company's cash accounts are participating in the FDIC's Transaction Account Guarantee Program. Under that program, through December 31, 2010, all noninterest-bearing transaction accounts are fully guaranteed by the FDIC for the entire amount in the account. Pursuant to legislation enacted in 2010, the FDIC will fully insure all noninterest-bearing transaction accounts beginning December 31, 2010 through December 31, 2012, at all FDIC-insured institutions.

For financial institutions opting out of the FDIC's Transaction Account Guarantee Program or interest-bearing cash accounts, the FDIC's insurance limits were permanently increased to \$250,000, effective July 21, 2010.

At December 31, 2010, the Company's cash and cash equivalents accounts exceeded federally insured limits by approximately \$300,000.

Construction in Progress

Construction in progress includes the construction costs of the facility in Warrenville and the development of the proton therapy equipment. Upon completion of construction in October 2010, these assets were transferred to property and equipment.

OpCo capitalizes interest costs as a component of construction in progress, based on the weighted-average rates paid for long-term borrowings.

Chicago ProCure Management, LLC

(A Development Stage Company)

Notes to the Financial Statements

December 31, 2010 and 2009

Property and Equipment

Property and equipment acquisitions are recorded at cost and are depreciated over the estimated useful life of each asset. Assets under land improvements are amortized over the shorter of the lease term or their respective estimated useful lives. Software is amortized over the estimated useful life. Annual depreciation and amortization is computed using the straight-line method over the following lives:

Medical equipment	5 - 15 years
Building and improvements	5 - 39 years
Purchased software	3 years
Land improvements	15 years
Other equipment	5 - 7 years
Furniture and fixtures	7 years

Long-Lived Asset Impairment

The Company evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

No asset impairment was recognized during the years ended December 31, 2010 and 2009.

Deferred Financing Costs

Deferred financing costs represent costs incurred in conjunction with the OpCo's debt financing and are amortized over the term of the related debt instruments. Amortization of the deferred financing costs during the construction period of the proton facility is included with the interest cost capitalized as part of the construction costs. Amortization is included in interest expense for the post-construction period.

Intangible Assets

Intangible assets consist of a certificate of need acquired to construct the facility. This intangible is considered an indefinite life intangible and is periodically evaluated as to the recoverability of its carrying value. It's recorded in other long-term assets on the balance sheet and its balance was \$1,680,911 at December 31, 2010.

Chicago ProCure Management, LLC

(A Development Stage Company)

Notes to the Financial Statements
December 31, 2010 and 2009

Income Taxes

OpCo is not directly subject to income taxes under the provisions of the Internal Revenue Code and applicable state laws. Therefore, taxable income or loss is allocated to its members in accordance with their respective percentage ownership, for inclusion in their respective tax returns and no provision for federal and state income taxes has been included in these statements.

OpCo recognizes the benefit or expense of an uncertain tax position in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) ASC 740, *Income Taxes*, after considering if its more likely than not, based on the technical merits, that a tax position will be realized and sustained upon examination. For tax positions meeting a "more-likely-than-not" threshold, the amount recognized in the financial statements is the largest amount expected to be realized upon settlement with the tax authority. All of OpCo's income tax returns are subject to federal and state examinations by tax authorities. As of December 31, 2010, OpCo has not identified any uncertain tax positions.

The Company is no longer subject to U.S. federal, state and local income tax examinations for years prior to 2007.

Revenue Recognition, Contractual Adjustments and Concentration of Credit Risk

Revenues for services are recorded in the period the services are rendered. Net patient service revenues are recorded at net realizable amounts estimated to be paid by the patients and third-party payers. A provision for contractual adjustments is recorded as a reduction to net patient service revenues and consists of a) the difference between the payer's allowable amount and the customary billing rate; and b) services for which payment is denied by governmental or third-party payers or otherwise deemed non-billable. OpCo records the provision for contractual adjustments based on a percentage of revenue using historical data and current contracts or letters of agreement in place. Due to the complexity of many third-party billing arrangements, adjustments are sometimes made to amounts originally recorded. These adjustments are typically identified and recorded upon cash remittance or claim denial. At such time as OpCo can determine the ultimate collections have exceeded or are less than the net realizable amount recorded, additional revenue or reduction in revenue is recorded as a change in estimate during the current period.

Approximately 20% of OpCo's net patient service revenue are from participation in the Medicare and state-sponsored Medicaid programs for the year ended December 31, 2010. Laws and regulations governing Medicare are complex and subject to interpretations and change. As a result, it is reasonably possible recorded estimates will change materially in the near term. One other third-party payer represented 55% of net patient service revenues for the year ended December 31, 2010.

Chicago ProCure Management, LLC

(A Development Stage Company)

Notes to the Financial Statements December 31, 2010 and 2009

The following table shows gross treatment revenues and contractual allowances for the year ended December 31, 2010:

	<u>2010</u>
Gross billed treatment charges	\$ 3,089,183
Contractual allowances	<u>(1,902,694)</u>
Net patient service revenue	<u>\$ 1,186,489</u>

OpCo grants credit without collateral to its patients, most of whom are area residents and are insured under third-party payer agreements. The mix of net receivables from patients and third-party payers at December 31, 2010:

	<u>2010</u>
Medicare and medicaid	17 %
Other third-party payers	<u>83</u>
	<u>100 %</u>

Patient Accounts Receivable and Allowance for Doubtful Accounts

OpCo reviews its accounts receivable balances on a periodic basis. OpCo bills third-party payers, which include insurance companies, Medicare and self-pay patients. Third-party billings are recorded as the amount which OpCo charges, less the contractual allowance provision.

An allowance for doubtful accounts is estimated by payer group and determined based upon a review of the reimbursement policies and subsequent collections from the different types of payers. As of December 31, 2010, no allowance for doubtful accounts has been recorded. Accounts are considered delinquent and subsequently written-off as bad debts based on individual credit evaluation and specific circumstances of the account.

Subsequent Events

Subsequent events have been evaluated through March 29, 2011, which is the date the financial statements were available to be issued.

Chicago ProCure Management, LLC

(A Development Stage Company)

Notes to the Financial Statements December 31, 2010 and 2009

Note 2: Property and Equipment

OpCo completed construction of its treatment facility and related medical equipment in October 2010. As of December 31, 2009, the balances included in the following schedule were included in construction in progress and subsequently transferred to property and equipment in 2010.

Property and equipment and construction in progress at December 31, 2010 and 2009 consists of:

	2010	2009
Medical equipment	\$ 65,873,621	\$ -
Building and improvements	39,441,139	-
Purchased software	3,997,765	-
Land improvements	1,733,831	-
Equipment - other	2,371,260	-
Furniture and fixtures	651,451	-
Construction in progress	-	71,081,772
Total cost	114,069,067	71,081,772
Less accumulated depreciation and amortization	(1,889,257)	-
	<u>\$ 112,179,810</u>	<u>\$ 71,081,772</u>

Included in property and equipment and construction in progress is capitalized interest and amortization of deferred financing costs of \$6,694,746 and \$3,683,901 at December 31, 2010 and 2009, respectively.

Note 3: Long-Term Debt

Long-term debt consists of the following:

	2010	2009
Note dated March 4, 2008 to banks under a buyer credit facility accruing interest at LIBOR plus 3.25%; payable quarterly (3.56% interest rate at December 31, 2010)	\$ 54,166,008	\$ 32,855,136
Note dated March 4, 2008 to banks under a commercial credit facility accruing interest at LIBOR plus 4.25%; payable quarterly (4.56% interest rate at December 31, 2010)	40,629,870	24,641,927
Note dated November 23, 2009 to Parent; interest accrues quarterly at a fixed rate of 13.00% and is payable in-kind through the fifth anniversary of the note. The note is subordinated to the notes referenced above	1,926,990	1,697,985
	<u>\$ 96,722,868</u>	<u>\$ 59,195,048</u>

Chicago ProCure Management, LLC

(A Development Stage Company)

Notes to the Financial Statements
December 31, 2010 and 2009

The scheduled annual principal payments are as follows:

	Long Term Debt
2011	\$ -
2012	7,042,171
2013	10,461,677
2014	15,986,781
2015	13,298,474
Thereafter	49,933,765
	<u>\$ 96,722,868</u>

The buyer and commercial credit facilities are carried by OpCo for construction of the treatment center in Warrenville, Illinois. The credit facility has two types of loans. The first is a commercial credit facility with a commitment amount of \$51,000,000. The second is a buyer credit facility with a commitment amount of \$68,000,000. Two banks each carry 50% of the total commitment. Quarterly principal payments will commence in January 2012 and are payable in varying amounts over six years for the commercial credit facility and over eight years for the buyer credit facility. Principal payments are based on specified percentages of the amounts outstanding as of the date of the first required payment. The scheduled annual principal payments are as follows:

Year	Buyer Credit Facility	Commercial Credit Facility
1	4.75%	11.00%
2	7.20%	16.15%
3	15.00%	19.35%
4	14.50%	13.40%
5	5.75%	22.20%
6	17.50%	17.90%
7	30.75%	0.00%
8	4.55%	0.00%
	<u>100.00%</u>	<u>100.00%</u>

The credit facility loans are collateralized by a first priority security interest in all of the existing and after-acquired personal and real property and certain assets and members' interest of OpCo.

Chicago ProCure Management, LLC

(A Development Stage Company)

Notes to the Financial Statements December 31, 2010 and 2009

In November 2009, OpCo entered into an agreement with the Parent to borrow \$1,675,000 due October 31, 2022. Interest accrues on the outstanding balance of the loan at 13% per year compounded semi-annually through the fifth anniversary date. All interest is accrued to the principal balance during the first five years. (After the fifth anniversary, the note accrues interest at 13% compounded and payable semi-annually in cash through the maturity of the note on October 31, 2022. This loan is subordinate to the buyer and commercial credit facilities. OpCo recognized interest expense of \$229,005 and \$22,985 on the Parent PIK note in 2010 and 2009, respectively.

OpCo's doctor group has issued a letter of credit in favor of OpCo credit facility lenders to guaranty that the balance of their capital commitment (\$6,050,000) will be contributed. The letter of credit expires December 31, 2011.

Note 4: Interest Rate Swap Agreements

During 2008, as a strategy to maintain acceptable levels of exposure to the risk of changes in future cash flows due to interest rate fluctuations, OpCo entered into two interest rate swap agreements for a portion of its bank term loans. The notional amount amortizes throughout the term of the swap agreements to a balance of \$0 at the termination date, November 2018. The agreements provide for OpCo to receive interest from the counterparty at LIBOR and to pay interest to the counterparty at a fixed rate of 4.44%. The notional amounts were \$84,236,408 and \$66,510,576 at December 31, 2010 and 2009, respectively. Under the agreements, OpCo pays or receives the net interest amount quarterly, with the settlements included in construction in progress during the construction period and interest expense in the post-construction period.

Management has designated the interest rate swap agreements as cash flow hedging instruments. For derivative instruments that are designated and qualify as a cash flow hedge, the effective portion of the gain or loss on the derivative is reported as a component of other comprehensive loss and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings.

The table below presents certain information regarding OpCo's interest rate swap agreements designated as a cash flow hedge. OpCo did not have any derivative instruments at December 31, 2010 and 2009 that were not designated as hedging instruments in accordance with ASC Topic 815, *Derivatives and Hedging*.

	2010	2009
Fair value of interest rate swap agreements	\$ 11,299,000	\$ 6,347,000
Balance sheet location of fair value amount	Long-Term Liabilities	Long-Term Liabilities
Gain (loss) recognized in other comprehensive income (effective portion)	\$ (4,952,000)	\$ 5,475,238

Chicago ProCure Management, LLC

(A Development Stage Company)

Notes to the Financial Statements
December 31, 2010 and 2009

Note 5: Fair Value of Financial Instruments

ASC Topic 820, *Fair Value Measurements*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Topic 820 also specifies a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level-1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

Following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying balance sheets, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy.

Interest Rate Swap Agreements

OpCo has interest rate swap agreements that are recorded at fair value. The fair value is estimated using forward-looking interest rate curves and discounted cash flows that are observable or that can be corroborated by observable market data and, therefore, are classified within Level 2 of the valuation hierarchy.

Cash Equivalents

Where quoted market prices are available in an active market, cash equivalents are classified within Level 1 of the valuation hierarchy. OpCo's investment in money market mutual funds are valued based on quoted market prices and are included in Level 1 of the hierarchy.

No other assets or liabilities are measured at fair value in the accompanying balance sheets. The carrying value of the Company's long-term debt approximates fair value as all interest terms are based on variable rates. The carrying value of all other financial instruments approximate their fair value.

Chicago ProCure Management, LLC

(A Development Stage Company)

Notes to the Financial Statements December 31, 2010 and 2009

The following tables present the fair value measurements of assets and liabilities recognized in the accompanying balance sheets measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2010 and 2009:

		2010			
		Fair Value Measurements Using			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Assets					
Money market mutual funds	\$ 319,544	\$ 319,544	-	-	-
Liabilities					
Interest rate swap agreements	(11,299,000)	-	(11,299,000)	-	-
Total net asset (liability)	\$ (10,979,456)	\$ 319,544	\$ (11,299,000)	\$ -	-
		2009			
		Fair Value Measurements Using			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Liabilities					
Interest rate swap agreements	\$ (6,347,000)	-	(6,347,000)	-	-

Note 6: Related Party Transactions

Parent has funded certain of OpCo's expenditures as a source of working capital. The amount due to a related party associated with these expenditures is noninterest-bearing. The balance due to Parent was \$527,524 and \$369,974 at December 31, 2010 and 2009, respectively.

Other amounts due to related parties totaling \$364,130 at December 31, 2010 represents a payable to ProCure Business Services, LLC under a consulting services agreement. No amounts were due to ProCure Business Services, LLC under this agreement at December 31, 2009. See further discussion in Note 7.

Chicago ProCure Management, LLC

(A Development Stage Company)

Notes to the Financial Statements

December 31, 2010 and 2009

During 2009, OpCo borrowed \$1,675,000 under a PIK Note from the Parent. OpCo recognized \$229,005 and \$22,895 of interest expense on this note in 2010 and 2009, respectively. See further discussion in Note 3.

See Note 7 for discussion of the land lease and consulting services agreements with related parties.

Note 7: Commitments and Contingencies

Current Economic Conditions

The current protracted economic decline continues to present companies with difficult circumstances and challenges, which in some cases have resulted in large and unanticipated declines in the fair value of property and equipment, constraints on liquidity and difficulty obtaining financing. The financial statements have been prepared using values and information currently available to OpCo.

Current economic and financial market conditions could adversely affect our results of operations in future periods. Given the volatility of current economic conditions, the values of assets and liabilities recorded in the financial statements could change rapidly, resulting in material future adjustments that could negatively impact OpCo's ability to meet debt covenants or maintain sufficient liquidity.

Land Lease

OpCo has leased the land on which the proton facility is constructed from an entity, which owns a 15% membership interest in MidCo. The initial term, which incorporates the construction period of the proton facility, expired upon the completion of construction. The primary term commenced upon completion of construction and continues for fifty years. OpCo has the option to renew the lease for two consecutive twenty-year terms commencing at the end of the primary term. The annual base rent during the first lease year is \$97,524. Beginning with the second lease year through the fifth lease year, the rent is equal to the total square footage of the leased premise times \$66.00 per square foot times 10% (approximately \$400,000 per year). After the fifth lease year, the annual rent increases by the consumer price index. The lease is a net lease and the tenant is required to pay taxes, insurance, maintenance and common area maintenance charges in addition to the base rent. OpCo has recognized the expense related to the scheduled rent escalation after the first lease year on a straight-line basis with an offsetting deferred rent liability of \$297,169 and \$302,328 at December 31, 2010 and 2009, respectively.

OpCo has the option after the first lease year through the earlier of the repayment of the bank debt or the 126th month of the lease to defer any annual rent over \$216,720. Deferred rent accrues interest at 14% and is payable in accordance with the terms of the credit facility with the banks until such time that the bank borrowings are repaid in full. At that time, the deferred rent is due on demand. OpCo's obligations under the lease have been subordinated to its loan payable. OpCo has deferred rent payments of totaling \$223,077 at December 31, 2010.

Chicago ProCure Management, LLC

(A Development Stage Company)

Notes to the Financial Statements December 31, 2010 and 2009

Rental expense in connection with this lease totaled \$425,465 and \$439,057 for the years ended December 31, 2010 and 2009, respectively, and \$872,649 from inception on March 27, 2007 to December 31, 2010. A portion of the rental expense paid on this lease relates to amounts paid for common area expenses, real estate taxes and similar charges.

OpCo paid a one-time lump sum payment of \$1,000,000 towards lessor's initial improvements during 2008. This amount was included in construction in progress at December 31, 2009 and transferred to property and equipment during 2010 to be amortized over the initial term of the lease.

Proton System Purchase

On December 3, 2007, as amended and restated on February 20, 2008, OpCo entered into a "Single Proton System Purchase Agreement" (the "Purchase Agreement") with IBA Proton Therapy, Inc. ("IBA") to construct a single proton system for 30,224,563 Euros plus \$10,612,513 (or approximately \$49,000,000). In January and August 2009, OpCo added addendums to the purchase agreement for upgraded equipment totaling approximately \$1,650,000. Payments are to be made in six installments at various phases throughout the construction, delivery and operation of the equipment. The balance due under this contract is approximately \$6,549,933 at December 31, 2010 and is included in accounts payable.

Proton Service Agreement

On December 31, 2007, as amended and restated on February 20, 2008 and as amended by amendment #1 on March 3, 2008 and as amended by addendum #1 on January 20, 2009, OpCo and IBA entered into a "Service Agreement", which provides for IBA to provide regular maintenance and operational services to the proton system for ten years commencing on the date of the first patient treatment. OpCo has the option to extend the agreement for an additional five-year term. The future fees are payable in U.S. currency, a portion of which is to be based on the Euro to U.S. dollar conversion rate in effect when the first installment of the Purchase Agreement was paid in December 2008. These are summarized as follows:

2011	\$	2,194,665
2012		3,898,702
2013		4,123,616
2014		4,314,980
2015		4,889,070
Thereafter		23,223,083

During 2010, OpCo recognized \$450,351 of expense under this agreement.

Chicago ProCure Management, LLC

(A Development Stage Company)

Notes to the Financial Statements
December 31, 2010 and 2009

Consulting Services Agreement

On March 4, 2008, OpCo entered into the "Consulting Services Agreement" with ProCure Business Services, LLC, a company related through common ownership, to provide management, advisory and consulting services to OpCo for \$2,000,000 a year (adjusted based on changes in the consumer price index after the fifth year), to accrue from the date on which the OpCo treated its first patient. The initial term began when OpCo treated its first patient and continues for a period of five years. The first renewal period automatically begins at the expiration of the initial term, for a period to end on the earlier of twelve months after the maturity date of the buyer and commercial credit facilities or the Termination Date of the credit facility as defined in the credit agreement. After the first renewal term, the agreement renews for successive five-year terms unless either party provides sixty days notice to terminate. The annual fee is payable in arrears for four equal installments on the first day of each fiscal quarter.

OpCo recognized \$364,130 of consulting fees under this agreement in 2010. OpCo has not made any payments as of December 31, 2010 and the balance is included in "Due to related parties", which is expected to be repaid in 2011.

Physician Services Agreement

In March 2008, OpCo entered into a professional services agreement with a professional service corporation (P.C.). The initial term began when OpCo treated its first patient and continues for a period of five years. The first renewal period automatically begins at the expiration of the initial term, for a period to end on the earlier of twelve months after the maturity date of the buyer and commercial credit facilities or the Termination Date of the credit facility as defined in the credit agreement. After the first renewal term the agreement renews for successive five-year terms unless either party provides sixty days notice to terminate. The agreement calls for the P.C. to appoint a medical director. OpCo agreed to compensate the P.C. for the medical director position equal to \$200,000 for the sixth month period leading up to the treatment of the first patient and \$400,000 per year (subject to inflationary increases) after that for the term of the agreement. During 2010, OpCo recognized \$233,331 of medical director fees under this agreement.

Note 8: Medical Malpractice Claims

OpCo purchases medical malpractice insurance under a claims-made policy on a fixed premium basis. Accounting principles generally accepted in the United States of America require a health care provider to accrue the expense of its share of malpractice claim costs, if any, for any reported and unreported incidents of potential improper professional service occurring during the year by estimating the probable ultimate costs of the incidents. Based upon OpCo's claim experience, no such accrual has been made. It is reasonably possible that this estimate could change materially in the near term.

Chicago ProCure Management, LLC

(A Development Stage Company)

Notes to the Financial Statements

December 31, 2010 and 2009

Note 9: Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Allowance for Net Patient Service Revenue Adjustments

Estimates of allowances for adjustments included in net patient service revenue are described in Note 1.

Concentration of Credit Risk

Concentrations of net patient revenue and net patient accounts receivable with Medicare and other third-party payers are described in Note 1.

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ProCure Chicago Holdings, LLC
(A Development Stage Company)

Accountants' Report and Consolidated Financial Statements

December 31, 2010 and 2009

ProCure Chicago Holdings, LLC
(A Development Stage Company)
December 31, 2010 and 2009

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Independent Accountants' Report

Member
ProCure Chicago Holdings, LLC
New York, New York

We have audited the accompanying consolidated balance sheets of ProCure Chicago Holdings, LLC (A Development Stage Company) (a wholly owned subsidiary of ProCure Treatment Centers, Inc.) as of December 31, 2010 and 2009, and the related consolidated statements of operations, comprehensive loss, changes in member's deficit and cash flows for the years then ended and for the cumulative operating period from March 26, 2007 (inception) to December 31, 2010. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of ProCure Chicago Holdings, LLC (A Development Stage Company) as of December 31, 2010 and 2009, and the results of its operations and its cash flows for the years then ended and the cumulative period from March 26, 2007 (inception) to December 31, 2010 in conformity with accounting principles generally accepted in the United States of America.

BKD, LLP

March 29, 2011

ProCure Chicago Holdings, LLC

(A Development Stage Company)

Consolidated Balance Sheets

December 31, 2010 and 2009

Assets

	2010	2009
Current Assets		
Cash and cash equivalents	\$ 354,579	\$ 78
Patient accounts receivable	1,120,569	-
Prepays and other current assets	37,600	-
Total current assets	<u>1,512,748</u>	<u>78</u>
Noncurrent Assets		
Property and equipment, net	112,179,810	71,081,772
Deferred financing costs, net	2,361,600	2,790,800
Other long-term assets	1,680,911	-
	<u>116,222,321</u>	<u>73,872,572</u>
	<u>\$ 117,735,069</u>	<u>\$ 73,872,650</u>

Liabilities and Member's Deficit

Current Liabilities		
Accounts payable	\$ 6,774,058	\$ 2,152,663
Accrued interest	511,000	445,000
Accrued expenses	430,219	38,700
Due to related party	904,099	373,974
Total current liabilities	<u>8,619,376</u>	<u>3,010,337</u>
Long-Term Liabilities		
Long-term debt	150,113,046	105,818,080
Interest rate swap agreements	11,299,000	6,347,000
Deferred rent	520,246	302,328
	<u>161,932,292</u>	<u>112,467,408</u>
Member's Deficit		
ProCure Chicago Holdings, LLC member's deficit	(51,475,958)	(44,824,566)
Accumulated other comprehensive loss	(7,674,972)	(4,254,997)
Total ProCure Chicago Holdings, LLC member's deficit	<u>(59,150,930)</u>	<u>(49,079,563)</u>
Noncontrolling interest	6,334,331	7,474,468
Total member's deficit	<u>(52,816,599)</u>	<u>(41,605,095)</u>
	<u>\$ 117,735,069</u>	<u>\$ 73,872,650</u>

ProCure Chicago Holdings, LLC
(A Development Stage Company)
Consolidated Statements of Operations
Years Ended December 31, 2010 and 2009 and
Period From March 26, 2007 (Inception) to December 31, 2010

	Year Ended December 31, 2010	Year Ended December 31, 2009	Cumulative From March 26, 2007 (Inception) to December 31, 2010
Revenues			
Net patient service revenue	\$ 1,186,489	\$ -	\$ 1,186,489
Other	318,427	-	318,427
	<u>1,504,916</u>	<u>-</u>	<u>1,504,916</u>
Operating Expenses			
Salaries and wages	2,503,496	270,243	2,773,739
Depreciation and amortization	1,916,423	-	1,916,423
Legal and professional fees	814,035	150,010	1,891,039
Repairs and maintenance	653,467	866	654,333
Land lease and equipment rental	430,694	451,057	889,878
Utilities	389,950	9,143	399,093
Advertising and marketing	389,338	161,482	1,099,469
Management fees	364,130	-	364,130
Supplies	224,795	-	224,795
Office expense	180,854	10,536	191,872
Travel	156,648	59,893	216,831
General and administrative - other	27,199	14,384	41,583
Insurance	55,767	-	55,767
Services - TC	9,090	-	9,090
Total operating expenses	<u>8,115,886</u>	<u>1,127,614</u>	<u>10,728,042</u>
Operating Loss	(6,610,970)	(1,127,614)	(9,223,126)
Other Expense			
Interest expense	<u>(7,598,534)</u>	<u>(5,924,915)</u>	<u>(14,244,473)</u>
Net Loss	(14,209,504)	(7,052,529)	(23,467,599)
Less: Net Loss Attributable to the Noncontrolling Interest			
Interest	<u>(2,308,112)</u>	<u>(378,523)</u>	<u>(2,741,641)</u>
Net Loss Attributable to ProCure Chicago Holdings, LLC	<u>\$ (11,901,392)</u>	<u>\$ (6,674,006)</u>	<u>\$ (20,725,958)</u>

ProCure Chicago Holdings, LLC
(A Development Stage Company)
Consolidated Statements of Comprehensive Loss
Years Ended December 31, 2010 and 2009 and
Period From March 26, 2007 (Inception) to December 31, 2010

	Year Ended December 31, 2010	Year Ended December 31, 2009	Cumulative March 26, 2007 (Inception) to December 31, 2010
Net Loss	\$ (14,209,504)	\$ (7,052,529)	\$ (23,467,599)
Other Comprehensive Income (Loss)			
Change in fair value of swap agreements	<u>(4,952,000)</u>	<u>5,475,238</u>	<u>(11,299,000)</u>
Comprehensive Loss	(19,161,504)	(1,577,291)	(34,766,599)
Less: Comprehensive Income (Loss) Attributable to Noncontrolling Interest	<u>(3,840,137)</u>	<u>1,426,143</u>	<u>(6,365,669)</u>
Comprehensive Loss Attributable to ProCure Chicago Holdings, LLC	<u>\$ (15,321,367)</u>	<u>\$ (3,003,434)</u>	<u>\$ (28,400,930)</u>

ProCure Chicago Holdings, LLC
(A Development Stage Company)
Consolidated Statements of Changes in Member's Deficit
Years Ended December 31, 2010 and 2009 and
Period From March 26, 2007 (Inception) to December 31, 2010

	<u>ProCure Chicago Holdings, LLC</u>			
	<u>Total</u>	<u>Member's Deficit</u>	<u>Accumulated Other Comprehensive Loss</u>	<u>Noncontrolling Interest</u>
Net Loss From March 26, 2007 (Inception) to December 31, 2007	\$ (441,875)	\$ (441,875)	\$ -	\$ -
Member distributions	(36,000,000)	(36,000,000)		
Noncontrolling interest contributions	10,000,000			10,000,000
Net loss	(1,763,691)	(1,708,685)		(55,006)
Change in fair value of interest rate swap agreements	(11,822,238)		(7,925,569)	(3,896,669)
Balance, December 31, 2008	(40,027,804)	(38,150,560)	(7,925,569)	6,048,325
Net loss	(7,052,529)	(6,674,006)		(378,523)
Change in fair value of interest rate swap agreements	5,475,238		3,670,572	1,804,666
Balance, December 31, 2009	(41,605,095)	(44,824,566)	(4,254,997)	7,474,468
Member capital contributions	5,250,000	5,250,000		-
Noncontrolling interest capital contributions	2,700,000			2,700,000
Net loss	(14,209,504)	(11,901,392)		(2,308,112)
Change in fair value of interest rate swap agreements	(4,952,000)		(3,419,975)	(1,532,025)
Balance, December 31, 2010	<u>\$ (52,816,599)</u>	<u>\$ (51,475,958)</u>	<u>\$ (7,674,972)</u>	<u>\$ 6,334,331</u>

ProCure Chicago Holdings, LLC
(A Development Stage Company)
Consolidated Statements of Cash Flows
Years Ended December 31, 2010 and 2009 and
Period From March 26, 2007 (Inception) to December 31, 2010

	Year Ended December 31, 2010	Year Ended December 31, 2009	Cumulative From March 26, 2007 (Inception) to December 31, 2010
Operating Activities			
Net loss before attribution of noncontrolling interest	\$ (14,209,504)	\$ (7,052,529)	\$ (23,467,599)
Net income attributable to noncontrolling interest	2,308,112	378,523	2,741,641
Net loss attributable to ProCure Chicago Holdings, LLC	<u>(11,901,392)</u>	<u>(6,674,006)</u>	<u>(20,725,958)</u>
Items not requiring (providing) cash			
Depreciation and amortization	1,916,423	-	1,916,423
Amortization of deferred financing fees	73,800	-	73,800
Paid in-kind interest on loan payable	6,996,151	5,924,921	13,642,168
Deferred rent	217,918	302,328	520,246
Changes in			
Patient accounts receivable	(1,120,569)	-	(1,120,569)
Prepaid and other current assets	(37,600)	-	(37,600)
Accounts payable and accrued expenses	1,230,491	263,231	1,493,722
Other long-term assets	(78,168)	-	(78,168)
Noncontrolling interest	<u>(2,308,112)</u>	<u>(378,523)</u>	<u>(2,741,641)</u>
Net cash used in operating activities	<u>(5,011,058)</u>	<u>(562,049)</u>	<u>(7,057,577)</u>
Investing Activity - purchase of property and equipment	<u>(40,085,003)</u>	<u>(42,869,119)</u>	<u>(108,253,792)</u>
Financing Activities			
Advances from (repayments to) Parent	201,747	(143,495)	575,721
Proceeds from issuance of long-term debt	37,298,815	42,033,668	134,795,878
Proceeds from issuance of Parent PIK note	-	1,675,000	1,675,000
Financing costs paid	-	(134,000)	(3,330,651)
Member capital contributions	5,250,000	-	5,250,000
Noncontrolling interest capital contributions	2,700,000	-	12,700,000
Member distributions	-	-	(36,000,000)
Net cash provided by financing activities	<u>45,450,562</u>	<u>43,431,173</u>	<u>115,665,948</u>
Increase in Cash and Cash Equivalents	354,501	5	354,579
Cash and Cash Equivalents, Beginning of Period	<u>78</u>	<u>73</u>	<u>-</u>
Cash and Cash Equivalents, End of Period	<u>\$ 354,579</u>	<u>\$ 78</u>	<u>\$ 354,579</u>
Supplemental Cash Flows Information			
Noncash investing and financing activity			
Amortization of deferred financing costs capitalized as interest during construction period	\$ 221,400	\$ 295,200	\$ 761,251
Property and equipment and construction in progress included in accounts payable and accrued interest	6,549,933	2,373,132	6,549,933

ProCure Chicago Holdings, LLC
(A Development Stage Company)
Notes to Consolidated Financial Statements
December 31, 2010 and 2009

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Organization and Basis of Presentation

ProCure Chicago Holdings, LLC (HoldCo) was founded as the holding company for ProCure Illinois Holdings, LLC (MidCo), which was founded as the holding company for Chicago ProCure Management, LLC (OpCo), which was formed to construct and operate a proton therapy facility in Warrenville, Illinois for use in the treatment of cancer. HoldCo, MidCo and OpCo are collectively referred to as "the Company". HoldCo is a wholly owned subsidiary of ProCure Treatment Centers, Inc. (Parent). HoldCo was formed in the State of Delaware as a limited liability company with a perpetual life and commenced activities on March 26, 2007. No member shall be liable for the liabilities of HoldCo. Since the Company has not derived significant revenues from its intended principal business activity through December 31, 2010, it is still in the development stage at this date. As a development stage enterprise, the Company's primary efforts to date have been devoted to raising capital, construction and the development of technology and infrastructure to support operating activities after the center opens. The Company has a deficit accumulated during the development stage of \$23,467,599 as of December 31, 2010.

Principles of Consolidation

The consolidated financial statements include the accounts of HoldCo, MidCo and OpCo. All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2010, cash equivalents consisted primarily of money market mutual funds with a bank. At December 31, 2009, there were no cash equivalents.

One or more of the financial institutions holding the Company's cash accounts are participating in the FDIC's Transaction Account Guarantee Program. Under that program, through December 31, 2010, all noninterest-bearing transaction accounts are fully guaranteed by the FDIC for the entire amount in the account. Pursuant to legislation enacted in 2010, the FDIC will fully insure all noninterest-bearing transaction accounts beginning December 31, 2010 through December 31, 2012, at all FDIC-insured institutions.

ProCure Chicago Holdings, LLC
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For financial institutions opting out of the FDIC's Transaction Account Guarantee Program or interest-bearing cash accounts, the FDIC's insurance limits were permanently increased to \$250,000, effective July 21, 2010.

At December 31, 2010, the Company's cash and cash equivalents accounts exceeded federally insured limits by approximately \$300,000.

Construction in Progress

Construction in progress includes the construction costs of the facility in Warrenville and the development of the proton therapy equipment. Upon completion of construction in October 2010, these assets were transferred to property and equipment.

OpCo capitalizes interest costs as a component of construction in progress, based on the weighted-average rates paid for long-term borrowings.

Property and Equipment

Property and equipment acquisitions are recorded at cost and are depreciated over the estimated useful life of each asset. Assets under land improvements are amortized over the shorter of the lease term or their respective estimated useful lives. Software is amortized over the estimated useful life. Annual depreciation and amortization is computed using the straight-line method over the following lives:

Medical equipment	5 - 15 years
Building and improvements	5 - 39 years
Purchased software	3 years
Land improvements	15 years
Other equipment	5 - 7 years
Furniture and fixtures	7 years

Long-Lived Asset Impairment

The Company evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

No asset impairment was recognized during the years ended December 31, 2010 and 2009.

ProCure Chicago Holdings, LLC
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Deferred Financing Costs

Deferred financing costs represent costs incurred in conjunction with the OpCo's debt financing and are amortized over the term of the related debt instruments. Amortization of the deferred financing costs during the construction period of the proton facility is included with the interest cost capitalized as part of the construction costs. Amortization is included in interest expense for the post-construction period.

Intangible Assets

Intangible assets consist of a certificate of need acquired to construct the facility. This intangible is considered an indefinite life intangible and is periodically evaluated as to the recoverability of its carrying value. It's recorded in other long-term assets on the balance sheet and its balance was \$1,680,911 at December 31, 2011.

Income Taxes

HoldCo is organized as a single member limited liability company. For federal and state income tax purposes, HoldCo is a disregarded entity. The results of its operations are reported in the Parent's income tax return.

HoldCo recognizes the benefit or expense of an uncertain tax position in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740, *Income Taxes*, after considering if its more likely than not, based on the technical merits, that a tax position will be realized and sustained upon examination. For tax positions meeting a "more-likely-than-not" threshold, the amount recognized in the consolidated financial statements is the largest amount expected to be realized upon settlement with the tax authority. As of December 31, 2010, HoldCo has not identified any uncertain tax positions.

Revenue Recognition, Contractual Adjustments and Concentration of Credit Risk

Revenues for services are recorded in the period the services are rendered. Net patient service revenues are recorded at net realizable amounts estimated to be paid by the patients and third-party payers. A provision for contractual adjustments is recorded as a reduction to net patient service revenues and consists of a) the difference between the payer's allowable amount and the customary billing rate; and b) services for which payment is denied by governmental or third-party payers or otherwise deemed non-billable. OpCo records the provision for contractual adjustments based on a percentage of revenue using historical data and current contracts or letters of agreement in place. Due to the complexity of many third-party billing arrangements, adjustments are sometimes made to amounts originally recorded. These adjustments are typically identified and recorded upon cash remittance or claim denial. At such time as OpCo can determine the ultimate collections have exceeded or are less than the net realizable amount recorded, additional revenue or reduction in revenue is recorded as a change in estimate during the current period.

ProCure Chicago Holdings, LLC
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Approximately 20% of OpCo's net patient service revenue are from participation in the Medicare and state-sponsored Medicaid programs for the year ended December 31, 2010. Laws and regulations governing Medicare are complex and subject to interpretations and change. As a result, it is reasonably possible recorded estimates will change materially in the near term. One other third-party payer represented 55% of net patient service revenues for the year ended December 31, 2010.

The following table shows gross treatment revenues and contractual allowances for the year ended December 31, 2010:

	2010
Gross billed treatment charges	\$ 3,089,183
Contractual allowances	(1,902,694)
Net patient service revenue	\$ 1,186,489

OpCo grants credit without collateral to its patients, most of whom are area residents and are insured under third-party payer agreements. The mix of net receivables from patients and third-party payers at December 31, 2010:

	2010
Medicare and medicaid	17 %
Other third-party payers	83
	100 %

Patient Accounts Receivable and Allowance for Doubtful Accounts

OpCo reviews its accounts receivable balances on a periodic basis. OpCo bills third-party payers, which include insurance companies, Medicare and self-pay patients. Third-party billings are recorded as the amount which OpCo charges, less the contractual allowance provision.

An allowance for doubtful accounts is estimated by payer group and determined based upon a review of the reimbursement policies and subsequent collections from the different types of payers. As of December 31, 2010, no allowance for doubtful accounts has been recorded. Accounts are considered delinquent and subsequently written off as bad debts based on individual credit evaluation and specific circumstances of the account.

Subsequent Events

Subsequent events have been evaluated through March 29, 2011, which is the date the consolidated financial statements were available to be issued.

ProCure Chicago Holdings, LLC

(A Development Stage Company)

Notes to Consolidated Financial Statements

December 31, 2010 and 2009

Note 2: Property and Equipment

OpCo completed construction of its treatment facility and related medical equipment in October 2010. As of December 31, 2009, the balances included in the following schedule were included in construction in progress and subsequently transferred to property and equipment in 2010.

Property and equipment and construction in progress at December 31, 2010 and 2009 consists of:

	2010	2009
Medical equipment	\$ 65,873,621	\$ -
Building and improvements	39,441,139	-
Purchased software	3,997,765	-
Land improvements	1,733,831	-
Equipment - other	2,371,260	-
Furniture and fixtures	651,451	-
Construction in progress	-	71,081,772
Total cost	114,069,067	71,081,772
Less accumulated depreciation and amortization	(1,889,257)	-
	\$ 112,179,810	\$ 71,081,772

Included in construction in progress is capitalized interest and amortization of deferred financing costs of \$6,694,746 and \$3,683,901 at December 31, 2010 and 2009, respectively.

Note 3: Long-Term Debt

Long-term debt consists of the following:

	2010	2009
Note dated March 4, 2008 to banks under a buyer credit facility accruing interest at LIBOR plus 3.25%; payable quarterly (3.56% interest rate at December 31, 2010)	\$ 54,166,008	\$ 32,855,136
Note dated March 4, 2008 to banks under a commercial credit facility accruing interest at LIBOR plus 4.25%; payable quarterly (4.56% interest rate at December 31, 2010)	40,629,870	24,641,927
Note dated November 2008 to Hospital affiliate; interest accrues annually at 14%; payable in-kind through November 2012. Beginning in December 2012, interest is payable semi-annually in cash and outstanding balance due July 2019	53,390,178	46,623,032
Note dated November 23, 2009 to Parent; interest accrues quarterly at a fixed rate of 13.00% and is payable in-kind through the fifth anniversary of the note	1,926,990	1,697,985
	\$ 150,113,046	\$ 105,818,080

ProCure Chicago Holdings, LLC
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December 31, 2010 and 2009

The scheduled annual principal payments are as follows:

	Long-Term Debt
2011	\$ -
2012	7,042,171
2013	10,461,677
2014	15,986,781
2015	13,298,474
Thereafter	103,323,943
	\$ 150,113,046

The buyer and commercial credit facilities are carried by OpCo for construction of the treatment center in Warrenville, Illinois. The commercial credit facility has a commitment amount of \$51,000,000. The buyer credit facility has a commitment amount of \$68,000,000. Two banks each carry 50% of the total commitment. Quarterly principal payments will commence in January 2012 and are payable in varying amounts over six years for the commercial credit facility and over eight years for the buyer credit facility. Principal payments are based on specified percentages of the amounts outstanding as of the date of the first required payment. The scheduled annual principal payments are as follows:

Year	Buyer Credit Facility	Commercial Credit Facility
1	4.75%	11.00%
2	7.20%	16.15%
3	15.00%	19.35%
4	14.50%	13.40%
5	5.75%	22.20%
6	17.50%	17.90%
7	30.75%	0.00%
8	4.55%	0.00%
	100.00%	100.00%

The credit facility loans are collateralized by a first priority security interest in all of the existing and after-acquired personal and real property and certain assets and members' interest of OpCo.

ProCure Chicago Holdings, LLC
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Notes to Consolidated Financial Statements
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In November 2008, HoldCo entered into an agreement with a hospital (Hospital affiliate), who is a 15% owner of MidCo, to borrow \$40 million due July 2019. Interest accrues on the outstanding balance of the loan at 14% per year, compounded semi-annually. Through November 2012, the interest is to be added to the principal balance of the note and is payable with the outstanding balance at maturity. After November 2012, the interest continues to accrue at 14% and is to be paid semi-annually on June 30th and December 31st. The note is subordinated to the buyer and commercial credit facilities and is unsecured. HoldCo recognized interest expense of \$6,767,146 and \$5,901,936 on this note during 2010 and 2009, respectively.

In November 2009, OpCo entered into an agreement with the Parent to borrow \$1,675,000 due October 31, 2022. Interest accrues on the outstanding balance of the loan at 13% per year compounded semi-annually through the fifth anniversary date. All interest is accrued to the principal balance during the first five years. After the fifth anniversary, the note accrues interest at 13% compounded and payable semi-annually in cash through the maturity of the note on October 31, 2022. This note is subordinate to the buyer and commercial credit facilities and is unsecured. OpCo recognized interest expense of \$229,005 and \$22,985 on the Parent PIK note in 2010 and 2009, respectively.

OpCo's doctor group has issued a letter of credit in favor of OpCo credit facility lenders to guaranty that the balance of their capital commitment (\$6,050,000) will be contributed. The letter of credit expires December 31, 2011.

Note 4: Interest Rate Swap Agreements

During 2008, as a strategy to maintain acceptable levels of exposure to the risk of changes in future cash flows due to interest rate fluctuations, OpCo entered into two interest rate swap agreements for a portion of its bank term loans. The notional amount amortizes throughout the term of the swap agreements to a balance of \$0 at the termination date, November 2018. The agreements provide for OpCo to receive interest from the counterparty at LIBOR and to pay interest to the counterparty at a fixed rate of 4.44%. The notional amounts were \$84,236,408 and \$66,510,576 at December 31, 2010 and 2009, respectively. Under the agreements, OpCo pays or receives the net interest amount quarterly, with the settlements included in construction in progress during the construction period and interest expense in the post-construction period.

Management has designated the interest rate swap agreements as cash flow hedging instruments. For derivative instruments that are designated and qualify as a cash flow hedge, the effective portion of the gain or loss on the derivative is reported as a component of other comprehensive loss and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings.

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Notes to Consolidated Financial Statements
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The table below presents certain information regarding OpCo's interest rate swap agreements designated as a cash flow hedge. OpCo did not have any derivative instruments at December 31, 2010 and 2009 that were not designated as hedging instruments in accordance with ASC Topic 815, *Derivatives and Hedging*.

	2010	2009
Fair value of interest rate swap agreements	\$ 11,299,000	\$ 6,347,000
Balance sheet location of fair value amount	Long-Term Liabilities	Long-Term Liabilities
Gain (loss) recognized in other comprehensive income (effective portion)	\$ (4,952,000)	\$ 5,475,238

Note 5: Fair Value of Financial Instruments

ASC Topic 820, *Fair Value Measurements*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Topic 820 also specifies a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

Following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying consolidated balance sheets, as well as the general classification of such liabilities pursuant to the valuation hierarchy.

Interest Rate Swap Agreements

OpCo has interest rate swap agreements that are recorded at fair value. The fair value is estimated using forward-looking interest rate curves and discounted cash flows that are observable or that can be corroborated by observable market data and, therefore, are classified within Level 2 of the valuation hierarchy.

ProCure Chicago Holdings, LLC
(A Development Stage Company)
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Cash Equivalents

Where quoted market prices are available in an active market, cash equivalents are classified within Level 1 of the valuation hierarchy. OpCo's investment in money market mutual funds are valued based on quoted market prices and are included in Level 1 of the hierarchy.

No other assets or liabilities are measured at fair value in the accompanying consolidated balance sheets. The carrying value of the Company's long-term debt approximates fair value as all interest terms are based on variable rates. The carrying value of all other financial instruments approximate their fair value.

The following tables present the fair value measurements of assets and liabilities recognized in the accompanying consolidated balance sheets measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2010 and 2009:

	Fair Value	2010 Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Money market mutual funds	\$ 319,544	\$ 319,544	\$ -	\$ -
Liabilities				
Interest rate swap agreements	(11,299,000)	-	(11,299,000)	-
Total net asset (liability)	\$ (10,979,456)	\$ 319,544	\$ (11,299,000)	\$ -

	Fair Value	2009 Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Liabilities				
Interest rate swap agreements	\$ (6,347,000)	\$ -	\$ (6,347,000)	\$ -

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Notes to Consolidated Financial Statements
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Note 6: Related Party Transactions

Parent has funded certain of the Company's expenditures as a source of working capital. The amount due to related party associated with these expenditures is noninterest-bearing. The balance due to Parent was \$539,969 and \$373,974 at December 31, 2010 and 2009, respectively.

Other amounts due to related parties totaling \$364,130 at December 31, 2010 represents a payable to ProCure Business Services, LLC under a consulting services agreement. No amounts were due to ProCure Business Services, LLC under this agreement at December 31, 2009. See further discussion in Note 7.

During 2008, HoldCo borrowed \$40,000,000 under a PIK Note from Hospital affiliate. HoldCo recognized interest expense of \$6,767,146 and \$5,901,936 on this note during 2010 and 2009, respectively. See further discussion in Note 3.

See Note 3 for discussion of Parent and Hospital affiliate PIK Notes.

See Note 7 for discussion of the land lease and consulting services agreements with related parties.

Note 7: Commitments and Contingencies

Current Economic Conditions

The current protracted economic decline continues to present companies with difficult circumstances and challenges, which in some cases have resulted in large and unanticipated declines in the fair value of property and equipment, constraints on liquidity and difficulty obtaining financing. The consolidated financial statements have been prepared using values and information currently available to the Company.

Current economic and financial market conditions could adversely affect our results of operations in future periods. Given the volatility of current economic conditions, the values of assets and liabilities recorded in the consolidated financial statements could change rapidly, resulting in material future adjustments that could negatively impact the Company's ability to meet debt covenants or maintain sufficient liquidity.

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Land Lease

OpCo has leased the land on which the proton facility has been constructed from an entity, which owns a 15% membership interest in MidCo. The initial term, which incorporates the construction period of the proton facility, expired upon the completion of construction. The primary term commenced upon completion of construction and continues for fifty years. OpCo has the option to renew the lease for two consecutive twenty-year terms commencing at the end of the primary term. The annual base rent during the first lease year is \$97,524. Beginning with the second lease year through the fifth lease year, the rent is equal to the total square footage of the leased premise times \$66.00 per square foot times 10% (approximately \$400,000 per year). After the fifth lease year and every fifth year thereafter, the annual rent increases by the change in the consumer price index. The lease is a net lease and the tenant is required to pay taxes, insurance, maintenance and common area maintenance charges in addition to the base rent. OpCo has recognized the expense related to the scheduled rent escalation after the first lease year on a straight-line basis with an offsetting deferred rent liability of \$297,169 and \$302,328 at December 31, 2010 and 2009, respectively.

OpCo has the option after the first lease year through the earlier of the repayment of the bank debt or the 126th month of the lease to defer any annual rent over \$216,720. Deferred rent accrues interest at 14% and is payable in accordance with the terms of the credit facility with the banks until such time that the bank borrowings are repaid in full. At that time, the deferred rent is due on demand. OpCo's obligations under the lease have been subordinated to its loan payable. OpCo has deferred rent payments of \$223,077 at December 31, 2010.

Rental expense in connection with this lease totaled \$425,465 and \$439,057 for the year ended December 31, 2010 and 2009 respectively, and \$872,649 from inception on March 27, 2007 to December 31, 2010. A portion of the rental expense paid on this lease relates to amounts paid for common area expenses, real estate taxes and similar charges.

OpCo paid a one-time lump sum payment of \$1,000,000 towards lessor's initial improvements during 2008. This amount was included in construction in progress at December 31, 2009 and transferred to property and equipment during 2010 and is being amortized over the initial term of the lease.

Proton System Purchase

On December 3, 2007, as amended and restated on February 20, 2008, OpCo entered into a "Single Proton System Purchase Agreement" (the "Purchase Agreement") with IBA Proton Therapy, Inc. ("IBA") to construct a single proton system for 30,224,563 Euros plus \$10,612,513 (or approximately \$49,000,000). In January and August 2009, OpCo added addendums to the purchase agreement for upgraded equipment totaling approximately \$1,650,000. Payments are to be made in six installments at various phases throughout the construction, delivery and operation of the equipment. The balance due under this contract is approximately \$6,549,933 at December 31, 2010 and is included in accounts payable.

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Proton Service Agreement

On December 31, 2007, as amended and restated on February 20, 2008 and as amended by amendment #1 on March 3, 2008 and as amended by addendum 1 on January 20, 2009, OpCo and IBA entered into a "Service Agreement", which provides for IBA to provide regular maintenance and operational services to the proton system for ten years commencing on the date of the first patient treatment. OpCo has the option to extend the agreement for an additional five-year term. The future fees are payable in U.S. currency, a portion of which is to be based on the Euro to U.S. dollar conversion rate in effect when the first installment of the Purchase Agreement was paid in December 2008. These are summarized as follows:

2011	\$ 2,194,665
2012	3,898,702
2013	4,123,616
2014	4,314,980
2015	4,889,070
Thereafter	23,223,083

During 2010, OpCo recognized \$450,351 of expense under this agreement.

Consulting Services Agreement

On March 4, 2008, OpCo entered into the "Consulting Services Agreement" with ProCure Business Services, LLC, a company related through common ownership, to provide management, advisory and consulting services to OpCo for \$2,000,000 a year (adjusted based on changes in the consumer price index after the fifth year), to accrue from the date on which OpCo treated its first patient. The initial term began when OpCo treated its first patient and continues for a period of five years. The first renewal period automatically begins at the expiration of the initial term, for a period to end on the earlier of twelve months after the maturity date of the buyer and commercial credit facilities or the Termination Date of the credit facility as defined in the credit agreement. After the first renewal term, the agreement renews for successive five-year terms unless either party provides sixty days notice to terminate. The annual fee is payable in arrears for four equal installments on the first day of each fiscal quarter.

OpCo recognized \$364,130 of consulting fees under this agreement in 2010. OpCo has not made any payments as of December 31, 2010 and the balance is included in "Due to related parties", which is expected to be repaid in 2011.

ProCure Chicago Holdings, LLC
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Physician Services Agreement

In March 2008, OpCo entered into a professional services agreement with a professional service corporation (P.C.). The initial term began when OpCo treated its first patient and continues for a period of five years. The first renewal period automatically begins at the expiration of the initial term, for a period to end on the earlier of twelve months after the maturity date of the buyer and commercial credit facilities or the Termination Date of the credit facility as defined in the credit agreement. After the first renewal term the agreement renews for successive five-year terms unless either party provides sixty days notice to terminate. The agreement calls for the P.C. to appoint a medical director. OpCo agreed to compensate the P.C. for the medical director position equal to \$200,000 for the sixth-month period leading up to the treatment of the first patient and \$400,000 per year (subject to inflationary increases) after that for the term of the agreement. During 2010, OpCo recognized \$233,331 of medical director fees under this agreement.

Note 8: Medical Malpractice Claims

OpCo purchases medical malpractice insurance under a claims-made policy on a fixed premium basis. Accounting principles generally accepted in the United States of America require a health care provider to accrue the expense of its share of malpractice claim costs, if any, for any reported and unreported incidents of potential improper professional service occurring during the year by estimating the probable ultimate costs of the incidents. Based upon OpCo's claim experience, no such accrual has been made. It is reasonably possible that this estimate could change materially in the near term.

Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Allowance for Net Patient Service Revenue Adjustments

Estimates of allowances for adjustments included in net patient service revenue are described in Note 1.

Concentration of Credit Risk

Concentrations of net patient revenue and net patient accounts receivable with Medicare and other third-party payers are described in Note 1.

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Chicago Proton Center

Chicago ProCure Management, LLC

Accountants' Report and Financial Statements

December 31, 2011 and 2010

CONFIDENTIAL

Chicago ProCure Management, LLC

December 31, 2011 and 2010

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Independent Accountants' Report

Board of Directors
Chicago ProCure Management, LLC
New York, New York

We have audited the accompanying balance sheets of Chicago ProCure Management, LLC as of December 31, 2011 and 2010, and the related statements of operations and comprehensive loss, changes in members' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Chicago ProCure Management, LLC as of December 31, 2011 and 2010, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 2, in 2011, the Company changed its method of presentation and disclosure of patient service revenue, provision for bad debts and the allowance for doubtful accounts in accordance with Accounting Standards Update 2011-07.

BKD, LLP

March 30, 2012

Chicago ProCure Management, LLC

Balance Sheets

December 31, 2011 and 2010

Assets

Current Assets

	2011	2010
Cash and cash equivalents	\$ 20,435,295	\$ 354,579
Patient accounts receivable, net of allowance; 2011: \$348,000	4,109,360	1,120,569
Prepays and other current assets	234,262	37,600
Total current assets	24,778,917	1,512,748

Noncurrent Assets

Property and equipment, net	103,532,400	112,179,810
Deferred financing costs, net	2,158,952	2,361,600
Other long-term assets	1,708,076	1,680,911
Total noncurrent assets	107,399,428	116,222,321
Total Assets	\$ 132,178,345	\$ 117,735,069

Liabilities and Members' Equity

Current Liabilities

Current maturities of long-term debt	\$ 8,629,958	\$ -
Accounts payable	212,603	6,774,057
Accrued interest	660,000	511,000
Accrued expenses	1,042,779	430,220
Due to related parties	2,453,682	891,654
Total current liabilities	12,999,022	8,606,931

Long-Term Liabilities

Long-term debt	109,726,512	96,722,868
Interest rate swap agreements	13,579,000	11,299,000
Deferred rent	750,125	520,246
Total long-term liabilities	124,055,637	108,542,114

Members' Equity

Members' equity	8,702,686	11,885,024
Accumulated other comprehensive loss	(13,579,000)	(11,299,000)
Total Members' Equity	(4,876,314)	586,024
Total Liabilities and Members' Equity	\$ 132,178,345	\$ 117,735,069

Chicago ProCure Management, LLC
Statements of Operations and Comprehensive Loss
Years-Ended December 31, 2011 and 2010

	2011	2010
Revenues		
Patient service revenue (net of contractual discounts and allowances)	\$ 27,076,033	\$ 1,186,489
Provision for uncollectible accounts	(478,661)	-
Net patient service revenue less provision for uncollectible accounts	26,597,372	1,186,489
Other	419,809	318,427
	27,017,181	1,504,916
Operating Expenses		
Salaries and wages	8,574,381	2,503,496
Advertising and marketing	1,949,439	389,338
Legal fees	44,668	25,623
Professional fees	689,677	780,412
Office expense	228,667	174,513
Land lease and equipment rental	405,163	430,694
Management fees	2,000,000	364,130
Repairs and maintenance	2,892,511	653,467
Utilities	617,378	389,950
Travel	131,660	156,648
Insurance	340,058	55,767
General and administrative - other	184,674	33,095
Supplies	871,040	224,795
Services - TC	663,718	9,090
Depreciation and amortization	7,729,887	1,916,423
Total operating expenses	27,322,921	8,107,441
Operating Loss	(305,740)	(6,602,525)
Other Expense		
Interest expense	(8,926,598)	(831,388)
Net Loss	(9,232,338)	(7,433,913)
Change in Fair Value of Interest Rate Swaps	(2,280,000)	(4,952,000)
Comprehensive Loss	\$ (11,512,338)	\$ (12,385,913)

Chicago ProCure Management, LLC

Statements of Changes in Members' Equity Years Ended December 31, 2011 and 2010

	Members' Equity	Accumulated Other Comprehensive Loss	Total
Balance, January 1, 2010	\$ 11,368,937	\$ (6,347,000)	\$ 5,021,937
Member contributions	7,950,000		7,950,000
Net loss	(7,433,913)		(7,433,913)
Change in fair value of interest-rate swap agreements		(4,952,000)	(4,952,000)
Balance, December 31, 2010	11,885,024	(11,299,000)	586,024
Member contributions	6,050,000		6,050,000
Net loss	(9,232,338)		(9,232,338)
Change in fair value of interest rate swap agreements		(2,280,000)	(2,280,000)
Balance, December 31, 2011	\$ 8,702,686	\$ (13,579,000)	\$ (4,876,314)

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Chicago ProCure Management, LLC

Statements of Cash Flows Years Ended December 31, 2011 and 2010

	2011	2010
Operating Activities		
Net loss	\$ (9,232,338)	\$ (7,433,913)
Items not requiring cash		
Depreciation and amortization	7,729,887	1,916,423
Amortization of deferred financing fees	202,648	73,800
Paid in-kind interest on loan payable	258,651	229,005
Deferred rent	229,879	217,918
Provision for uncollectible accounts	478,661	-
Changes in		
Patient accounts receivable	(3,467,452)	(1,120,569)
Prepaid and other current assets	(196,662)	(37,600)
Accounts payable and accrued expenses	4,312,833	1,230,491
Other long-term assets	-	(78,168)
Net cash provided by (used in) operating activities	<u>316,107</u>	<u>(5,002,613)</u>
Investing Activity - purchase of property and equipment	<u>(7,222,370)</u>	<u>(40,085,003)</u>
Financing Activities		
Advances from (repayment to) Parent	(437,972)	193,302
Proceeds from issuance of long-term debt	21,374,951	37,298,815
Members' contributions	6,050,000	7,950,000
Net cash provided by financing activities	<u>26,986,979</u>	<u>45,442,117</u>
Increase in Cash and Cash Equivalents	<u>20,080,716</u>	<u>354,501</u>
Cash and Cash Equivalents, Beginning of Year	<u>354,579</u>	<u>78</u>
Cash and Cash Equivalents, End of Year	<u>\$ 20,435,295</u>	<u>\$ 354,579</u>
Supplemental Cash Flows Information		
Noncash investing and financing activity		
Amortization of deferred financing costs capitalized as interest during construction period	\$ -	\$ 221,400
Property and equipment and construction in progress included in accounts payable and accrued interest	-	6,549,933
Interest paid (net of amount capitalized)	8,575,738	246,596

Chicago ProCure Management, LLC

Notes to Financial Statements December 31, 2011 and 2010

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Chicago ProCure Management, LLC (OpCo) was founded to construct and operate a proton therapy facility in Warrenville, Illinois for use in the treatment of cancer. OpCo was formed in the State of Delaware and commenced activities on March 26, 2007. The facility opened for operations in October 2010. OpCo was considered to be in development stage in 2010.

Members' Equity

OpCo is a Delaware limited liability company with a perpetual life. No member shall be liable for the liabilities of OpCo.

The original Operating Agreement was dated April 3, 2007, between ProCure Illinois Holdings, LLC (MidCo) and a doctor group. The Operating Agreement was amended on March 4, 2008, to provide (1) that the doctor group will contribute up to \$14,000,000 in equity in return for up to a 30% member interest therein; and (2) that MidCo will contribute an amount of equity to OpCo, necessary to bring the total equity funds up to \$28,000,000.

The Second Amended and Restated Operating Agreement was executed on November 7, 2008, which called for (1) that the doctor group will initially contribute \$8,750,000 in equity, which at that point in time is equal to a membership interest of 21.43% therein, which was guaranteed in the form of a direct pay irrevocable letter of credit; and (2) that MidCo will contribute an initial amount of \$14,000,000 in equity to OpCo. The agreement also gave the doctor group a purchase option on additional units that could have brought its total up to a 30% ownership by contributing an additional \$5,250,000. The purchase option expired unexercised on December 31, 2009; therefore, MidCo contributed the additional \$5,250,000 in 2010 to meet lender requirements. This contribution increased MidCo ownership to 81.25%. During 2011, the doctor group contributed their remaining \$6,050,000 capital commitment as outlined in the operating agreement.

MidCo is a majority owned subsidiary of ProCure Treatment Centers, Inc. (Parent) through its investment in its wholly owned subsidiary, ProCure Chicago Holdings, LLC (HoldCo).

In conjunction with the November 2009 amendment of the credit agreement (see Note 4), OpCo has agreed to increase contributions from members to a minimum of \$29,675,000, of which \$1,675,000 must be contributed pursuant to the Parent PIK note (see Note 4).

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Chicago ProCure Management, LLC

Notes to Financial Statements December 31, 2011 and 2010

Cash and Cash Equivalents

The Company considers all liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2011 and 2010, cash equivalents consisted primarily of money market mutual funds with a bank.

Effective July 21, 2010, the FDIC's insurance limits were permanently increased to \$250,000. At December 31, 2011, the Company's cash accounts exceeded federally insured limits by approximately \$19,181,000.

Pursuant to legislation enacted in 2010, the FDIC will fully insure all noninterest-bearing transaction accounts through December 31, 2012, at all FDIC-insured institutions.

Property and Equipment

Property and equipment acquisitions are recorded at cost and are depreciated over the estimated useful life of each asset. Assets under land improvements are amortized over the shorter of the lease term or their respective estimated useful lives. Software is amortized over the estimated useful life. Annual depreciation and amortization is computed using the straight line method over the following lives:

Medical equipment	5 - 15 years
Building and improvements	5 - 39 years
Purchased software	3 years
Land improvements	15 years
Other equipment	5 - 7 years
Furniture and fixtures	7 years

OpCo capitalizes interest costs as a component of construction in progress, based on the weighted-average rates paid for long-term borrowings. Total interest incurred was:

	2011	2010
Interest costs capitalized	\$ -	\$ 6,694,746
Interest costs charged to expenses	8,926,598	831,388
Total interest incurred	<u>\$ 8,926,598</u>	<u>\$ 7,526,134</u>

Chicago ProCure Management, LLC

Notes to Financial Statements December 31, 2011 and 2010

Long-Lived Asset Impairment

The Company evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

No asset impairment was recognized during the years ended December 31, 2011 and 2010.

Deferred Financing Costs

Deferred financing costs represent costs incurred in conjunction with the OpCo's debt financing and are amortized over the term of the related debt instruments. Amortization of the deferred financing costs during the construction period of the proton facility is included with the interest cost capitalized as part of the construction costs. Amortization is included in interest expense for the post-construction period.

Intangible Assets

Intangible assets consist of a certificate of need acquired to construct the facility. This intangible is considered an indefinite life intangible and is periodically evaluated as to the recoverability of its carrying value. It is recorded in other long-term assets on the balance sheet, and its balance was \$1,629,908 at December 31, 2011 and 2010.

Income Taxes

OpCo is not directly subject to income taxes under the provisions of the Internal Revenue Code and applicable state laws. Therefore, taxable income or loss is allocated to its members in accordance with their respective percentage ownership for inclusion in their respective tax returns, and no provision for federal and state income taxes has been included in these statements.

OpCo recognizes the benefit or expense of an uncertain tax position in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) ASC 740, *Income Taxes*, after considering if it is more likely than not, based on the technical merits, that a tax position will be realized and sustained upon examination. For tax positions meeting a "more-likely-than-not" threshold, the amount recognized in the financial statements is the largest amount expected to be realized upon settlement with the tax authority. All of OpCo's income tax returns are subject to federal and state examinations by tax authorities. As of December 31, 2011, OpCo has not identified any uncertain tax positions.

The Company is no longer subject to U.S. federal, state and local income tax examinations for years prior to 2008.

Chicago ProCure Management, LLC

Notes to Financial Statements December 31, 2011 and 2010

Net Patient Service Revenue, Contractual Adjustments and Concentration of Credit Risk

Revenues for services are recorded in the period the services are rendered. Net patient service revenues are recorded at net realizable amounts estimated to be paid by the patients and third-party payers. OpCo participates in the Medicare and state-sponsored Medicaid programs. Laws and regulations governing Medicare are complex and subject to interpretations and change. As a result, it is reasonably possible recorded estimates will change materially in the near term. OpCo has also entered into payment agreements with certain commercial insurance carriers. The basis for payments to OpCo under these agreements include prospectively determined rates and discounts from established charges.

A provision for contractual adjustments is recorded as a reduction to net patient service revenues and consists of a) the difference between the payer's allowable amount and the customary billing rate; and b) services for which payment is denied by governmental or third-party payers or otherwise deemed non-billable. OpCo records the provision for contractual adjustments based on a percentage of revenue using historical data and current contracts or letters of agreement in place. Due to the complexity of many third-party billing arrangements, adjustments are sometimes made to amounts originally recorded. These adjustments are typically identified and recorded upon cash remittance or claim denial. At such time as OpCo can determine the ultimate collections have exceeded or are less than the net realizable amount recorded, additional revenue or reduction in revenue is recorded as a change in estimate during the current period.

For uninsured patients who do not qualify for charity care, OpCo recognizes revenue on the basis of its standard rates for services provided. On the basis of historical experience, a portion of the OpCo's uninsured patients will be unable or unwilling to pay for the services provided. Thus, OpCo records a significant provision for bad debts related to uninsured patients in the period the services are provided. This provision for bad debts is presented on the statements of operations as a component of net patient service revenue.

Patient service revenues, net of contractual allowances and discounts (but before the provision for bad debts), recognized in the years ended December 31, 2011 and 2010, were approximately:

	2011	2010
Medicare	\$ 3,603,158	\$ 233,606
Medicaid	287,481	-
Other third-party payers	22,750,460	919,851
Self-pay	434,934	33,032
	<u>\$ 27,076,033</u>	<u>\$ 1,186,489</u>

Chicago ProCure Management, LLC

Notes to Financial Statements December 31, 2011 and 2010

OpCo grants credit without collateral to its patients, most of whom are area residents and are insured under third-party payer agreements. The mix of net receivables from patients and third-party payers at December 31, 2011 and 2010:

	2011	2010
Medicare and medicaid	20 %	17 %
Other third-party payers	80	83
	100 %	100 %

Patient Accounts Receivable and Allowance for Doubtful Accounts

OpCo reviews its accounts receivable balances on a periodic basis. OpCo bills third-party payers, which include insurance companies, Medicare and self-pay patients. Third-party billings are recorded as the amount which OpCo charges, less the contractual allowance provision.

Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectibility of accounts receivable, OpCo analyzes its past history and identifies trends for each of its major payer sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payer sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts.

For receivables associated with services provided to patients who have third-party coverage, OpCo analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payer has not yet paid, or for payers who are known to be having financial difficulties that make the realization of amounts due unlikely).

For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), OpCo records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated or provided by policy) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

OpCo's allowance for doubtful accounts for self-pay patients was \$348,000 at December 31, 2011. No allowance was established at December 31, 2010. This increase was the result of establishing collection history of amounts from self-pay patients during the fiscal year due to limited operations in 2010.

Chicago ProCure Management, LLC

Notes to Financial Statements December 31, 2011 and 2010

Charity Care

The Company provides care without charges or at amounts less than its established rates to patients meeting certain criteria under its charity care policy. Charity care is not reported as revenue. Charges excluded from revenue under the Company's charity care policy were approximately \$833,000 for 2011. Total cost for these charges as estimated based on the ratio of both direct and indirect costs of providing services as a percentage of gross revenues was approximately \$256,000 for 2011. There were no charity care charges in 2010.

Reclassifications

Certain reclassifications have been made to the 2010 financial statements to conform to the 2011 financial statement presentation. These reclassifications had no effect on net earnings.

Subsequent Events

Subsequent events have been evaluated through the date of the Independent Accountants' Report, which is the date the financial statements were available to be issued.

Note 2: Change in Accounting Principle

In 2011, OpCo changed its method of presentation and disclosure of patient service revenue, provision for bad debts and the allowance for doubtful accounts in accordance with Accounting Standards Update (ASU) 2011-07, *Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts and the Allowance for Doubtful Accounts for Certain Health Care Entities*. The major changes associated with ASU 2011-07 are to reclassify the provision for uncollectible accounts related to patient service revenue to a deduction from patient service revenue and to provide enhanced disclosures around OpCo's policies related to uncollectible accounts. The change had no effect on prior year net loss.

Chicago ProCure Management, LLC

Notes to Financial Statements December 31, 2011 and 2010

The following financial statement line items for fiscal year 2011 was affected by the change in accounting principle. No line items were affected in 2010 as no provision for uncollectible accounts was recorded.

2011 Statement of Changes in Net Assets Available for Benefits

	As Computed Under Previous Guidance	As Computed Under ASU 2011-07	Effect of Change
Patient service revenue (net of contractual discounts and allowances)	\$ 27,076,033	\$ 27,076,033	\$ -
Provision for uncollectible accounts	-	478,661	478,661
Net patient service revenue	27,076,033	26,597,372	(478,661)
Operating expense - provision for uncollectible accounts	478,661	-	(478,661)

Note 3: Property and Equipment

Property and equipment at December 31, 2011 and 2010 consists of:

	2011	2010
Medical equipment	\$ 64,568,473	\$ 65,873,621
Building and improvements	39,584,154	39,441,139
Purchased software	4,145,304	3,997,765
Land improvements	1,733,831	1,733,831
Equipment - other	2,448,042	2,371,260
Furniture and fixtures	708,739	651,451
Total cost	113,188,543	114,069,067
Less accumulated depreciation and amortization	(9,656,143)	(1,889,257)
	\$ 103,532,400	\$ 112,179,810

Chicago ProCure Management, LLC

Notes to Financial Statements December 31, 2011 and 2010

Note 4: Long-Term Debt

Long-term debt consists of the following:

	2011	2010
Note dated March 4, 2008 to banks under a buyer credit facility; accruing interest at LIBOR plus 3.25%; payable quarterly (3.63% interest rate at December 31, 2011)	\$ 66,381,326	\$ 54,166,008
Note dated March 4, 2008 to banks under a commercial credit facility; accruing interest at LIBOR plus 4.25%; payable quarterly (4.63% interest rate at December 31, 2011)	49,789,503	40,629,870
Note dated November 23, 2009 to Parent; interest accrues quarterly at a fixed rate of 13.00% and is payable in-kind through the fifth anniversary of the note. The note is subordinated to the notes referenced above	2,185,641	1,926,990
	<u>118,356,470</u>	<u>96,722,868</u>
Less current maturities	8,629,958	-
	<u>\$ 109,726,512</u>	<u>\$ 96,722,868</u>

The scheduled annual principal payments at December 31, 2011 are as follows:

	Long-Term Debt
2012	\$ 8,629,958
2013	12,820,460
2014	19,591,468
2015	16,297,086
2016	14,870,196
Thereafter	<u>46,147,302</u>
	<u>\$ 118,356,470</u>

Chicago ProCure Management, LLC

Notes to Financial Statements

December 31, 2011 and 2010

The buyer and commercial credit facilities are carried by OpCo for construction of the treatment center in Warrenville, Illinois. The credit facility has two types of loans. The first is a commercial credit facility with a commitment amount of \$51,000,000. The second is a buyer credit facility with a commitment amount of \$68,000,000. Two banks each carry 50% of the total commitment. Quarterly principal payments will commence in January 2012 and are payable in varying amounts over six years for the commercial credit facility and over eight years for the buyer credit facility. Principal payments are based on specified percentages of the amounts outstanding as of the date of the first required payment. The scheduled annual principal payments are as follows:

Year	Buyer Credit Facility	Commercial Credit Facility
1	4.75%	11.00%
2	7.20%	16.15%
3	15.00%	19.35%
4	14.50%	13.40%
5	5.75%	22.20%
6	17.50%	17.90%
7	30.75%	0.00%
8	4.55%	0.00%
	100.00%	100.00%

The credit facility loans are collateralized by a first priority security interest in all of the existing and after-acquired personal and real property and certain assets and members' interest of OpCo.

In November 2009, OpCo entered into an agreement with the Parent to borrow \$1,675,000 due October 31, 2022. Interest accrues on the outstanding balance of the loan at 13% per year compounded semi-annually through the fifth anniversary date. All interest is accrued to the principal balance during the first five years. After the fifth anniversary, the note accrues interest at 13% compounded and payable semi-annually in cash through the maturity of the note on October 31, 2022. This loan is subordinate to the buyer and commercial credit facilities. OpCo recognized interest expense of \$258,651 and \$229,005 on the Parent PIK note in 2011 and 2010, respectively.

Note 5: Interest Rate Swap Agreements

During 2008, as a strategy to maintain acceptable levels of exposure to the risk of changes in future cash flows due to interest rate fluctuations, OpCo entered into two interest rate swap agreements for a portion of its bank term loans. The notional amount amortizes throughout the term of the swap agreements to a balance of \$0 at the termination date, November 2018. The agreements provide for OpCo to receive interest from the counterparty at LIBOR and to pay interest to the counterparty at a fixed rate of 4.44%. The notional amounts were \$112,244,456 and \$84,236,408 at December 31, 2011 and 2010, respectively. Under the agreements, OpCo pays or receives the net interest amount quarterly, with the settlements included in construction in progress during the construction period and interest expense in the post-construction period.

Chicago ProCure Management, LLC

Notes to Financial Statements December 31, 2011 and 2010

Management has designated the interest rate swap agreements as cash flow hedging instruments. For derivative instruments that are designated and qualify as a cash flow hedge, the effective portion of the gain or loss on the derivative is reported as a component of other comprehensive loss and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings.

In December 2011, the interest rate swap's sliding option was partially exercised to maintain alignment of the swap payment schedule with the senior debt repayment schedule.

The table below presents certain information regarding OpCo's interest rate swap agreements designated as cash flow hedges. OpCo did not have any derivative instruments at December 31, 2011 and 2010 that were not designated as hedging instruments in accordance with ASC Topic 815, *Derivatives and Hedging*.

	2011	2010
Fair value of interest rate swap agreements	\$ 13,579,000	\$ 11,299,000
Balance sheet location of fair value amount	Long-Term Liabilities	Long-Term Liabilities
Loss recognized in other comprehensive income (effective portion)	\$ (2,280,000)	\$ (4,952,000)

Note 6: Fair Value of Financial Instruments

ASC Topic 820, *Fair Value Measurements*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Topic 820 also specifies a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

Chicago ProCure Management, LLC

Notes to Financial Statements December 31, 2011 and 2010

Following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying balance sheets, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy.

Interest Rate Swap Agreements

OpCo has interest rate swap agreements that are recorded at fair value. The fair value is estimated using forward-looking interest rate curves and discounted cash flows that are observable or that can be corroborated by observable market data and, therefore, are classified within Level 2 of the valuation hierarchy.

Cash Equivalents

Where quoted market prices are available in an active market, cash equivalents are classified within Level 1 of the valuation hierarchy. OpCo's investment in money market mutual funds are valued based on quoted market prices and are included in Level 1 of the hierarchy.

The following tables present the fair value measurements of assets and liabilities recognized in the accompanying balance sheets measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2011 and 2010:

	Fair Value	2011 Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Money market mutual funds	\$ 19,180,762	\$ 19,180,762	\$ -	\$ -
Liabilities				
Interest rate swap agreements	(13,579,000)	-	(13,579,000)	-
Total net asset (liability)	\$ 5,601,762	\$ 19,180,762	\$ (13,579,000)	\$ -

Chicago ProCure Management, LLC

Notes to Financial Statements December 31, 2011 and 2010

	Fair Value	2010 Fair Value Measurements Using		
		Quoted Prices (in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Money market mutual funds	\$ 319,544	\$ 319,544	\$ -	\$ -
Liabilities				
Interest rate swap agreements	(11,299,000)	-	(11,299,000)	-
Total net asset (liability)	\$ (10,979,456)	\$ -319,544	\$ (11,299,000)	\$ -

The following methods were used to estimate the fair value of all other financial instruments recognized in the accompanying consolidated balance sheets at amounts other than fair value.

Long-Term Debt

The carrying value of the Company's long-term debt with banks approximates fair value as all interest terms are based on variable rates. It was not practical to estimate the fair value of the Company's note with Parent.

Note 7: Related Party Transactions

Parent has funded certain of OpCo's expenditures as a source of working capital. The amount due to a related party associated with these expenditures is noninterest-bearing. The balance due to Parent was \$89,552 and \$527,524 at December 31, 2011 and 2010, respectively.

Other amounts due to related parties totaling \$2,364,130 and \$364,130 at December 31, 2011 and 2010, respectively, represent a payable to ProCure Business Services, LLC under a consulting services agreement. See further discussion in Note 9.

See Note 4 for discussion of PIK Note from the Parent.

See Note 9 for discussion of the land lease and consulting services agreements with related parties.

Chicago ProCure Management, LLC

Notes to Financial Statements December 31, 2011 and 2010

Note 8: Employee Benefits

Parent maintains a 401(k) defined-contribution plan for the benefit of substantially all of OpCo's employees. The plan allows for employee contributions up to the maximum allowable by law. OpCo matching contributions are discretionary, as determined by OpCo's Board of Directors. OpCo has not made any contributions to the plan for the years ending December 31, 2011 and 2010.

Note 9: Commitments and Contingencies

Current Economic Conditions

The current protracted economic decline continues to present companies with difficult circumstances and challenges, which in some cases have resulted in large and unanticipated declines in the fair value of property and equipment, constraints on liquidity and difficulty obtaining financing. The financial statements have been prepared using values and information currently available to OpCo.

Current economic and financial market conditions could adversely affect OpCo's results of operations in future periods. Given the volatility of current economic conditions, the values of assets and liabilities recorded in the financial statements could change rapidly, resulting in material future adjustments that could negatively impact OpCo's ability to meet debt covenants or maintain sufficient liquidity.

Land Lease

OpCo has leased the land on which the proton facility is constructed from an entity which owns a 15% membership interest in MidCo. The initial term, which incorporates the construction period of the proton facility, expired upon the completion of construction. The primary term commenced upon completion of construction and continues for fifty years. OpCo has the option to renew the lease for two consecutive twenty-year terms commencing at the end of the primary term. The annual base rent during the first lease year is \$97,524. Beginning with the second lease year through the fifth lease year, the rent is equal to the total square footage of the leased premise times \$66.00 per square foot times 10% (approximately \$400,000 per year). After the fifth lease year, the annual rent increases by the consumer price index. The lease is a net lease, and the tenant is required to pay taxes, insurance, maintenance and common area maintenance charges in addition to the base rent. OpCo has recognized the expense related to the scheduled rent escalation after the first lease year on a straight-line basis with an offsetting deferred rent liability of \$289,708 and \$297,169 at December 31, 2011 and 2010, respectively.

Chicago ProCure Management, LLC

Notes to Financial Statements December 31, 2011 and 2010

OpCo has the option after the first lease year through the earlier of the repayment of the bank debt or the 126th month of the lease to defer any annual rent over \$216,720. Deferred rent accrues interest at 14% and is payable in accordance with the terms of the credit facility with the banks until such time that the bank borrowings are repaid in full. At that time, the deferred rent is due on demand. OpCo's obligations under the lease have been subordinated to its loan payable. OpCo has deferred rent payments of totaling \$460,417 and \$223,077 at December 31, 2011 and 2010, respectively.

Rental expense in connection with this lease totaled \$398,939 and \$425,465 for the years ended December 31, 2011 and 2010, respectively. A portion of the rental expense paid on this lease relates to amounts paid for common area expenses, real estate taxes and similar charges.

Proton Service Agreement

On December 31, 2007, as amended and restated on February 20, 2008 and as amended by amendment #1 on March 3, 2008 and as amended by addendum #1 on January 20, 2009, OpCo and IBA entered into a "Service Agreement," which provides for IBA to provide regular maintenance and operational services to the proton system for ten years commencing on the date of the first patient treatment. OpCo has the option to extend the agreement for an additional five-year term. The future fees are payable in U.S. currency, a portion of which is to be based on the Euro to U.S. dollar conversion rate in effect when the first installment of the Purchase Agreement was paid in December 2008. The future fees are summarized as follows:

2012	\$ 3,898,702
2013	4,123,616
2014	4,314,980
2015	4,889,070
2016	4,889,070
Thereafter	18,334,013

OpCo recognized \$2,224,544 and \$450,351 of expense under this agreement in 2011 and 2010, respectively.

Chicago ProCure Management, LLC

Notes to Financial Statements December 31, 2011 and 2010

Consulting Services Agreement

On March 4, 2008, OpCo entered into the "Consulting Services Agreement" with ProCure Business Services, LLC, a company related through common ownership, to provide management, advisory and consulting services to OpCo for \$2,000,000 a year (adjusted based on changes in the consumer price index after the fifth year), to accrue from the date on which OpCo treated its first patient. The initial term began when OpCo treated its first patient and continues for a period of five years. The first renewal period automatically begins at the expiration of the initial term, for a period to end on the earlier of twelve months after the maturity date of the buyer and commercial credit facilities or the Termination Date of the credit facility as defined in the credit agreement. After the first renewal term, the agreement renews for successive five-year terms unless either party provides sixty days notice to terminate. The annual fee is payable in arrears for four equal installments on the first day of each fiscal quarter.

OpCo recognized \$2,000,000 and \$364,130 of consulting fees under this agreement in 2011 and 2010, respectively. OpCo has not made any payments as of December 31, 2011, and the balance is included in "Due to related parties", which is expected to be paid in 2012.

Physician Services Agreement

In March 2008, OpCo entered into a professional services agreement with a professional service corporation (P.C.). The initial term began when OpCo treated its first patient and continues for a period of five years. The first renewal period automatically begins at the expiration of the initial term, for a period to end on the earlier of twelve months after the maturity date of the buyer and commercial credit facilities or the Termination Date of the credit facility as defined in the credit agreement. After the first renewal term the agreement renews for successive five-year terms unless either party provides sixty days notice to terminate. The agreement calls for the P.C. to appoint a medical director. OpCo agreed to compensate the P.C. for the medical director position equal to \$200,000 for the sixth-month period leading up to the treatment of the first patient and \$400,000 per year (subject to inflationary increases) after that for the term of the agreement. OpCo recognized \$433,334 and \$233,331 of medical director fees under this agreement in 2011 and 2010, respectively.

Note 10: Medical Malpractice Claims

OpCo purchases medical malpractice insurance under a claims-made policy on a fixed premium basis. Accounting principles generally accepted in the United States of America require a health care provider to accrue the expense of its share of malpractice claim costs, if any, for any reported and unreported incidents of potential improper professional service occurring during the year by estimating the probable ultimate costs of the incidents. Based upon OpCo's claim experience, no such accrual has been made. It is reasonably possible that this estimate could change materially in the near term.

Chicago ProCure Management, LLC

Notes to Financial Statements
December 31, 2011 and 2010

Note 11: Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Allowance for Net Patient Service Revenue Adjustments

Estimates of allowances for adjustments included in net patient service revenue are described in Note 1.

Concentration of Credit Risk

Concentrations of net patient revenue and net patient accounts receivable with Medicare, Medicaid and other third-party payers are described in Note 1.

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ProCure Chicago Holdings, LLC

Consolidated Balance Sheets

May 31, 2013 and 2012

(Unaudited)

	2013	Budget	2012
Assets			
Current assets			
Cash and cash equivalents	\$ 8,235,273	\$ 3,286,896	\$ 14,526,220
Patient accounts receivable, net of allowances	3,024,943	6,924,424	3,497,904
Prepaid and other current assets	479,266	1,080,823	881,025
Total current assets	11,739,482	11,292,143	18,905,148
Noncurrent assets			
Property and equipment, net	94,019,741	94,453,356	100,802,798
Deferred financing costs, net	2,313,253	2,125,497	2,507,667
Other long-term assets	1,708,076	1,708,076	1,708,076
	<u>\$ 109,780,552</u>	<u>\$ 109,579,072</u>	<u>\$ 123,923,690</u>
Liabilities and Members' Equity (Deficit)			
Current liabilities			
Current portion of long-term debt	\$ 19,481,308	\$ 20,518,987	\$ 10,980,134
Accounts payable	1,897,991	252,856	812
Accrued interest	1,007,921	5,011,586	1,075,000
Accrued expenses	2,074,790	1,200,014	998,321
Due to related parties	5,250,820	5,241,874	3,233,374
Total current liabilities	29,712,830	32,225,317	16,287,641
Long-term liabilities			
Long-term debt, net of current maturities	162,974,490	157,722,084	168,594,845
Interest rate swap position	8,699,000	13,553,000	13,430,000
Deferred rent	1,169,927	1,150,064	860,171
	<u>172,843,417</u>	<u>172,425,148</u>	<u>182,885,016</u>
Members' Equity (Deficit)			
Members' Equity (Deficit)	(84,073,655)	(83,792,994)	(65,602,739)
Accumulated other comprehensive loss	(8,699,000)	(13,553,000)	(13,430,000)
Net Income (Loss)	(7,376,369)	(5,868,573)	(7,572,515)
	<u>(100,149,024)</u>	<u>(103,214,567)</u>	<u>(86,605,254)</u>
Noncontrolling interests	7,373,329	8,143,174	11,356,286
	<u>\$ 109,780,552</u>	<u>\$ 109,579,072</u>	<u>\$ 123,923,690</u>

ProCure Chicago Holdings, LLC
Consolidated Statement of Operators
For the five months ended May 31, 2013 and 2012

(Unaudited)

	Year-to-Date			Month Ending		
	2013	Budget	2012	2013	Budget	2012
Revenues						
Net patient service revenue	\$ 14,640,672	\$ 17,023,490	\$ 11,632,857	\$ 2,973,969	\$ 3,752,217	\$ 2,503,255
Other revenue	239,966	340,735	175,431	(57,947)	68,147	8,336
	<u>14,880,638</u>	<u>17,364,225</u>	<u>11,808,288</u>	<u>2,916,022</u>	<u>3,820,364</u>	<u>2,511,591</u>
Operating expenses						
Salaries and wages	4,484,289	4,363,023	4,014,030	884,990	908,523	813,701
Advertising and marketing	2,047,841	1,802,295	1,440,246	244,472	353,033	151,831
Research and Development	-	-	-	-	-	-
Legal services	201,495	140,040	118,307	(506)	27,708	6,961
Professional services	247,025	319,908	242,895	54,678	59,954	57,026
Office expenses	114,134	91,993	68,556	26,461	18,002	19,121
Land lease and equipment rental	306,166	181,385	246,424	57,849	36,277	35,967
Management fees	834,000	834,000	834,000	167,000	167,000	167,000
Repairs and maintenance	2,345,168	2,697,045	2,182,913	436,290	501,797	496,618
Utilities	244,580	261,465	173,169	53,723	52,293	7,503
Travel	107,745	224,730	102,855	35,711	34,649	27,808
Insurance	238,497	284,476	171,949	34,456	53,248	39,300
General and administrative - other	267,900	346,925	34,993	108,257	62,209	3,662
Supplies	568,746	597,120	281,847	121,039	131,629	52,867
Services - TC	204,193	406,406	124,150	144,143	86,321	8,500
Depreciation & amortization	3,317,578	3,390,751	3,260,811	664,175	680,588	653,640
	<u>15,529,357</u>	<u>15,941,562</u>	<u>13,297,145</u>	<u>3,032,737</u>	<u>3,173,231</u>	<u>2,541,505</u>
Operating income (loss)	<u>(648,719)</u>	<u>1,422,663</u>	<u>(1,488,857)</u>	<u>(116,715)</u>	<u>647,133</u>	<u>(29,915)</u>
Other income (expense)						
Interest income	375	-	744	59	-	132
Other income (expense)						
Interest expense	(8,201,567)	(8,120,352)	(7,877,789)	(1,646,918)	(1,630,448)	(1,578,444)
	<u>(8,201,191)</u>	<u>(8,120,352)</u>	<u>(7,877,046)</u>	<u>(1,646,859)</u>	<u>(1,630,448)</u>	<u>(1,578,312)</u>
Net Income (Loss)	<u>(8,849,911)</u>	<u>(6,697,689)</u>	<u>(9,365,903)</u>	<u>(1,763,574)</u>	<u>(983,315)</u>	<u>(1,608,227)</u>
Less: Net Loss attributable to noncontrolling interest	<u>1,473,541</u>	<u>829,116</u>	<u>1,793,388</u>	<u>293,009</u>	<u>55,839</u>	<u>276,598</u>
Net Loss attributable to Procure Chicago Holdings	<u>\$ (7,376,369)</u>	<u>\$ (5,868,573)</u>	<u>\$ (7,572,515)</u>	<u>\$ (1,470,566)</u>	<u>\$ (927,476)</u>	<u>\$ (1,331,628)</u>

ProCure Chicago Holdings, LLC
Consolidated Statement of Cash Flows
For the five months ended May 31, 2013 and 2012
(Unaudited)

	Year Ended		Month Ending	
	2013	Budget	2013	Budget
Operating Activities				
Net Income (Loss)	\$ (7,376,369)	\$ (5,868,573)	\$ (1,470,566)	\$ (927,476)
		\$ (7,572,515)		\$ (1,331,628)
Items not requiring (providing) cash				
Paid in-kind interest on loans payable	4,222,170	4,222,170	847,355	847,355
Amortization of deferred financing fees	313,366	340,105	62,700	68,021
Provision for doubtful accounts	2,503,986	2,838,492	672,134	601,354
Depreciation and amortization	3,317,578	3,390,751	664,175	680,588
Noncontrolling interest	(1,473,541)	(829,116)	(293,009)	(55,839)
Deferred rent	151,738	125,711	26,029	25,729
Changes in				
Patient accounts receivable	(1,264,536)	(4,743,354)	(480,642)	(980,469)
Prepaid and other assets	(250,282)	(662,233)	383,535	(91,029)
Accounts payable and accrued expenses	238,937	3,268,138	958,903	1,677,533
	383,047	2,082,091	1,370,615	1,845,767
Net cash provided (used) for operating activities	(846,091)	(1,378,108)	(7,128)	(117,500)
Investing Activities				
Purchase of property and equipment	(846,091)	(1,378,108)	(7,128)	(117,500)
Net cash used for investing activities	(846,091)	(1,378,108)	(7,128)	(117,500)
Financing activities				
Increase (decrease) in due to related parties	842,209	834,000	167,000	167,000
Proceeds from issuance of long-term debt	(0)	(816,476)	(0)	(816,476)
Principal payments on long-term debt	(5,941,430)	(8,169,665)	-	-
Financing costs paid	(198,207)	(250,000)	-	-
	(5,297,428)	(8,402,141)	167,000	(649,476)
Net cash provided (used) by financing activities	(5,297,428)	(8,402,141)	167,000	(649,476)
Increase (Decrease) in cash and cash equivalents	(5,760,472)	(7,698,158)	1,530,487	1,078,791
Cash and cash equivalents, Beginning of Period	13,995,745	10,985,054	6,704,786	2,208,105
Cash and cash equivalents, End of Period	\$ 8,235,273	\$ 3,286,896	\$ 8,235,273	\$ 3,286,896
		\$ 14,526,220		\$ 14,526,220

ProCure Chicago Holdings, LLC

Auditor's Report and Consolidated Financial Statements

December 31, 2012 and 2011

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May 22, 2013

ProCure Chicago Holdings, LLC

December 31, 2012 and 2011

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May 22, 2013

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Independent Auditor's Report

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Board of Directors
ProCure Chicago Holdings, LLC
New York, New York

May 22, 2013

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Indianapolis, Indiana
_____, 2013

May 22, 2013

ProCure Chicago Holdings, LLC**Consolidated Balance Sheets****December 31, 2012 and 2011****Assets****DRAFT**

	2012	2011
Current Assets		
Cash and cash equivalents	\$ 13,995,745	\$ 20,435,295
Patient accounts receivable, net of allowance; 2012 - \$471,957 ; 2011 - \$348,000	4,264,393	4,109,360
Prepays and other current assets	228,984	234,262
Total current assets	<u>18,489,122</u>	<u>24,778,917</u>
Noncurrent Assets		
Property and equipment, net	96,491,227	103,532,400
Deferred financing costs, net	2,428,411	2,158,952
Other long-term assets	1,708,076	1,708,076
	<u>100,627,714</u>	<u>107,399,428</u>
	<u>\$ 119,116,836</u>	<u>\$ 132,178,345</u>
Liabilities and Member's Equity (Deficit)		
Current Liabilities		
Current maturities of long-term debt	\$ 12,820,460	\$ 8,629,958
Line of credit - Parent	4,171,548	-
Accounts payable	1,407,050	212,604
Accrued interest	1,806,801	660,000
Accrued expenses	1,527,912	1,042,777
Due to related party	4,408,611	2,483,017
Total current liabilities	<u>26,142,382</u>	<u>13,028,356</u>
Long-Term Liabilities		
Long-term debt	167,183,050	170,852,927
Interest rate swap agreements	11,516,000	13,579,000
Deferred rent	1,018,189	750,125
	<u>179,717,239</u>	<u>185,182,052</u>
Member's Equity (Deficit)		
ProCure Chicago Holdings, LLC member's deficit	(84,073,656)	(65,602,739)
Accumulated other comprehensive loss	(7,824,837)	(9,249,597)
Total ProCure Chicago Holdings, LLC member's deficit	<u>(91,898,493)</u>	<u>(74,852,336)</u>
Noncontrolling interest	5,155,708	8,820,273
Total member's deficit	<u>(86,742,785)</u>	<u>(66,032,063)</u>
	<u>\$ 119,116,836</u>	<u>\$ 132,178,345</u>

ProCure Chicago Holdings, LLC**Consolidated Statements of Operations
Years Ended December 31, 2012 and 2011**

	2012	2011
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May 22, 2013		
Revenues		
Patient service revenue (net of contractual discounts and allowances)	\$ 37,459,491	\$ 27,076,033
Provision for uncollectible accounts	(5,616,635)	(478,661)
Net patient service revenue	31,842,856	26,597,372
Other	1,032,363	419,809
	<u>32,875,219</u>	<u>27,017,181</u>
Operating Expenses		
Salaries and wages	10,416,926	8,574,381
Advertising and marketing	4,648,642	1,949,439
Research and development	370	-
Legal fees	269,839	46,058
Professional fees	560,525	705,177
Office expense	237,699	228,667
Land lease and equipment rental	1,127,961	405,163
Management fees	2,000,000	2,000,000
Repairs and maintenance	5,753,713	2,892,511
Utilities	600,017	617,378
Travel	247,454	131,660
Insurance	545,424	340,058
General and administrative - other	450,666	184,674
Supplies	959,048	871,040
Services - TC	719,546	663,718
Depreciation and amortization	7,867,763	7,729,887
Total operating expenses	<u>36,405,593</u>	<u>27,339,811</u>
Operating Loss	(3,530,374)	(322,630)
Other Expense		
Interest expense	(19,243,348)	(16,662,834)
Net Loss	(22,773,722)	(16,985,464)
Less: Net Loss Attributable to the Noncontrolling Interest	<u>(4,302,805)</u>	<u>(2,858,683)</u>
Net Loss Attributable to ProCure Chicago Holdings, LLC	<u>\$ (18,470,917)</u>	<u>\$ (14,126,781)</u>

ProCure Chicago Holdings, LLC
Consolidated Statements of Comprehensive Loss
Years Ended December 31, 2012 and 2011

	2012	2011
Net Loss	\$ (22,773,722)	\$ (16,985,464)
Other Comprehensive Loss		
Change in fair value of swap agreements	2,063,000	(2,280,000)
Comprehensive Loss	(20,710,722)	(19,265,464)
Less: Comprehensive Loss Attributable to Noncontrolling Interest	(3,664,565)	(3,564,058)
Comprehensive Loss Attributable to ProCure Chicago Holdings, LLC	\$ (17,046,157)	\$ (15,701,406)

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May 22, 2013

ProCure Chicago Holdings, LLC
Consolidated Statements of Changes in Member's Equity (Deficit)
Years Ended December 31, 2012 and 2011

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	<u>ProCure Chicago Holdings, LLC</u>			
	<u>Total</u>	<u>Member's</u>	<u>Accumulated</u>	<u>Noncontrolling</u>
	<u>May 22, 2013</u>	<u>Deficit</u>	<u>Other</u>	<u>Interest</u>
	<u>Loss</u>		<u>Loss</u>	
Balance, January 1, 2011	\$ (52,816,599)	\$ (51,475,958)	\$ (7,674,972)	\$ 6,334,331
Noncontrolling interest capital contributions	6,050,000			6,050,000
Net loss	(16,985,464)	(14,126,781)		(2,858,683)
Other comprehensive loss	(2,280,000)		(1,574,625)	(705,375)
Balance, December 31, 2011	(66,032,063)	(65,602,739)	(9,249,597)	8,820,273
Net loss	(22,773,722)	(18,470,917)		(4,302,805)
Other comprehensive income	2,063,000		1,424,760	638,240
Balance, December 31, 2012	<u>\$ (86,742,785)</u>	<u>\$ (84,073,656)</u>	<u>\$ (7,824,837)</u>	<u>\$ 5,155,708</u>

ProCure Chicago Holdings, LLC
Consolidated Statements of Cash Flows
Years Ended December 31, 2012 and 2011

	2012	2011
Operating Activities		
Net loss before attribution of noncontrolling interest	\$ (22,773,722)	\$ (16,985,464)
Net loss attributable to noncontrolling interest	4,302,805	2,858,683
Net loss attributable to ProCure Chicago Holdings, LLC	(18,470,917)	(14,126,781)
Items not requiring cash		
Depreciation and amortization	7,867,763	7,729,887
Amortization of deferred financing fees	763,347	202,648
Paid in-kind interest on loan payable	9,150,584	7,994,888
Deferred rent	268,064	229,879
Provision for uncollectible accounts	5,616,635	478,661
Changes in		
Patient accounts receivable	(5,771,668)	(3,467,452)
Prepaid and other current assets	5,278	(196,662)
Accounts payable and accrued expenses	4,826,382	4,312,832
Noncontrolling interest	(4,302,805)	(2,858,683)
Net cash provided by (used in) operating activities	(47,337)	299,217
Investing Activity - purchase of property and equipment	(826,590)	(7,222,370)
Financing Activities		
Advances from (repayment to) Parent	4,097,142	(421,082)
Proceeds from issuance of long-term debt	-	21,374,951
Principal payments on long-term debt	(8,629,959)	-
Financing costs paid	(1,032,806)	-
Noncontrolling interest capital contributions	-	6,050,000
Net cash provided by (used in) financing activities	(5,565,623)	27,003,869
Increase (Decrease) in Cash and Cash Equivalents	(6,439,550)	20,080,716
Cash and Cash Equivalents, Beginning of Year	20,435,295	354,579
Cash and Cash Equivalents, End of Year	\$ 13,995,745	\$ 20,435,295
Supplemental Cash Flows Information		
Cash paid for interest	\$ 8,477,503	\$ 8,575,738

ProCure Chicago Holdings, LLC
Notes to Consolidated Financial Statements
December 31, 2012 and 2011

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Organization and Basis of Presentation

ProCure Chicago Holdings, LLC (HoldCo) was founded as the holding company for ProCure Illinois Holdings, LLC (MidCo), which was founded as the holding company for Chicago ProCure Management, LLC (OpCo), which was formed to construct and operate a proton therapy facility in Warrenville, Illinois for use in the treatment of cancer. HoldCo, MidCo and OpCo are collectively referred to as "the Company." HoldCo is a wholly owned subsidiary of ProCure Treatment Centers, Inc. (Parent). HoldCo was formed in the State of Delaware as a limited liability company with a perpetual life and commenced activities on March 26, 2007. No member shall be liable for the liabilities of HoldCo. The facility opened for operations in October 2010.

Principles of Consolidation

The consolidated financial statements include the accounts of HoldCo, MidCo and OpCo. All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2012 and 2011, cash equivalents consisted primarily of money market accounts with brokers and certificates of deposit.

At December 31, 2012, the Company's cash accounts exceeded federally insured limits by approximately \$11,391,000.

Pursuant to legislation enacted in 2010, the FDIC fully insured all noninterest-bearing transaction accounts beginning December 31, 2010 through December 31, 2012, at all FDIC-insured institutions. This legislation expired on December 31, 2012. Beginning January 1, 2013, noninterest-bearing transaction accounts are subject to the \$250,000 limit on FDIC insurance per covered institution.

ProCure Chicago Holdings, LLC
Notes to Consolidated Financial Statements
December 31, 2012 and 2011

Property and Equipment

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Property and equipment acquisitions are recorded at cost and are depreciated over the estimated useful life of each asset. Assets under land improvements are amortized over the shorter of the lease term or their respective estimated useful lives. Software is amortized over the estimated useful life. Annual depreciation and amortization is computed using the straight-line method over the following lives:

Medical equipment	5 - 15 years
Building and improvements	5 - 39 years
Purchased software	3 years
Land improvements	15 years
Other equipment	5 - 7 years
Furniture and fixtures	7 years

Long-Lived Asset Impairment

The Company evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

No asset impairment was recognized during the years ended December 31, 2012 and 2011.

Deferred Financing Costs

Deferred financing costs represent costs incurred in conjunction with the OpCo's debt financing and are amortized over the term of the related debt instruments. Amortization of the deferred financing costs during the construction period of the proton facility was included with the interest cost capitalized as part of the construction costs. Amortization is included in interest expense for the post-construction period.

Intangible Assets

Intangible assets consist of a certificate of need acquired to construct the facility. This intangible is considered an indefinite life intangible and is periodically evaluated as to the recoverability of its carrying value. It is recorded in other long-term assets on the consolidated balance sheets, and its balance was \$1,629,908 at December 31, 2012 and 2011.

ProCure Chicago Holdings, LLC
Notes to Consolidated Financial Statements
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Income Taxes

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HoldCo is organized as a single member limited liability company. For federal and state income tax purposes, HoldCo is a disregarded entity. The results of its operations are reported in the Parent's income tax return.

HoldCo recognizes the benefit or expense of an uncertain tax position in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740, *Income Taxes*, after considering if it is more likely than not, based on the technical merits, that a tax position will be realized and sustained upon examination. For tax positions meeting a "more-likely-than-not" threshold, the amount recognized in the consolidated financial statements is the largest amount expected to be realized upon settlement with the tax authority. As of December 31, 2012, HoldCo has not identified any uncertain tax positions.

The Company is no longer subject to U.S. federal, state and local income tax examination for the years prior to 2009.

Net Patient Service Revenue, Contractual Adjustments and Concentration of Credit Risk

Revenues for services are recorded in the period the services are rendered. Net patient service revenues are recorded at net realizable amounts estimated to be paid by the patients and third-party payers. OpCo participates in the Medicare and state-sponsored Medicaid programs. Laws and regulations governing Medicare are complex and subject to interpretations and change. As a result, it is reasonably possible recorded estimates will change materially in the near term. OpCo has also entered into payment agreements with certain commercial insurance carriers. The basis for payments to OpCo under these agreements include prospectively determined rates and discounts from established charges.

A provision for contractual adjustments is recorded as a reduction to net patient service revenues and consists of a) the difference between the payer's allowable amount and the customary billing rate; and b) services for which payment is denied by governmental or third-party payers or otherwise deemed non-billable. OpCo records the provision for contractual adjustments based on a percentage of revenue using historical data and current contracts or letters of agreement in place. Due to the complexity of many third-party billing arrangements, adjustments are sometimes made to amounts originally recorded. These adjustments are typically identified and recorded upon cash remittance or claim denial. At such time as OpCo can determine the ultimate collections have exceeded or are less than the net realizable amount recorded, additional revenue or reduction in revenue is recorded as a change in estimate during the current period.

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For uninsured patients who do not qualify for charity care, OpCo recognizes revenue on the basis of its standard rates for services provided. On the basis of historical experience, a portion of the OpCo's uninsured patients will be unable or unwilling to pay for the services provided. Thus, OpCo records a significant provision for uncollectible accounts related to uninsured patients in the period the services are provided. This provision for uncollectible accounts is presented on the consolidated statements of operations as a component of net patient service revenue.

Patient service revenues, net of contractual allowances and discounts (but before the provision for bad debts), recognized in the years ended December 31, 2012 and 2011, were approximately:

	2012	2011
Medicare	\$ 6,378,861	\$ 3,603,158
Medicaid	179,777	287,481
Other third-party payers	29,783,427	22,750,460
Self-pay	1,117,426	434,934
	<u>\$ 37,459,491</u>	<u>\$ 27,076,033</u>

OpCo grants credit without collateral to its patients, most of whom are area residents and are insured under third-party payer agreements. The mix of net receivables from patients and third-party payers at December 31, 2012 and 2011:

	2012	2011
Medicare and Medicaid	14 %	20 %
Other third-party payers	<u>86</u>	<u>80</u>
	<u>100 %</u>	<u>100 %</u>

Approximately 36% of net receivables are due from one third-party payer at December 31, 2012 and 2011.

Patient Accounts Receivable and Allowance for Doubtful Accounts

OpCo reviews its accounts receivable balances on a periodic basis. OpCo bills third-party payers, which include insurance companies, Medicare and self-pay patients. Third-party billings are recorded as the amount which OpCo charges, less the contractual allowance provision.

Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectibility of accounts receivable, OpCo analyzes its past history and identifies trends for each of its major payer sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for uncollectible accounts. Management regularly reviews data about these major payer sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts.

ProCure Chicago Holdings, LLC
Notes to Consolidated Financial Statements
December 31, 2012 and 2011

For receivables associated with services provided to patients who have third-party coverage, OpCo analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for uncollectible accounts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payer has not yet paid, or for payers who are known to be having financial difficulties that make the realization of amounts due unlikely).

For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), OpCo records a significant provision for uncollectible accounts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated or provided by policy) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

OpCo's allowance for doubtful accounts for self-pay patients increased from \$348,000 at December 31, 2011 to \$471,957 at December 31, 2012. This increase was a result of increased operations and historical payment information used to estimate the allowance for doubtful accounts.

Charity Care

The Company provides care without charges or at amounts less than its established rates to patients meeting certain criteria under its charity care policy. Charity care is not reported as revenue. Charges excluded from revenue under the Company's charity care policy were approximately \$436,000 and \$833,000 for December 31, 2012 and 2011, respectively. Total cost for these charges as estimated based on the ratio of both direct and indirect costs of providing services as a percentage of gross revenues was approximately \$114,000 and \$256,000 for December 31, 2012 and 2011, respectively.

Reclassifications

Certain reclassifications have been made to the 2011 financial statements to conform to the 2012 financial statement presentation. These reclassifications had no effect on net earnings.

Subsequent Events

Subsequent events have been evaluated through the date of the Independent Auditor's Report, which is the date the consolidated financial statements were available to be issued.

ProCure Chicago Holdings, LLC
Notes to Consolidated Financial Statements
December 31, 2012 and 2011

Note 2: Property and Equipment

Property and equipment at December 31, 2012 and 2011 consists of:

	2012	2011
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Medical equipment	\$ 64,758,562	\$ 64,568,473
Building and improvements	39,739,991	39,584,154
Purchased software	4,306,634	4,145,304
Land improvements	1,733,831	1,733,831
Equipment - other	2,733,317	2,448,042
Furniture and fixtures	742,800	708,739
Total cost	114,015,135	113,188,543
Less accumulated depreciation and amortization	(17,523,908)	(9,656,143)
	\$ 96,491,227	\$ 103,532,400

Note 3: Long-Term Debt and Line of Credit

Long-term debt consists of the following:

	2012	2011
Note dated March 4, 2008, as amended, to banks under a buyer credit facility; accruing interest at LIBOR plus 3.25%; payable quarterly (3.63% interest rate at December 31, 2012)	\$ 63,228,213	\$ 66,381,326
Note dated March 4, 2008, as amended, to banks under a commercial credit facility; accruing interest at LIBOR plus 4.25%; payable quarterly (4.63% interest rate at December 31, 2012)	44,312,657	49,789,503
Note dated November 2008 to Hospital affiliate; interest accrues annually at 14%; payable in-kind through November 2012. Beginning in December 2012, interest is payable semi-annually in cash and outstanding balance due July 2019	69,983,632	61,126,415
Note dated November 23, 2009 to Parent; interest accrues quarterly at a fixed rate of 13.00% and is payable in-kind through the fifth anniversary of the note	2,479,008	2,185,641
	180,003,510	179,482,885
Less current maturities	12,820,460	8,629,958
	\$ 167,183,050	\$ 170,852,927

ProCure Chicago Holdings, LLC
Notes to Consolidated Financial Statements
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The scheduled annual principal payments at December 31, 2012 are as follows:

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	Long-Term Debt
2013	\$ 12,820,460
2014	19,591,468
2015	16,297,086
2016	14,870,196
2017	20,529,053
Thereafter	95,895,247
	\$ 180,003,510

The buyer and commercial credit facilities are carried by OpCo for construction of the treatment center in Warrenville, Illinois. The commercial credit facility has a commitment amount of \$51,000,000. The buyer credit facility has a commitment amount of \$68,000,000. Two banks each carry 50% of the total commitment. Quarterly principal payments will commence in January 2012 and are payable in varying amounts over six years for the commercial credit facility and over eight years for the buyer credit facility. Principal payments are based on specified percentages of the amounts outstanding as of the date of the first required payment.

The credit facility loans are collateralized by a first priority security interest in all of the existing and after-acquired personal and real property and certain assets and members' interest of OpCo.

In November 2008, HoldCo entered into an agreement with a hospital (Hospital affiliate), who is a 15% owner of MidCo, to borrow \$40 million due July 2019. Interest accrues on the outstanding balance of the loan at 14% per year, compounded semi-annually. Through November 2012, the interest is to be added to the principal balance of the note and is payable with the outstanding balance at maturity. After November 2012, the interest continues to accrue at 14% and is to be paid semi-annually on June 30th and December 31st. The note is subordinated to the buyer and commercial credit facilities and is unsecured. HoldCo recognized interest expense of \$8,857,218 and \$7,736,237 on this note during 2012 and 2011, respectively.

In November 2009, OpCo entered into an agreement with the Parent to borrow \$1,675,000 due October 31, 2022. Interest accrues on the outstanding balance of the loan at 13% per year compounded semi-annually through the fifth anniversary date. All interest is accrued to the principal balance during the first five years. After the fifth anniversary, the note accrues interest at 13% compounded and payable semi-annually in cash through the maturity of the note on October 31, 2022. This note is subordinate to the buyer and commercial credit facilities and is unsecured. OpCo recognized interest expense of \$293,367 and \$258,651 on the Parent PIK note in 2012 and 2011, respectively.

ProCure Chicago Holdings, LLC
Notes to Consolidated Financial Statements
December 31, 2012 and 2011

In April 2012, OpCo entered into an amendment of the buyer and commercial credit facilities. The amendment allowed for the true-up of the intercompany payable with Parent where OpCo may pay amounts due to Parent as outlined in the waterfall calculation in the amendment. If amounts remain outstanding under the intercompany payable after the waterfall payments, these amounts will be deemed a subordinate intercompany payable, which is subordinate to the buyer and commercial credit facility. The intercompany payable will be in the form of an open-ended revolving note allowing for additional cash flow support advances. The note is interest free and shall be repaid solely to the extent OpCo has satisfied other current subordinated obligations and has excess cash to fund repayment as outlined in the depository agreement with lenders. The balance outstanding at December 31, 2012 was \$4,171,548.

The amendment also called for Parent to obtain at least \$10 million in additional equity financing, which was obtained in April 2012, and maintain minimum liquidity of \$10 million in unrestricted cash. The minimum liquidity amount shall be made available to fund OpCo's shortfalls, and the shortfalls of other subsidiaries of Parent, as outlined in the amendment.

Financial covenants were amended so that beginning June 30, 2012 and on a quarterly basis, OpCo must obtain revenues of various percentages of those set forth in the project budget, ranging from 80% to 85%. OpCo must also maintain a debt service coverage ratio of 1.05 and capital expenditures shall be no greater than 110% as set for in the project budget. OpCo must also maintain minimum operating liquidity amounts as defined in the agreement. During 2012, OpCo failed to meet various requirements as set forth above.

Note 4: Interest Rate Swap Agreements

During 2008, as a strategy to maintain acceptable levels of exposure to the risk of changes in future cash flows due to interest rate fluctuations, OpCo entered into two interest rate swap agreements for a portion of its bank term loans. The notional amount amortizes throughout the term of the swap agreements to a balance of \$0 at the termination date, November 2018. The agreements provide for OpCo to receive interest from the counterparty at LIBOR and to pay interest to the counterparty at a fixed rate of 4.44%. The notional amounts were \$108,094,509 and \$112,244,456 at December 31, 2012 and 2011, respectively. Under the agreements, OpCo pays or receives the net interest amount quarterly, with the settlements included in construction in progress during the construction period and interest expense in the post-construction period.

Management has designated the interest rate swap agreements as cash flow hedging instruments. For derivative instruments that are designated and qualify as a cash flow hedge, the effective portion of the gain or loss on the derivative is reported as a component of other comprehensive loss and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings.

In December 2011, the interest rate swap's sliding option was partially exercised to maintain alignment of the swap payment schedule with the senior debt repayment schedule.

ProCure Chicago Holdings, LLC
Notes to Consolidated Financial Statements
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The table below presents certain information regarding OpCo's interest rate swap agreements designated as cash flow hedges. OpCo did not have any derivative instruments at December 31, 2012 and 2011 that were not designated as hedging instruments in accordance with ASC Topic 815, *Derivatives and Hedging*.

May 22, 2013

	2012	2011
Fair value of interest rate swap agreements	\$ 11,516,000	\$ 13,579,000
Balance sheet location of fair value amount	Long-Term Liabilities	Long-Term Liabilities
Loss recognized in other comprehensive income (effective portion)	\$ 2,063,000	\$ (2,280,000)

Note 5: Fair Value of Financial Instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

Following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying consolidated balance sheets, as well as the general classification of such liabilities pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended December 31, 2012.

Interest Rate Swap Agreements

OpCo has interest rate swap agreements that are recorded at fair value. The fair value is estimated using forward-looking interest rate curves and discounted cash flows that are observable or can be corroborated by observable market data and, therefore, are classified within Level 2 of the valuation hierarchy.

Cash Equivalents

Where quoted market prices are available in an active market, cash equivalents are classified within Level 1 of the valuation hierarchy. OpCo's investment in money market mutual funds are valued based on quoted market prices and are included in Level 1 of the hierarchy.

ProCure Chicago Holdings, LLC
Notes to Consolidated Financial Statements
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The following tables present the fair value measurements of assets and liabilities recognized in the accompanying consolidated balance sheets measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2012 and 2011:

May 22, 2013

	Fair Value	2012 Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Money market mutual funds	\$ 11,390,853	\$ 11,390,853	\$ -	\$ -
Liabilities				
Interest rate swap agreements	(11,516,000)	-	(11,516,000)	-
Total net asset (liability)	<u>\$ (125,147)</u>	<u>\$ 11,390,853</u>	<u>\$ (11,516,000)</u>	<u>\$ -</u>

	Fair Value	2011 Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Money market mutual funds	\$ 19,180,762	\$ 19,180,762	\$ -	\$ -
Liabilities				
Interest rate swap agreements	(13,579,000)	-	(13,579,000)	-
Total net asset (liability)	<u>\$ 5,601,762</u>	<u>\$ 19,180,762</u>	<u>\$ (13,579,000)</u>	<u>\$ -</u>

The following methods were used to estimate the fair value of all other financial instruments recognized in the accompanying consolidated balance sheets at amounts other than fair value.

Long-Term Debt and Line of Credit

The carrying value of the Company's long-term debt with banks approximates fair value as all interest terms are based on variable rates. It was not practical to estimate the fair value of the Company's notes with Parent and the Hospital affiliate.

ProCure Chicago Holdings, LLC
Notes to Consolidated Financial Statements
December 31, 2012 and 2011

Note 6: Related Party Transactions

Parent has funded certain of the Company's expenditures as a source of working capital. The amount due to a related party associated with these expenditures is noninterest-bearing. There was no balance due to Parent at December 31, 2012. The balance due to Parent at December 31, 2011 was \$89,552. As part of an agreement in April 2012 discussed in Note 3, all working capital advances were transferred and now drawn under the open-ended revolving note with Parent. The balance outstanding at December 31, 2012 was \$4,171,548.

Other amounts due to related parties totaling \$4,408,611 and \$2,483,017 at December 31, 2012 and 2011, respectively, primarily represent a payable to ProCure Business Services, LLC under a consulting services agreement. See further discussion in Note 8.

OpCo has an agreement with a Hospital affiliate, which owns a 15% membership interest in MidCo (Hospital), which allows for certain employees of OpCo to be leased to the Hospital for services performed at the treatment facility. The agreement was amended in 2012 to allow for monthly billable amounts approximating \$66,000. Revenue under this agreement totaled \$1,004,600 in 2012 and \$153,283 in 2011 and is included in other revenues.

See Note 3 for discussion of PIK Note from the Parent.

See Note 8 for discussion of the land lease and consulting services agreements with related parties.

Note 7: Employee Benefits

Parent maintains a 401(k) defined-contribution plan for the benefit of substantially all of OpCo's employees. The plan allows for employee contributions up to the maximum allowable by law. OpCo matching contributions are discretionary as determined by OpCo's Board of Directors. OpCo has not made any contributions to the plan for the years ended December 31, 2012 and 2011.

Note 8: Commitments and Contingencies

Current Economic Conditions

The current protracted economic decline continues to present companies with difficult circumstances and challenges, which in some cases have resulted in large and unanticipated declines in the fair value of property and equipment, constraints on liquidity and difficulty obtaining financing. The consolidated financial statements have been prepared using values and information currently available to the Company.

Current economic and financial market conditions could adversely affect the Company's results of operations in future periods. Given the volatility of current economic conditions, the values of assets and liabilities recorded in the consolidated financial statements could change rapidly, resulting in material future adjustments that could negatively impact the Company's ability to meet debt covenants or maintain sufficient liquidity.

ProCure Chicago Holdings, LLC
Notes to Consolidated Financial Statements
December 31, 2012 and 2011

Land Lease

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OpCo has leased the land on which the proton facility has been constructed from the Hospital. The initial term, which incorporates the construction period of the proton facility, expired upon the completion of construction. The primary term commenced upon completion of construction and continues for fifty years. OpCo has the option to renew the lease for two consecutive twenty-year terms commencing at the end of the primary term. The annual base rent during the first lease year is \$97,524. Beginning with the second lease year through the fifth lease year, the rent is equal to the total square footage of the leased premise times \$66.00 per square foot times 10% (approximately \$400,000 per year). After the fifth lease year and every fifth year thereafter, the annual rent increases by the change in the consumer price index. The lease is a net lease, and the tenant is required to pay taxes, insurance, maintenance and common area maintenance charges in addition to the base rent. OpCo has recognized the expense related to the scheduled rent escalation after the first lease year on a straight-line basis with an offsetting deferred rent liability of \$283,544 and \$289,708 at December 31, 2012 and 2011, respectively.

OpCo has the option after the first lease year through the earlier of the repayment of the bank debt or the 126th month of the lease to defer any annual rent over \$216,720. Deferred rent accrues interest at 14% and is payable in accordance with the terms of the credit facility with the banks until such time that the bank borrowings are repaid in full. At that time, the deferred rent is due on demand. OpCo's obligations under the lease have been subordinated to its loan payable. OpCo has deferred rent payments totaling \$734,645 and \$460,417 at December 31, 2012 and 2011, respectively.

Rental expense in connection with this lease totaled \$1,080,272 and \$398,939 for the years ended December 31, 2012 and 2011, respectively. A portion of the rental expense paid on this lease relates to amounts paid for common area expenses, real estate taxes and similar charges. Included in 2012 expense was \$634,676 in common area expense, real estate taxes and similar charges related to prior years. These expenses were billed by the Hospital in 2012 and are included in accounts payable at December 31, 2012.

ProCure Chicago Holdings, LLC
Notes to Consolidated Financial Statements
December 31, 2012 and 2011

Proton Service Agreement

On December 31, 2007, as amended and restated on February 20, 2008 and as amended by amendment #1 on March 3, 2008 and as amended by addendum 1 on January 20, 2009, OpCo and IBA entered into a "Service Agreement," which provides for IBA to provide regular maintenance and operational services to the proton system for ten years commencing on the date of the first patient treatment. OpCo has the option to extend the agreement for an additional five-year term. The future fees are payable in U.S. currency, a portion of which is to be based on the Euro to U.S. dollar conversion rate in effect when the first installment of the Purchase Agreement was paid in December 2008. The future fees are summarized as follows:

2013	\$ 4,123,616
2014	4,314,980
2015	4,889,070
2016	4,889,070
2017	4,889,070
Thereafter	13,444,943

OpCo recognized \$4,430,908 and \$2,224,544 of expense under this agreement in 2012 and 2011, respectively.

Consulting Services Agreement

On March 4, 2008, OpCo entered into the "Consulting Services Agreement" with ProCure Business Services, LLC, a company related through common ownership, to provide management, advisory and consulting services to OpCo for \$2,000,000 a year (adjusted based on changes in the consumer price index after the fifth year), to accrue from the date on which OpCo treated its first patient. The initial term began when OpCo treated its first patient and continues for a period of five years. The first renewal period automatically begins at the expiration of the initial term, for a period to end on the earlier of twelve months after the maturity date of the buyer and commercial credit facilities or the Termination Date of the credit facility as defined in the credit agreement. After the first renewal term, the agreement renews for successive five-year terms unless either party provides sixty days' notice to terminate. The annual fee is payable in arrears for four equal installments on the first day of each fiscal quarter.

OpCo recognized \$2,000,000 of consulting fees under this agreement in 2012 and 2011, respectively. OpCo has not made any payments as of December 31, 2012, and the balance is included in "Due to related parties."

ProCure Chicago Holdings, LLC
Notes to Consolidated Financial Statements
December 31, 2012 and 2011

Physician Services Agreement **DRAFT**

In March 2008, OpCo entered into a professional services agreement with a professional service corporation (P.C.). The initial term began when OpCo treated its first patient and continues for a period of five years. The first renewal period automatically begins at the expiration of the initial term, for a period to end on the earlier of twelve months after the maturity date of the buyer and commercial credit facilities or the Termination Date of the credit facility as defined in the credit agreement. After the first renewal term, the agreement renews for successive five-year terms unless either party provides sixty days' notice to terminate. The agreement calls for the P.C. to appoint a medical director. OpCo agreed to compensate the P.C. for the medical director position equal to \$200,000 for the sixth-month period leading up to the treatment of the first patient and \$400,000 per year (subject to inflationary increases) after that for the term of the agreement. OpCo recognized \$400,000 and \$433,334 of medical director fees under this agreement in 2012 and 2011, respectively.

Note 9: Professional Liability Claims

OpCo purchases medical malpractice insurance under a claims-made policy on a fixed premium basis. Accounting principles generally accepted in the United States of America require a health care provider to accrue the expense of its share of malpractice claim costs, if any, for any reported and unreported incidents of potential improper professional service occurring during the year by estimating the probable ultimate costs of the incidents. Based upon OpCo's claim experience, no such accrual has been made. It is reasonably possible that this estimate could change materially in the near term.

Note 10: Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Allowance for Net Patient Service Revenue Adjustments

Estimates of allowances for adjustments included in net patient service revenue are described in Note 1.

Concentration of Credit Risk

Concentrations of net patient revenue and net patient accounts receivable with Medicare, Medicaid and other third-party payers are described in Note 1.

ProCure Illinois Holdings, LLC

Consolidated Balance Sheets

May 31, 2013 and 2012

(Unaudited)

	2013	Budget	2012
Assets			
Current assets			
Cash and cash equivalents	\$ 8,235,273	\$ 4,456,924	\$ 14,526,220
Patient accounts receivable, net of allowances	3,024,943	6,924,424	3,497,904
Prepaid and other current assets	479,266	1,080,823	881,025
Total current assets	11,739,482	12,462,171	18,905,148
Noncurrent assets			
Property and equipment, net	94,019,741	94,453,356	100,802,798
Deferred financing costs, net	2,313,253	2,125,497	2,507,667
Other long-term assets	1,708,076	1,708,076	1,708,076
	<u>\$ 109,780,552</u>	<u>\$ 110,749,100</u>	<u>\$ 123,923,690</u>
Liabilities and Members' Equity (Deficit)			
Current liabilities			
Current portion of long-term debt	\$ 19,481,308	\$ 20,518,987	\$ 10,980,134
Accounts payable	1,897,991	252,356	812
Accrued interest	1,007,921	997,459	1,075,000
Accrued expenses	2,074,790	1,200,014	998,321
Due to related parties	5,247,893	5,240,279	3,231,779
Total current liabilities	29,709,903	28,209,095	16,286,046
Long-term liabilities			
Long-term debt, net of current maturities	88,908,479	88,908,479	103,902,723
Interest rate swap position	8,699,000	13,553,000	13,430,000
Deferred rent	1,169,927	1,150,064	860,171
	<u>98,777,406</u>	<u>103,611,543</u>	<u>118,192,894</u>
Members' Equity (Deficit)			
Members' Equity (Deficit)	(7,976,390)	(7,646,939)	3,332,275
Accumulated other comprehensive loss	(8,699,000)	(13,553,000)	(13,430,000)
Net Income (Loss)	(3,874,455)	(2,181,113)	(4,713,062)
	<u>(20,549,844)</u>	<u>(23,381,052)</u>	<u>(14,810,787)</u>
Noncontrolling interests	1,843,088	2,309,514	4,255,536
	<u>\$ 109,780,552</u>	<u>\$ 110,749,100</u>	<u>\$ 123,923,690</u>

ProCure Illinois Holdings, LLC
Consolidated Statement of Operations
For the five months ended May 31, 2013 and 2012

(Unaudited)

	Year-to-Date			Month Ending		
	2013	Budget	2012	2013	Budget	2012
Revenues						
Net patient service revenue	\$ 14,640,672	\$ 17,023,490	\$ 11,632,857	\$ 2,973,969	\$ 3,752,217	\$ 2,503,255
Other revenue	239,966	340,735	175,431	(57,947)	68,147	8,336
	<u>14,880,638</u>	<u>17,364,225</u>	<u>11,808,288</u>	<u>2,916,022</u>	<u>3,820,364</u>	<u>2,511,591</u>
Operating expenses						
Salaries and wages	4,484,289	4,363,023	4,014,030	884,990	908,523	813,701
Advertising and marketing	2,047,841	1,802,295	1,440,246	244,472	353,033	151,831
Research and Development	-	-	-	-	-	-
Legal services	201,041	139,540	117,603	(506)	27,708	6,961
Professional services	247,025	319,908	242,895	54,678	59,954	57,026
Office expenses	114,134	91,993	68,556	26,461	18,002	19,121
Land lease and equipment rental	306,166	181,385	246,424	57,849	36,277	35,967
Management fees	834,000	834,000	834,000	167,000	167,000	167,000
Repairs and maintenance	2,345,168	2,697,045	2,182,913	436,290	501,797	496,618
Utilities	244,580	261,465	173,169	53,723	52,293	7,503
Travel	107,745	224,730	102,855	35,711	34,649	27,808
Insurance	238,497	284,476	171,949	34,456	53,248	39,300
General and administrative - other	267,650	346,925	34,993	108,257	62,209	3,662
Supplies	568,746	597,120	281,847	121,039	131,629	52,867
Services - TC	204,193	406,406	124,150	144,143	86,321	8,500
Depreciation & amortization	3,317,578	3,390,751	3,260,811	664,175	680,588	653,640
	<u>15,528,653</u>	<u>15,941,062</u>	<u>13,296,441</u>	<u>3,032,737</u>	<u>3,173,231</u>	<u>2,541,505</u>
Operating income (loss)	<u>(648,015)</u>	<u>1,423,163</u>	<u>(1,488,153)</u>	<u>(116,715)</u>	<u>647,133</u>	<u>(29,915)</u>
Other income (expense)						
Interest income	375	-	744	59	-	132
Other income (expense)						
Interest expense	(4,119,188)	(4,106,225)	(4,312,082)	(830,442)	(827,623)	(865,302)
	<u>(4,118,813)</u>	<u>(4,106,225)</u>	<u>(4,311,338)</u>	<u>(830,383)</u>	<u>(827,623)</u>	<u>(865,170)</u>
Net Income (Loss)	<u>(4,766,828)</u>	<u>(2,683,062)</u>	<u>(5,799,491)</u>	<u>(947,098)</u>	<u>(180,490)</u>	<u>(895,085)</u>
Less: Net Loss attributable to noncontrolling interest	<u>892,373</u>	<u>501,949</u>	<u>1,086,429</u>	<u>177,581</u>	<u>33,842</u>	<u>167,453</u>
Net Loss attributable to Procure Illinois Holdings	<u>\$ (3,874,455)</u>	<u>\$ (2,181,113)</u>	<u>\$ (4,713,062)</u>	<u>\$ (769,517)</u>	<u>\$ (146,648)</u>	<u>\$ (727,632)</u>

ProCure Illinois Holdings, LLC
Consolidated Statement of Cash Flows
For the five months ended May 31, 2013 and 2012
(Unaudited)

	Year Ended		Month Ending	
	2013	Budget	2013	Budget
Operating Activities				
Net Income (Loss)	\$ (3,874,455)	\$ (2,181,113)	\$ (769,517)	\$ (146,648)
Items not requiring (providing) cash				
Paid in-kind interest on loans payable	139,791	139,791	30,879	30,879
Amortization of deferred financing fees	313,366	340,105	62,700	68,021
Provision for doubtful accounts	2,503,986	2,838,492	672,134	601,354
Depreciation and amortization	3,317,578	3,390,751	664,175	680,588
Noncontrolling interest	(892,373)	(501,949)	(177,581)	(33,842)
Deferred rent	151,738	125,711	26,029	25,729
Changes in				
Patient accounts receivable	(1,264,536)	(4,743,354)	(480,642)	(980,469)
Prepaid and other assets	(250,282)	(662,233)	383,535	(91,029)
Accounts payable and accrued expenses	238,937	(746,489)	958,903	874,708
Net cash provided (used) for operating activities	383,751	(2,000,288)	1,370,615	1,029,291
Investing Activities				
Purchase of property and equipment	(846,091)	(1,378,108)	(7,128)	(117,500)
Net cash used for investing activities	(846,091)	(1,378,108)	(7,128)	(117,500)
Financing activities				
Increase (decrease) in due to related parties	841,504	834,000	167,000	167,000
Proceeds from issuance of long-term debt	(0)	0	-	-
Principal payments on long-term debt	(5,941,430)	(4,903,762)	-	-
Financing costs paid	(198,207)	(250,000)	-	-
Net cash provided (used) by financing activities	(5,298,133)	(4,319,762)	167,000	167,000
Increase (Decrease) in cash and cash equivalents	(5,760,472)	(7,698,158)	1,530,487	1,078,791
Cash and cash equivalents, Beginning of Period	13,995,745	12,155,082	6,704,786	3,378,133
Cash and cash equivalents, End of Period	\$ 8,235,273	\$ 4,456,924	\$ 8,235,273	\$ 4,456,924
	\$ 14,526,220	\$ 14,526,220	\$ 14,526,220	\$ 14,526,220

ProCure Illinois Holdings, LLC

Auditor's Report and Consolidated Financial Statements

December 31, 2012 and 2011

D R A F T

May 22, 2013

ProCure Illinois Holdings, LLC

December 31, 2012 and 2011

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Independent Auditor's Report

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Board of Directors
ProCure Illinois Holdings, LLC
New York, New York

May 22, 2013

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Indianapolis, Indiana
_____, 2013

May 22, 2013

ProCure Illinois Holdings, LLC
Consolidated Balance Sheets
December 31, 2012 and 2011

Assets

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Current Assets

	2012	2011
Cash and cash equivalents	\$ 13,995,745	\$ 20,435,295
Patient accounts receivable, net of allowance; 2012 - \$471,957; 2011 - \$348,000	4,264,393	4,109,360
Prepays and other current assets	228,984	234,262
Total current assets	18,489,122	24,778,917

Noncurrent Assets

Property and equipment, net	96,491,227	103,532,400
Deferred financing costs, net	2,428,411	2,158,952
Other long-term assets	1,708,076	1,708,076
	100,627,714	107,399,428
	\$ 119,116,836	\$ 132,178,345

Liabilities and Members' Equity**Current Liabilities**

Current maturities of long-term debt	\$ 12,820,460	\$ 8,629,958
Line of credit - Parent	4,171,548	-
Accounts payable	1,407,050	212,604
Accrued interest	1,806,801	660,000
Accrued expenses	1,527,913	1,042,778
Due to related party	4,406,388	2,482,127
Total current liabilities	26,140,160	13,027,467

Long-Term Liabilities

Long-term debt	97,199,418	109,726,512
Interest rate swap agreements	11,516,000	13,579,000
Deferred rent	1,018,189	750,125
	109,733,607	124,055,637

Members' Equity (Deficit)

ProCure Illinois Holdings, LLC members' equity	(7,976,393)	3,332,274
Accumulated other comprehensive loss	(9,205,691)	(10,881,879)
Total ProCure Illinois Holdings, LLC members' deficit	(17,182,084)	(7,549,605)
Noncontrolling interest	425,153	2,644,846
Total members' deficit	(16,756,931)	(4,904,759)
	\$ 119,116,836	\$ 132,178,345

ProCure Illinois Holdings, LLC
Consolidated Statements of Operations
Years Ended December 31, 2012 and 2011

	2012	2011
D R A F T		
May 22, 2013		
Revenues		
Patient service revenue (net of contractual discounts and allowances)	\$ 37,459,491	\$ 27,076,033
Provision for uncollectible accounts	<u>(5,616,635)</u>	<u>(478,661)</u>
Net patient service revenue	31,842,856	26,597,372
Other	<u>1,032,363</u>	<u>419,809</u>
	<u>32,875,219</u>	<u>27,017,181</u>
Operating Expenses		
Salaries and wages	10,416,926	8,574,381
Advertising and marketing	4,648,642	1,949,439
Research and development	370	-
Legal fees	268,507	45,363
Professional fees	560,525	705,177
Office expense	237,699	228,667
Land lease and equipment rental	1,127,961	405,163
Management fees	2,000,000	2,000,000
Repairs and maintenance	5,753,713	2,892,511
Utilities	600,017	617,378
Travel	247,454	131,660
Insurance	545,424	340,058
General and administrative - other	450,666	184,674
Supplies	959,048	871,040
Services - TC	719,546	663,718
Depreciation and amortization	<u>7,867,763</u>	<u>7,729,887</u>
Total operating expenses	<u>36,404,261</u>	<u>27,339,116</u>
Operating Loss	(3,529,042)	(321,935)
Other Expense		
Interest expense	<u>(10,386,130)</u>	<u>(8,926,598)</u>
Net Loss	(13,915,172)	(9,248,533)
Less: Net Loss Attributable to the Noncontrolling Interest	<u>(2,606,505)</u>	<u>(1,731,063)</u>
Net Loss Attributable to ProCure Illinois Holdings, LLC	<u>\$ (11,308,667)</u>	<u>\$ (7,517,470)</u>

ProCure Illinois Holdings, LLC
Consolidated Statements of Comprehensive Loss
Years Ended December 31, 2012 and 2011

	2012	2011
Net Loss	\$ (13,915,172)	\$ (9,248,533)
Other Comprehensive Loss		
Change in fair value of swap agreements	2,063,000	(2,280,000)
Comprehensive Loss	(11,852,172)	(11,528,533)
Less: Comprehensive Loss Attributable to Noncontrolling Interest	(2,219,693)	(2,158,563)
Comprehensive Loss Attributable to ProCure Illinois Holdings, LLC	\$ (9,632,479)	\$ (9,369,970)

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May 22, 2013

ProCure Illinois Holdings, LLC
Consolidated Statements of Changes in Members' Equity (Deficit)
Years Ended December 31, 2012 and 2011

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	<u>ProCure Illinois Holdings, LLC</u>			
	<u>Members'</u>	<u>Accumulated</u>	<u>Other</u>	<u>Noncontrolling</u>
	<u>Equity</u>	<u>Comprehensive</u>	<u>Loss</u>	<u>Interest</u>
	<u>(Deficit)</u>	<u>Loss</u>	<u>Loss</u>	<u>Interest</u>
	<u>May 22, 2012</u>	<u>2012</u>	<u>2012</u>	<u>2012</u>
Balance, January 1, 2011	\$ 573,774	\$ 10,849,744	\$ (9,029,379)	\$ (1,246,591)
Noncontrolling interest contributions	6,050,000			6,050,000
Net loss	(9,248,533)	(7,517,470)		(1,731,063)
Other comprehensive loss	(2,280,000)		(1,852,500)	(427,500)
Balance, December 31, 2011	(4,904,759)	3,332,274	(10,881,879)	2,644,846
Net loss	(13,915,172)	(11,308,667)		(2,606,505)
Other comprehensive income	2,063,000		1,676,188	386,812
Balance, December 31, 2012	<u>\$ (16,756,931)</u>	<u>\$ (7,976,393)</u>	<u>\$ (9,205,691)</u>	<u>\$ 425,153</u>

ProCure Illinois Holdings, LLC
Consolidated Statements of Cash Flows
Years Ended December 31, 2012 and 2011

	2012	2011
Operating Activities		
Net loss before attribution of noncontrolling interest	\$ (13,915,172)	\$ (9,248,533)
Net loss attributable to noncontrolling interest	2,606,505	1,731,063
Net loss attributable to ProCure Illinois Holdings, LLC	(11,308,667)	(7,517,470)
Items not requiring cash		
Depreciation and amortization	7,867,763	7,729,887
Amortization of deferred financing fees	763,347	202,648
Paid in-kind interest on note payable	293,367	258,651
Deferred rent	268,064	229,879
Provision for uncollectible accounts	5,616,635	478,661
Changes in		
Patient accounts receivable	(5,771,668)	(3,467,452)
Prepaid and other current assets	5,278	(196,662)
Accounts payable and accrued expenses	4,826,382	4,312,833
Noncontrolling interest	(2,606,505)	(1,731,063)
Net cash provided by (used in) operating activities	(46,004)	299,912
Investing Activity - purchase of property and equipment	(826,590)	(7,222,370)
Financing Activities		
Advances from (repayment to) Parent	4,095,809	(421,777)
Proceeds from issuance of long-term debt	-	21,374,951
Principal payments on long-term debt	(8,629,959)	-
Financing costs paid	(1,032,806)	-
Noncontrolling interest capital contributions	-	6,050,000
Net cash provided by (used in) financing activities	(5,566,956)	27,003,174
Increase (Decrease) in Cash and Cash Equivalents	(6,439,550)	20,080,716
Cash and Cash Equivalents, Beginning of Year	20,435,295	354,579
Cash and Cash Equivalents, End of Year	\$ 13,995,745	\$ 20,435,295
Supplemental Cash Flows Information		
Cash paid for interest	\$ 8,477,503	\$ 8,575,738

ProCure Illinois Holdings, LLC
Notes to Consolidated Financial Statements
December 31, 2012 and 2011

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Organization and Basis of Presentation

ProCure Illinois Holdings, LLC (MidCo) was founded as the holding company for Chicago ProCure Management, LLC (OpCo), which was formed to construct and operate a proton therapy facility in Warrenville, Illinois for use in the treatment of cancer. MidCo and OpCo are collectively referred to as "the Company." MidCo was formed in the State of Delaware and commenced activities on March 26, 2007. The facility opened for operations in October 2010.

Members' Equity

MidCo is a Delaware limited liability company with a perpetual life. No member shall be liable for the liabilities of MidCo.

The original Operating Agreement was dated March 26, 2007. The Operating Agreement was amended in November 2008, to provide for (1) ProCure Chicago Holdings, LLC (HoldCo) to contribute \$40,000,000 (\$4,000,000 in cash and \$36,000,000 in other intangible assets) in return for an 85% membership interest therein; and (2) that MidCo's hospital affiliate will contribute \$10,000,000 in cash in return for a 15% membership interest therein.

The Operating Agreement calls for HoldCo to receive a priority return of 12% per annum. At December 31, 2012 and 2011, the accumulated unpaid priority return was approximately \$23,550,000 and \$16,560,000, respectively.

In November 2008, MidCo invested \$14,000,000 in return for a 78.87% interest in OpCo. During 2010, in accordance with bank lending requirements, MidCo contributed an additional \$5,250,000 of equity to OpCo, which was funded with existing letters of credit held by Parent, increasing its ownership interest to 81.25%.

ProCure Chicago Holdings, LLC is a wholly owned subsidiary of ProCure Treatment Centers, Inc. (Parent).

Principles of Consolidation

The consolidated financial statements include the accounts of MidCo and OpCo. All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

ProCure Illinois Holdings, LLC
Notes to Consolidated Financial Statements
December 31, 2012 and 2011

Cash and Cash Equivalents

The Company considers all liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2012 and 2011, cash equivalents consisted primarily of money market accounts with brokers and certificates of deposit.

At December 31, 2012, the Company's cash accounts exceeded federally insured limits by approximately \$11,391,000.

Pursuant to legislation enacted in 2010, the FDIC fully insured all noninterest-bearing transaction accounts beginning December 31, 2010 through December 31, 2012, at all FDIC-insured institutions. This legislation expired on December 31, 2012. Beginning January 1, 2013, noninterest-bearing transaction accounts are subject to the \$250,000 limit on FDIC insurance per covered institution.

Property and Equipment

Property and equipment acquisitions are recorded at cost and are depreciated over the estimated useful life of each asset. Assets under land improvements are amortized over the shorter of the lease term or their respective estimated useful lives. Software is amortized over the estimated useful life. Annual depreciation and amortization is computed using the straight-line method over the following lives:

Medical equipment	5 - 15 years
Building and improvements	5 - 39 years
Purchased software	3 years
Land improvements	15 years
Other equipment	5 - 7 years
Furniture and fixtures	7 years

Long-Lived Asset Impairment

The Company evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

No asset impairment was recognized during the years ended December 31, 2012 and 2011.

ProCure Illinois Holdings, LLC
Notes to Consolidated Financial Statements
December 31, 2012 and 2011

Deferred Financing Costs

Deferred financing costs represent costs incurred in conjunction with the OpCo's debt financing and are amortized over the term of the related debt instruments. Amortization of the deferred financing costs during the construction period of the proton facility was included with the interest cost capitalized as part of the construction costs. Amortization is included in interest expense for the post-construction period.

Intangible Assets

Intangible assets consist of a certificate of need acquired to construct the facility. This intangible is considered an indefinite life intangible and is periodically evaluated as to the recoverability of its carrying value. It is recorded in other long-term assets on the consolidated balance sheets, and its balance was \$1,629,908 at December 31, 2012 and 2011.

Income Taxes

MidCo is not directly subject to income taxes under the provisions of the Internal Revenue Code and applicable state laws. Therefore, taxable income or loss is allocated to its members in accordance with their respective percentage ownership for inclusion in their respective tax returns, and no provision for federal and state income taxes has been included in these statements.

MidCo recognizes the benefit or expense of an uncertain tax position in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740, *Income Taxes*, after considering if it is more likely than not, based on the technical merits, that a tax position will be realized and sustained upon examination. For tax positions meeting a "more-likely-than-not" threshold, the amount recognized in the consolidated financial statements is the largest amount expected to be realized upon settlement with the tax authority. As of December 31, 2012, MidCo has not identified any uncertain tax positions.

The Company is no longer subject to U.S. federal, state and local income tax examinations for years prior to 2009.

Net Patient Service Revenue, Contractual Adjustments and Concentration of Credit Risk

Revenues for services are recorded in the period the services are rendered. Net patient service revenues are recorded at net realizable amounts estimated to be paid by the patients and third-party payers. OpCo participates in the Medicare and state-sponsored Medicaid programs. Laws and regulations governing Medicare are complex and subject to interpretations and change. As a result, it is reasonably possible recorded estimates will change materially in the near term. OpCo has also entered into payment agreements with certain commercial insurance carriers. The basis for payments to OpCo under these agreements include prospectively determined rates and discounts from established charges.

ProCure Illinois Holdings, LLC
Notes to Consolidated Financial Statements
December 31, 2012 and 2011

A provision for contractual adjustments is recorded as a reduction to net patient service revenues and consists of a) the difference between the payer's allowable amount and the customary billing rate; and b) services for which payment is denied by governmental or third-party payers or otherwise deemed non-billable. OpCo records the provision for contractual adjustments based on a percentage of revenue using historical data and current contracts or letters of agreement in place. Due to the complexity of many third-party billing arrangements, adjustments are sometimes made to amounts originally recorded. These adjustments are typically identified and recorded upon cash remittance or claim denial. At such time as OpCo can determine the ultimate collections have exceeded or are less than the net realizable amount recorded, additional revenue or reduction in revenue is recorded as a change in estimate during the current period.

For uninsured patients who do not qualify for charity care, OpCo recognizes revenue on the basis of its standard rates for services provided. On the basis of historical experience, a portion of the OpCo's uninsured patients will be unable or unwilling to pay for the services provided. Thus, OpCo records a significant provision for uncollectible accounts related to uninsured patients in the period the services are provided. This provision for uncollectible accounts is presented on the consolidated statements of operations as a component of net patient service revenue.

Patient service revenues, net of contractual allowances and discounts (but before the provision for bad debts), recognized in the years ended December 31, 2012 and 2011, were approximately:

	<u>2011</u>	<u>2010</u>
Medicare	\$ 6,378,861	\$ 3,603,158
Medicaid	179,777	287,481
Other third-party payers	29,783,427	22,750,460
Self-pay	<u>1,117,426</u>	<u>434,934</u>
	<u>\$ 37,459,491</u>	<u>\$ 27,076,033</u>

OpCo grants credit without collateral to its patients, most of whom are area residents and are insured under third-party payer agreements. The mix of net receivables from patients and third-party payers at December 31, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Medicare and Medicaid	14 %	20 %
Other third-party payers	<u>86</u>	<u>80</u>
	<u>100 %</u>	<u>100 %</u>

Approximately 36% of net receivables are due from one third-party payer at December 31, 2012 and 2011.

ProCure Illinois Holdings, LLC
Notes to Consolidated Financial Statements
December 31, 2012 and 2011

Patient Accounts Receivable and Allowance for Doubtful Accounts

OpCo reviews its accounts receivable balances on a periodic basis. OpCo bills third-party payers, which include insurance companies, Medicare and self-pay patients. Third-party billings are recorded as the amount which OpCo charges, less the contractual allowance provision.

Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectibility of accounts receivable, OpCo analyzes its past history and identifies trends for each of its major payer sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for uncollectible accounts. Management regularly reviews data about these major payer sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts.

For receivables associated with services provided to patients who have third-party coverage OpCo analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for uncollectible accounts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payer has not yet paid, or for payers who are known to be having financial difficulties that make the realization of amounts due unlikely).

For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), OpCo records a significant provision for uncollectible accounts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated or provided by policy) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

OpCo's allowance for doubtful accounts for self-pay patients increased from \$348,000 at December 31, 2011 to \$471,957 at December 31, 2012. This increase was a result of increased operations and historical payment information used to estimate the allowance for doubtful accounts.

Charity Care

The Company provides care without charges or at amounts less than its established rates to patients meeting certain criteria under its charity care policy. Charity care is not reported as revenue. Charges excluded from revenue under the Company's charity care policy were approximately \$436,000 and \$833,000 for December 31, 2012 and 2011, respectively. Total cost for these charges as estimated based on the ratio of both direct and indirect costs of providing services as a percentage of gross revenues was approximately \$114,000 and \$256,000 for December 31, 2012 and 2011, respectively.

Reclassifications

Certain reclassifications have been made to the 2011 financial statements to conform to the 2012 financial statement presentation. These reclassifications had no effect on net earnings.

ProCure Illinois Holdings, LLC
Notes to Consolidated Financial Statements
December 31, 2012 and 2011

Subsequent Events

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Subsequent events have been evaluated through the date of the Independent Auditor's Report, which is the date the consolidated financial statements were available to be issued.

May 22, 2013

Note 2: Property and Equipment

Property and equipment at December 31, 2012 and 2011 consists of:

	2012	2011
Medical equipment	\$ 64,758,562	\$ 64,568,473
Building and improvements	39,739,991	39,584,154
Purchased software	4,306,634	4,145,304
Land improvements	1,733,831	1,733,831
Equipment - other	2,733,317	2,448,042
Furniture and fixtures	742,800	708,739
Total cost	114,015,135	113,188,543
Less accumulated depreciation and amortization	(17,523,908)	(9,656,143)
	\$ 96,491,227	\$ 103,532,400

Note 3: Long-Term Debt and Line of Credit

Long-term debt consists of the following:

	2012	2011
Note dated March 4, 2008, as amended, to banks under a buyer credit facility; accruing interest at LIBOR plus 3.25%; payable quarterly (3.63% interest rate at December 31, 2012)	\$ 63,228,213	\$ 66,381,326
Note dated March 4, 2008, as amended, to banks under a commercial credit facility; accruing interest at LIBOR plus 4.25%; payable quarterly (4.63% interest rate at December 31, 2012)	44,312,657	49,789,503
Note dated November 23, 2009 to Parent; interest accrues quarterly at a fixed rate of 13.00% and is payable in-kind through the fifth anniversary of the note. The note is subordinated to the notes referenced above	2,479,008	2,185,641
	110,019,878	118,356,470
Less current maturities	12,820,460	8,629,958
	\$ 97,199,418	\$ 109,726,512

ProCure Illinois Holdings, LLC
Notes to Consolidated Financial Statements
December 31, 2012 and 2011

The scheduled annual principal payments at December 31, 2012 are as follows:

	Long-Term Debt
May 22, 2013	
2013	\$ 12,820,460
2014	19,591,468
2015	16,297,086
2016	14,870,196
2017	20,529,053
Thereafter	25,911,615
	\$ 110,019,878

The buyer and commercial credit facilities are carried by OpCo for construction of the treatment center in Warrenville, Illinois. The commercial credit facility has a commitment amount of \$51,000,000. The buyer credit facility has a commitment amount of \$68,000,000. Two banks each carry 50% of the total commitment. Quarterly principal payments commenced in January 2012 and are payable in varying amounts over six years for the commercial credit facility and over eight years for the buyer credit facility. Principal payments are based on specified percentages of the amounts outstanding as of the date of the first required payment.

The credit facility loans are collateralized by a first priority security interest in all of the existing and after-acquired personal and real property and certain assets and members' interest of OpCo.

In November 2009, OpCo entered into an agreement with the Parent to borrow \$1,675,000 due October 31, 2022. Interest accrues on the outstanding balance of the loan at 13% per year compounded semi-annually through the fifth anniversary date. All interest is accrued to the principal balance during the first five years. After the fifth anniversary, the note accrues interest at 13% compounded and payable semi-annually in cash through the maturity of the note on October 31, 2022. This loan is subordinate to the buyer and commercial credit facilities. OpCo recognized interest expense of \$293,367 and \$258,651 on the Parent PIK note in 2012 and 2011, respectively.

In April 2012, OpCo entered into an amendment of the buyer and commercial credit facilities. The amendment allowed for the true-up of the intercompany payable with Parent where OpCo may pay amounts due to Parent as outlined in the waterfall calculation in the amendment. If amounts remain outstanding under the intercompany payable after the waterfall payments, these amounts will be deemed a subordinate intercompany payable, which is subordinate to the buyer and commercial credit facility. The intercompany payable will be in the form of an open-ended revolving note allowing for additional cash flow support advances. The note is interest free and shall be repaid solely to the extent OpCo has satisfied other current subordinated obligations and has excess cash to fund repayment as outlined in the depository agreement with lenders. The balance outstanding at December 31, 2012 was \$4,171,548.

ProCure Illinois Holdings, LLC
Notes to Consolidated Financial Statements
December 31, 2012 and 2011

The amendment also called for Parent to obtain at least \$10 million in additional equity financing, which was obtained in April 2012, and maintain minimum liquidity of \$10 million in unrestricted cash. The minimum liquidity amount shall be made available to fund OpCo's shortfalls, and the shortfalls of other subsidiaries of Parent, as outlined in the amendment.

Financial covenants were amended so that beginning June 30, 2012 and on a quarterly basis, OpCo must obtain revenues of various percentages of those set forth in the project budget, ranging from 80% to 85%. OpCo must also maintain a debt service coverage ratio of 1.05 and capital expenditures shall be no greater than 110% as set for in the project budget. OpCo must also maintain minimum operating liquidity amounts as defined in the agreement. During 2012, OpCo failed to meet various requirements as set forth above.

Note 4: Interest Rate Swap Agreements

During 2008, as a strategy to maintain acceptable levels of exposure to the risk of changes in future cash flows due to interest rate fluctuations, OpCo entered into two interest rate swap agreements for a portion of its bank term loans. The notional amount amortizes throughout the term of the swap agreements to a balance of \$0 at the termination date, November 2018. The agreements provide for OpCo to receive interest from the counterparty at LIBOR and to pay interest to the counterparty at a fixed rate of 4.44%. The notional amounts were \$108,094,510 and \$112,244,456 at December 31, 2012 and 2011, respectively. Under the agreements, OpCo pays or receives the net interest amount quarterly, with the settlements included in construction in progress during the construction period and interest expense in the post-construction period.

Management has designated the interest rate swap agreements as cash flow hedging instruments. For derivative instruments that are designated and qualify as a cash flow hedge, the effective portion of the gain or loss on the derivative is reported as a component of other comprehensive loss and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings.

In December 2011, the interest rate swap's sliding option was partially exercised to maintain alignment of the swap payment schedule with the senior debt repayment schedule.

The table below presents certain information regarding OpCo's interest rate swap agreements designated as cash flow hedges. OpCo did not have any derivative instruments at December 31, 2012 and 2011 that were not designated as hedging instruments in accordance with ASC Topic 815, *Derivatives and Hedging*.

	2012	2011
Fair value of interest rate swap agreements	\$ 11,516,000	\$ 13,579,000
Balance sheet location of fair value amount	Long-Term Liabilities	Long-Term Liabilities
Loss recognized in other comprehensive income (effective portion)	\$ 2,063,000	\$ (2,280,000)

ProCure Illinois Holdings, LLC
Notes to Consolidated Financial Statements
December 31, 2012 and 2011

Note 5: Fair Value of Financial Instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

Following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying consolidated balance sheets, as well as the general classification of such liabilities pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended December 31, 2012.

Interest Rate Swap Agreements

OpCo has interest rate swap agreements that are recorded at fair value. The fair value is estimated using forward-looking interest rate curves and discounted cash flows that are observable or can be corroborated by observable market data and, therefore, are classified within Level 2 of the valuation hierarchy.

Cash Equivalents

Where quoted market prices are available in an active market, cash equivalents are classified within Level 1 of the valuation hierarchy. OpCo's investment in money market mutual funds are valued based on quoted market prices and are included in Level 1 of the hierarchy.

ProCure Illinois Holdings, LLC
Notes to Consolidated Financial Statements
December 31, 2012 and 2011

The following tables present the fair value measurements of assets and liabilities recognized in the accompanying consolidated balance sheets measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2012 and 2011:

May 22, 2013

	Fair Value	2012 Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Money market mutual funds	\$ 11,390,853	\$ 11,390,853	\$ -	\$ -
Liabilities				
Interest rate swap agreements	(11,516,000)	-	(11,516,000)	-
Total net asset (liability)	<u>\$ (125,147)</u>	<u>\$ 11,390,853</u>	<u>\$ (11,516,000)</u>	<u>\$ -</u>

	Fair Value	2011 Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Money market mutual funds	\$ 19,180,762	\$ 19,180,762	\$ -	\$ -
Liabilities				
Interest rate swap agreements	(13,579,000)	-	(13,579,000)	-
Total net asset (liability)	<u>\$ 5,601,762</u>	<u>\$ 19,180,762</u>	<u>\$ (13,579,000)</u>	<u>\$ -</u>

The following methods were used to estimate the fair value of all other financial instruments recognized in the accompanying consolidated balance sheets at amounts other than fair value.

Long-Term Debt and Line of Credit

The carrying value of the Company's long-term debt with banks approximates fair value as all interest terms are based on variable rates. It was not practical to estimate the fair value of the Company's note with Parent.

ProCure Illinois Holdings, LLC
Notes to Consolidated Financial Statements
December 31, 2012 and 2011

Note 6: Related Party Transactions

Parent has funded certain of the Company's expenditures as a source of working capital. The amount due to a related party associated with these expenditures is noninterest-bearing. There was no balance due to Parent at December 31, 2012. The balance due to Parent at December 31, 2011 was \$89,552. As part of an agreement in April 2012 discussed in Note 3, all working capital advances were transferred and now drawn under the open-ended revolving note with Parent. The balance outstanding at December 31, 2012 was \$4,171,548.

Other amounts due to related parties totaling \$4,406,388 and \$2,482,127 at December 31, 2012 and 2011, respectively, primarily represent a payable to ProCure Business Services, LLC under a consulting services agreement. See further discussion in Note 8.

OpCo has an agreement with a Hospital affiliate, which owns a 15% membership interest in MidCo (Hospital), which allows for certain employees of OpCo to be leased to the Hospital for services performed at the treatment facility. The agreement was amended in 2012 to allow for monthly billable amounts approximating \$66,000. Revenue under this agreement totaled \$1,004,600 in 2012 and \$153,283 in 2011 and is included in other revenues.

See Note 3 for discussion of PIK Note from the Parent.

See Note 8 for discussion of the land lease and consulting services agreements with related parties.

Note 7: Employee Benefits

Parent maintains a 401(k) defined-contribution plan for the benefit of substantially all of OpCo's employees. The plan allows for employee contributions up to the maximum allowable by law. OpCo matching contributions are discretionary as determined by OpCo's Board of Directors. OpCo has not made any contributions to the plan for the years ended December 31, 2012 and 2011.

Note 8: Commitments and Contingencies

Current Economic Conditions

The current protracted economic decline continues to present companies with difficult circumstances and challenges, which in some cases have resulted in large and unanticipated declines in the fair value of property and equipment, constraints on liquidity and difficulty obtaining financing. The consolidated financial statements have been prepared using values and information currently available to the Company.

Current economic and financial market conditions could adversely affect the Company's results of operations in future periods. Given the volatility of current economic conditions, the values of assets and liabilities recorded in the consolidated financial statements could change rapidly, resulting in material future adjustments that could negatively impact the Company's ability to meet debt covenants or maintain sufficient liquidity.

ProCure Illinois Holdings, LLC
Notes to Consolidated Financial Statements
December 31, 2012 and 2011

Land Lease

D R A F T

OpCo has leased the land on which the proton facility has been constructed from an entity, which owns a 15% membership interest in MidCo. The initial term, which incorporates the construction period of the proton facility, expired upon the completion of construction. The primary term commenced upon completion of construction and continues for fifty years. OpCo has the option to renew the lease for two consecutive twenty-year terms commencing at the end of the primary term. The annual base rent during the first lease year is \$97,524. Beginning with the second lease year through the fifth lease year, the rent is equal to the total square footage of the leased premise times \$66.00 per square foot times 10% (approximately \$400,000 per year). After the fifth lease year, the annual rent increases by the change in the consumer price index. The lease is a net lease and the tenant is required to pay taxes, insurance, maintenance and common area maintenance charges in addition to the base rent. OpCo has recognized the expense related to the scheduled rent escalation after the first lease year on a straight-line basis with an offsetting deferred rent liability of \$283,544 and \$289,708 at December 31, 2012 and 2011, respectively.

OpCo has the option after the first lease year through the earlier of the repayment of the bank debt or the 126th month of the lease to defer any annual rent over \$216,720. Deferred rent accrues interest at 14% and is payable in accordance with the terms of the credit facility with the banks until such time that the bank borrowings are repaid in full. At that time, the deferred rent is due on demand. OpCo's obligations under the lease have been subordinated to its loan payable. OpCo has deferred rent payments totaling \$734,645 and \$460,417 at December 31, 2012 and 2011, respectively.

Rental expense in connection with this lease totaled \$1,080,272 and \$398,939 for the years ended December 31, 2012 and 2011, respectively. A portion of the rental expense paid on this lease relates to amounts paid for common area expenses, real estate taxes and similar charges. Included in 2012 expense was \$634,676 in common area expense, real estate taxes and similar charges related to prior years. These expenses were billed by the Hospital in 2012 and are included in accounts payable at December 31, 2012.

ProCure Illinois Holdings, LLC
Notes to Consolidated Financial Statements
December 31, 2012 and 2011

Proton Service Agreement DRAFT

On December 31, 2007, as amended and restated on February 20, 2008 and as amended by amendment #1 on March 3, 2008 and as amended by addendum #1 on January 20, 2009, OpCo and IBA entered into a "Service Agreement," which provides for IBA to provide regular maintenance and operational services to the proton system for ten years commencing on the date of the first patient treatment. OpCo has the option to extend the agreement for an additional five-year term. The future fees are payable in U.S. currency, a portion of which is to be based on the Euro to U.S. dollar conversion rate in effect when the first installment of the Purchase Agreement was paid in December 2008. The future fees are summarized as follows:

2013	\$ 4,123,616
2014	4,314,980
2015	4,889,070
2016	4,889,070
2017	4,889,070
Thereafter	13,444,943

OpCo recognized \$4,430,908 and \$2,224,544 of expense under this agreement in 2012 and 2011, respectively.

Consulting Services Agreement

On March 4, 2008, OpCo entered into the "Consulting Services Agreement" with ProCure Business Services, LLC, a company related through common ownership, to provide management, advisory and consulting services to OpCo for \$2,000,000 a year (adjusted based on changes in the consumer price index after the fifth year), to accrue from the date on which OpCo treated its first patient. The initial term began when OpCo treated its first patient and continues for a period of five years. The first renewal period automatically begins at the expiration of the initial term, for a period to end on the earlier of twelve months after the maturity date of the buyer and commercial credit facilities or the Termination Date of the credit facility as defined in the credit agreement. After the first renewal term, the agreement renews for successive five-year terms unless either party provides sixty days notice to terminate. The annual fee is payable in arrears for four equal installments on the first day of each fiscal quarter.

OpCo recognized \$2,000,000 of consulting fees under this agreement in 2012 and 2011, respectively. OpCo has not made any payments as of December 31, 2012, and the balance is included in "Due to related parties."

ProCure Illinois Holdings, LLC
Notes to Consolidated Financial Statements
December 31, 2012 and 2011

Physician Services Agreement **D R A F T**

In March 2008, OpCo entered into a professional services agreement with a professional service corporation (P.C.). The initial term began when OpCo treated its first patient and continues for a period of five years. The first renewal period automatically begins at the expiration of the initial term, for a period to end on the earlier of twelve months after the maturity date of the buyer and commercial credit facilities or the Termination Date of the credit facility as defined in the credit agreement. After the first renewal term the agreement renews for successive five-year terms unless either party provides sixty days' notice to terminate. The agreement calls for the P.C. to appoint a medical director. OpCo agreed to compensate the P.C. for the medical director position equal to \$200,000 for the sixth-month period leading up to the treatment of the first patient and \$400,000 per year (subject to inflationary increases) after that for the term of the agreement. OpCo recognized \$400,000 and \$433,334 of medical director fees under this agreement in 2012 and 2011, respectively.

Note 9: Professional Liability Claims

OpCo purchases medical malpractice insurance under a claims-made policy on a fixed premium basis. Accounting principles generally accepted in the United States of America require a health care provider to accrue the expense of its share of malpractice claim costs, if any, for any reported and unreported incidents of potential improper professional service occurring during the year by estimating the probable ultimate costs of the incidents. Based upon OpCo's claim experience, no such accrual has been made. It is reasonably possible that this estimate could change materially in the near term.

Note 10: Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Allowance for Net Patient Service Revenue Adjustments

Estimates of allowances for adjustments included in net patient service revenue are described in Note 1.

Concentration of Credit Risk

Concentrations of net patient revenue and net patient accounts receivable with Medicare, Medicaid and other third-party payers are described in Note 1.

Chicago ProCure Management LLC

Balance Sheets

May 31, 2013 and 2012

(Unaudited)

	2013	Budget	2012
Assets			
Current assets			
Cash and cash equivalents	\$ 8,235,273	\$ 4,456,924	\$ 14,526,220
Patient accounts receivable, net of allowances	3,024,943	6,924,424	3,497,904
Prepaid and other current assets	479,266	1,080,823	881,025
Total current assets	11,739,482	12,462,171	18,905,148
Noncurrent assets			
Property and equipment, net	94,019,741	94,453,356	100,802,798
Deferred financing costs, net	2,313,253	2,125,497	2,507,667
Other long-term assets	1,708,076	1,708,076	1,708,076
	\$ 109,780,552	\$ 110,749,100	\$ 123,923,690
Liabilities and Members' Equity (Deficit)			
Current liabilities			
Current portion of long-term debt	\$ 19,481,308	\$ 20,518,987	\$ 10,980,134
Accounts payable	1,897,991	246,356	812
Accrued interest	1,007,921	997,459	1,075,000
Accrued expenses	2,074,790	1,200,014	998,321
Due to related parties	5,198,130	5,198,130	3,198,130
Total current liabilities	29,660,140	28,160,946	16,252,397
Long-term liabilities			
Long-term debt, net of current maturities	88,908,479	88,908,479	103,902,723
Interest rate swap position	8,699,000	13,553,000	13,430,000
Deferred rent	1,169,927	1,150,064	860,171
	98,777,406	103,611,543	118,192,894
Members' Equity (Deficit)			
Members' Equity (Deficit)	(5,198,671)	(4,793,327)	8,702,685
Accumulated other comprehensive loss	(8,699,000)	(13,553,000)	(13,430,000)
Net Income (Loss)	(4,759,323)	(2,677,062)	(5,794,286)
	(18,656,994)	(21,023,389)	(10,521,601)
	\$ 109,780,552	\$ 110,749,100	\$ 123,923,690

Chicago ProCure Management LLC
Statement of Operators
For the five months ended May 31, 2013 and 2012
(Unaudited)

	Year-to-Date			Month Ending		
	2013	Budget	2012	2013	Budget	2012
Revenues						
Net patient service revenue	\$ 14,640,672	\$ 17,023,490	\$ 11,632,857	\$ 2,973,969	\$ 3,752,217	\$ 2,503,255
Other revenue	239,966	340,735	175,431	(57,947)	68,147	8,336
	<u>14,880,638</u>	<u>17,364,225</u>	<u>11,808,288</u>	<u>2,916,022</u>	<u>3,820,364</u>	<u>2,511,591</u>
Operating expenses						
Salaries and wages	4,484,289	4,363,023	4,014,030	884,990	908,523	813,701
Advertising and marketing	2,047,841	1,802,295	1,440,246	244,472	353,033	151,831
Research and Development						
Legal services	200,586	138,540	116,898	(506)	27,708	6,961
Professional services	240,225	314,908	238,395	54,678	59,954	55,026
Office expenses	114,134	91,993	68,556	26,461	18,002	19,121
Land lease and equipment rental	306,166	181,385	246,424	57,849	36,277	35,967
Management fees	834,000	834,000	834,000	167,000	167,000	167,000
Repairs and maintenance	2,345,168	2,697,045	2,182,913	436,290	501,797	496,618
Utilities	244,580	261,465	173,169	53,723	52,293	7,503
Travel	107,745	224,730	102,855	35,711	34,649	27,808
Insurance	238,497	284,476	171,949	34,456	53,248	39,300
General and administrative - other	267,400	346,925	34,993	108,257	62,209	3,662
Supplies	568,746	597,120	281,847	121,039	131,629	52,867
Services - TC	204,193	406,406	124,150	144,143	86,321	8,500
Depreciation & amortization	3,317,578	3,390,751	3,260,811	664,175	680,588	653,640
	<u>15,521,149</u>	<u>15,935,062</u>	<u>13,291,236</u>	<u>3,032,737</u>	<u>3,173,231</u>	<u>2,539,505</u>
Operating income (loss)	<u>(640,510)</u>	<u>1,429,163</u>	<u>(1,482,948)</u>	<u>(116,715)</u>	<u>647,133</u>	<u>(27,915)</u>
Other income (expense)						
Interest income	375	-	744	59	-	132
Other income (expense)						
Interest Expense	(3,805,823)	(3,766,120)	(4,063,854)	(767,742)	(759,602)	(806,002)
Interest Expense - Def Finance	(313,366)	(340,105)	(248,228)	(62,700)	(68,021)	(59,300)
Interest expense	(4,119,188)	(4,106,225)	(4,312,082)	(830,442)	(827,623)	(865,302)
	<u>(4,118,813)</u>	<u>(4,106,225)</u>	<u>(4,311,338)</u>	<u>(830,383)</u>	<u>(827,623)</u>	<u>(865,170)</u>
Net Income (Loss)	<u>\$ (4,759,323)</u>	<u>\$ (2,677,062)</u>	<u>\$ (5,794,286)</u>	<u>\$ (947,098)</u>	<u>\$ (180,490)</u>	<u>\$ (893,085)</u>

Chicago Procure Management LLC
Statement of Cash Flows
For the five months ended May 31, 2013 and 2012
(Unaudited)

	Year Ended		Month Ending	
	2013	2012	2013	2012
	Budget	Budget	Budget	Budget
Operating Activities				
Net Income (Loss)	\$ (4,759,323)	\$ (2,677,062)	\$ (947,098)	\$ (893,085)
Items not requiring (providing) cash				
Paid in-kind interest on loans payable	139,791	117,642	30,879	24,423
Amortization of deferred financing fees	313,366	248,228	62,700	68,021
Provision for doubtful accounts	2,503,986	822,527	672,134	601,354
Depreciation and amortization	3,317,578	3,260,811	664,175	680,588
Deferred rent	151,738	110,046	26,029	25,729
Changes in				
Patient accounts receivable	(1,264,536)	(4,743,354)	(480,642)	(980,469)
Prepaid and other assets	(250,282)	(662,233)	383,535	(91,029)
Accounts payable and accrued expenses	238,937	(752,489)	958,903	874,708
Net cash provided (used) for operating activities	391,256	(2,000,288)	1,370,615	1,029,291
Investing Activities				
Purchase of property and equipment	(846,091)	(1,378,108)	(7,128)	(117,500)
Net cash used for investing activities	(846,091)	(1,378,108)	(7,128)	(117,500)
Financing activities				
Increase (decrease) in due to related parties	834,000	834,000	167,000	167,000
Proceeds from issuance of long-term debt	(0.00)	1,037,668.37	-	-
Principal payments on long-term debt	(5,941,430)	(5,941,430)	-	-
Financing costs paid	(198,207)	(250,000)	-	-
Net cash provided (used) by financing activities	(5,305,637)	(4,319,762)	167,000	167,000
Increase (Decrease) in cash and cash equivalents	(5,760,472)	(7,698,158)	1,530,487	1,078,791
Cash and cash equivalents, Beginning of Period	13,995,745	12,155,082	6,704,786	3,378,133
Cash and cash equivalents, End of Period	\$ 8,235,273	\$ 4,456,924	\$ 8,235,273	\$ 4,456,924
	\$ 14,526,220	\$ 14,526,220	\$ 14,526,220	\$ 14,526,220

Chicago ProCure Management, LLC

Auditor's Report and Financial Statements

December 31, 2012 and 2011

D R A F T

May 22, 2013

Chicago ProCure Management, LLC

December 31, 2012 and 2011

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Independent Auditor's Report

D R A F T

Board of Directors
Chicago ProCure Management, LLC
New York, New York

May 22, 2013

D R A F T

Indianapolis, Indiana
_____, 2013

May 22, 2013

Chicago ProCure Management, LLC**Balance Sheets
December 31, 2012 and 2011****Assets****DRAFT****Current Assets**

	<u>2012</u>	<u>2011</u>
Cash and cash equivalents	\$ 13,995,745	\$ 20,435,295
Patient accounts receivable, net of allowance; 2012 - \$471,957; 2011 - \$348,000	4,264,393	4,109,360
Prepays and other current assets	228,984	234,262
Total current assets	<u>18,489,122</u>	<u>24,778,917</u>

Noncurrent Assets

Property and equipment, net	96,491,227	103,532,400
Deferred financing costs, net	2,428,411	2,158,952
Other long-term assets	1,708,076	1,708,076
	<u>100,627,714</u>	<u>107,399,428</u>
	<u>\$ 119,116,836</u>	<u>\$ 132,178,345</u>

Liabilities and Members' Equity**Current Liabilities**

Current maturities of long-term debt	\$ 12,820,460	\$ 8,629,958
Line of credit - Parent	4,171,548	-
Accounts payable	1,407,049	212,603
Accrued interest	1,806,801	660,000
Accrued expenses	1,527,914	1,042,779
Due to related parties	4,364,130	2,453,682
Total current liabilities	<u>26,097,902</u>	<u>12,999,022</u>

Long-Term Liabilities

Long-term debt	97,199,418	109,726,512
Interest rate swap agreements	11,516,000	13,579,000
Deferred rent	1,018,189	750,125
	<u>109,733,607</u>	<u>124,055,637</u>

Members' Equity (Deficit)

Members' equity (deficit)	(5,198,673)	8,702,686
Accumulated other comprehensive loss	(11,516,000)	(13,579,000)
	<u>(16,714,673)</u>	<u>(4,876,314)</u>
	<u>\$ 119,116,836</u>	<u>\$ 132,178,345</u>

Chicago ProCure Management, LLC
Statements of Operations and Comprehensive Loss
Years Ended December 31, 2012 and 2011

	2012	2011
Revenues		
Patient service revenue (net of contractual discounts and allowances)	\$ 37,459,491	\$ 27,076,033
Provision for uncollectible accounts	(5,616,635)	(478,661)
Net patient service revenue less provision for uncollectible accounts	31,842,856	26,597,372
Other	1,032,363	419,809
	32,875,219	27,017,181
Operating Expenses		
Salaries and wages	10,416,926	8,574,381
Advertising and marketing	4,648,642	1,949,439
Research and development	370	-
Legal fees	267,694	44,668
Professional fees	547,525	689,677
Office expense	237,699	228,667
Land lease and equipment rental	1,127,961	405,163
Management fees	2,000,000	2,000,000
Repairs and maintenance	5,753,713	2,892,511
Utilities	600,017	617,378
Travel	247,454	131,660
Insurance	545,424	340,058
General and administrative - other	450,666	184,674
Supplies	959,048	871,040
Services - TC	719,546	663,718
Depreciation and amortization	7,867,763	7,729,887
Total operating expenses	36,390,448	27,322,921
Operating Loss	(3,515,229)	(305,740)
Other Expense		
Interest expense	(10,386,130)	(8,926,598)
Net Loss	(13,901,359)	(9,232,338)
Change in Fair Value of Interest Rate Swaps	2,063,000	(2,280,000)
Comprehensive Loss	\$ (11,838,359)	\$ (11,512,338)

Chicago ProCure Management, LLC
Statements of Changes in Members' Equity (Deficit)
Years Ended December 31, 2012 and 2011

	Members' Equity (Deficit)	Accumulated Other Comprehensive Loss	Total
	<div style="font-size: 2em; opacity: 0.5; position: absolute; top: -20px; left: -50px;">D R A F T</div> May 22, 2013		
Balance, January 1, 2011	\$ 11,885,024	\$ (11,299,000)	\$ 586,024
Member contributions	6,050,000		6,050,000
Net loss	(9,232,338)		(9,232,338)
Other comprehensive loss		(2,280,000)	(2,280,000)
Balance, December 31, 2011	8,702,686	(13,579,000)	(4,876,314)
Net loss	(13,901,359)		(13,901,359)
Other comprehensive income		2,063,000	2,063,000
Balance, December 31, 2012	<u>\$ (5,198,673)</u>	<u>\$ (11,516,000)</u>	<u>\$ (16,714,673)</u>

Chicago ProCure Management, LLC**Statements of Cash Flows
Years Ended December 31, 2012 and 2011**

	2012	2011
D R A F T		
Operating Activities		
Net loss	\$ (13,901,359)	\$ (9,232,338)
Items not requiring cash		
Depreciation and amortization	7,867,763	7,729,887
Amortization of deferred financing fees	763,347	202,648
Paid in-kind interest on loan payable	293,367	258,651
Deferred rent	268,064	229,879
Provision for uncollectible accounts	5,616,635	478,661
Changes in		
Patient accounts receivable	(5,771,668)	(3,467,452)
Prepaid and other current assets	5,278	(196,662)
Accounts payable and accrued expenses	4,826,382	4,312,833
Net cash provided by (used in) operating activities	<u>(32,191)</u>	<u>316,107</u>
Investing Activity - purchase of property and equipment	<u>(826,590)</u>	<u>(7,222,370)</u>
Financing Activities		
Advances from (repayment to) Parent	4,081,996	(437,972)
Proceeds from issuance of long-term debt	-	21,374,951
Principal payments on long-term debt	(8,629,959)	-
Financing costs paid	(1,032,806)	-
Members' contributions	-	6,050,000
Net cash provided by (used in) financing activities	<u>(5,580,769)</u>	<u>26,986,979</u>
Increase (Decrease) in Cash and Cash Equivalents	(6,439,550)	20,080,716
Cash and Cash Equivalents, Beginning of Year	<u>20,435,295</u>	<u>354,579</u>
Cash and Cash Equivalents, End of Year	<u>\$ 13,995,745</u>	<u>\$ 20,435,295</u>
Supplemental Cash Flows Information		
Cash paid for interest	\$ 8,477,503	\$ 8,575,738

Chicago ProCure Management, LLC

Notes to Financial Statements December 31, 2012 and 2011

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Chicago ProCure Management, LLC (OpCo) was founded to construct and operate a proton therapy facility in Warrenville, Illinois for use in the treatment of cancer. OpCo was formed in the State of Delaware and commenced activities on March 26, 2007. The facility opened for operations in October 2010.

Members' Equity

OpCo is a Delaware limited liability company with a perpetual life. No member shall be liable for the liabilities of OpCo.

The original Operating Agreement was dated April 3, 2007, between ProCure Illinois Holdings, LLC (MidCo) and a doctor group. The Operating Agreement was amended on March 4, 2008, to provide (1) that the doctor group will contribute up to \$14,000,000 in equity in return for up to a 30% member interest therein; and (2) that MidCo will contribute an amount of equity to OpCo, necessary to bring the total equity funds up to \$28,000,000.

The Second Amended and Restated Operating Agreement was executed on November 7, 2008, which called for (1) that the doctor group will initially contribute \$8,750,000 in equity, which at that point in time is equal to a membership interest of 21.13% therein, which was guaranteed in the form of a direct pay irrevocable letter of credit; and (2) that MidCo will contribute an initial amount of \$14,000,000 in equity to OpCo. The agreement also gave the doctor group a purchase option on additional units that could have brought its total up to a 30% ownership by contributing an additional \$5,250,000. The purchase option expired unexercised on December 31, 2009; therefore, MidCo contributed the additional \$5,250,000 in 2010 to meet lender requirements. This contribution increased MidCo ownership to 81.25%. During 2011, the doctor group contributed their remaining \$6,050,000 capital commitment as outlined in the operating agreement.

MidCo is a majority owned subsidiary of ProCure Treatment Centers, Inc. (Parent) through its investment in its wholly owned subsidiary, ProCure Chicago Holdings, LLC (HoldCo).

In conjunction with the November 2009 amendment of the credit agreement (see Note 3), OpCo increased contributions from members to a minimum of \$29,675,000, of which \$1,675,000 was contributed pursuant to the Parent PIK note (see Note 3).

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Chicago ProCure Management, LLC

Notes to Financial Statements

December 31, 2012 and 2011

Cash and Cash Equivalents

The Company considers all liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2012 and 2011, cash equivalents consisted primarily of money market accounts with brokers and certificates of deposit.

At December 31, 2012, the Company's cash accounts exceeded federally insured limits by approximately \$11,391,000.

Pursuant to legislation enacted in 2010, the FDIC fully insured all noninterest-bearing transaction accounts beginning December 31, 2010 through December 31, 2012, at all FDIC-insured institutions. This legislation expired on December 31, 2012. Beginning January 1, 2013, noninterest-bearing transaction accounts are subject to the \$250,000 limit on FDIC insurance per covered institution.

Property and Equipment

Property and equipment acquisitions are recorded at cost and are depreciated over the estimated useful life of each asset. Assets under land improvements are amortized over the shorter of the lease term or their respective estimated useful lives. Software is amortized over the estimated useful life. Annual depreciation and amortization is computed using the straight-line method over the following lives:

Medical equipment	5 - 15 years
Building and improvements	5 - 39 years
Purchased software	3 years
Land improvements	15 years
Other equipment	5 - 7 years
Furniture and fixtures	7 years

Long-Lived Asset Impairment

The Company evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

No asset impairment was recognized during the years ended December 31, 2012 and 2011.

Chicago ProCure Management, LLC

Notes to Financial Statements December 31, 2012 and 2011

Deferred Financing Costs

Deferred financing costs represent costs incurred in conjunction with the OpCo's debt financing and are amortized over the term of the related debt instruments. Amortization of the deferred financing costs during the construction period of the proton facility was included with the interest cost capitalized as part of the construction costs. Amortization is included in interest expense for the post-construction period.

Intangible Assets

Intangible assets consist of a certificate of need acquired to construct the facility. This intangible is considered an indefinite life intangible and is periodically evaluated as to the recoverability of its carrying value. It is recorded in other long-term assets on the balance sheet, and its balance was \$1,629,908 at December 31, 2012 and 2011.

Income Taxes

OpCo is not directly subject to income taxes under the provisions of the Internal Revenue Code and applicable state laws. Therefore, taxable income or loss is allocated to its members in accordance with their respective percentage ownership for inclusion in their respective tax returns, and no provision for federal and state income taxes has been included in these statements.

OpCo recognizes the benefit or expense of an uncertain tax position in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) ASC 740, *Income Taxes*, after considering if it is more likely than not, based on the technical merits, that a tax position will be realized and sustained upon examination. For tax positions meeting a "more-likely-than-not" threshold, the amount recognized in the financial statements is the largest amount expected to be realized upon settlement with the tax authority. As of December 31, 2012, OpCo has not identified any uncertain tax positions.

The Company is no longer subject to U.S. federal, state and local income tax examinations for years prior to 2009.

Net Patient Service Revenue, Contractual Adjustments and Concentration of Credit Risk

Revenues for services are recorded in the period the services are rendered. Net patient service revenues are recorded at net realizable amounts estimated to be paid by the patients and third-party payers. OpCo participates in the Medicare and state-sponsored Medicaid programs. Laws and regulations governing Medicare are complex and subject to interpretations and change. As a result, it is reasonably possible recorded estimates will change materially in the near term. OpCo has also entered into payment agreements with certain commercial insurance carriers. The basis for payments to OpCo under these agreements include prospectively determined rates and discounts from established charges.

Chicago ProCure Management, LLC

Notes to Financial Statements December 31, 2012 and 2011

- A provision for contractual adjustments is recorded as a reduction to net patient service revenues and consists of a) the difference between the payer's allowable amount and the customary billing rate; and b) services for which payment is denied by governmental or third-party payers or otherwise deemed non-billable. OpCo records the provision for contractual adjustments based on a percentage of revenue using historical data and current contracts or letters of agreement in place. Due to the complexity of many third-party billing arrangements, adjustments are sometimes made to amounts originally recorded. These adjustments are typically identified and recorded upon cash remittance or claim denial. At such time as OpCo can determine the ultimate collections have exceeded or are less than the net realizable amount recorded, additional revenue or reduction in revenue is recorded as a change in estimate during the current period.

For uninsured patients who do not qualify for charity care, OpCo recognizes revenue on the basis of its standard rates for services provided. On the basis of historical experience, a portion of the OpCo's uninsured patients will be unable or unwilling to pay for the services provided. Thus, OpCo records a significant provision for uncollectible accounts related to uninsured patients in the period the services are provided. This provision for uncollectible accounts is presented on the statements of operations as a component of net patient service revenue.

Patient service revenues, net of contractual allowances and discounts (but before the provision for bad debts), recognized in the years ended December 31, 2012 and 2011, were approximately:

	2012	2011
Medicare	\$ 6,378,861	\$ 3,603,158
Medicaid	179,777	287,481
Other third-party payers	29,783,427	22,750,460
Self-pay	1,117,426	434,934
	\$ 37,459,491	\$ 27,076,033

OpCo grants credit without collateral to its patients, most of whom are area residents and are insured under third-party payer agreements. The mix of net receivables from patients and third-party payers at December 31, 2012 and 2011:

	2012	2011
Medicare and Medicaid	14 %	20 %
Other third-party payers	86	80
	100 %	100 %

Approximately 36% of net receivables are due from one third-party payer at December 31, 2012 and 2011.

Chicago ProCure Management, LLC

Notes to Financial Statements December 31, 2012 and 2011

Patient Accounts Receivable and Allowance for Doubtful Accounts

OpCo reviews its accounts receivable balances on a periodic basis. OpCo bills third-party payers, which include insurance companies, Medicare and self-pay patients. Third-party billings are recorded as the amount which OpCo charges, less the contractual allowance provision.

Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectibility of accounts receivable, OpCo analyzes its past history and identifies trends for each of its major payer sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for uncollectible accounts. Management regularly reviews data about these major payer sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts.

For receivables associated with services provided to patients who have third-party coverage, OpCo analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for uncollectible accounts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payer has not yet paid, or for payers who are known to be having financial difficulties that make the realization of amounts due unlikely).

For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), OpCo records a significant provision for uncollectible accounts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated or provided by policy) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

OpCo's allowance for doubtful accounts for self-pay patients increased from \$348,000 at December 31, 2011 to \$471,957 at December 31, 2012. This increase was a result of increased operations and historical payment information used to estimate the allowance for doubtful accounts.

Charity Care

The Company provides care without charges or at amounts less than its established rates to patients meeting certain criteria under its charity care policy. Charity care is not reported as revenue. Charges excluded from revenue under the Company's charity care policy were approximately \$436,000 and \$833,000 for December 31, 2012 and 2011, respectively. Total cost for these charges as estimated based on the ratio of both direct and indirect costs of providing services as a percentage of gross revenues was approximately \$114,000 and \$256,000 for December 31, 2012 and 2011, respectively.

Reclassifications

Certain reclassifications have been made to the 2011 financial statements to conform to the 2012 financial statement presentation. These reclassifications had no effect on net earnings.

Chicago ProCure Management, LLC**Notes to Financial Statements****December 31, 2012 and 2011****Subsequent Events**

Subsequent events have been evaluated through the date of the Independent Auditor's Report, which is the date the financial statements were available to be issued.

D R A F T
May 22, 2013

Note 2: Property and Equipment

Property and equipment at December 31, 2012 and 2011 consists of:

	<u>2012</u>	<u>2011</u>
Medical equipment	\$ 64,758,562	\$ 64,568,473
Building and improvements	39,739,991	39,584,154
Purchased software	4,306,634	4,145,304
Land improvements	1,733,831	1,733,831
Equipment - other	2,733,317	2,448,042
Furniture and fixtures	742,800	708,739
Total cost	<u>114,015,135</u>	<u>113,188,543</u>
Less accumulated depreciation and amortization	<u>(17,523,908)</u>	<u>(9,656,143)</u>
	<u>\$ 96,491,227</u>	<u>\$ 103,532,400</u>

Note 3: Long-Term Debt and Line of Credit

Long-term debt consists of the following:

	<u>2012</u>	<u>2011</u>
Note dated March 4, 2008, as amended, to banks under a buyer credit facility; accruing interest at LIBOR plus 3.25%; payable quarterly (3.63% interest rate at December 31, 2012)	\$ 63,228,213	\$ 66,381,326
Note dated March 4, 2008, as amended, to banks under a commercial credit facility; accruing interest at LIBOR plus 4.25%; payable quarterly (4.63% interest rate at December 31, 2012)	44,312,657	49,789,503
Note dated November 23, 2009 to Parent; interest accrues quarterly at a fixed rate of 13.00% and is payable in-kind through the fifth anniversary of the note. The note is subordinated to the notes referenced above	<u>2,479,008</u>	<u>2,185,641</u>
	110,019,878	118,356,470
Less current maturities	<u>12,820,460</u>	<u>8,629,958</u>
	<u>\$ 97,199,418</u>	<u>\$ 109,726,512</u>

Chicago ProCure Management, LLC
Notes to Financial Statements
December 31, 2012 and 2011

The scheduled annual principal payments at December 31, 2012 are as follows:

	Long-Term Debt
May 22, 2013	
2013	\$ 12,820,460
2014	19,591,468
2015	16,297,086
2016	14,870,196
2017	20,529,053
Thereafter	25,911,615
	\$ 110,019,878

The buyer and commercial credit facilities are carried by OpCo for construction of the treatment center in Warrenville, Illinois. The credit facility has two types of loans. The first is a commercial credit facility with a commitment amount of \$51,000,000. The second is a buyer credit facility with a commitment amount of \$68,000,000. Two banks each carry 50% of the total commitment. Quarterly principal payments commenced in January 2012 and are payable in varying amounts over six years for the commercial credit facility and over eight years for the buyer credit facility. Principal payments are based on specified percentages of the amounts outstanding as of the date of the first required payment.

The credit facility loans are collateralized by a first priority security interest in all of the existing and after-acquired personal and real property and certain assets and members' interest of OpCo.

In November 2009, OpCo entered into an agreement with the Parent to borrow \$1,675,000 due October 31, 2022. Interest accrues on the outstanding balance of the loan at 13% per year compounded semi-annually through the fifth anniversary date. All interest is accrued to the principal balance during the first five years. After the fifth anniversary, the note accrues interest at 13% compounded and payable semi-annually in cash through the maturity of the note. In April 2012, this note was amended, modifying the maturity date to be the day following the final payment in full of all obligations outstanding on the buyer and commercial credit facilities. This loan is subordinate to the buyer and commercial credit facilities. OpCo recognized interest expense of \$293,367 and \$258,651 on the Parent PIK note in 2012 and 2011, respectively.

In April 2012, Opco entered into an amendment of the buyer and commercial credit facilities. The amendment allowed for the true-up of the intercompany payable with Parent where OpCo may pay amounts due to Parent as outlined in the waterfall calculation in the amendment. If amounts remain outstanding under the intercompany payable after the waterfall payments, these amounts will be deemed a subordinate intercompany payable, which is subordinate to the buyer and commercial credit facility. The intercompany payable will be in the form of an open-ended revolving note allowing for additional cash flow support advances. The note is interest free and shall be repaid solely to the extent OpCo has satisfied other current subordinated obligations and has excess cash to fund repayment as outlined in the depository agreement with lenders. The balance outstanding at December 31, 2012 was \$4,171,548.

Chicago ProCure Management, LLC

Notes to Financial Statements December 31, 2012 and 2011

The amendment also called for Parent to obtain at least \$10 million in additional equity financing, which was obtained in April 2012, and maintain minimum liquidity of \$10 million in unrestricted cash. The minimum liquidity amount shall be made available to fund OpCo's shortfalls, and the shortfalls of other subsidiaries of Parent, as outlined in the amendment.

Financial covenants were amended so that beginning June 30, 2012 and on a quarterly basis, OpCo must obtain revenues of various percentages of those set forth in the project budget, ranging from 80% to 85%. OpCo must also maintain a debt service coverage ratio of 1.05 and capital expenditures shall be no greater than 110% as set for in the project budget. OpCo must also maintain minimum operating liquidity amounts as defined in the agreement. During 2012, OpCo failed to meet various requirements as set forth above.

Note 4: Interest Rate Swap Agreements

During 2008, as a strategy to maintain acceptable levels of exposure to the risk of changes in future cash flows due to interest rate fluctuations, OpCo entered into two interest rate swap agreements for a portion of its bank term loans. The notional amount amortizes throughout the term of the swap agreements to a balance of \$0 at the termination date, November 2018. The agreements provide for OpCo to receive interest from the counterparty at LIBOR and to pay interest to the counterparty at a fixed rate of 4.44%. The notional amounts were \$108,094,510 and \$112,244,456 at December 31, 2012 and 2011, respectively. Under the agreements, OpCo pays or receives the net interest amount quarterly, with the settlements included in construction in progress during the construction period and interest expense in the post-construction period.

Management has designated the interest rate swap agreements as cash flow hedging instruments. For derivative instruments that are designated and qualify as a cash flow hedge, the effective portion of the gain or loss on the derivative is reported as a component of other comprehensive loss and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings.

In December 2011, the interest rate swap's sliding option was partially exercised to maintain alignment of the swap payment schedule with the senior debt repayment schedule.

The table below presents certain information regarding OpCo's interest rate swap agreements designated as cash flow hedges. OpCo did not have any derivative instruments at December 31, 2012 and 2011 that were not designated as hedging instruments in accordance with ASC Topic 815, *Derivatives and Hedging*.

	2012	2011
Fair value of interest rate swap agreements	\$ 11,516,000	\$ 13,579,000
Balance sheet location of fair value amount	Long-Term Liabilities	Long-Term Liabilities
Gain (loss) recognized in other comprehensive income (effective portion)	\$ 2,063,000	\$ (2,280,000)

Chicago ProCure Management, LLC

Notes to Financial Statements December 31, 2012 and 2011

Note 5: Fair Value of Financial Instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

Following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying balance sheets, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended December 31, 2012.

Interest Rate Swap Agreements

OpCo has interest rate swap agreements that are recorded at fair value. The fair value is estimated using forward-looking interest rate curves and discounted cash flows that are observable or can be corroborated by observable market data and, therefore, are classified within Level 2 of the valuation hierarchy.

Cash Equivalents

Where quoted market prices are available in an active market, cash equivalents are classified within Level 1 of the valuation hierarchy. OpCo's investment in money market mutual funds are valued based on quoted market prices and are included in Level 1 of the hierarchy.

Chicago ProCure Management, LLC
Notes to Financial Statements
December 31, 2012 and 2011

The following tables present the fair value measurements of assets and liabilities recognized in the accompanying balance sheets measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2012 and 2011:

May 22, 2013

	Fair Value	2012 Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Money market mutual funds	\$ 11,390,853	\$ 11,390,853	\$ -	\$ -
Liabilities				
Interest rate swap agreements	(11,516,000)	-	(11,516,000)	-
Total net asset (liability)	<u>\$ (125,147)</u>	<u>\$ 11,390,853</u>	<u>\$ (11,516,000)</u>	<u>\$ -</u>

	Fair Value	2011 Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Money market mutual funds	\$ 19,180,762	\$ 19,180,762	\$ -	\$ -
Liabilities				
Interest rate swap agreements	(13,579,000)	-	(13,579,000)	-
Total net asset (liability)	<u>\$ 5,601,762</u>	<u>\$ 19,180,762</u>	<u>\$ (13,579,000)</u>	<u>\$ -</u>

The following methods were used to estimate the fair value of all other financial instruments recognized in the accompanying balance sheets at amounts other than fair value.

Long-Term Debt and Line of Credit

The carrying value of the Company's long-term debt with banks approximates fair value as all interest terms are based on variable rates. It was not practical to estimate the fair value of the Company's notes with Parent.

Chicago ProCure Management, LLC

Notes to Financial Statements December 31, 2012 and 2011

Note 6: Related Party Transactions

Parent has funded certain of OpCo's expenditures as a source of working capital. The amount due to a related party associated with these expenditures is noninterest-bearing. The balance due to Parent at December 31, 2011 was \$89,552. As part of an agreement in April 2012 discussed in Note 3, all working capital advances were transferred and now drawn under the open-ended revolving note with Parent. The balance outstanding at December 31, 2012 was \$4,171,548.

Other amounts due to related parties totaling \$4,364,130 and \$2,364,130 at December 31, 2012 and 2011, respectively, represent a payable to ProCure Business Services, LLC under a consulting services agreement. See further discussion in Note 8.

OpCo has an agreement with a Hospital affiliate, which owns a 15% membership interest in MidCo (Hospital), which allows for certain employees of OpCo to be leased to the Hospital for services performed at the treatment facility. The agreement was amended in 2012 to allow for monthly billable amounts approximating \$66,000. Revenue under this agreement totaled \$1,004,600 in 2012 and \$153,283 in 2011 and is included in other revenues.

See Note 3 for discussion of PIK Note from the Parent.

See Note 8 for discussion of the land lease and consulting services agreements with related parties.

Note 7: Employee Benefits

Parent maintains a 401(k) defined-contribution plan for the benefit of substantially all of OpCo's employees. The plan allows for employee contributions up to the maximum allowable by law. OpCo matching contributions are discretionary as determined by OpCo's Board of Directors. OpCo has not made any contributions to the plan for the years ended December 31, 2012 and 2011.

Note 8: Commitments and Contingencies

Current Economic Conditions

The current protracted economic decline continues to present companies with difficult circumstances and challenges, which in some cases have resulted in large and unanticipated declines in the fair value of property and equipment, constraints on liquidity and difficulty obtaining financing. The financial statements have been prepared using values and information currently available to OpCo.

Current economic and financial market conditions could adversely affect OpCo's results of operations in future periods. Given the volatility of current economic conditions, the values of assets and liabilities recorded in the financial statements could change rapidly, resulting in material future adjustments that could negatively impact OpCo's ability to meet debt covenants or maintain sufficient liquidity.

Chicago ProCure Management, LLC

Notes to Financial Statements

December 31, 2012 and 2011

Land Lease

D R A F T

OpCo has leased the land on which the proton facility is constructed from the Hospital. The initial term, which incorporates the construction period of the proton facility, expired upon the completion of construction. The primary term commenced upon completion of construction and continues for fifty years. OpCo has the option to renew the lease for two consecutive twenty-year terms commencing at the end of the primary term. The annual base rent during the first lease year is \$97,524. Beginning with the second lease year through the fifth lease year, the rent is equal to the total square footage of the leased premise times \$66.00 per square foot times 10% (approximately \$400,000 per year). After the fifth lease year, the annual rent increases by the consumer price index. The lease is a net lease, and the tenant is required to pay taxes, insurance, maintenance and common area maintenance charges in addition to the base rent. OpCo has recognized the expense related to the scheduled rent escalation after the first lease year on a straight-line basis with an offsetting deferred rent liability of \$283,544 and \$289,708 at December 31, 2012 and 2011, respectively.

OpCo has the option after the first lease year through the earlier of the repayment of the bank debt or the 126th month of the lease to defer any annual rent over \$216,720. Deferred rent accrues interest at 14% and is payable in accordance with the terms of the credit facility with the banks until such time that the bank borrowings are repaid in full. At that time, the deferred rent is due on demand. OpCo's obligations under the lease have been subordinated to its loan payable. OpCo has deferred rent payments of totaling \$734,645 and \$460,417 at December 31, 2012 and 2011, respectively.

Rental expense in connection with this lease totaled \$1,080,272 and \$398,939 for the years ended December 31, 2012 and 2011, respectively. A portion of the rental expense paid on this lease relates to amounts paid for common area expenses, real estate taxes and similar charges. Included in 2012 expense was \$634,676 in common area expense, real estate taxes and similar charges related to prior years. These expenses were billed by the Hospital in 2012 and are included in accounts payable at December 31, 2012.

Chicago ProCure Management, LLC

Notes to Financial Statements

December 31, 2012 and 2011

Proton Service Agreement

On December 31, 2007, as amended and restated on February 20, 2008 and as amended by amendment #1 on March 3, 2008 and as amended by addendum #1 on January 20, 2009, OpCo and IBA entered into a "Service Agreement" which provides for IBA to provide regular maintenance and operational services to the proton system for ten years commencing on the date of the first patient treatment. OpCo has the option to extend the agreement for an additional five-year term. The future fees are payable in U.S. currency, a portion of which is to be based on the Euro to U.S. dollar conversion rate in effect when the first installment of the Purchase Agreement was paid in December 2008. The future fees are summarized as follows:

2013	\$ 4,123,616
2014	4,314,980
2015	4,889,070
2016	4,889,070
2017	4,889,070
Thereafter	13,444,943

OpCo recognized \$4,430,908 and \$2,224,544 of expense under this agreement in 2012 and 2011, respectively.

Consulting Services Agreement

On March 4, 2008, OpCo entered into the "Consulting Services Agreement" with ProCure Business Services, LLC, a company related through common ownership, to provide management, advisory and consulting services to OpCo for \$2,000,000 a year (adjusted based on changes in the consumer price index after the fifth year), to accrue from the date on which OpCo treated its first patient. The initial term began when OpCo treated its first patient and continues for a period of five years. The first renewal period automatically begins at the expiration of the initial term, for a period to end on the earlier of twelve months after the maturity date of the buyer and commercial credit facilities or the Termination Date of the credit facility as defined in the credit agreement. After the first renewal term, the agreement renews for successive five-year terms unless either party provides sixty days' notice to terminate. The annual fee is payable in arrears for four equal installments on the first day of each fiscal quarter.

OpCo recognized \$2,000,000 of consulting fees under this agreement in 2012 and 2011. There were no payments made at December 31, 2012 or 2011, and the balance is included in "Due to related parties."

Chicago ProCure Management, LLC
Notes to Financial Statements
December 31, 2012 and 2011

Physician Services Agreement **DRAFT**

In March 2008, OpCo entered into a professional services agreement with a professional service corporation (P.C.). The initial term began when OpCo treated its first patient and continues for a period of five years. The first renewal period automatically begins at the expiration of the initial term, for a period to end on the earlier of twelve months after the maturity date of the buyer and commercial credit facilities or the Termination Date of the credit facility as defined in the credit agreement. After the first renewal term the agreement renews for successive five-year terms unless either party provides sixty days' notice to terminate. The agreement calls for the P.C. to appoint a medical director. OpCo agreed to compensate the P.C. for the medical director position equal to \$200,000 for the sixth-month period leading up to the treatment of the first patient and \$400,000 per year (subject to inflationary increases) after that for the term of the agreement. OpCo recognized \$400,000 and \$433,334 of medical director fees under this agreement in 2012 and 2011, respectively.

Note 9: Professional Liability Claims

OpCo purchases medical malpractice insurance under a claims-made policy on a fixed premium basis. Accounting principles generally accepted in the United States of America require a health care provider to accrue the expense of its share of malpractice claim costs, if any, for any reported and unreported incidents of potential improper professional service occurring during the year by estimating the probable ultimate costs of the incidents. Based upon OpCo's claim experience, no such accrual has been made. It is reasonably possible that this estimate could change materially in the near term.

Note 10: Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Allowance for Net Patient Service Revenue Adjustments

Estimates of allowances for adjustments included in net patient service revenue are described in Note 1.

Concentration of Credit Risk

Concentrations of net patient revenue and net patient accounts receivable with Medicare, Medicaid and other third-party payers are described in Note 1.

ProCure Illinois Holdings, LLC

Accountants' Report and Consolidated Financial Statements

December 31, 2011 and 2010

ProCure Illinois Holdings, LLC
December 31, 2011 and 2010

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Independent Accountants' Report

Board of Directors
ProCure Illinois Holdings, LLC
New York, New York

We have audited the accompanying consolidated balance sheets of ProCure Illinois Holdings, LLC as of December 31, 2011 and 2010, and the related consolidated statements of operations, comprehensive loss, changes in members' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of ProCure Illinois Holdings, LLC as of December 31, 2011 and 2010, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 2, in 2011, the Company changed its method of presentation and disclosure of patient service revenue, provision for bad debts and the allowance for doubtful accounts in accordance with Accounting Standards Update 2011-07.

BKD, LLP

March 30, 2012

ProCure Illinois Holdings, LLC

Consolidated Balance Sheets

December 31, 2011 and 2010

Assets

	2011	2010
Current Assets		
Cash and cash equivalents	\$ 20,435,295	\$ 354,579
Patient accounts receivable, net of allowance; 2011 - \$348,000	4,109,360	1,120,569
Prepays and other current assets	234,262	37,600
Total current assets	24,778,917	1,512,748
Noncurrent Assets		
Property and equipment, net	103,532,400	112,179,810
Deferred financing costs, net	2,158,952	2,361,600
Other long-term assets	1,708,076	1,680,911
	107,399,428	116,222,321
	\$ 132,178,345	\$ 117,735,069

Liabilities and Members' Equity

Current Liabilities		
Current maturities of long-term debt	\$ 8,629,958	\$ -
Accounts payable	212,604	6,774,058
Accrued interest	660,000	511,000
Accrued expenses	1,042,778	430,219
Due to related party	2,482,127	903,904
Total current liabilities	13,027,467	8,619,181
Long-Term Liabilities		
Long-term debt	109,726,512	96,722,868
Interest rate swap agreements	13,579,000	11,299,000
Deferred rent	750,125	520,246
	124,055,637	108,542,114
Members' Equity		
ProCure Illinois Holdings, LLC members' equity	3,332,274	10,849,744
Accumulated other comprehensive loss	(10,881,879)	(9,029,379)
Total ProCure Illinois Holdings, LLC members' equity (deficit)	(7,549,605)	1,820,365
Noncontrolling interest	2,644,846	(1,246,591)
Total members' equity (deficit)	(4,904,759)	573,774
	\$ 132,178,345	\$ 117,735,069

ProCure Illinois Holdings, LLC
Consolidated Statements of Operations
Years Ended December 31, 2011 and 2010

	2011	2010
Revenues		
Patient service revenue (net of contractual discounts and allowances)	\$ 27,076,033	\$ 1,186,489
Provision for uncollectible accounts	(478,661)	-
Net patient service revenue	26,597,372	1,186,489
Other	419,809	318,427
	27,017,181	1,504,916
Operating Expenses		
Salaries and wages	8,574,381	2,503,496
Advertising and marketing	1,949,439	389,338
Legal fees	45,363	25,623
Professional fees	705,177	788,412
Office expense	228,667	174,513
Land lease and equipment rental	405,163	430,694
Management fees	2,000,000	364,130
Repairs and maintenance	2,892,511	653,467
Utilities	617,378	389,950
Travel	131,660	156,648
Insurance	340,058	55,767
General and administrative - other	184,674	33,345
Supplies	871,040	224,795
Services - TC	663,718	9,090
Depreciation and amortization	7,729,887	1,916,423
Total operating expenses	27,339,116	8,115,691
Operating Loss	(321,935)	(6,610,775)
Other Expense		
Interest expense	(8,926,598)	(831,388)
Net Loss	(9,248,533)	(7,442,163)
Less: Net Loss Attributable to the Noncontrolling Interest	(1,731,063)	(1,402,103)
Net Loss Attributable to ProCure Illinois Holdings, LLC	\$ (7,517,470)	\$ (6,040,060)

ProCure Illinois Holdings, LLC
Consolidated Statements of Comprehensive Loss
Years Ended December 31, 2011 and 2010

	2011	2010
Net Loss	\$ (9,248,533)	\$ (7,442,163)
Other Comprehensive Loss		
Change in fair value of swap agreements	(2,280,000)	(4,952,000)
Comprehensive Loss	(11,528,533)	(12,394,163)
Less: Comprehensive Loss Attributable to Noncontrolling Interest	(2,158,563)	(2,330,603)
Comprehensive Loss Attributable to ProCure Illinois Holdings, LLC	\$ (9,369,970)	\$ (10,063,560)

ProCure Illinois Holdings, LLC
Consolidated Statements of Changes in Members' Equity (Deficit)
Years Ended December 31, 2011 and 2010

	<u>ProCure Illinois Holdings, LLC</u>			
	<u>Total</u>	<u>Members'</u> <u>Equity</u>	<u>Accumulated</u> <u>Other</u> <u>Comprehensive</u> <u>Loss</u>	<u>Noncontrolling</u> <u>Interest</u>
Balance, January 1, 2010	\$ 5,017,937	\$ 11,639,804	\$ (5,005,879)	\$ (1,615,988)
Member contributions	5,250,000	5,250,000		
Noncontrolling interest contributions	2,700,000			2,700,000
Net loss	(7,442,163)	(6,040,060)		(1,402,103)
Change in fair value of interest rate swap agreements	(4,952,000)		(4,023,500)	(928,500)
Balance, December 31, 2010	<u>573,774</u>	<u>10,849,744</u>	<u>(9,029,379)</u>	<u>(1,246,591)</u>
Noncontrolling interest contributions	6,050,000			6,050,000
Net loss	(9,248,533)	(7,517,470)		(1,731,063)
Change in fair value of interest rate swap agreements	(2,280,000)		(1,852,500)	(427,500)
Balance, December 31, 2011	<u>\$ (4,904,759)</u>	<u>\$ 3,332,274</u>	<u>\$ (10,881,879)</u>	<u>\$ 2,644,846</u>

ProCure Illinois Holdings, LLC
Consolidated Statements of Cash Flows
Years Ended December 31, 2011 and 2010

	2011	2010
Operating Activities		
Net loss before attribution of noncontrolling interest	\$ (9,248,533)	\$ (7,442,163)
Net loss attributable to noncontrolling interest	1,731,063	1,402,103
Net loss attributable to ProCure Illinois Holdings, LLC	(7,517,470)	(6,040,060)
Items not requiring cash		
Depreciation and amortization	7,729,887	1,916,423
Amortization of deferred financing fees	202,648	73,800
Paid in-kind interest on note payable	258,651	229,005
Deferred rent	229,879	217,918
Provision for uncollectible accounts	478,661	-
Changes in		
Patient accounts receivable	(3,467,452)	(1,120,569)
Prepaid and other current assets	(196,662)	(37,600)
Accounts payable and accrued expenses	4,312,833	1,230,491
Other long-term assets	-	(78,168)
Noncontrolling interest	(1,731,063)	(1,402,103)
Net cash used in operating activities	299,912	(5,010,863)
Investing Activity - purchase of property and equipment	(7,222,370)	(40,085,003)
Financing Activities		
Advances from (repayment to) Parent	(421,777)	201,552
Proceeds from issuance of long-term debt	21,374,951	37,298,815
Members' capital contributions	-	5,250,000
Noncontrolling interest capital contributions	6,050,000	2,700,000
Net cash provided by financing activities	27,003,174	45,450,367
Increase in Cash and Cash Equivalents	20,080,716	354,501
Cash and Cash Equivalents, Beginning of Year	354,579	78
Cash and Cash Equivalents, End of Year	\$ 20,435,295	\$ 354,579
Supplemental Cash Flows Information		
Noncash investing and financing activity		
Amortization of deferred financing costs capitalized as interest during construction period	\$ -	\$ 221,400
Property and equipment and construction in progress included in accounts payable and accrued interest	-	6,549,933
Interest paid (net of amount capitalized)	8,575,738	246,596

ProCure Illinois Holdings, LLC
Notes to Consolidated Financial Statements
December 31, 2011 and 2010

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Organization and Basis of Presentation

ProCure Illinois Holdings, LLC (MidCo) was founded as the holding company for Chicago ProCure Management, LLC (OpCo), which was formed to construct and operate a proton therapy facility in Warrenville, Illinois for use in the treatment of cancer. MidCo and OpCo are collectively referred to as “the Company.” MidCo was formed in the State of Delaware and commenced activities on March 26, 2007. The facility opened for operations in October 2010. The Company was considered to be in development stage in 2010.

Members' Equity

MidCo is a Delaware limited liability company with a perpetual life. No member shall be liable for the liabilities of MidCo.

The original Operating Agreement was dated March 26, 2007. The Operating Agreement was amended in November 2008, to provide for (1) ProCure Chicago Holdings, LLC (HoldCo) to contribute \$40,000,000 (\$4,000,000 in cash and \$36,000,000 in other intangible assets) in return for an 85% membership interest therein; and (2) that MidCo's hospital affiliate will contribute \$10,000,000 in cash in return for a 15% membership interest therein.

The operating agreement calls for HoldCo to receive a priority return of 12% per annum. At December 31, 2011 and 2010, the accumulated unpaid priority return was approximately \$16,560,000 and \$10,330,000, respectively.

In November 2008, MidCo invested \$14,000,000 in return for a 78.87% interest in OpCo. During 2010, in accordance with bank lending requirements, MidCo contributed an additional \$5,250,000 of equity to OpCo, which was funded with existing letters of credit held by Parent, increasing its ownership interest to 81.25%.

ProCure Chicago Holdings, LLC is a wholly owned subsidiary of ProCure Treatment Centers, Inc. (Parent).

Principles of Consolidation

The consolidated financial statements include the accounts of MidCo and OpCo. All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

ProCure Illinois Holdings, LLC
Notes to Consolidated Financial Statements
December 31, 2011 and 2010

Cash and Cash Equivalents

The Company considers all liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2011 and 2010, cash equivalents consisted primarily of money market mutual funds with a bank.

Effective July 21, 2010, the FDIC's insurance limits were permanently increased to \$250,000. At December 31, 2011, the Company's cash accounts exceeded federally insured limits by approximately \$19,181,000.

Pursuant to legislation enacted in 2010, the FDIC will fully insure all noninterest-bearing transaction accounts through December 31, 2012, at all FDIC-insured institutions.

Property and Equipment

Property and equipment acquisitions are recorded at cost and are depreciated over the estimated useful life of each asset. Assets under land improvements are amortized over the shorter of the lease term or their respective estimated useful lives. Software is amortized over the estimated useful life. Annual depreciation and amortization is computed using the straight-line method over the following lives:

Medical equipment	5 - 15 years
Building and improvements	5 - 39 years
Purchased software	3 years
Land improvements	15 years
Other equipment	5 - 7 years
Furniture and fixtures	7 years

OpCo capitalizes interest costs as a component of construction in progress, based on the weighted-average rates paid for long-term borrowings. Total interest incurred was:

	<u>2011</u>	<u>2010</u>
Interest costs capitalized	\$ -	\$ 6,694,746
Interest costs charged to expenses	<u>8,926,598</u>	<u>831,388</u>
Total interest incurred	<u>\$ 8,926,598</u>	<u>\$ 7,526,134</u>

ProCure Illinois Holdings, LLC
Notes to Consolidated Financial Statements
December 31, 2011 and 2010

Long-Lived Asset Impairment

The Company evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

No asset impairment was recognized during the years ended December 31, 2011 and 2010.

Deferred Financing Costs

Deferred financing costs represent costs incurred in conjunction with the OpCo's debt financing and are amortized over the term of the related debt instruments. Amortization of the deferred financing costs during the construction period of the proton facility is included with the interest cost capitalized as part of the construction costs. Amortization is included in interest expense for the post-construction period.

Intangible Assets

Intangible assets consist of a certificate of need acquired to construct the facility. This intangible is considered an indefinite life intangible and is periodically evaluated as to the recoverability of its carrying value. It is recorded in other long-term assets on the balance sheet, and its balance was \$1,629,908 at December 31, 2011 and 2010.

Income Taxes

MidCo is not directly subject to income taxes under the provisions of the Internal Revenue Code and applicable state laws. Therefore, taxable income or loss is allocated to its members in accordance with their respective percentage ownership for inclusion in their respective tax returns, and no provision for federal and state income taxes has been included in these statements.

MidCo recognizes the benefit or expense of an uncertain tax position in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740, *Income Taxes*, after considering if it is more likely than not, based on the technical merits, that a tax position will be realized and sustained upon examination. For tax positions meeting a "more-likely-than-not" threshold, the amount recognized in the consolidated financial statements is the largest amount expected to be realized upon settlement with the tax authority. All of MidCo's income tax returns are subject to federal and state examinations by tax authorities. As of December 31, 2011, MidCo has not identified any uncertain tax positions.

The Company is no longer subject to U.S. federal, state and local income tax examinations for years prior to 2008.

ProCure Illinois Holdings, LLC
Notes to Consolidated Financial Statements
December 31, 2011 and 2010

Net Patient Service Revenue, Contractual Adjustments and Concentration of Credit Risk

Revenues for services are recorded in the period the services are rendered. Net patient service revenues are recorded at net realizable amounts estimated to be paid by the patients and third-party payers. OpCo participates in the Medicare and state-sponsored Medicaid programs. Laws and regulations governing Medicare are complex and subject to interpretations and change. As a result, it is reasonably possible recorded estimates will change materially in the near term. OpCo has also entered into payment agreements with certain commercial insurance carriers. The basis for payments to OpCo under these agreements include prospectively determined rates and discounts from established charges.

A provision for contractual adjustments is recorded as a reduction to net patient service revenues and consists of a) the difference between the payer's allowable amount and the customary billing rate; and b) services for which payment is denied by governmental or third-party payers or otherwise deemed non-billable. OpCo records the provision for contractual adjustments based on a percentage of revenue using historical data and current contracts or letters of agreement in place. Due to the complexity of many third-party billing arrangements, adjustments are sometimes made to amounts originally recorded. These adjustments are typically identified and recorded upon cash remittance or claim denial. At such time as OpCo can determine the ultimate collections have exceeded or are less than the net realizable amount recorded, additional revenue or reduction in revenue is recorded as a change in estimate during the current period.

For uninsured patients who do not qualify for charity care, OpCo recognizes revenue on the basis of its standard rates for services provided. On the basis of historical experience, a portion of the OpCo's uninsured patients will be unable or unwilling to pay for the services provided. Thus, OpCo records a significant provision for bad debts related to uninsured patients in the period the services are provided. This provision for bad debts is presented on the statements of operations as a component of net patient service revenue.

Patient service revenues, net of contractual allowances and discounts (but before the provision for bad debts), recognized in the years ended December 31, 2011 and 2010, were approximately:

	<u>2011</u>	<u>2010</u>
Medicare	\$ 3,603,158	\$ 233,606
Medicaid	287,481	-
Other third-party payers	22,750,460	919,851
Self-pay	<u>434,934</u>	<u>33,032</u>
	<u>\$ 27,076,033</u>	<u>\$ 1,186,489</u>

ProCure Illinois Holdings, LLC
Notes to Consolidated Financial Statements
December 31, 2011 and 2010

OpCo grants credit without collateral to its patients, most of whom are area residents and are insured under third-party payer agreements. The mix of net receivables from patients and third-party payers at December 31, 2011 and 2010:

	2011	2010
Medicare and medicaid	20 %	17 %
Other third-party payers	80	83
	100 %	100 %

Patient Accounts Receivable and Allowance for Doubtful Accounts

OpCo reviews its accounts receivable balances on a periodic basis. OpCo bills third-party payers, which include insurance companies, Medicare and self-pay patients. Third-party billings are recorded as the amount which OpCo charges, less the contractual allowance provision.

Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectibility of accounts receivable, OpCo analyzes its past history and identifies trends for each of its major payer sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payer sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts.

For receivables associated with services provided to patients who have third-party coverage OpCo analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payer has not yet paid, or for payers who are known to be having financial difficulties that make the realization of amounts due unlikely).

For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), OpCo records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated or provided by policy) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

OpCo's allowance for doubtful accounts for self-pay patients was \$348,000 at December 31, 2011. No allowance was established at December 31, 2010. This increase was the result of establishing collection history of amounts from self-pay patients during the fiscal year due to limited operations in 2010.

ProCure Illinois Holdings, LLC
Notes to Consolidated Financial Statements
December 31, 2011 and 2010

Charity Care

OpCo provides care without charges or at amounts less than its established rates to patients meeting certain criteria under its charity care policy. Charity care is not reported as revenue. Charges excluded from revenue under OpCo's charity care policy were approximately \$833,000 for 2011. Total cost for these charges as estimated based on the ratio of both direct and indirect costs of providing services as a percentage of gross revenues was approximately \$256,000 for 2011. There were no charity care charges in 2010.

Reclassifications

Certain reclassifications have been made to the 2010 financial statements to conform to the 2011 financial statement presentation. These reclassifications had no effect on net earnings.

Subsequent Events

Subsequent events have been evaluated through the date of the Independent Accountants' Report, which is the date the consolidated financial statements were available to be issued.

Note 2: Change in Accounting Principle

In 2011, OpCo changed its method of presentation and disclosure of patient service revenue, provision for bad debts and the allowance for doubtful accounts in accordance with Accounting Standards Update (ASU) 2011-07, *Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts and the Allowance for Doubtful Accounts for Certain Health Care Entities*. The major changes associated with ASU 2011-07 are to reclassify the provision for uncollectible accounts related to patient service revenue to a deduction from patient service revenue and to provide enhanced disclosures around OpCo's policies related to uncollectible accounts. The change had no effect on prior year net loss.

ProCure Illinois Holdings, LLC
Notes to Consolidated Financial Statements
December 31, 2011 and 2010

The following financial statement line items for fiscal year 2011 was affected by the change in accounting principle. No line items were affected in 2010 as no provision for uncollectible accounts was recorded.

2011			
Statement of Changes in Net Assets			
Available for Benefits			
	As Computed Under Previous Guidance	As Computed Under ASU 2011-07	Effect of Change
Patient service revenue (net of contractual discounts and allowances)	\$ 27,076,033	\$ 27,076,033	\$ -
Provision for uncollectible accounts	-	478,661	478,661
Net patient service revenue	27,076,033	26,597,372	(478,661)
Operating expense - provision for uncollectible accounts	478,661	-	(478,661)

Note 3: Property and Equipment

Property and equipment at December 31, 2011 and 2010 consists of:

	2011	2010
Medical equipment	\$ 64,568,473	\$ 65,873,621
Building and improvements	39,584,154	39,441,139
Purchased software	4,145,304	3,997,765
Land improvements	1,733,831	1,733,831
Equipment - other	2,448,042	2,371,260
Furniture and fixtures	708,739	651,451
Total cost	113,188,543	114,069,067
Less accumulated depreciation and amortization	(9,656,143)	(1,889,257)
	\$ 103,532,400	\$ 112,179,810

ProCure Illinois Holdings, LLC
Notes to Consolidated Financial Statements
December 31, 2011 and 2010

Note 4: Long-Term Debt

Long-term debt consists of the following:

	<u>2011</u>	<u>2010</u>
Note dated March 4, 2008 to banks under a buyer credit facility; accruing interest at LIBOR plus 3.25%; payable quarterly (3.63% interest rate at December 31, 2011)	\$ 66,381,326	\$ 54,166,008
Note dated March 4, 2008 to banks under a commercial credit facility; accruing interest at LIBOR plus 4.25%; payable quarterly (4.63% interest rate at December 31, 2011)	49,789,503	40,629,870
Note dated November 23, 2009 to Parent; interest accrues quarterly at a fixed rate of 13.00% and is payable in-kind through the fifth anniversary of the note. The note is subordinated to the notes referenced above	<u>2,185,641</u>	<u>1,926,990</u>
	118,356,470	96,722,868
Less current maturities	<u>8,629,958</u>	<u>-</u>
	<u>\$ 109,726,512</u>	<u>\$ 96,722,868</u>

The scheduled annual principal payments at December 31, 2011 are as follows:

	<u>Long-Term Debt</u>
2012	\$ 8,629,958
2013	12,820,460
2014	19,591,468
2015	16,297,086
2016	14,870,196
Thereafter	<u>46,147,302</u>
	<u>\$ 118,356,470</u>

ProCure Illinois Holdings, LLC
Notes to Consolidated Financial Statements
December 31, 2011 and 2010

The buyer and commercial credit facilities are carried by OpCo for construction of the treatment center in Warrenville, Illinois. The commercial credit facility has a commitment amount of \$51,000,000. The buyer credit facility has a commitment amount of \$68,000,000. Two banks each carry 50% of the total commitment. Quarterly principal payments will commence in January 2012 and are payable in varying amounts over six years for the commercial credit facility and over eight years for the buyer credit facility. Principal payments are based on specified percentages of the amounts outstanding as of the date of the first required payment. The scheduled annual principal payments are as follows:

Year	Buyer Credit Facility	Commercial Credit Facility
1	4.75%	11.00%
2	7.20%	16.15%
3	15.00%	19.35%
4	14.50%	13.40%
5	5.75%	22.20%
6	17.50%	17.90%
7	30.75%	0.00%
8	4.55%	0.00%
	<u>100.00%</u>	<u>100.00%</u>

The credit facility loans are collateralized by a first priority security interest in all of the existing and after-acquired personal and real property and certain assets and members' interest of OpCo.

In November 2009, OpCo entered into an agreement with the Parent to borrow \$1,675,000 due October 31, 2022. Interest accrues on the outstanding balance of the loan at 13% per year compounded semi-annually through the fifth anniversary date. All interest is accrued to the principal balance during the first five years. After the fifth anniversary, the note accrues interest at 13% compounded and payable semi-annually in cash through the maturity of the note on October 31, 2022. This loan is subordinate to the buyer and commercial credit facilities. OpCo recognized interest expense of \$258,651 and \$229,005 on the Parent PIK note in 2011 and 2010, respectively.

Note 5: Interest Rate Swap Agreements

During 2008, as a strategy to maintain acceptable levels of exposure to the risk of changes in future cash flows due to interest rate fluctuations, OpCo entered into two interest rate swap agreements for a portion of its bank term loans. The notional amount amortizes throughout the term of the swap agreements to a balance of \$0 at the termination date, November 2018. The agreements provide for OpCo to receive interest from the counterparty at LIBOR and to pay interest to the counterparty at a fixed rate of 4.44%. The notional amounts were \$112,244,456 and \$84,236,408 at December 31, 2011 and 2010, respectively. Under the agreements, OpCo pays or receives the net interest amount quarterly, with the settlements included in construction in progress during the construction period and interest expense in the post-construction period.

ProCure Illinois Holdings, LLC
Notes to Consolidated Financial Statements
December 31, 2011 and 2010

Management has designated the interest rate swap agreements as cash flow hedging instruments. For derivative instruments that are designated and qualify as a cash flow hedge, the effective portion of the gain or loss on the derivative is reported as a component of other comprehensive loss and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings.

In December 2011, the interest rate swap's sliding option was partially exercised to maintain alignment of the swap payment schedule with the senior debt repayment schedule.

The table below presents certain information regarding OpCo's interest rate swap agreements designated as cash flow hedges. OpCo did not have any derivative instruments at December 31, 2011 and 2010 that were not designated as hedging instruments in accordance with ASC Topic 815, *Derivatives and Hedging*.

	2011	2010
Fair value of interest rate swap agreements	\$ 13,579,000	\$ 11,299,000
Balance sheet location of fair value amount	Long-Term Liabilities	Long-Term Liabilities
Loss recognized in other comprehensive income (effective portion)	\$ (2,280,000)	\$ (4,952,000)

Note 6: Fair Value of Financial Instruments

ASC Topic 820, *Fair Value Measurements*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Topic 820 also specifies a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

ProCure Illinois Holdings, LLC
Notes to Consolidated Financial Statements
December 31, 2011 and 2010

Following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying consolidated balance sheets, as well as the general classification of such liabilities pursuant to the valuation hierarchy.

Interest Rate Swap Agreements

OpCo has interest rate swap agreements that are recorded at fair value. The fair value is estimated using forward-looking interest rate curves and discounted cash flows that are observable or that can be corroborated by observable market data and, therefore, are classified within Level 2 of the valuation hierarchy.

Cash Equivalents

Where quoted market prices are available in an active market, cash equivalents are classified within Level 1 of the valuation hierarchy. OpCo's investment in money market mutual funds are valued based on quoted market prices and are included in Level 1 of the hierarchy.

The following tables present the fair value measurements of assets and liabilities recognized in the accompanying consolidated balance sheets measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2011 and 2010:

	2011			
	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Money market mutual funds	\$ 19,180,762	\$ 19,180,762	\$ -	\$ -
Liabilities				
Interest rate swap agreements	(13,579,000)	-	(13,579,000)	-
Total net asset (liability)	<u>\$ 5,601,762</u>	<u>\$ 19,180,762</u>	<u>\$ (13,579,000)</u>	<u>\$ -</u>

ProCure Illinois Holdings, LLC
Notes to Consolidated Financial Statements
December 31, 2011 and 2010

	Fair Value	2010 Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Money market mutual funds	\$ 319,544	\$ 319,544	\$ -	\$ -
Liabilities				
Interest rate swap agreements	(11,299,000)	-	(11,299,000)	-
Total net asset (liability)	<u>\$ (10,979,456)</u>	<u>\$ 319,544</u>	<u>\$ (11,299,000)</u>	<u>\$ -</u>

The following methods were used to estimate the fair value of all other financial instruments recognized in the accompanying consolidated balance sheets at amounts other than fair value.

Long-Term Debt

The carrying value of the Company's long-term debt with banks approximates fair value as all interest terms are based on variable rates. It was not practical to estimate the fair value of the Company's note with Parent.

Note 7: Related Party Transactions

Parent has funded certain of the Company's expenditures as a source of working capital. The amount due to related party associated with these expenditures is noninterest-bearing. The balance due to Parent was \$117,997 and \$539,774 at December 31, 2011 and 2010, respectively.

Other amounts due to related parties totaling \$2,364,130 and \$364,130 at December 31, 2011 and 2010, respectively, represent a payable to ProCure Business Services, LLC under a consulting services agreement. See further discussion in Note 9.

See Note 4 for discussion of PIK Note from the Parent.

See Note 9 for discussion of the land lease and consulting services agreements with related parties.

ProCure Illinois Holdings, LLC
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Note 8: Employee Benefits

Parent maintains a 401(k) defined-contribution plan for the benefit of substantially all of OpCo's employees. The plan allows for employee contributions up to the maximum allowable by law. OpCo matching contributions are discretionary as determined by OpCo's Board of Directors. OpCo has not made any contributions to the plan for the years ending December 31, 2011 and 2010.

Note 9: Commitments and Contingencies

Current Economic Conditions

The current protracted economic decline continues to present companies with difficult circumstances and challenges, which in some cases have resulted in large and unanticipated declines in the fair value of property and equipment, constraints on liquidity and difficulty obtaining financing. The consolidated financial statements have been prepared using values and information currently available to the Company.

Current economic and financial market conditions could adversely affect the Company's results of operations in future periods. Given the volatility of current economic conditions, the values of assets and liabilities recorded in the consolidated financial statements could change rapidly, resulting in material future adjustments that could negatively impact the Company's ability to meet debt covenants or maintain sufficient liquidity.

Land Lease

OpCo has leased the land on which the proton facility has been constructed from an entity, which owns a 15% membership interest in MidCo. The initial term, which incorporates the construction period of the proton facility, expired upon the completion of construction. The primary term commenced upon completion of construction and continues for fifty years. OpCo has the option to renew the lease for two consecutive twenty-year terms commencing at the end of the primary term. The annual base rent during the first lease year is \$97,524. Beginning with the second lease year through the fifth lease year, the rent is equal to the total square footage of the leased premise times \$66.00 per square foot times 10% (approximately \$400,000 per year). After the fifth lease year, the annual rent increases by the change in the consumer price index. The lease is a net lease and the tenant is required to pay taxes, insurance, maintenance and common area maintenance charges in addition to the base rent. OpCo has recognized the expense related to the scheduled rent escalation after the first lease year on a straight-line basis with an offsetting deferred rent liability of \$289,708 and \$297,169 at December 31, 2011 and 2010, respectively.

ProCure Illinois Holdings, LLC
Notes to Consolidated Financial Statements
December 31, 2011 and 2010

OpCo has the option after the first lease year through the earlier of the repayment of the bank debt or the 126th month of the lease to defer any annual rent over \$216,720. Deferred rent accrues interest at 14% and is payable in accordance with the terms of the credit facility with the banks until such time that the bank borrowings are repaid in full. At that time, the deferred rent is due on demand. OpCo's obligations under the lease have been subordinated to its loan payable. OpCo has deferred rent payments totaling \$460,417 and \$223,077 at December 31, 2011 and 2010, respectively.

Rental expense in connection with this lease totaled \$398,939 and \$425,465 for the years ended December 31, 2011 and 2010, respectively. A portion of the rental expense paid on this lease relates to amounts paid for common area expenses, real estate taxes and similar charges.

Proton Service Agreement

On December 31, 2007, as amended and restated on February 20, 2008 and as amended by amendment #1 on March 3, 2008 and as amended by addendum #1 on January 20, 2009, OpCo and IBA entered into a "Service Agreement," which provides for IBA to provide regular maintenance and operational services to the proton system for ten years commencing on the date of the first patient treatment. OpCo has the option to extend the agreement for an additional five-year term. The future fees are payable in U.S. currency, a portion of which is to be based on the Euro to U.S. dollar conversion rate in effect when the first installment of the Purchase Agreement was paid in December 2008. The future fees are summarized as follows:

2012	\$ 3,898,702
2013	4,123,616
2014	4,314,980
2015	4,889,070
2016	4,889,070
Thereafter	18,334,013

OpCo recognized \$2,224,544 and \$450,351 of expense under this agreement in 2011 and 2010, respectively.

ProCure Illinois Holdings, LLC
Notes to Consolidated Financial Statements
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Consulting Services Agreement

On March 4, 2008, OpCo entered into the "Consulting Services Agreement" with ProCure Business Services, LLC, a company related through common ownership, to provide management, advisory and consulting services to OpCo for \$2,000,000 a year (adjusted based on changes in the consumer price index after the fifth year), to accrue from the date on which OpCo treated its first patient. The initial term began when OpCo treated its first patient and continues for a period of five years. The first renewal period automatically begins at the expiration of the initial term, for a period to end on the earlier of twelve months after the maturity date of the buyer and commercial credit facilities or the Termination Date of the credit facility as defined in the credit agreement. After the first renewal term, the agreement renews for successive five-year terms unless either party provides sixty days notice to terminate. The annual fee is payable in arrears for four equal installments on the first day of each fiscal quarter.

OpCo recognized \$2,000,000 and \$364,130 of consulting fees under this agreement in 2011 and 2010, respectively. OpCo has not made any payments as of December 31, 2011, and the balance is included in "Due to related parties", which is expected to be repaid in 2012.

Physician Services Agreement

In March 2008, OpCo entered into a professional services agreement with a professional service corporation (P.C.). The initial term began when OpCo treated its first patient and continues for a period of five years. The first renewal period automatically begins at the expiration of the initial term, for a period to end on the earlier of twelve months after the maturity date of the buyer and commercial credit facilities or the Termination Date of the credit facility as defined in the credit agreement. After the first renewal term the agreement renews for successive five-year terms unless either party provides sixty days notice to terminate. The agreement calls for the P.C. to appoint a medical director. OpCo agreed to compensate the P.C. for the medical director position equal to \$200,000 for the sixth-month period leading up to the treatment of the first patient and \$400,000 per year (subject to inflationary increases) after that for the term of the agreement. OpCo recognized \$433,334 and \$233,331 of medical director fees under this agreement in 2011 and 2010, respectively.

Note 10: Medical Malpractice Claims

OpCo purchases medical malpractice insurance under a claims-made policy on a fixed premium basis. Accounting principles generally accepted in the United States of America require a health care provider to accrue the expense of its share of malpractice claim costs, if any, for any reported and unreported incidents of potential improper professional service occurring during the year by estimating the probable ultimate costs of the incidents. Based upon OpCo's claim experience, no such accrual has been made. It is reasonably possible that this estimate could change materially in the near term.

ProCure Illinois Holdings, LLC
Notes to Consolidated Financial Statements
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Note 11: Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Allowance for Net Patient Service Revenue Adjustments

Estimates of allowances for adjustments included in net patient service revenue are described in Note 1.

Concentration of Credit Risk

Concentrations of net patient revenue and net patient accounts receivable with Medicare, Medicaid and other third-party payers are described in Note 1.

SCHEDULE 3.9(c)
Indebtedness of the Acquired Companies

Indebtedness pursuant to the following agreements:

Fortis/KBC

1. Credit Agreement.
2. Promissory Note dated November 3, 2008 by Opco in favor of Fortis in the principal amount of \$34,000,000.
3. Promissory Note dated November 3, 2008 by Opco in favor of KBC in the principal amount of \$34,000,000.
4. Promissory Note dated November 23, 2009 by Opco in favor of Fortis in the principal amount of \$25,500,000.
5. Promissory Note dated November 23, 2009 by Opco in favor of KBC in the principal amount of \$25,500,000.
6. ISDA Master Agreement and Schedule (Hedge Agreement) dated November 7, 2008 between Opco and Fortis.
7. ISDA Master Agreement and Schedule (Hedge Agreement) dated November 7, 2008 between Opco and KBC.
8. Fee letter dated March 4, 2008 between Fortis and Opco.
9. Fee letter dated November 23, 2009 among Fortis, KBC and Opco.

Owner

10. Amended and Restated Support Agreement dated January 15, 2009 between Owner and Fortis.
11. Amended and Restated Senior Subordinated PIK Note dated April 30, 2012 by Opco in favor of Owner in the principal amount of \$2,276,418; and Assignment of Note, dated April 30, 2012 by Owner to Fortis.
12. Parent Cash Flow Support Advance Revolving Note dated April 30, 2012 by Opco in favor of Owner in the principal amount of the aggregate unpaid principal amount of Parent Cash Flow Advances pursuant to the Support Agreement dated January 15, 2009 between Owner and Fortis; and Assignment of Note, dated April 30, 2012 by Owner to Fortis.
13. Indebtedness owed by Opco pursuant to the Consulting Services Agreement dated March 4, 2008 between Opco and ProCure Business Services, LLC.

Cadence

14. Senior Unsecured PIK Note dated November 14, 2008 by Holdco in favor of Central Dupage Health, Inc. in the principal amount of \$40,000,000.

Other

15. Opco has accrued PTO. The current PTO balance is \$482,000.

SCHEDULE 3.10
Material Adverse Effect

Owner and Opco are in default under the Credit Agreement. The lenders had agreed during a forbearance period to forbear from exercising their rights and remedies with respect to such potential default pursuant to the Amended and Restated Forbearance Agreement dated January 25, 2013 among Opco, Fortis and KBC. The forbearance period is expired.

Holdco is in default under the Senior Unsecured PIK Note dated November 14, 2008 by Holdco in favor of Central Dupage Health, Inc. in the principal amount of \$40,000,000. The holder had agreed during a forbearance period to forbear from exercising its rights and remedies with respect to such potential default pursuant to the First Amended and Restated Forbearance Agreement dated January 25, 2013 between Holdings and Purchaser. The forbearance period is expired.

SCHEDULE 3.11
Title to Assets

Encumbrances on the Acquired Companies' Assets under:

1. The Credit Agreement and the Loan Documents as defined in the Credit Agreement
2. Membership Interest Pledge Agreement dated January 20, 2011 between Owner and Ion Beam Application S.A.
3. Leasehold Mortgage with Security Agreement, Assignment of Leases and Rents and Fixture Filing Statement dated November 3, 2008 by Opco in favor of Fortis

A UCC Financing Statement (filing number 2012 1663451) has been filed against the Owner. This Financing Statement relates to certain of the Transferred Claims and will be released at Closing.

SCHEDULE 3.16
Insurance

<i>Policy</i>	<i>Name and contact information of agent</i>	<i>Policy number</i>	<i>Name of insurer, policyholder and each covered insured</i>	<i>Period of coverage</i>
Professional & General Liability	Willis, Susan Malhotra Phone: 415-955-0112 Email: Susan.Malhotra@willis.com	MFL-1688-13	Atlantic Specialty Insurance Company (OneBeacon), ProCure Treatment Centers, Inc., all ProCure majority owned entities	5/1/13-5/1/14
First Excess Liability	Willis, Susan Malhotra Phone: 415-955-0112 Email: Susan.Malhotra@willis.com	HMC401589653 6-4	Columbia Casualty (C.N.A), ProCure Treatment Centers, Inc., all ProCure majority owned entities	5/1/13-5/1/14
Second Excess Liability	Willis, Susan Malhotra Phone: 415-955-0112 Email: Susan.Malhotra@willis.com	000294304	Ironshore Specialty Insurance Company, ProCure Treatment Centers, Inc., all ProCure majority owned entities	5/1/13-5/1/14
Third Excess Liability	Willis, Susan Malhotra Phone: 415-955-0112 Email: Susan.Malhotra@willis.com	HPC5899267	Zurich American Insurance Company, ProCure Treatment Centers, Inc., all ProCure majority owned entities	5/1/13-5/1/14
Products Liability	Willis, Susan Malhotra Phone: 415-955-0112 Email: Susan.Malhotra@willis.com	711-01-38-86	Atlantic Specialty Insurance Company (OneBeacon), ProCure Treatment Centers, Inc., all ProCure majority owned entities	5/1/13-5/1/14
Managed Care Errors & Omissions	Willis, Susan Malhotra Phone: 415-955-0112 Email: Susan.Malhotra@willis.com	MCR-6405-13	Atlantic Specialty Insurance Company (OneBeacon), ProCure Treatment Centers, Inc., all ProCure majority owned entities	5/1/13-5/1/14
Executive Liability	Willis, Susan Malhotra Phone: 415-955-0112 Email: Susan.Malhotra@willis.com	MML-02244-13	Atlantic Specialty Insurance Company (OneBeacon), Chicago ProCure Management LLC.	5/1/13-5/1/14
Premises Pollution Liability	Willis, Susan Malhotra Phone: 415-955-0112 Email: Susan.Malhotra@willis.com	13EILSE20006	Evanston Insurance Company (Markel), ProCure Treatment Centers, Inc., all ProCure majority owned entities	5/1/13-5/1/14
Workers Compensation	Willis, Susan Malhotra Phone: 415-955-0112 Email: Susan.Malhotra@willis.com	08WEVT8977	The Hartford, ProCure Treatment Centers, Inc., all ProCure majority owned entities	5/1/13-5/1/14
Commercial Automobile	Willis, Susan Malhotra Phone: 415-955-0112 Email: Susan.Malhotra@willis.com	08EUNRO1776	The Hartford, ProCure Treatment Centers, Inc., all ProCure majority owned entities	5/1/13-5/1/14
Cyber & Privacy	Willis, Susan Malhotra	V13A27130101	Beazley, ProCure Treatment	5/1/13-5/1/14

Liability Program	Phone: 415-955-0112 Email: Susan.Malhotra@willis.com		Centers, Inc., all ProCure majority owned entities	
Property	Willis, Susan Malhotra Phone: 415-955-0112 Email: Susan.Malhotra@willis.com	ZMD467859700	Zurich, ProCure Treatment Centers, Inc., all ProCure majority owned entities	5/1/13-5/1/14
Title Insurance		1410 002804198	Chicago Title Insurance Company, Chicago ProCure Management LLC.	11/14/08 through property sale or loan payoff

<i>Policy</i>	<i>Scope (and whether on a claims, occurrence or other basis)</i>	<i>Per-claim and aggregate liability limits</i>	<i>Amount of deductibles and co-pays</i>	<i>Retroactive premium adjustment or loss-sharing arrangement</i>
Professional & General Liability	Professional: Claims Made General Liability: Occurrence Employee Benefits Liability: Claims Made	\$20,000,000 Policy Aggregate; \$5,000,000 per location \$5,000,000/\$5,000,000 - Professional Liability \$5,000,000/\$5,000,000 - General Liability \$1,000,000/\$3,000,000 - Employee Benefits	\$25,000 - PL & GL Retention , \$1,000 – EBL Retention	None.
First Excess Liability	Per Underlying Policies	\$10,000,000 Excess of GL, PL, EL, & AL Primary Liability Policies		None.
Second Excess Liability	Per Underlying Policies	\$10,000,000 Excess of \$10,000,000		None.
Third Excess Liability	Per Underlying Policies	\$5,000,000 Excess of \$20,000,000		
Products Liability	Claims made	\$5,000,000 Limit	\$25,000 each / \$125,000 Agg.	None.
Managed Care Errors & Omissions	Claims made	\$10,000,000 Each Claim \$10,000,000 Aggregate	\$25,000 Retention	None.
Executive Liability	Claims made	\$5,000,000 Liability Aggregate \$250,000 Crime Coverage	D&O: \$0 / \$20,000 EPL: \$20,000 Crime: \$5,000	None
Premises Pollution Liability	Claims made	\$4,000,000 Each Incident \$4,000,000 Aggregate	\$25,000 Retention	None.
Workers Compensation	Claims made	\$1,000,000 - Employers Liability, Statutory Limits - Workers Compensation		Dividend Plan (10%)
Commercial Automobile	Claims made	\$1,000,000 Combined Single Limit	\$1,000 - Comp & Collision Deductible	None.
Cyber & Privacy Liability Program	Claims made	\$2,000,000 Limit	Retention: \$25,000 each	None.
Property	Claims made	\$300,000,000 Policy Limit	Equipment and BI Retention: \$25,000	None.

			and 24 hours	
Title Insurance	Occurrence	\$40,000,000 Policy Limit		None.

SCHEDULE 3.17

Permits

1. Certificate of Need from Illinois Health Facilities Planning Board.
2. Radioactive Material License No. IL-02392-01 issued to Opco.
3. Certificate of X-Ray Registration (Registration No. 9259127) issued to Opco.
4. Certificate of Occupancy for 4455 Weaver Parkway issued by the City of Warrenville Community Development Department.
5. Ordinance No. 2460 approving revised preliminary/final PUD and site specific amendments.
6. Medicare Number (IL3809) and NPI (1972824142) issued to Opco.
7. Illinois Department of Healthcare and Family Services Provider ID Number 260876468401 and Payee ID # 260876468-64187-01 EFF 12.1.11.
8. Wisconsin Provider Primary Taxonomy Number 261QX0203X and Provider ID Number 1972824142, PAR EFF 9.1.11.

SCHEDULE 3.18
Bank Accounts

See attached.

Additional signatories for Holdco's Bank of America account approved pursuant to written consents of Opco's Board are:

James Jarrett
John Henderson
Rich Katz
Rebecca Carrol
Hadley Ford
Dr. John Cameron
Sue Onishenko
Adam Waxer
Sarah Oliker

Additional signatories for Opco's Bank of America account approved pursuant to written consents of Opco's Board are:

Jim Williams
John Henderson
William F. Hartsell, M. D.
Rich Katz
Rebecca Carroll
Hadley Ford
Dr. John Cameron
Sue Onishenko
Sarah Oliker
Adam Waxer

ProCure Entity	Bank	Account(s)	Account Number	Notes
Chicago Procure Management	BofA	Checking	[REDACTED]	
Chicago Procure Management	BofA	Interest Maximizer	[REDACTED]	Payroll
Chicago Procure Management	UMB	Checking	[REDACTED]	Lockbox
Chicago Procure Management	UMB	Checking	[REDACTED]	Depository account
Chicago Procure Management	BofA	Savings	[REDACTED]	
Procure Illinois Holdings	BofA	Savings	[REDACTED]	

Authorized Signatories for all accounts

John Cameron
 Sue Onishenko
 Hadley Ford
 Rebecca Carroll
 Richard Katz

SCHEDULE 3.19
Conduct of Business

1. Contracts entered into after December 31, 2012:
 - a. Sub-Contract Agreement dated January 22, 2013 between Northwestern University and Opco d/b/a CDH Proton Center.
 - b. First Amended and Restated Forbearance Agreement dated January 25, 2013 between Holdings and Purchaser.
 - c. Preventative Maintenance Agreement dated March 29, 2013 between Opco and Mechanical Incorporated.
 - d. Amended and Restated Forbearance Agreement dated January 25, 2013 among Opco, Fortis and KBC.
 - e. Child Life Support Services Agreement dated January 31, 2013 between Opco and Joy A. Gallagher, CCLS.
 - f. Mutual Confidentiality and Nondisclosure Agreement dated February 14, 2013 between Opco and FirstMerit.
 - g. Mutual Confidentiality and Nondisclosure Agreement dated February 4, 2013 between Deutsche Bank Securities, Inc. and Opco.
 - h. Mutual Confidentiality and Nondisclosure Agreement dated February 6, 2013 between Opco and KeyBank National Association.
 - i. Anesthesia Equipment Maintenance Agreement dated April 1, 2013 between Doctors Oxygen Service, Inc. and ProCure Proton Therapy Center.
 - j. Consulting Agreement dated June 5, 2013 between Opco and LaKeshia Carter; and BAA attached as Exhibit B.
 - k. Consulting Agreement dated June 5, 2013 between Opco and Brenna Kelly; and BAA attached as Exhibit B.
 - l. Consulting Agreement dated June 10, 2013 between Opco and Sandra Apa; and BAA attached as Exhibit B.
 - m. Amended and Restated Coverage Agreement dated January 1, 2013 between Pediatric Anesthesia Associates, Ltd. and Opco.
 - n. Second Amendment to Price Agreement dated January 19, 2013 between Radiadyne and Opco.

- o. Service Level Agreement for Information Technology Hosting Services dated July 1, 2013 between Opco and Purchaser.
 - p. Letter Agreement dated May 8, 2013 between Opco and Addison Group.
- 2. Second Amendment to Second Amended and Restated Operating Agreement of Opco dated February 14, 2013.
- 3. Schedule 3.10 is incorporated here by reference.
- 4. Holdco owes interest payments in the amount of \$1,700,000 due in December 2012 under the Senior Unsecured PIK Note dated November 14, 2008 by Holdco in favor of Central Dupage Health, Inc. in the principal amount of \$40,000,000.
- 5. Opco owes Common Area Maintenance charges to Central Dupage Health, Inc. in the amount of \$634,000.00 under the Ground Lease Agreement, dated March 4, 2008 between Purchaser and Opco, and Memorandum of Lease, dated November 6, 2008.
- 6. Opco paid a 2013 quarterly maintenance payment of \$1,230,000 to IBA due in April 2013 in June 2013 under the Amended and Restated Proton Therapy System Service Agreement dated December 3, 2007 and amended and restated as of February 20, 2008 between Opco and IBA, as amended by Amendment No. 1 dated March 3, 2008 and Addendum 1 dated January 20, 2009.
- 7. An unpaid balance of \$33,172.50 is owed to Mayer Brown as of February 15, 2013.
- 8. The Seller Parties are currently negotiating the Senior Loan Amendment and the IBA Amendment.
- 9. Cynthia Gubricky was hired on February 12, 2013 as Director of Revenue Cycle Management and earns an annual salary of [REDACTED].
- 10. Compensation payable to Christopher Chandler was increased by [REDACTED].

SCHEDULE 3.20
Material Contracts

(a) Contracts with physicians or Referral Sources

1. Consulting Agreement dated November 1, 2012 between Opco and Dr. John Han-Chih Chang.
2. Anesthesia Agreement dated December 16, 2010 between Opco and Pediatric Anesthesia Associates, Ltd. ("Anesthesia Group"); and Amendment to Anesthesia Agreement dated November 7, 2011.
3. On-Call and Weekend Coverage Agreement dated November 4, 2011 between Opco and Anesthesia Group.
4. Supplemental Coverage Agreement dated June 20, 2012 between Opco and Anesthesia Group.
5. Employee Leasing Agreement dated July 1, 2010 between Opco and Radiation Oncology Consultants, Ltd.
6. Memorandum of Understanding dated January 1, 2011 between Children's Memorial Hospital and Opco.

(b) Third Party Payor/Customer Contracts

7. Facility Services Agreement dated January 1, 2011 between Aetna Health Inc. and Opco.
8. Participating Provider Agreement dated January 5, 2011 between BlueCross BlueShield of Illinois and Opco.
9. Ancillary Services Agreement dated November 1, 2010 between CIGNA and Opco.
10. HCP Agreement dated February 1, 2011 between Cofinity and Opco.
11. Participating Facility Agreement dated January 1, 2011 between Preferred Plan, Inc. and Opco.
12. Ancillary Facility Agreement dated August 4, 2010 between HFN, Inc. and Opco.
13. MPI Participating Ancillary Agreement dated June 1, 2011 between MultiPlan, Inc. and Opco.
14. PPO Ancillary Provider Agreement dated February 1, 2011 between Sagamore and Opco.
15. Ancillary Provider Agreement dated April 22, 2011 between Health Net Federal Services ("Health Net") and Opco.

16. Wisconsin Medicaid Provider Agreement and Acknowledgement of Terms of Participation dated June 1, 2012 between Opco and the Department of Health Services of the State of Wisconsin.
17. From time to time, Opco enters into one-time letters of arrangement with Third Party Payors with respect to providing treatment to specific patients.

(e) Management Services Contracts

18. Consulting Services Agreement dated March 4, 2008 between Opco and ProCure Business Services, LLC.
19. Business Associate Agreement dated March 4, 2008 between Opco and ProCure Business Services, LLC.
20. Services Agreement dated March 4, 2008 between Opco and Radiation Oncology Consultants, Ltd.

(f) Contracts involving sharing of profits and losses

21. Second Amended and Restated Operating Agreement of Opco dated November 7, 2008.

(g) Personnel Leases

22. Employee Leasing Agreement dated June 1, 2010 between Opco and Purchaser; and First Amendment to Employee Leasing Agreement dated June 21, 2012 .
23. Employee Leasing Agreement dated July 1, 2010 between Opco and Radiation Oncology Consultants, Ltd.
24. Personnel Staffing Agreement dated March 1, 2009 between Owner and Opco; and First Amendment to Personnel Staffing Agreement dated April 1, 2009.
25. Letter Agreement dated May 8, 2013 between Opco and Addison Group.
26. Staffing Services Fee Schedule, effective as of November 30, 2011, between Medical Staffing Network and Opco (Owner is a party to the fee schedule whereas Opco is a party to the Notice to Client).

(i) Employment/Independent Contractor Contracts

27. Consulting Agreement dated November 1, 2012 between Opco and Dr. John Han-Chih Chang.
28. Agreement for Services dated December 20, 2010 between Opco and The Children's Memorial Hospital ("Children's Memorial").
29. Agreement for Services dated July 13, 2011 between Opco and Children's Memorial.

30. Anesthesia Agreement dated December 16, 2010 between Opco and Pediatric Anesthesia Associates, Ltd. ("Anesthesia Group"); and Amendment to Anesthesia Agreement dated November 7, 2011.
31. On-Call and Weekend Coverage Agreement dated November 4, 2011 between Opco and Anesthesia Group.
32. Supplemental Coverage Agreement dated June 20, 2012 between Opco and Anesthesia Group.
33. Janitorial Services Agreement dated September 7, 2010 between EBM, Inc. and Opco.
34. Employee Leasing Agreement dated July 1, 2010 between Opco and Radiation Oncology Consultants, Ltd.
35. Employee Non-Qualified Stock Option Agreement dated April 20, 2010 between Owner and Armand Andry.
36. Employee Non-Qualified Stock Option Agreement dated September 30, 2010 between Owner and Christopher Arbeen.
37. Employee Non-Qualified Stock Option Agreement dated October 18, 2010 between Owner and Terri Bevolo.
38. Employee Non-Qualified Stock Option Agreement dated October 26, 2011 between Owner and Mariann Cashin.
39. Employee Non-Qualified Stock Option Agreement dated September 30, 2011 between Owner and Joanlee Cessarone.
40. Employee Non-Qualified Stock Option Agreement dated December 21, 2010 between Owner and April Cook.
41. Employee Non-Qualified Stock Option Agreement dated September 7, 2010 between Owner and Bridget Cook.
42. Employee Non-Qualified Stock Option Agreement dated December 31, 2010 between Owner and John Cook.
43. Employee Non-Qualified Stock Option Agreement dated December 31, 2010 between Owner and Miranda Covic.
44. Employee Non-Qualified Stock Option Agreement dated March 31, 2011 between Owner and Brandon Cramlett.
45. Employee Non-Qualified Stock Option Agreement dated March 31, 2011 between Owner and Hilary Deeke.

46. Employee Non-Qualified Stock Option Agreement dated March 31, 2011 between Owner and Rachel deLongpre.
47. Employee Non-Qualified Stock Option Agreement dated December 5, 2011 between Owner and Christine DiVenti.
48. Employee Non-Qualified Stock Option Agreement dated March 31, 2011 between Owner and Brian Dunning.
49. Employee Non-Qualified Stock Option Agreement dated August 16, 2010 between Owner and Robert Foster.
50. Employee Non-Qualified Stock Option Agreement dated August 16, 2010 between Owner and Shae Gans.
51. Employee Non-Qualified Stock Option Agreement dated March 31, 2011 between Owner and Mincheng Gao.
52. Employee Non-Qualified Stock Option Agreement dated November 28, 2011 between Owner and Kyle Garafolo.
53. Employee Non-Qualified Stock Option Agreement dated August 2, 2010 between Owner and Steven Geary.
54. Employee Non-Qualified Stock Option Agreement dated October 18, 2010 between Owner and Minu George.
55. Employee Non-Qualified Stock Option Agreement dated June 4, 2012 between Owner and Virginia Gillespie.
56. Employee Non-Qualified Stock Option Agreement dated June 30, 2011 between Owner and Diane Good.
57. Employee Non-Qualified Stock Option Agreement dated September 30, 2011 between Owner and Jocelin Griggs.
58. Employee Non-Qualified Stock Option Agreement dated July 2, 2012 between Owner and Angela Guderjan.
59. Employee Non-Qualified Stock Option Agreement dated August 9, 2010 between Owner and Sioban Hartsell.
60. Employee Non-Qualified Stock Option Agreement dated October 18, 2010 between Owner and Lindsey Havron.
61. Employee Non-Qualified Stock Option Agreement dated December 31, 2010 between Owner and Draik Hecksel.

62. Employee Non-Qualified Stock Option Agreement dated January 4, 2010 between Owner and Draik Hecksel.
63. Employee Non-Qualified Stock Option Agreement dated June 30, 2011 between Owner and Norma Herrera.
64. Employee Non-Qualified Stock Option Agreement dated March 31, 2011 between Owner and Tracy Hooper.
65. Employee Non-Qualified Stock Option Agreement dated March 31, 2011 between Owner and Stephanie Hufnal.
66. Employee Non-Qualified Stock Option Agreement dated July 9, 2012 between Owner and Andjelia Jacovic.
67. Employee Non-Qualified Stock Option Agreement dated December 31, 2010 between Owner and Scott Johnson.
68. Employee Non-Qualified Stock Option Agreement dated May 10, 2010 between Owner and Scott Johnson.
69. Employee Non-Qualified Stock Option Agreement dated June 30, 2011 between Owner and Darren Kaplan.
70. Employee Non-Qualified Stock Option Agreement dated September 30, 2011 between Owner and John Klade.
71. Employee Non-Qualified Stock Option Agreement dated December 31, 2010 between Owner and Brad Kreydick.
72. Employee Non-Qualified Stock Option Agreement dated January 4, 2010 between Owner and Brad Kreydick.
73. Employee Non-Qualified Stock Option Agreement dated March 31, 2011 between Owner and Rob Lake.
74. Employee Non-Qualified Stock Option Agreement dated March 31, 2011 between Owner and Steven Laub.
75. Employee Non-Qualified Stock Option Agreement dated June 25, 2012 between Owner and Katherine L. Lindemann.
76. Employee Non-Qualified Stock Option Agreement dated September 30, 2010 between Owner and Anne Loeffler.
77. Employee Non-Qualified Stock Option Agreement dated March 31, 2011 between Owner and Qin Luo.

78. Employee Non-Qualified Stock Option Agreement dated November 28, 2011 between Owner and Megan Marshall.
79. Employee Non-Qualified Stock Option Agreement dated September 30, 2010 between Owner and Heather McCann.
80. Employee Non-Qualified Stock Option Agreement dated January 3, 2012 between Owner and Benjamin McClain.
81. Employee Non-Qualified Stock Option Agreement dated August 2, 2010 between Owner and Angela McCrum.
82. Employee Non-Qualified Stock Option Agreement dated October 15, 2012 between Owner and Diane McDonnell.
83. Employee Non-Qualified Stock Option Agreement dated March 31, 2011 between Owner and Jennifer Mitchell.
84. Employee Non-Qualified Stock Option Agreement dated January 4, 2010 between Owner and Mark Pankuch.
85. Employee Non-Qualified Stock Option Agreement dated June 30, 2011 between Owner and Paresh Patel.
86. Employee Non-Qualified Stock Option Agreement dated September 7, 2010 between Owner and Ashley Pruneau.
87. Employee Non-Qualified Stock Option Agreement dated May 29, 2012 between Owner and Mark Radtke.
88. Employee Non-Qualified Stock Option Agreement dated June 30, 2011 between Owner and Hazel Ramirez.
89. Employee Non-Qualified Stock Option Agreement dated March 31, 2011 between Owner and Rosa Ramirez.
90. Employee Non-Qualified Stock Option Agreement dated June 30, 2011 between Owner and Jennifer Reda.
91. Employee Non-Qualified Stock Option Agreement dated March 31, 2011 between Owner and Rachel Rendall.
92. Employee Non-Qualified Stock Option Agreement dated March 31, 2011 between Owner and Miranda Risberg.
93. Employee Non-Qualified Stock Option Agreement dated December 31, 2010 between Owner and Karen Roswold.

94. Employee Non-Qualified Stock Option Agreement dated June 30, 2011 between Owner and William Russell.
95. Employee Non-Qualified Stock Option Agreement dated April 12, 2010 between Owner and Stacey Schmidt.
96. Employee Non-Qualified Stock Option Agreement dated August 16, 2010 between Owner and Brandi Selby.
97. Employee Non-Qualified Stock Option Agreement dated November 28, 2011 between Owner and Rachel Sewell.
98. Employee Non-Qualified Stock Option Agreement dated September 30, 2011 between Owner and Stephanie Settepani.
99. Employee Non-Qualified Stock Option Agreement dated December 31, 2010 between Owner and Mohammed Siddiqui.
100. Employee Non-Qualified Stock Option Agreement dated April 26, 2010 between Owner and Mohammed Siddiqui.
101. Employee Non-Qualified Stock Option Agreement dated November 28, 2011 between Owner and Dawn Smith.
102. Employee Non-Qualified Stock Option Agreement dated September 7, 2010 between Owner and Daniel Spring.
103. Employee Non-Qualified Stock Option Agreement dated December 31, 2010 between Owner and Nancy Stauffer.
104. Employee Non-Qualified Stock Option Agreement dated March 31, 2011 between Owner and Taleah Tatum.
105. Employee Non-Qualified Stock Option Agreement dated January 18, 2010 between Owner and Randall Tobias.
106. Employee Non-Qualified Stock Option Agreement dated November 28, 2011 between Owner and Jarrod Walters.
107. Employee Non-Qualified Stock Option Agreement dated March 31, 2011 between Owner and Mary Wienand.
108. Employee Non-Qualified Stock Option Agreement dated March 31, 2011 between Owner and Jennifer Williams.
109. Employee Non-Qualified Stock Option Agreement dated September 13, 2010 between Owner and Kelli Wilson.

110. Employee Non-Qualified Stock Option Agreement dated January 30, 2012 between Owner and Corey Woods.
111. Employee Non-Qualified Stock Option Agreement dated September 30, 2011 between Owner and Tracy Yates.
112. Owner's Seventh Amended and Restated Stockholders Agreement dated January 12, 2011.
113. Employee Non-Qualified Stock Option Agreement dated December 31, 2010 between Owner and Charles Yoo.
114. Consulting Agreement dated June 5, 2013 between Opco and LaKeshia Carter; and BAA attached as Exhibit B.
115. Consulting Agreement dated June 5, 2013 between Opco and Brenna Kelly; and BAA attached as Exhibit B.
116. Consulting Agreement dated June 10, 2013 between Opco and Sandra Apa; and BAA attached as Exhibit B.

(k) Contracts for purchase and sale of assets

117. IBA Purchase Agreement.
118. Exclusive Manufacturing Agreement dated October 24, 2006 between Forte Automation Systems, Inc. and Owner, as amended by the letter dated January 13, 2010 from ProCure to Forte Automation Systems, Inc., and as partially assigned from Owner to Opco under the PPS Assignment Agreement dated March 4, 2008.
119. Amendment to the Purchase and License Agreement re METRIQ dated December 8, 2010 between Elekta, Inc. and Opco (the party to the original Purchase and License Agreement dated December 8, 2010 is Owner).

(n) Equipment Maintenance Contracts

120. Amended and Restated Proton Therapy System Service Agreement dated December 3, 2007 and amended and restated as of February 20, 2008 between Opco and IBA, as amended by Amendment No. 1 dated March 3, 2008 and Addendum 1 dated January 20, 2009 ("IBA System Service Agreement").
121. B-K Extended Service Plan Terms and Conditions dated December 13, 2012 between B-K Medical and Opco.
122. Customer Agreement dated August 25, 2010 between .decimal, Inc. and Opco; and Amendment to Customer Agreement dated November 14, 2011.
123. Support Summary Agreement dated April 14, 2009 between GE Healthcare and Opco.

124. Support Summary Agreement dated August 25, 2011 between GE Healthcare and Opco.
125. Preventative Maintenance Agreement dated March 29, 2013 between Opco and Mechanical Incorporated.
126. Preventative Services and Maintenance Agreement dated July 16, 2010 between Opco and Preferred Electric.
127. Placement Agreement dated September 8, 2010 between Opco and Baxter Healthcare Corporation, GACC.
128. Service Agreement dated March 7, 2012 between Opco and Direct Energy Management, LLC.
129. Comprehensive Medical Equipment Management Program Agreement dated July 30, 2010 between Opco and SPBS, Inc.
130. DirectCare Standard Service Agreement dated May 16, 2012 between Medrad Service and Opco.

(o) Affiliate Contracts

131. PPS Assignment Agreement dated March 4, 2008 between Opco and Owner.
132. Technology License Agreement dated April 30, 2012 among Owner, Opco, and, solely for the purposes of specific provisions thereof, Holdco and Midco.
133. Consulting Services Agreement dated March 4, 2008 between Procure Business Services, LLC and Opco.
134. Amended and Restated Senior Subordinated PIK Note dated April 30, 2012 by Opco in favor of Owner in the principal amount of \$2,276,418; and Assignment of Note dated April 30, 2012 by Owner to Fortis.
135. Parent Cash Flow Support Advance Revolving Note dated April 30, 2012 by Opco in favor of Owner in the principal amount of the aggregate unpaid principal amount of Parent Cash Flow Advances pursuant to the Support Agreement dated January 15, 2009 between Owner and Fortis; and Assignment of Note, dated April 30, 2012 by Owner to Fortis.
136. Consulting Agreement dated November 1, 2012 between Opco and Dr. John Han-Chih Chang.
137. Services Agreement dated March 4, 2008 between Opco and Radiation Oncology Consultants, Ltd.

138. Employee Leasing Agreement dated July 1, 2010 between Opco and Radiation Oncology Consultants, Ltd.
139. Letter of Agreement re Payment for Services Reimbursed Under Case Rates dated March 1, 2012 between Opco and Radiation Oncology Consultants, Ltd.

(p) Contracts with IBA

140. Guaranty to Agreements dated March 4, 2008 by Ion Beam Applications, S.A. for the benefit of Opco.
141. IBA Purchase Agreement.
142. IBA System Service Agreement.

(q) Intellectual Property Licenses

143. Technology License Agreement dated April 30, 2012 among Owner, Opco, and, solely for the purposes of specific provisions thereof, Holdco and Midco.
144. Forte Manufacturing Agreement.
145. IBA Purchase Agreement.
146. IBA System Service Agreement.
147. License Agreement dated January 20, 2011 between Opco and Velocity Medical Solutions, LLC.

(r) Non-Compete and other Restrictive Contracts

148. Forte Manufacturing Agreement.
149. Amended and Restated Umbrella Agreement dated March 4, 2008 among Central Dupage Health, Holdco, Midco and Opco.
150. IBA System Service Agreement.
151. Employee Leasing Agreement dated June 1, 2010 between Opco and Purchaser; and First Amendment to Employee Leasing Agreement dated June 21, 2012.
152. Consulting Services Agreement dated March 4, 2008 between Procure Business Services, LLC and Opco.
153. Services Agreement dated March 4, 2008 between Opco and Radiation Oncology Consultants, Ltd.
154. Agreement Regarding Noncompetition, Proprietary Information, Trade Secrets and Inventions have been entered into with employees as per the attached.

155. Service Agreement dated April 13, 2010 between Opco and MedClean.
156. Agreement for Supply of Cylinder Gases dated March 26, 2010 between Air Liquide Healthcare America Corporation and Opco.
157. Service Agreement dated June 29, 2010 between Opco and Stericycle Specialty Waste.
158. Customer Agreement dated August 25, 2010 between .decimal, Inc. and Opco; and Amendment to Customer Agreement dated November 14, 2011.
159. Service Agreement dated July 20, 2010 between Cyracom Transparent Language Services and Opco.
160. Comprehensive Medical Equipment Management Program Agreement dated July 30, 2010 between Opco and SPBS, Inc.
161. Confidential Document Destruction Agreement dated October 10, 2010 between Opco and Citadel Information Management; and BAA dated September 10, 2010.
162. Price Agreement dated October 20, 2010 between Radiadyne and Opco; First Amendment dated October 19, 2012; and Second Amendment to Price Agreement dated January 19, 2013.

(s) Contracts for borrowed monies

163. Credit Agreement.
164. Promissory Note dated November 3, 2008 by Opco in favor of Fortis in the principal amount of \$34,000,000.
165. Promissory Note dated November 3, 2008 by Opco in favor of KBC in the principal amount of \$34,000,000.
166. Promissory Note dated November 23, 2009 by Opco in favor of Fortis in the principal amount of \$25,500,000.
167. Promissory Note dated November 23, 2009 by Opco in favor of KBC in the principal amount of \$25,500,000.
168. ISDA Master Agreement and Schedule (Hedge Agreement) dated November 7, 2008 between Opco and Fortis.
169. ISDA Master Agreement and Schedule (Hedge Agreement) dated November 7, 2008 between Opco and KBC.
170. Letter dated November 12, 2008 among Fortis, KBC, Opco and Owner.
171. Fee letter dated March 4, 2008 between Fortis and Opco.

172. Fee letter dated November 23, 2009 among Fortis, KBC and Opco.
173. Amended and Restated Support Agreement dated January 15, 2009 between Owner and Fortis.
174. Assignment, Pledge, and Security Agreement dated March 4, 2008 between Midco as pledgor and Fortis.
175. Collateral Assignments of Construction Contracts, Services Contracts, Hedge Agreements and Permits, Licenses and Plans between Opco as assignor and Fortis pursuant to the Credit Agreement.
176. Collateral Assignments of Equipment Documents, Warranties, Services Plans between Opco and Fortis.
177. Depository and Account Control Agreement dated November 7, 2008 among Opco, Fortis and U.M.B. Bank, N.A., as amended.
178. Deposit Account Control Agreement dated April 30, 2012 among Opco, Fortis and Bank of America N.A.
179. Insurance Waiver dated July 3, 2012 among Opco, Parent, Fortis and KBC.
180. Leasehold Mortgage with Security Agreement, Assignment of Leases and Rents and Fixture Filing Statement dated November 3, 2008 by Opco in favor of Fortis.
181. Subordination Agreement dated November 3, 2008 among Purchaser, Opco and Fortis.
182. U.M.B. Bank N.A. Irrevocable Direct Pay Letter of Credit No. S500524 dated October 30, 2008 for the account of Owner in in the amount of \$5,250,000.
183. U.M.B. Bank N.A. Irrevocable Standby Letter of Credit No. S500524 dated October 30, 2008 for the account of Owner in the amount of \$5,000,000.
184. Amended and Restated Senior Subordinated PIK Note dated April 30, 2012 by Opco in favor of Owner in the principal amount of \$2,276,418; and Assignment of Note, dated April 30, 2012 by Owner to Fortis.
185. Parent Cash Flow Support Advance Revolving Note dated April 30, 2012 by Opco in favor of Owner in the principal amount of the aggregate unpaid principal amount of Parent Cash Flow Advances pursuant to the Support Agreement dated January 15, 2009 between Owner and Fortis; and Assignment of Note, dated April 30, 2012 by Owner to Fortis.
186. Amended and Restated Subordination and Pledge and Security Agreement dated April 30, 2012 by and among Opco, Owner as subordinated lender and Fortis.

187. Senior Unsecured PIK Note dated November 14, 2008 by Holdco in favor of Central Dupage Health, Inc. in the principal amount of \$40,000,000.

(t) Guaranties, Completion Bonds and Indemnification Agreements

188. Credit Agreement.
189. Depositary and Account Control Agreement dated November 7, 2008 among Opco, Fortis and U.M.B. Bank, N.A., as amended.
190. Amended and Restated Support Agreement dated January 15, 2009 between Owner and Fortis.
191. Forte Manufacturing Agreement.
192. IBA Purchase Agreement.
193. IBA System Service Agreement.
194. Guaranty to Agreements dated March 4, 2008 by Ion Beam Applications, S.A. for the benefit of Opco.
195. Leasehold Mortgage with Security Agreement, Assignment of Leases and Rents and Fixture Filing Statement dated November 3, 2008 by Opco in favor of Fortis.
196. Sub-Contract Agreement dated January 22, 2013 between Northwestern University and Opco d/b/a CDH Proton Center.
197. Agreement for Supply of Cylinder Gases dated March 26, 2010 between Air Liquide Healthcare America Corporation and Opco.
198. Billing and Collection Services Agreement dated June 16, 2010 between Revenue Cycle Billing Services, Inc. and Opco, and Business Associate Provisions attached as Exhibit E.
199. Anesthesia Agreement dated December 16, 2010 between Opco and Anesthesia Group.
200. Ancillary Provider Agreement dated April 22, 2011 between Health Net Federal Services ("Health Net") and Opco.
201. Participating Facility Agreement dated January 1, 2011 between Preferred Plan, Inc. and Opco.
202. Participating Provider Agreement dated January 5, 2011 between BlueCross BlueShield of Illinois and Opco.
203. Ground Lease Agreement, dated March 4, 2008 between Purchaser and Opco, and Memorandum of Lease, dated November 6, 2008.

204. Consulting Services Agreement dated March 4, 2008 between Procure Business Services, LLC and Opco, and Business Associate Agreement (“BAA”) attached as Exhibit B.
205. Personnel Staffing Agreement dated March 1, 2009 between Owner and Opco; and First Amendment to Personnel Staffing Agreement dated April 1, 2009.
206. Agreement for Services dated July 13, 2011 between Opco and Children’s Memorial.
207. Declaration of Restrictions, Easements and Common Area Maintenance dated October 31, 2008 by Purchaser.
208. Customer Agreement dated August 25, 2010 between .decimal, Inc. and Opco; and Amendment to Customer Agreement dated November 14, 2011, and BAA attached as Exhibit B.
209. Support Summary Agreement dated April 14, 2009 between GE Healthcare and Opco.
210. Support Summary Agreement dated August 25, 2011 between GE Healthcare and Opco.
211. Transcription Services Agreement dated August 8, 2012 between Infrahealth, Inc. and Opco.
212. License Agreement dated January 20, 2011 between Opco and Velocity Medical Solutions, LLC.
213. Comprehensive Medical Equipment Management Program Agreement dated July 30, 2010 between Opco and SPBS, Inc.
214. Anesthesia Equipment Maintenance Agreement dated April 1, 2013 between Doctors Oxygen Service, Inc. and ProCure Proton Therapy Center.
215. Quotation dated July 18, 2012 between Opco and SecureNet Systems Texas, LLC.
216. Receiving Panel Agreement dated December 15 2009 between Opco and Alarm Detection System, Inc.; and Installation/Service Agreement.
217. Staffing Services Fee Schedule, effective as of November 30, 2011, between Medical Staffing Network and Opco (Owner is a party to the fee schedule whereas Opco is a party to the Notice to Client).

(u) Contracts with Governmental Authorities

218. Wisconsin Medicaid Provider Agreement and Acknowledgement of Terms of Participation dated June 1, 2012 between Opco and the Department of Health Services of the State of Wisconsin.

(v) Other Material Agreements

219. Closing Agreement Dated November 7, 2008 among Owner, Holdco, Midco, Opco and Purchaser.
220. Subordination Agreement dated November 3, 2008 among Purchaser, Opco and Fortis.
221. Data Services Agreement dated June 3, 2009 between Opco and CIMCO Communications, Inc.
222. Business Associate Agreement dated May 31, 2012 between Advocate Health and Hospitals d/b/a Advocate Good Shepherd Hospital and Opco.
223. Business Associate Agreement dated June 1, 2012 between Advocate North Side Health Network d/b/a Advocate Illinois Masonic Medical Center and Opco.
224. Business Associate Agreement dated May 1, 2012 between Advocate Health and Hospitals Corporation d/b/a Advocate Lutheran General Hospital and Opco.
225. Partnership Program Agreement dated December 20, 2010 between Arizant Healthcare Inc. and Opco.
226. Inspection Agreement Addendum dated July 15, 2010 between Aurora TriState Fire Protection and Opco.
227. Child Life Support Services Agreement dated March 14, 2012 between Opco and Branches: Child Life Consulting and Therapeutic Services, and BAA attached as Exhibit B.
228. Affiliation Agreement dated December 1, 2011 between Opco and College of DuPage Community College District No. 502, Counties of DuPage, Cook and Will, and State of Illinois.
229. Business Associate Contract Addendum dated July 26, 2010 between Opco and CyraCom International, Inc.
230. Service Agreement dated July 20, 2010 between Cyracom Transparent Language Services and Opco.
231. HIPAA Business Associate Agreement dated December 6, 2012 between Epstein Becker & Green, P.C. and Opco.
232. Child Life Support Services Agreement dated January 31, 2013 between Opco and Joy A. Gallagher, CCLS, and BAA attached as Exhibit B.
233. Service Agreement dated April 13, 2010 between Opco and MedClean.
234. Equipment & Postage Meter Rental Agreement dated April 28, 2010 between Opco and PitneyBowes.

235. Member Institution Agreement dated March 13, 2011 between Opco d/b/a ProCure Proton Therapy Center and Proton Collaborative Group.
236. Letter of Agreement re Payment for Services Reimbursed Under Case Rates dated March 1, 2012 between Opco and Radiation Oncology Consultants, Ltd.
237. Full Service Contract dated May 4, 2010 between Opco and SourceOne Healthcare Technologies, Inc.; and Business Associate Agreement.
238. Letter of Agreement re Proposal to Provide Waste Disposal Services date August 22, 2012 between Opco and Stericycle Specialty Waste.
239. Service Agreement dated June 29, 2010 between Opco and Stericycle Specialty Waste.
240. Institutional Review Board/Independent Ethics Committee Authorization Agreement dated June 24, 2011 between Opco and Western Institutional Review Board.
241. Transcription Services Agreement dated December 1, 2011 between Opco and Transtech Medical Solutions, LLC d/b/a TransTech.
242. Billing and Collection Services Agreement dated June 16, 2010 between Revenue Cycle Billing Services, Inc. and Opco; and First Amendment to Billing and Collection Services Agreement dated September 1, 2012, and Business Associate Provisions attached as Exhibit E.
243. Master Services Agreement dated November 14, 2011 between Comcast Cable Communications Management, LLC ("Comcast") and Opco; and Business Class Service Order Agreement dated November 17, 2011.
244. Mutual Confidentiality and Nondisclosure Agreement dated February 14, 2013 between Opco and FirstMerit.
245. Mutual Confidentiality and Nondisclosure Agreement dated February 4, 2013 between Deutsche Bank Securities, Inc. and Opco.
246. Mutual Confidentiality and Nondisclosure Agreement dated November 30, 2012 between Opco and BMO Harris Bank N.A.
247. Confidentiality Agreement dated December 31, 2012 between Opco and Purchaser.
248. Nondisclosure Agreement dated April 12, 2010 between Opco and IMPAC Medical Systems, Inc.
249. Mutual Confidentiality and Nondisclosure Agreement dated February 6, 2013 between Opco and KeyBank National Association.
250. Mutual Confidentiality and Nondisclosure Agreement dated June 4, 2012 between Opco and The General Hospital Corporation d/b/a Massachusetts General Hospital.

251. Mutual Confidentiality and Nondisclosure Agreement dated July 22, 2010 between Opco and .decimal.
252. Confidentiality Agreement dated December 11, 2012 between Opco and Wells Fargo Bank National Association.
253. Mutual Confidentiality and Nondisclosure Agreement dated December 5, 2012 between Opco and Monroe Credit Advisors LLC.
254. Confidentiality Agreement dated August 8, 2011 between Opco and Massachusetts General Hospital.
255. Letter Agreement dated May 31, 2013 between Walgreens Infusion Services and Opco.
256. Quote and Acceptance dated July 6, 2009 between VisionTree Optimal Care System and Opco.
257. Pricing Schedule dated July 27, 2009 between AT&T Managed Internet Service and Opco.
258. Anesthesia Equipment Maintenance Agreement dated April 1, 2013 between Doctors Oxygen Service, Inc. and ProCure Proton Therapy Center.
259. Quotation dated July 18, 2012 between Opco and SecureNet Systems Texas, LLC.
260. Proposal – UPS Testing, Maintenance Agreement dated May 5, 2010 between Opco and SDM Metro.
261. Receiving Panel Agreement dated December 15 2009 between Opco and Alarm Detection System, Inc.; and Installation/Service Agreement.
262. Terminix Service Agreement dated July 28, 2010 between the Terminix International Company, L.P. and Opco.
263. Gold Maintenance Agreement dated June 7, 2010 between Opco and ThyssenKrupp Elevator Corporation.
264. Service Agreement dated March 18, 2010 between Patten Power Systems and Chicago Opco.
265. Amended and Restated Coverage Agreement dated January 1, 2013 between Pediatric Anesthesia Associates, Ltd. and Opco.
266. Metricide Disposal Agreement dated December 8, 2010 between Stericycle Specialty Waste Solutions and Opco.
267. Pharma Disposal Agreement dated April 9, 2012 between Stericycle Specialty Waste Solutions and Opco.

268. Service Level Agreement for Information Technology Hosting Services dated July 1, 2013 between Opco and Purchaser.
269. Lease/Rental Agreement dated October 14, 2010 between PS Illinois Trust and Opco.
270. Order Agreement dated September 22, 2010 between Ricoh Americas Corporation and Opco.

Exceptions to Section 3.20

1. Holdco owes interest payments in the amount of \$1,200,000 due in December 2012 under the Senior Unsecured PIK Note dated November 14, 2008 by Holdco in favor of Central Dupage Health, Inc. in the principal amount of \$40,000,000.
2. Opco owes Common Area Maintenance charges to Central Dupage Health, Inc. in the amount of \$634,000.00 under the Ground Lease Agreement, dated March 4, 2008 between Purchaser and Opco, and Memorandum of Lease, dated November 6, 2008.
3. Opco paid a 2013 quarterly maintenance payment of \$1,230,000 to IBA due in April 2013 in June 2013 under the Amended and Restated Proton Therapy System Service Agreement dated December 3, 2007 and amended and restated as of February 20, 2008 between Opco and IBA, as amended by Amendment No. 1 dated March 3, 2008 and Addendum 1 dated January 20, 2009.
4. Opco is in default under the Credit Agreement and the Loan Documents. Entry into the Agreement and consummation of the transactions under the Agreement constitutes a default under the Credit Agreement and the Loan Documents.

Last Name	First Name	Job title	DOH	FTE	Offer Ltr	offer ltr date	NDA
DeFillippo	Greg	Intern	6/25/2012	0.5	N/A		N/A
Stec	Garrett	Intern	6/25/2012		NA		NA
Wilson	Kelli	Manager - Financial Services	9/13/2010	1	NA - inactive		NA - inactive
Brinkman	Maureen	Manager - Patient Services	10/10/2011	1	No		No
Curran	Lauren	Radiation Therapist	8/22/2011	1	No		No
DiVenti	Christine	Patient Advocacy	12/5/2011	1	No		No
Garafolo	Kyle	Radiation Therapist	11/28/2011	1	No		No
Hecksel	Draik	Medical Physicist	1/18/2010	1	No		No
Herrera	Norma	Billing Coordinator	4/4/2011	1	No		No
Lake	Tai	Radiation Therapist	8/22/2011	1	No		No
Lindemann	Katherine	Intake Nursing Coordinator	6/25/2012	1	No		No
Marshall	Megan	Radiation Therapist	11/28/2011	1	No		No
Ramirez	Rosa	Radiation Therapist	1/17/2011	1	No		No
Russell	William	Clinical IS Support Analyst	4/18/2011	1	No		No
Sewell	Rachel	Supervisor - Radiation Therapy	11/28/2011	1	No		No
Walters	Jarrod	Radiation Therapist	11/28/2011	1	No		No
Chandler	Christopher	Center President	1/1/2006	1	Pending JL		Pending JL
Andry	Armand	Administrative Assistant	4/20/2010	1	Yes	4/19/2010	Yes
Arbeen	Christopher	Machinist/Facility Technician	9/27/2010	1	Yes	9/16/2010	Yes
Arteaga	Magdalena	Nursing Administrative Assistant	4/8/2013	1	Yes	3/28/2013	Yes
Bare	Erik	Supervisor - Radiation Therapy	10/11/2010	1	Yes	8/24/2010	Yes
Bevolo	Terri	Radiation Therapist	10/18/2010	1	Yes	8/24/2010	Yes
Bobor	Danielle	Treatment Team Assistant	10/11/2010	1	Yes	9/26/2010	Yes
Cashin	Mariann	Pediatric Anesthesia Coordinator	10/26/2011	1	Yes	10/25/2011	Yes
Cesarone	Jonalee	Clinical Partnerships Manager	9/6/2011	1	Yes	8/18/2011	Yes
Cook	April	Assistant Medical Physicist	11/1/2010	1	Yes	10/14/2010	Yes

Last Name	First Name	Job title	DOH	FTE	Offer Ltr	offer ltr date	NDA
Cook	Bridget	Radiation Therapist	9/7/2010	1	Yes	8/16/2010	Yes
Cook	John	Clinical IS Support Analyst	10/11/2010	1	Yes	10/2/2010	Yes
Corbett	Angela	Manager - Radiation Therapy Services	8/2/2010	1	Yes	7/12/2010	Yes
Covic	Miranda	Intake Administrative Assistant	11/22/2010	1	Yes	11/10/2010	Yes
Cramlett	Brandon	Sr Machinist/Facility Technician	3/28/2011	1	Yes	3/18/2011	Yes
Deeke	Hilary	Medical Dosimetrist	1/17/2011	1	Yes	12/27/2010	Yes
deLongpre	Rachel	Radiation Therapist	1/17/2011	1	Yes	12/23/2010	Yes
Foster	Robert	Medical Physicist	8/16/2010	1	Yes	7/30/2010	Yes
Gallegos	Sandra	PRN Clinical Nurse	1/24/2013	0.25	Yes	1/13/2013	Yes
Gans	Shae	Medical Dosimetrist	8/16/2010	1	Yes	7/30/2010	Yes
Gao	Mingcheng	Sr Medical Physicist	1/3/2011	1	Yes	11/24/2010	Yes
Geary	Steven	Sr Machinist	8/2/2010	1	Yes	8/2/2010	Yes
Gillespie	Virginia	Concierge	6/4/2012	1	Yes	5/23/2012	Yes
Good	Diane	Concierge	4/25/2011	1	Yes	4/8/2011	Yes
Griggs	Jocelin	Financial Services Coordinator	8/8/2011	1	Yes	7/22/2011	Yes
Gubricky	Cynthia	Director, Revenue Cycle Management	2/12/2013	1	Yes	1/10/2013	Yes
Guderjian	Angela	Clinical Nurse	7/2/2012	1	Yes	6/13/2012	Yes
Harbit Niles	Susan	Medical Dosimetrist	1/31/2011	1	Yes	1/12/2011	Yes
Hartsell	Siobhan	Medical Dosimetrist	8/9/2010	1	Yes	7/29/2010	Yes
Hasenauer	Nancy	PRN Clinical Nurse	7/19/2012	0.1	Yes	7/5/2012	Yes
Havron	Lindsey	Radiation Therapist	10/18/2010	1	Yes	8/17/2010	Yes
Hooper	Tracy	Radiation Therapist	2/21/2011	1	Yes	2/4/2011	Yes
Hufnal	Stephanie	Radiation Therapist	3/21/2011	1	Yes	2/23/2011	Yes
Jacovic	Andjelia	Manager - Clinical Nursing	7/9/2012	1	Yes	6/14/2012	Yes
Jefferis	Jennifer	Clinical Nurse	5/20/2013	1	Yes	5/10/2013	Yes
Johnsen	Linda	PRN Clinical Nurse	3/1/2013	0.25	Yes	1/15/2013	Yes

Last Name	First Name	Job title	DOH	FTE	Offer Ltr	offer ltr date	NDA
Johnson	Scott	Manager - Information Systems	5/10/2010	1	Yes	5/10/2010	Yes
Kaplan	Darren	Medical Dosimetrist	4/25/2011	1	Yes	3/22/2011	Yes
Klade	John	Radiation Therapist	8/22/2011	1	Yes	8/10/2011	Yes
Kreydick	Bradford	Medical Physicist	1/4/2010	1	Yes	12/1/2009	Yes
Laub	Steven	Medical Physicist	3/7/2011	1	Yes	2/14/2011	Yes
Lejsner	Nancy	Radiation Therapist	1/17/2011	1	Yes	8/19/2010	Yes
Loeffler	Anne	PRN Clinical Nurse	9/27/2010	0.1	Yes	9/20/2010	Yes
Luo	Qin	Medical Dosimetrist	2/14/2011	1	Yes	2/9/2011	Yes
Mc Donnell	Diane	Clinical Partnerships Manager	10/15/2012	1	Yes	10/2/2012	Yes
McCann	Heather	Intake Nursing Coordinator	9/23/2010	0.8	Yes	9/20/2010	Yes
McClain	Benjamin	Medical Dosimetrist	1/3/2012	1	Yes	12/6/2011	Yes
McClintic	Cortnie	Clinical Nurse	2/25/2013	1	Yes	1/30/2013	Yes
Mitchell	Jennifer	Radiation Therapist	2/21/2011	1	Yes	2/4/2011	Yes
Pankuch	Mark	Director - Medical Physics + Dosimetry	1/4/2010	1	Yes	8/8/2009	Yes
Patel	Paresh	Medical Dosimetrist	5/2/2011	1	Yes	4/8/2011	Yes
Pflug	Keely	PRN Clinical Nurse	11/27/2012	0.1	Yes	11/6/2012	Yes
Pierce Acasio	Franceen	PRN Clinical Nurse	7/17/2012	0.1	Yes	7/5/2012	Yes
Pruneau	Ashley	Radiation Therapist	9/7/2010	1	Yes	8/14/2010	Yes
Radtke	Mark	Manager - Facilities	5/29/2012	1	Yes	5/22/2012	Yes
Ramirez	Hazel	Medical Physicist	4/18/2011	1	Yes	3/8/2011	Yes
Reda	Jennifer	Intake Nursing Coordinator	5/2/2011	0.6	Yes	4/16/2011	Yes
Rendall	Rachel	Radiation Therapist	3/21/2011	1	Yes	2/28/2011	Yes
Risberg	Miranda	Radiation Therapist	3/21/2011	1	Yes	1/5/2011	Yes
Roswold	Karen	Manager - Intake Nursing	10/4/2010	1	Yes	9/20/2010	Yes
Schenkenfelder	Patricia	Sr Medical Dosimetrist	12/23/2008	1	Yes	12/8/2008	Yes
Schmidt	Stacey	Manager - Medical Dosimetry	4/22/2010	1	Yes	3/8/2010	Yes

Last Name	First Name	Job title	DOH	FTE	Offer Ltr	offer ltr date	NDA
Scholtes	Heather	Clinical Nurse	2/4/2013	1	Yes	1/19/2013	Yes
Selby	Brandi	Administrative Assistant	8/16/2010	1	Yes	8/6/2010	Yes
Settepani	Stephanie	Treatment Team Assistant	9/26/2011	1	Yes	9/22/2011	Yes
Siddiqui	Mohammed	Medical Dosimetrist	4/26/2010	1	Yes	4/13/2010	Yes
Smith	Dawn	Radiation Therapist	11/28/2011	1	Yes	11/8/2011	Yes
Spring	Daniel	Medical Dosimetrist	9/7/2010	1	Yes	8/16/2010	Yes
Stauffer	Nancy	Assistant Medical Physicist	12/20/2010	1	Yes	12/1/2010	Yes
Tatum	Taleah	Radiation Therapist	2/21/2011	1	Yes	2/7/2011	Yes
Tobias	Randall	Sr Medical Physicist	1/18/2010	1	Yes	12/4/2009	Yes
Vachachira	Minu	Radiation Therapist	10/18/2010	1	Yes	8/16/2010	Yes
Van Namen	Kari	Clinical Nurse	11/6/2012	0.1	Yes	10/25/2012	Yes
Wienand	Mary	Radiation Therapist	3/21/2011	1	Yes	2/23/2011	Yes
Williams	Jennifer	Treatment Team Assistant	3/28/2011	1	Yes	3/15/2011	Yes
Woods	Corey	Clinical Research Coordinator	1/30/2012	1	Yes	1/11/2012	Yes
Yates	Tracy	Medical Dosimetrist	9/19/2011	1	Yes	8/16/2011	Yes
Yoo	Charles	Manager - Financial Analysis	10/18/2010	1	Yes	9/23/2010	Yes

NDA date signed	Any Exceptions	E-File	Paper
		N/A	N/A
		na	na
		na	na
		No	No
		No	No
		No	No
		no	no
	Yes	Pending	Pending
4/19/2010		x	x
Not dated		x	x
Not dated		x	x
Not dated		x	x
8/24/2010		x	x
Not dated		x	x
Not dated		x	x
8/8/2011		x	x
10/14/2010		x	x

NDA date signed	Any Exceptions	E-File	Paper
8/16/2010		x	x
10/2/2010		x	x
Not dated		x	x
Not dated		x	x
3/18/2011		x	x
12/27/2010		x	x
12/22/2010		x	x
Not dated		x	x
Not dated but sent with OL		x	
Not dated, sent via fax on 7/30/10		x	x
Not dated	No PC Signature	E-File (2)	Paper (2)
8/2/2010		E-File (2)	Paper (2)
Not dated faxed on 5/23/10		E-File (2)	
4/8/2011		E-File (2)	
7/22/2011	No PC Signature	E-File (2)	Paper (2)
1/10/2013		E-File (2)	
Not dated faxed on 6/13/12		E-File (2)	
Not Dated		E-File (2)	
Not Dated		E-File (2)	
7/5/2012		E-File (2)	Paper (2)
8/17/2010		E-File (2)	Paper (2)
2/4/2011			
2/23/2011		E-File (2)	
Not Dated		E-File (2)	
Not Dated		E-File (2)	
Not Dated		E-File (2)	

NDA date signed	Any Exceptions	E-File	Paper
5/10/2010		E-File (2)	Paper (2)
3/22/2011		E-File (2)	
Not Dated	No PC Signature	E-File (2)	Paper (2)
12/1/2009		E-File (2)	Paper (2)
2/14/2011		x	
8/19/2010		x	x
9/20/2010		x	
2/14/2011	no PC signature	x	
Not Dated		x	
2/4/2011		x	
8/8/2009	Exhibit A/no PC sig	x	
4/27/2011		x	
Not Dated		x	
Not Dated	no PC signature	x	
8/14/2010		x	x
Not Dated		x	
3/14/2011		x	x
4/16/2011	no PC signature on	x	x
not dated, sent via fax on 2/28/11	Exhibit B no EE ini	x	x
1/5/2011		x	x
9/20/2010		x	
12/8/2008	no PC signature		x
3/8/2010		x	x

NDA date signed	Any Exceptions	E-File	Paper
Not Dated		x	
8/6/2010		x	
9/22/2011	no PC signature	x	x
4/13/2010		x	x
Not Dated	no PC signature	x	x
Not Dated		x	x
12/1/2010		x	
2/7/2011		x	
12/4/2009		x	x
8/16/2010		x	
Not dated sent via fax on 10/26/12		x	
Not Dated		x	x
Not dated sent via fax on 3/15/11		x	x
Not Dated		x	
8/16/2011		x	x
9/23/2010		x	

SCHEDULE 3.21
Employees and Independent Contractors

Section 3.21(b)

See attached for employees of Opco.

Independent Contractors

The following persons provided services to Opco under the following agreements:

1. LaKeshia Carter – Consulting Agreement dated June 5, 2013 between Opco and LaKeshia Carter; and BAA attached as Exhibit B.
2. Brenna Kelly – Consulting Agreement dated June 5, 2013 between Opco and Brenna Kelly; and BAA attached as Exhibit B.
3. Sandra Apa – Consulting Agreement dated June 10, 2013 between Opco and Sandra Apa; and BAA attached as Exhibit B.
4. Consulting Agreement dated November 1, 2012 between Opco and Dr. John Han-Chih Chang.

CHI Roster ~ 5/31/13

Last Name	First Name	Job title	DOH	Department	FTE Designation	Manager Last Name	Manager First Name	Annual Salary
Schmidt	Stacey	Manager - Medical Dosimetry	4/22/2010	Dosimetry	1	Pankuch	Mark	[REDACTED]
Deeke	Hilary	Medical Dosimetrist	1/17/2011	Dosimetry	1	Schmidt	Stacey	[REDACTED]
Gans	Shae	Medical Dosimetrist	8/16/2010	Dosimetry	1	Schmidt	Stacey	[REDACTED]
Harbit Niles	Susan	Medical Dosimetrist	1/31/2011	Dosimetry	1	Schmidt	Stacey	[REDACTED]
Hartsell	Siobhan	Medical Dosimetrist	8/9/2010	Dosimetry	1	Schmidt	Stacey	[REDACTED]
Kaplan	Darren	Medical Dosimetrist	4/25/2011	Dosimetry	1	Schmidt	Stacey	[REDACTED]
Luo	Qin	Medical Dosimetrist	2/14/2011	Dosimetry	1	Schmidt	Stacey	[REDACTED]
McClain	Benjamin	Medical Dosimetrist	1/3/2012	Dosimetry	1	Schmidt	Stacey	[REDACTED]
Patel	Paresh	Medical Dosimetrist	5/2/2011	Dosimetry	1	Schmidt	Stacey	[REDACTED]
Siddiqui	Mohammed	Medical Dosimetrist	4/26/2010	Dosimetry	1	Schmidt	Stacey	[REDACTED]
Spring	Daniel	Medical Dosimetrist	9/7/2010	Dosimetry	1	Schmidt	Stacey	[REDACTED]
Yates	Tracy	Medical Dosimetrist	9/19/2011	Dosimetry	1	Schmidt	Stacey	[REDACTED]
Schenkenfelder	Patricia	Sr Medical Dosimetrist	12/23/2008	Dosimetry	1	Schmidt	Stacey	[REDACTED]
Arbeen	Christopher	Machinist/Facility Technician	9/27/2010	Facilities	1	Radtko	Mark	[REDACTED]
Radtko	Mark	Manager - Facilities	5/29/2012	Facilities	1	Chandler	Christopher	[REDACTED]
Geary	Steven	Sr Machinist	8/2/2010	Facilities	1	Radtko	Mark	[REDACTED]
Cramlett	Brandon	Sr Machinist/Facility Technician	3/28/2011	Facilities	1	Radtko	Mark	[REDACTED]
Cook	John	Clinical IS Support Analyst	10/11/2010	Information Systems	1	Johnson	Scott	[REDACTED]
Russell	William	Clinical IS Support Analyst	4/18/2011	Information Systems	1	Johnson	Scott	[REDACTED]
Johnson	Scott	Manager - Information Systems	5/10/2010	Information Systems	1	Pankuch	Mark	[REDACTED]
Cesarone	Jonalee	Clinical Partnerships Manager	9/6/2011	Marketing	1	Plofchan	Margaret	[REDACTED]
Mc Donnell	Diane	Clinical Partnerships Manager	10/15/2012	Marketing	1	Plofchan	Margaret	[REDACTED]
Cook	April	Assistant Medical Physicist	11/1/2010	Medical Physics	1	Pankuch	Mark	[REDACTED]
Stauffer	Nancy	Assistant Medical Physicist	12/20/2010	Medical Physics	1	Pankuch	Mark	[REDACTED]
Pankuch	Mark	Director - Medical Physics + Dosimetry	1/4/2010	Medical Physics	1	Chandler	Christopher	[REDACTED]

CHI Roster ~ 5/31/13

Last Name	First Name	Job title	DOH	Department	FTE Designation	Manager Last Name	Manager First Name	Annual Salary
DeFillippo	Greg	Intern	12/26/2012	Medical Physics	0.5	Pankuch	Mark	[REDACTED]
Stec	Garrett	Intern	1/2/2013	Medical Physics		Pankuch	Mark	[REDACTED]
Foster	Robert	Medical Physicist	8/16/2010	Medical Physics	1	Pankuch	Mark	[REDACTED]
Hecksel	Draik	Medical Physicist	1/18/2010	Medical Physics	1	Pankuch	Mark	[REDACTED]
Kreydick	Bradford	Medical Physicist	1/4/2010	Medical Physics	1	Pankuch	Mark	[REDACTED]
Laub	Steven	Medical Physicist	3/7/2011	Medical Physics	1	Pankuch	Mark	[REDACTED]
Ramirez	Hazel	Medical Physicist	4/18/2011	Medical Physics	1	Pankuch	Mark	[REDACTED]
Gao	Mingcheng	Sr Medical Physicist	1/3/2011	Medical Physics	1	Pankuch	Mark	[REDACTED]
Tobias	Randall	Sr Medical Physicist	1/18/2010	Medical Physics	1	Pankuch	Mark	[REDACTED]
Guderjan	Angela	Clinical Nurse	7/2/2012	Nursing	1	Jacovic	Andjelia	[REDACTED]
Jeffers	Jennifer	Clinical Nurse	5/20/2013	Nursing	1	Jacovic	Andjelia	[REDACTED]
McClintic	Cortnie	Clinical Nurse	2/25/2013	Nursing	1	Jacovic	Andjelia	[REDACTED]
Scholtes	Heather	Clinical Nurse	2/4/2013	Nursing	1	Jacovic	Andjelia	[REDACTED]
Van Namen	Kari	Clinical Nurse	11/6/2012	Nursing	0.8	Jacovic	Andjelia	[REDACTED]
Woods	Corey	Clinical Research Coordinator	1/30/2012	Nursing	1	Jacovic	Andjelia	[REDACTED]
Jacovic	Andjelia	Manager - Clinical Nursing	7/9/2012	Nursing	1	Chandler	Christopher	[REDACTED]
Arteaga	Magdalena	Nursing Administrative Assistant	4/8/2013	Nursing	1	Jacovic	Andjelia	[REDACTED]
Cashin	Mariann	Pediatric Anesthesia Coordinator	10/26/2011	Nursing	1	Jacovic	Andjelia	[REDACTED]
Gallegos	Sandra	PRN Clinical Nurse	1/24/2012	Nursing	0.25	Jacovic	Andjelia	[REDACTED]
Hasenauer	Nancy	PRN Clinical Nurse	7/19/2012	Nursing	0.1	Jacovic	Andjelia	[REDACTED]
Johnsen	Linda	PRN Clinical Nurse	3/1/2013	Nursing	0.25	Jacovic	Andjelia	[REDACTED]
Loeffler	Anne	PRN Clinical Nurse	9/27/2010	Nursing	0.1	Jacovic	Andjelia	[REDACTED]
Pflug	Keely	PRN Clinical Nurse	11/27/2012	Nursing	0.1	Jacovic	Andjelia	[REDACTED]
Pierce Acasio	Franceen	PRN Clinical Nurse	7/17/2012	Nursing	0.1	Jacovic	Andjelia	[REDACTED]
Andry	Armand	Administrative Assistant	4/20/2010	Operations	1	Chandler	Christopher	[REDACTED]
Selby	Brandi	Administrative Assistant	8/16/2010	Operations	1	Chandler	Christopher	[REDACTED]
Herrera	Norma	Billing Coordinator	4/4/2011	Operations	1	Shepherd	Kenelle	[REDACTED]
Chandler	Christopher	Center President	1/1/2006	Operations	1			[REDACTED]
Gillespie	Virginia	Concierge	6/4/2012	Operations	1	Brinkman	Maureen	[REDACTED]
Good	Diane	Concierge	4/25/2011	Operations	1	Brinkman	Maureen	[REDACTED]
Gubricky	Cynthia	Director, Revenue Cycle Management	2/12/2013	Operations	1	Sajewicz	Marcia	[REDACTED]
Griggs	Jocelin	Financial Services Coordinator	8/8/2011	Operations	1	Gubricky	Cynthia	[REDACTED]

CHI Roster ~ 5/31/13

Last Name	First Name	Job title	DOH	Department	FTE Designation	Manager Last Name	Manager First Name	Annual Salary
Covic	Miranda	Intake Administrative Assistant	11/22/2010	Operations	1	Roswold	Karen	[REDACTED]
Lindemann	Katherine	Intake Nursing Coordinator	6/25/2012	Operations	1	Roswold	Karen	[REDACTED]
McCann	Heather	Intake Nursing Coordinator	9/23/2010	Operations	0.8	Roswold	Karen	[REDACTED]
Reda	Jennifer	Intake Nursing Coordinator	5/2/2011	Operations	0.6	Roswold	Karen	[REDACTED]
Yoo	Charles	Manager - Financial Analysis	10/18/2010	Operations	1	Chandler	Christopher	[REDACTED]
Roswold	Karen	Manager - Intake Nursing	10/4/2010	Operations	1	Chandler	Christopher	[REDACTED]
Brinkman	Maureen	Manager - Patient Services	10/10/2011	Operations	1	Chandler	Christopher	[REDACTED]
DiVenti	Christine	Patient Advocacy	12/5/2011	Operations	1	Brinkman	Maureen	[REDACTED]
Corbett	Angela	Manager - Radiation Therapy Services	8/2/2010	Radiation Therapy	1	Chandler	Christopher	[REDACTED]
Bevolo	Terri	Radiation Therapist	10/18/2010	Radiation Therapy	1	Corbett	Angela	[REDACTED]
Cook	Bridget	Radiation Therapist	9/7/2010	Radiation Therapy	1	Corbett	Angela	[REDACTED]
Curran	Lauren	Radiation Therapist	8/22/2011	Radiation Therapy	1	Corbett	Angela	[REDACTED]
deLongpre	Rachel	Radiation Therapist	1/17/2011	Radiation Therapy	1	Corbett	Angela	[REDACTED]
Garafolo	Kyle	Radiation Therapist	11/28/2011	Radiation Therapy	1	Corbett	Angela	[REDACTED]
Havron	Lindsey	Radiation Therapist	10/18/2010	Radiation Therapy	1	Corbett	Angela	[REDACTED]
Hooper	Tracy	Radiation Therapist	2/21/2011	Radiation Therapy	1	Corbett	Angela	[REDACTED]
Hufnal	Stephanie	Radiation Therapist	3/21/2011	Radiation Therapy	1	Corbett	Angela	[REDACTED]
Klade	John	Radiation Therapist	8/22/2011	Radiation Therapy	1	Corbett	Angela	[REDACTED]
Lake	Tai	Radiation Therapist	8/22/2011	Radiation Therapy	1	Corbett	Angela	[REDACTED]
Lejsner	Nancy	Radiation Therapist	1/17/2011	Radiation Therapy	1	Corbett	Angela	[REDACTED]

CHI Roster ~ 5/31/13

Last Name	First Name	Job title	DOH	Department	FTE Designation	Manager Last Name	Manager First Name	Annual Salary
Marshall	Megan	Radiation Therapist	11/28/2011	Radiation Therapy	1	Corbett	Angela	[REDACTED]
Mitchell	Jennifer	Radiation Therapist	2/21/2011	Radiation Therapy	1	Corbett	Angela	[REDACTED]
Pruneau	Ashley	Radiation Therapist	9/7/2010	Radiation Therapy	1	Corbett	Angela	[REDACTED]
Ramirez	Rosa	Radiation Therapist	1/17/2011	Radiation Therapy	1	Corbett	Angela	[REDACTED]
Rendall	Rachel	Radiation Therapist	3/21/2011	Radiation Therapy	1	Corbett	Angela	[REDACTED]
Risberg	Miranda	Radiation Therapist	3/21/2011	Radiation Therapy	1	Corbett	Angela	[REDACTED]
Smith	Dawn	Radiation Therapist	11/28/2011	Radiation Therapy	1	Corbett	Angela	[REDACTED]
Tatum	Taleah	Radiation Therapist	2/21/2011	Radiation Therapy	1	Corbett	Angela	[REDACTED]
Vachachira	Minu	Radiation Therapist	10/18/2010	Radiation Therapy	1	Corbett	Angela	[REDACTED]
Walters	Jarrod	Radiation Therapist	11/28/2011	Radiation Therapy	1	Corbett	Angela	[REDACTED]
Wienand	Mary	Radiation Therapist	3/21/2011	Radiation Therapy	1	Corbett	Angela	[REDACTED]
Bare	Erik	Supervisor - Radiation Therapy	10/11/2010	Radiation Therapy	1	Corbett	Angela	[REDACTED]
Sewell	Rachel	Supervisor - Radiation Therapy	11/28/2011	Radiation Therapy	1	Corbett	Angela	[REDACTED]
Bobor	Danielle	Treatment Team Assistant	10/11/2010	Radiation Therapy	1	Corbett	Angela	[REDACTED]
Settepani	Stephanie	Treatment Team Assistant	9/26/2011	Radiation Therapy	1	Corbett	Angela	[REDACTED]
Williams	Jennifer	Treatment Team Assistant	3/28/2011	Radiation Therapy	1	Corbett	Angela	[REDACTED]

CHI PERFORMANCE BONUSES ~ 2012

Name	2012 Performance Bonus
Andry, Armand L	[REDACTED]
Arbeen, Christopher J	[REDACTED]
Bare, Erik W	[REDACTED]
Bevolo, Terri L	[REDACTED]
Bobor, Danielle E	[REDACTED]
Brinkman, Maureen A	[REDACTED]
Cashin, Mariann M	[REDACTED]
Cesarone, Jonalee	[REDACTED]
Chandler, Christopher *	[REDACTED]
Cook, April M	[REDACTED]
Cook, Bridget A	[REDACTED]
Cook, John M	[REDACTED]
Corbett, Angela K	[REDACTED]
Covic, Miranda	[REDACTED]
Cramlett, Brandon	[REDACTED]
Curran, Lauren D	[REDACTED]
Deeke, Hilary R	[REDACTED]
deLongpre, Rachel A	[REDACTED]
DiVenti, Christine A	[REDACTED]
Dunning, Brian J	[REDACTED]
Foster, Robert W	[REDACTED]
Gans, Shae R	[REDACTED]
Gao, Mingcheng	[REDACTED]
Garafolo, Kyle T	[REDACTED]
Geary, Steven P	[REDACTED]
Gillespie, Virginia C	[REDACTED]
Good, Diane M	[REDACTED]
Griggs, Jocelin L	[REDACTED]
Guderjan, Angela M	[REDACTED]
Harbit Niles, Susan	[REDACTED]
Hartsell, Siobhan O	[REDACTED]
Havron, Lindsey L	[REDACTED]
Hecksel, Draik B	[REDACTED]
Herrera, Norma I	[REDACTED]
Hochstetler, Stephanie D	[REDACTED]
Hooper, Tracy A	[REDACTED]
Hufnal, Stephanie A	[REDACTED]
Jacovic, Andjelia	[REDACTED]
Johnson, Scott A	[REDACTED]
Kaplan, Darren E	[REDACTED]
Klade, John R	[REDACTED]
Kreydick, Bradford W.	[REDACTED]
Lake, Tai E	[REDACTED]
Laub, Steven J	[REDACTED]
Lejsner, Nancy M	[REDACTED]
Lindemann, Katherine L	[REDACTED]
Luo, Qin	[REDACTED]
Marshall, Megan N	[REDACTED]
Mc Donnell, Diane Christine	[REDACTED]

CHI PERFORMANCE BONUSES ~ 2012

Name	2012 Performance Bonus
McCann, Heather H	[REDACTED]
McClain, Benjamin T	[REDACTED]
Mitchell, Jennifer A	[REDACTED]
Moorthy, Gayathri S	[REDACTED]
Pankuch, Mark	[REDACTED]
Patel, Paresh	[REDACTED]
Pruneau, Ashley N	[REDACTED]
Radtke, Mark Daniel	[REDACTED]
Ramirez, Hazel	[REDACTED]
Ramirez, Rosa M	[REDACTED]
Reda, Jennifer E	[REDACTED]
Rendall, Rachel E	[REDACTED]
Risberg, Miranda K	[REDACTED]
Roswold, Karen L	[REDACTED]
Russell, William Danny	[REDACTED]
Schenkenfelder, Patricia E	[REDACTED]
Schmidt, Stacey L	[REDACTED]
Selby, Brandi L	[REDACTED]
Settepani, Stephanie A	[REDACTED]
Sewell, Rachel C	[REDACTED]
Siddiqui, Mohammed M	[REDACTED]
Smith, Dawn J	[REDACTED]
Spring, Daniel J	[REDACTED]
Stauffer, Nancy Maggie	[REDACTED]
Tatum, Taleah E	[REDACTED]
Tobias, Randall	[REDACTED]
Vachachira, Minu	[REDACTED]
Walters, Jarrod A	[REDACTED]
Wienand, Mary M	[REDACTED]
Williams, Jennifer L	[REDACTED]
Wilson, Kelli M	[REDACTED]
Woods, Corey J	[REDACTED]
Yates, Tracy J	[REDACTED]
Yoo, Charles H	[REDACTED]
TOTAL BONUS PAYMENT:	[REDACTED]
Total Bonus w/out Chris Chandler:	[REDACTED]
* contractual agreement when he became President in June, 2012	

SCHEDULE 3.22
Employee Benefits

Section 3.22(a)

Plans:

- ProCure Treatment Centers, Inc. 401(k) Plan
- United Healthcare Choice Plan, Choice Plus Plan and Health Savings Account (HSA) Plan
- CIGNA Dental Plan
- Guardian Vision Service Plan
- Benefit Resource, Inc. Flexible Spending Accounts
- Hartford Life and AD&D Insurance and Supplemental Life and AD&D Insurance
- Employee Assistance Program/Ability Assist Program
- Hartford Short Term Disability, Long Term Disability

Incentive Plans:

- ProCure Treatment Centers, Inc. Amended and Restated 2006 Stock Option and Grant Plan
- ProCure Clinical Partnership Manager Plan
- ProCure Chicago Clinical Intake Incentive Plan

Other benefits/policies:

- Bereavement leave
- Paid time off policy
- Workers Compensation insurance

Section 3.22(l)

Non-qualified Deferred Compensation Plans

- ProCure Treatment Centers, Inc. Amended and Restated 2006 Stock Option and Grant Plan

SCHEDULE 3.23(b)
Leased Real Estate

1. Ground Lease Agreement, dated March 4, 2008 between Purchaser and Opco, and Memorandum of Lease, dated November 6, 2008.
2. Leasehold Mortgage with Security Agreement, Assignment of Leases and Rents and Fixture Filing Statement dated November 3, 2008 by Opco in favor of Fortis.
3. Lease/Rental Agreement dated October 14, 2010 between PS Illinois Trust and Opco.

SCHEDULE 3.24
Environmental Permits

1. Radioactive Material License No. IL-02392-01 issued to Opco.
2. Certificate of X-Ray Registration (Registration No. 9259127) issued to Opco.

SCHEDULE 3.25
Intellectual Property

Section 3.25(a)

1. Attached.
2. Opco operates under the following assumed names:
 - a. ProCure Proton Therapy Center
 - b. CDH Proton Therapy Center, a ProCure Center.
3. Technology Escrow Agreement dated March 4, 2008 among Fortis, Ion Beam Applications S.A., IBA and M. Francois Herinckx as the escrow depositary (to the Seller Parties' Knowledge, this agreement is not executed by the escrow depositary).

Section 3.25(a)

The IMS system is proprietary software of the Owner used in the Business. The Acquired Companies do not have access to IMS source code. Portions of IMS are considered open source or shareware.

PATENT STATUS REPORT
6/17/2013

SG FILE NO.	TITLE	INVENTORS	APP. NO	APP. DATE	PRIORITY APP. NO.	PRIORITY APP. DATE	PUB. NO.	PUB. DATE	PATENT NO.	ISSUE DATE	STATUS	
ProCure Treatment Centers, Inc.												
11144-500.200	PATIENT POSITIONER SYSTEM	Andries Nicolaas (Niek) Schreuder Brian Broderick Toby D. Henderson	12/208,807	9/11/2008	60/972,107	9/13/2007	US-2009-0070936-A1	3/19/2009			Published	
11144-501.200	IMAGING POSITIONING SYSTEM HAVING ROBOTICALLY POSITIONED D-ARM	Andries Nicolaas (Niek) Schreuder Toby D. Henderson	12/208,852	9/11/2008	60/972,078	9/13/2007	US-2009-0074151-A1	3/19/2009	7,695,192	4/13/2010	Issued	
11144-700.100	ROBOTIC MOBILE ANESTHESIA SYSTEM	Andries Nicolaas (Niek) Schreuder	61/304,278	2/12/2010							Closed	
11144-700.200	ROBOTIC MOBILE ANESTHESIA SYSTEM	Andries Nicolaas (Niek) Schreuder John Leland Smith	13/025,529	2/11/2011	61/304,278	2/12/2010	US-2011-0224475-A1	9/15/2011			Published	
11144-700.600	ROBOTIC MOBILE ANESTHESIA SYSTEM	Andries Nicolaas (Niek) Schreuder John Leland Smith	PCT/US2011/024570	2/11/2011	61/304,278	2/12/2010	WO 2011/100577	8/18/2011			Closed	
11144-701.100	COMPACT ISO-CENTRIC GANTRY	Earl W. Starks (Bill) John M. Cameron Mark B. Leuschner Timothy A. Antaya Vladimir A. Anferov	61/257,329	11/2/2009							Closed	
11144-701.200	COMPACT ISOCENTRIC GANTRY	John M. Cameron Timothy A. Antaya Vladimir A. Anferov	12/917,927	11/2/2010	61/257,329	11/2/2009	US-2011-0101236-A1	5/5/2011			Published	
11144-701.600	COMPACT ISOCENTRIC GANTRY	John M. Cameron Timothy A. Antaya Vladimir A. Anferov	PCT/US2010/055087	11/2/2010	61/257,329	11/2/2009	WO 2011/053960	5/5/2011			Closed	
11144-701.CN0	COMPACT ISOCENTRIC GANTRY	John M. Cameron Timothy A. Antaya Vladimir A. Anferov	2010800595 28.6	11/2/2010	61/257,329	11/2/2009	CN 102687230 A	9/19/2012			Published	
11144-701.EP0	COMPACT ISOCENTRIC GANTRY	John M. Cameron Timothy A. Antaya Vladimir A. Anferov	108227638.7	11/2/2010	61/257,329	11/2/2009	2497101	9/12/2012			Published	

PATENT STATUS REPORT
6/17/2013

SG FILE NO.	TITLE	INVENTORS	APP. NO	APP. DATE	PRIORITY APP. NO.	PRIORITY APP. DATE	PUB. NO.	PUB. DATE	PATENT NO.	ISSUE DATE	STATUS
11144-701.JP0	COMPACT ISOCENTRIC GANTRY	John M. Cameron Timothy A. Antaya Vladimir A. Anferov		11/2/2010	61/257,329	11/2/2009					Pending
11144-702.100	PATIENT GURNEY HAVING ROBOTIC COUCH REGISTRATION CAPABILITIES	Andries Nicolaas (Niek) Schreuder	61/304,395	2/12/2010							Closed
11144-702.200	PATIENT GURNEY HAVING CONFIGURABLE REGISTRATION CAPABILITIES	Andries Nicolaas (Niek) Schreuder Bradley N. Keiser John Leland Smith	13/025,648	2/11/2011	61/304,395	2/12/2010	US-2011-0214235-A1	9/8/2011	8,468,625	6/25/2013	Issued
11144-702.600	PATIENT GURNEY HAVING CONFIGURABLE REGISTRATION CAPABILITIES	Andries Nicolaas (Niek) Schreuder Bradley N. Keiser John Leland Smith	PCT/US2011/024573	2/11/2011	61/304,395	2/12/2010	WO 2011/100579	8/18/2011			Closed
11144-703.100	INTELLIGENT PARTICLE BEAM ALLOCATION SYSTEM AND RELATED METHOD FOR TREATMENT IN MULTI-ROOM TREATMENT CENTERS	Mark B. Leuschner	61/318,681	3/29/2010							Closed
11144-703.200	INTELLIGENT PARTICLE BEAM ALLOCATION SYSTEM AND RELATED METHOD FOR TREATMENT IN MULTI-ROOM MEDICAL CENTERS	Mark B. Leuschner	13/073,640	3/28/2011	61/318,681	3/29/2010	US-2011-0238440-A1	9/29/2011			Published

PATENT STATUS REPORT
6/17/2013

SG FILE NO.	TITLE	INVENTORS	APP. NO	APP. DATE	PRIORITY APP. NO.	PRIORITY APP. DATE	PUB. NO.	PUB. DATE	PATENT NO.	ISSUE DATE	STATUS
11144-703.600	INTELLIGENT PARTICLE BEAM ALLOCATION SYSTEM AND RELATED METHOD FOR TREATMENT IN MULTI-ROOM MEDICAL CENTERS	Mark B. Leuschner	PCT/US2011/030193	3/28/2011	61/318,681	3/29/2010	WO 2011/126805	10/13/2011			Closed
	Use of Permanent Magnet Beam Transport for Proton Radiation	Vladimir A. Anferov et al.	61/670,225	7/11/2012							Pending
Therapy Positioning Technologies, LLC											
11196-700.100	DEVICE AND METHOD FOR CONCURRENT TENSIVE AND COMPRESIVE IMMOBILIZATION OF THE BREAST IN IMAGING AND INTERVENTION	Frederick B. Jesseph Jerry M. Jesseph	61/201,933	12/17/2008							Closed
11196-700.600	APPARATUS AND METHOD FOR CONCURRENT TENSIVE AND COMPRESIVE IMMOBILIZATION OF THE BREAST IN IMAGING AND INTERVENTION	Frederick B. Jesseph Jerry M. Jesseph	PCT/US2009/068508	12/17/2009	61/201,933	12/17/2008	WO 2010/078048	7/8/2010			Closed

PATENT STATUS REPORT
6/17/2013

SG FILE NO.	TITLE	INVENTORS	APP. NO	APP. DATE	PRIORITY APP. NO.	PRIORITY APP. DATE	PUB. NO.	PUB. DATE	PATENT NO.	ISSUE DATE	STATUS
11196-701.100	DEVICE AND METHOD FOR THE TREATMENT OF BREAST CANCER WITH PARTICLE BEAMS	Frederick B. Jessephe Jerry M. Jessephe	60/936,253	6/19/2007							Closed
11196-701.600	APPARATUS AND METHOD FOR THE TREATMENT OF BREAST CANCER WITH PARTICLE BEAMS	Frederick B. Jessephe Jerry M. Jessephe	PCT/US2008/007627	6/19/2008	60/936,253	6/19/2007	WO 2008/156803	12/24/2008			Closed
11196-701.US0	APPARATUS AND METHOD FOR THE TREATMENT OF BREAST CANCER WITH PARTICLE BEAMS	Frederick B. Jessephe Jerry M. Jessephe	12/664,970	1/26/2010	60/936,253	6/19/2007	US-2010-0140500-A1	6/10/2010			Closed
11196-702.200	DEVICE AND METHOD FOR IMPROVED DIAGNOSIS AND TREATMENT OF CANCER	Jerry M. Jessephe	09/419,538	10/18/1999					6,254,614	7/3/2001	Issued
11196-702.400	DEVICE AND METHOD FOR IMPROVED DIAGNOSIS AND TREATMENT OF CANCER	Jerry M. Jessephe	09/766,946	1/22/2001	09/419,538	10/18/1999	US-2001-0007076-A1	7/5/2001	6,569,176	5/27/2003	Issued
11196-702.600	DEVICE AND METHOD FOR IMPROVED DIAGNOSIS AND TREATMENT OF CANCER	Jerry M. Jessephe	PCT/US2000/041213	10/18/2000	09/419,538	10/18/1999					Closed

PATENT STATUS REPORT
6/17/2013

SG FILE NO.	TITLE	INVENTORS	APP. NO	APP. DATE	PRIORITY APP. NO.	PRIORITY APP. DATE	PUB. NO.	PUB. DATE	PATENT NO.	ISSUE DATE	STATUS
11196-702-AU0	DEVICE AND METHOD FOR IMPROVED DIAGNOSIS AND TREATMENT OF CANCER	Jerry M. Jesseph	19675/01	10/18/2000	09/419,538	10/18/1999					Closed

**ProCure Treatment Centers, Inc.
Patent Applications**

1. Title: COMPACT ISO-CENTRIC GANTRY
Application No.: 61/257,329
Filing Date: November 2, 2009
Inventors: John M. Cameron, Vladimir A. Anferov, Timothy A. Antaya,
Earl W. Starks and Mark B. Leuschner
2. Title: PATIENT POSITIONER SYSTEM
Application No.: 60/972,107
Filing Date: September 13, 2007
Inventors: Toby D. Henderson and Niek Schreuder
3. Title: PATIENT POSITIONER SYSTEM
Application No.: PCT/US08/76013
Filing Date: September 11, 2008
Inventors: Toby D. Henderson, Niek Schreuder and Brian Broderick
- 3 Title: PATIENT POSITIONER SYSTEM
Application No.: 12/208,807
Filing Date: September 11, 2008
Inventors: Toby D. Henderson, Niek Schreuder and Brian Broderick
4. Title: IMAGING POSITIONING SYSTEM HAVING ROBOTICALLY POSITIONED
D-ARM
Application No.: 60/972,078
Filing Date: September 13, 2007
Inventors: Toby D. Henderson and Niek Schreuder
5. Title: IMAGING POSITIONING SYSTEM HAVING ROBOTICALLY POSITIONED
D-ARM
Application No.: PCT/US08/76020
Filing Date: September 11, 2008
Inventors: Toby D. Henderson and Niek Schreuder
6. Title: IMAGING POSITIONING SYSTEM HAVING ROBOTICALLY POSITIONED
D-ARM
Application No.: 12/208,852
Filing Date: September 11, 2008
Inventors: Toby D. Henderson and Niek Schreuder

ProCure Treatment Centers, Inc.
Patent Applications

7. Title: ROBOTIC MOBILE ANESTHESIA SYSTEM
Application No.: 61/304,278
Filing Date: February 12, 2010
Inventor: Nick Schreuder

8. Title: PATIENT GURNEY HAVING ROBOTIC COUCH REGISTRATION CAPABILITIES
Application No.: 61/304,395
Filing Date: February 12, 2010
Inventor: Niek Schreuder

9. Title: INTELLIGENT PARTICLE BEAM ALLOCATION SYSTEM AND RELATED METHOD FOR TREATMENT IN MULTI-ROOM TREATMENT CENTERS
Application No.: 61/318,681
Filing Date: March 29, 2010
Inventor: Mark Leuschner

ProCure Treatment Centers, Inc.
Unfiled Patent Applications and Invention Disclosures

1. Vacuum Safety Control System

ProCure Treatment Centers, Inc.
Trademarks

MARK	REG. NO./REG. DATE SERIAL NO./FILING DATE	INTERNATIONAL CLASS GOODS/SERVICES
PROCURE & DESIGN (as amended)	<p>3,560,922 Registration Date: 1/13/2009</p> <p>77/492,723 Filing Date: 6/6/2008</p>	<p>Class 37 construction and construction management of radiation oncology and proton therapy facilities; maintenance of medical apparatus and instruments; maintenance of radiation oncology and proton therapy facilities</p> <p>First Use Date: 2005-11-30</p> <p>First Use in Commerce Date: 2005-11-30</p>
PROCURE & DESIGN (as amended)	<p>3,564,058 Registration Date: 1/20/2009</p> <p>77/492,786 Filing Date: 6/6/2008</p>	<p>Class 41 conducting seminars in the fields of radiation oncology and proton therapy; training in the fields of radiation oncology and proton therapy</p> <p>First Use Date: 2007-11-12</p> <p>First Use in Commerce Date: 2007-11-12</p>

ProCure Treatment Centers, Inc.
Trademarks

MARK	REG. NO./REG. DATE SERIAL NO./FILING DATE	INTERNATIONAL CLASS GOODS/SERVICES
PROCURE & DESIGN (as amended)	Registration Date: 1/20/2009 3,564,061 77/492,819 Filing Date: 6/6/2008	Class 42 medical and scientific research services in the field of cancer treatment and diagnosis; design services in the field of radiation oncology and proton therapy facilities First Use Date: 2006-03-31 First Use in Commerce Date: 2006-03-31
PROCURE & DESIGN (as amended)	3,702,720 Registration Date: 10/27/2009 77/492,848 Filing Date: 6/6/2008	Class 44 medical services; medical services, namely, providing therapy; oncology services; treatment of cancer First Use Date: 2009-08-24 First Use in Commerce Date: 2009-08-24

ProCure Treatment Centers, Inc.
Trademarks

MARK	REG. NO./REG. DATE SERIAL NO./FILING DATE	INTERNATIONAL CLASS GOODS/SERVICES
PROCURE	3,560,925 Registration Date: 1/13/2009 77/492,896 Filing Date: 6/6/2008	Class 37 construction and construction management of radiation oncology and proton therapy facilities; maintenance of medical apparatus and instruments; maintenance of radiation oncology and proton therapy facilities First Use Date: 2005-11-30 First Use in Commerce Date: 2005-11-30
PROCURE	3,564,073 Registration Date: 1/20/2009 77/492,932 Filing Date: 6/6/2008	Class 41 conducting seminars in the fields of radiation oncology and proton therapy; training in the fields of radiation oncology and proton therapy First Use Date: 2007-11-12 First Use in Commerce Date: 2007-11-12

**ProCure Treatment Centers, Inc.
Trademarks**

MARK	REG. NO./REG. DATE SERIAL NO./FILING DATE	INTERNATIONAL CLASS GOODS/SERVICES
PROCURE	<p align="center">3,564,075 Registration Date: 1/20/2009 77/492,963 Filing Date: 6/6/2008</p>	<p align="center">Class 42 medical and scientific research services in the field of cancer treatment and diagnosis; design services in the field of radiation oncology and proton therapy facilities</p> <p align="center">First Use Date: 2006-03 -3 1 First Use in Commerce Date: 2006-03-31</p>
PROCURE	<p align="center">3,702,721 Registration Date: 10/27/2009 77/492,993 Filing Date: 6/6/2008</p>	<p align="center">Class 44 medical services; medical services, namely, providing proton therapy; oncology services; treatment of cancer</p> <p align="center">First Use Date: 2009-08-24 First Use in Commerce Date: 2009-08-24</p>

**ProCure Treatment Centers, Inc.
Trademarks**

MARK	REG. NO./REG. DATE SERIAL NO./FILING DATE	INTERNATIONAL CLASS GOODS/SERVICES
PROCURE TREATMENT CENTERS	<p align="center">3,564,383 Registration Date: 1/20/2009</p> <p align="center">77/497,528 Filing Date: 6/12/2008</p>	<p align="center">Class 37</p> <p>construction and construction management of radiation oncology and proton therapy facilities; maintenance of medical apparatus and instruments; maintenance of radiation oncology and proton therapy facilities</p> <p align="center">First Use Date: 2005-11-30 First Use in Commerce Date: 2005-11-30</p>
PROCURE TREATMENT CENTERS	<p align="center">3,564,079 Registration Date: 1/20/2009</p> <p align="center">77/493,073 Filing Date: 6/6/2008</p>	<p align="center">Class 41</p> <p>conducting seminars in the fields of radiation oncology and proton therapy; training in the fields of Radiation oncology and proton therapy</p> <p align="center">First Use Date: 2007-11-12 First Use in Commerce Date: 2007-11-12</p>

**ProCure Treatment Centers, Inc.
Trademarks**

MARK	REG. NO/REG. DATE SERIAL NO/FILING DATE	INTERNATIONAL CLASS GOODS/SERVICES
PROCURE TREATMENT CENTERS	<p align="center">3,564,388 Registration Date: 1/20/2009</p> <p align="center">77/497,561 Filing Date: 6/12/2008</p>	<p align="center">Class 42</p> <p>medical and scientific research services in the field of cancer treatment and diagnosis; design services in the field of radiation oncology and proton therapy facilities</p> <p align="center">First Use Date: 2006-03-31 First Use in Commerce Date: 2006-03-31</p>
PROCURE TREATMENT CENTERS	<p align="center">77/493,160 Filing Date: 6/6/2008</p>	<p align="center">Class 44</p> <p>medical services; medical services, namely, providing proton therapy; oncology services; treatment of cancer</p> <p align="center">Basis: 1(b) First Use Date: First Use in Commerce Date:</p>

**ProCure Treatment Centers, Inc.
Trademarks**

MARK	REG. NO/REG. DATE SERIAL NO/FILING DATE	INTERNATIONAL CLASS GOODS/SERVICES
PROCURE OKLAHOMA	77/493,198 Filing Date: 6/6/2008	<p align="center">Class 44</p> medical services; medical services, namely, providing proton therapy; oncology services; treatment of cancer <p align="center">Basis: 1(b) First Use Date: First Use in Commerce Date:</p>
PROCURE OKLAHOMA & DESIGN	77/493,271 Filing Date: 6/6/2008	<p align="center">Class 44</p> medical services; medical services, namely, providing proton therapy; oncology services; treatment of cancer <p align="center">Basis: 1(b) First Use Date: First Use in Commerce Date:</p>

ProCure Treatment Centers, Inc.
Trademarks

MARK	REG. NO./REG. DATE SERIAL NO./FILING DATE	INTERNATIONAL CLASS GOODS/SERVICES
PROVIDING ACCESS TO PROTON THERAPY	3,564,371 Registration Date: 1/20/2009 77/497,355 Filing Date: 6/12/2008	<p>Class 37 construction and construction management of radiation oncology and proton therapy facilities; maintenance of medical apparatus and instruments; maintenance of radiation oncology and proton therapy facilities</p> <p>Basis: 1(a) First Use Date: 2005-11-30 First Use in Commerce Date: 2005-11-30</p>
PROVIDING ACCESS TO PROTON THERAPY	3,564,375 Registration Date: 1/20/2009 77/497,409 Filing Date: 6/12/2008	<p>Class 41 conducting seminars in the fields of radiation oncology and proton therapy; training in the fields of radiation oncology and proton therapy</p> <p>First Use Date: 2007-11-12 First Use in Commerce Date: 2007-11-12</p>

ProCure Treatment Centers, Inc.
Trademarks

MARK	REG. NO./REG. DATE SERIAL NO/FILING DATE	INTERNATIONAL CLASS GOODS/SERVICES
PROVIDING ACCESS TO PROTON THERAPY	3,564,380 Registration Date: 1/20/2009 77/497,451 Filing Date: 6/12/2008	<p>Class 42 medical and scientific research services in the field of cancer treatment and diagnosis; design services in the field of radiation oncology and proton therapy facilities</p> <p>First Use Date: 2006-03-31 First Use in Commerce Date: 2006-03-31</p>
PROVIDING ACCESS TO PROTON THERAPY	77/497,310 Filing Date: 6/12/2008	<p>Class 44 medical services; medical services, namely, providing proton therapy; oncology services; treatment of cancer</p> <p>Basis: 1(b) First Use Date: First Use in Commerce Date:</p>

ProCure Treatment Centers, Inc.
Trademarks

MARK	REG. NO./REG. DATE SERIAL NO./FILING DATE	INTERNATIONAL CLASS GOODS/SERVICES
PROCURE TREATMENT CENTERS & DESIGN	3,564,416 Registration Date: 1/20/2009 77/498,122 Filing Date: 6/13/2008	<p>Class 37 construction and construction management of radiation. oncology and proton therapy facilities; maintenance of medical apparatus and instruments; maintenance of radiation oncology and proton therapy facilities</p> <p>First Use Date: 2005-11-30 First Use in Commerce Date: 2005-11-30</p>
PROCURE TREATMENT CENTERS & DESIGN	3,564,417 Registration Date: 1/20/2009 77/498,151 Filing Date: 6/13/2008	<p>Class 041 conducting seminars in the fields of radiation oncology and proton therapy; training in the fields of radiation oncology and proton therapy</p> <p>First Use Date: 2007-11-12 First Use in Commerce Date: 2007-11-12</p>

**ProCure Treatment Centers, Inc.
Trademarks**

MARK	REG. NO./REG. DATE SERIAL NO./FILING DATE	INTERNATIONAL CLASS GOODS/SERVICES
<p>PROCURE TREATMENT CENTERS & DESIGN</p>	<p>3,567,158 Registration Date: 1/27/2009</p> <p>77/498,185 Filing Date: 6/13/2008</p>	<p>Class 42 medical and scientific research services in the field of cancer treatment and diagnosis; design services in the field of radiation oncology and proton therapy facilities</p> <p>First Use Date: 2006-03-31 First Use in Commerce Date: 2006-03-31</p>

**ProCure Treatment Centers, Inc.
Trademarks**

MARK	REG. NO./REG. DATE SERIAL NO/FILING DATE	INTERNATIONAL CLASS GOODS/SERVICES
PROCURE TREATMENT CENTERS & DESIGN	77/498,204 Filing Date: 6/13/2008	<p>Class 44 medical services; medical services, namely, providing proton therapy, oncology services, treatment of cancer</p> <p>Basis: 1 (b) First Use Date: First Use in Commerce Date:</p>
PROCURE PROTON THERAPY CENTER	3,716,323 Registration Date: 11/24/2009 77/519,173 Filing Date: 7/10/2008	<p>Class 44 medical services; medical services, namely, providing proton therapy, oncology services, treatment of cancer</p> <p>First Use Date: 2009-08-24 First Use in Commerce Date: 2009-08-24</p>

**ProCure Treatment Centers, Inc.
Trademarks**

MARK	REG. NO./REG. DATE GOODS/SERVICES	INTERNATIONAL CLASS SERIAL NO/FILING DATE
<p>PROCURE PROTON THERAPY CENTER & DESIGN</p>	<p>3,716,847 Registration Date: 11/24/2009 77/674,580 Filing Date: 02/20/2009</p>	<p>Class 44 medical services; medical services, namely, providing proton therapy and oncology services; treatment of cancer</p> <p>First Use Date: 2009-08-24 First Use in Commerce Date: 2009-08-24</p>
<p>PRECISION. PASSION.</p>	<p>77/729,609 Filing Date: 05/05/2009</p>	<p>Class 37 construction and construction management of radiation oncology and proton therapy facilities; maintenance of medical apparatus and instruments; maintenance of radiation oncology and proton therapy facilities</p>

ProCure Treatment Centers, Inc.
Trademarks

MARK	REG. NO./REG. DATE SERIAL NO./FILING DATE	INTERNATIONAL CLASS GOODS/SERVICES
PRECISION. PASSION.	77/729,640 Filing Date: 05/05/2009	<p>Basis: 1(b) First Use Date: First Use in Commerce Date:</p> <p>Class 41 conducting seminars in the fields of radiation oncology and proton therapy; training in the fields of radiation oncology and proton therapy</p> <p>Basis: 1(b) First Use Date: First Use in Commerce Date:</p>
PRECISION. PASSION.	77/729,652 Filing Date: 05/05/2009	<p>Class 42 design services in the field of radiation oncology and proton therapy facilities</p> <p>Basis: 1(b) First Use Date: First Use in Commerce Date:</p>
PRECISION. PASSION.	77/729,656 Filing Date: 05/05/2009	<p>Class 44 medical services; medical medical services; medical</p>

**ProCure Treatment Centers, Inc.
Trademarks**

MARK	REG. NO/REG. DATE SERIAL NO/FILING DATE	INTERNATIONAL CLASS GOODS/SERVICES
<p>PROCURE PRECISION THERAPY. PASSIONATE CARE.</p>	<p>77/729,719 Filing Date: 05/05/2009</p>	<p>services, namely, providing proton therapy; oncology services; treatment of cancer</p> <p>Basis: 1(b) First Use Date: First Use in Commerce Date:</p> <p>Class 37 construction and construction management of radiation oncology and proton therapy facilities; maintenance of medical apparatus and instruments; maintenance of radiation oncology and proton therapy facilities</p>

ProCure Treatment Centers, Inc.
Trademarks

MARK	REG. NO/REG. DATE SERIAL NO./FILING DATE	INTERNATIONAL CLASS GOODS/SERVICES
PROCURE PRECISION THERAPY. PASSIONATE CARE :	77/729,733 Filing Date: 05/05/2009	Basis: 1(b) First Use Date First Use in Commerce Date: Class 41 conducting seminars in the fields of radiation oncology and proton therapy; training in the fields of radiation oncology and proton therapy Basis: 1(b) First Use Date: First Use in Commerce Date
PROCURE PRECISION THERAPY. PASSIONATE CARE	77/729,752 Filing Date: 05/05/2009	Class 42 design services in the field of radiation oncology and proton therapy facilities Basis: 1(b) First Use Date: First Use in Commerce Date:
PROCURE PRECISION THERAPY. PASSIONATE CARE	77/729,771 Filing Date: 05/05/2009	Class 44 medical services; medical services, namely, providing proton therapy; oncology services; treatment of cancer First Use Date: 2009-08-24 First Use in Commerce Date:

**ProCure Treatment Centers, Inc.
Trademarks**

MARK	REG. NO/REG. DATE SERIAL NO./FILING DATE	INTERNATIONAL CLASS GOODS/SERVICES
		<p align="center">2009-08024</p> <p>Class 41 Providing information Resources for cancer patients And proton therapy patients</p> <p>Class 44 Providing medical information; Providing information relating to the treatment of cancer and proton therapy</p> <p align="center">Intent-to-Use</p>

ProCure Treatment Centers, Inc.
Trademarks

MARK	REG. NO./REG. DATE SERIAL NO./FILING DATE	INTERNATIONAL CLASS GOODS/SERVICES
THE PROCURE CANCER FOUNDATION	77/782,453 Filing Date: 07/16/2009	<p>Class 36 Charitable foundation services, namely, providing financial support to individuals for the treatment of cancer; charitable fundraising services; charitable services, namely, providing financial support to cancer patients; providing grants to proton therapy patients</p>
		<p>Class 41 Providing information resources for cancer patients and proton therapy patients providing information relating to the treatment of cancer and proton therapy</p> <p>Class 44 Providing medical information; providing information relating to the treatment of cancer and proton therapy</p> <p>Intent-to-Use</p>

**ProCure Treatment Centers, Inc.
Trademarks**

MARK	REG. NO/REG. DATE SERIAL NO./FILING DATE	INTERNATIONAL CLASS GOODS/SERVICES
THE PROCURE CANCER FOUNDATION & DESIGN	77782,510 Filing Date: 07/16/2009	Class 36 Charitable foundation services, namely, providing financial support to individuals for the treatment of cancer, charitable fundraising services; charitable services, namely, providing financial support to cancer patients; providing grants to proton therapy patients

ProCure Treatment Centers, Inc.
Copyrights

1. Creator, owner and licensee in radiation therapy training materials.
2. Creator and owner of www.procure.com.

**Therapy Positioning Technologies, Inc.
Patents and Patent Applications**

1. Title: DEVICE AND METHOD FOR IMPROVED DIAGNOSIS AND TREATMENT OF CANCER
Application No.: 091419,538
Filing Date: October 18, 1999
Patent No.: 6,254,614
Issue Date: July 3, 2001
Inventor: Jerry M. Jesseph
2. Title: DEVICE AND METHOD FOR IMPROVED DIAGNOSIS AND TREATMENT OF CANCER
Application No.: PCT/LIS00/41213
Filing Date: October 18, 2000
Inventor: Jerry M. Jesseph
3. Title: DEVICE AND METHOD FOR IMPROVED DIAGNOSIS AND TREATMENT OF CANCER
Application No.: AU20010019675D
Filing Date: October 18, 2000
inventor: Jerry M. Jesseph
4. Title: DEVICE AND METHOD FOR IMPROVED DIAGNOSIS AND TREATMENT OF CANCER
Application No.: 09/766,946
Filing Date: January 22, 2001
Patent No.: 6,569,176
Issue Date: May 27, 2003
Inventor: Jerry M. Jesseph
5. Title: DEVICE AND METHOD FOR CONCURRENT TENSIVE AND COMPRESIVE IMMOBILIZATION OF THE BREAST IN IMAGING AND INTERVENTION
Application No.: December 17, 2008
Filing Date: 61/201,933
Inventors: Jerry M. Jesseph and Frederick B. Jesseph
6. Title: DEVICE AND METHOD FOR THE TREATMENT OF BREAST CANCER WITH PARTICLE BEAMS
Application No.: 60/936,253
Filing Date: June 19, 2007
Inventors: Jerry M. Jesseph and Frederick B. Jesseph

**Therapy Positioning Technologies, Inc.
Patents and Patent Applications**

7. Title: APPARATUS AND METHOD FOR THE TREATMENT OF BREAST CANCER WITH PARTICLE BEAMS
Application No.: PCT/US2008/007627
Filing Date: June 19, 2008
Inventors: Jerry M. Jesseph and Frederick B. Jesseph

8. Title: APPARATUS AND METHOD FOR THE TREATMENT OF BREAST CANCER WITH PARTICLE BEAMS
Application No.: 12/664,970
Filing Date: December 16, 2009
Inventors: Jerry M. Jesseph and Frederick B. Jesseph

9. Title: DEVICE AND METHOD FOR CONCURRENT TENSIVE AND COMPRESIVE IMMOBILIZATION OF THE BREAST TN IMAGING AND INTERVENTION
Application No.: PCT/US2009/068508
Filing Date: December 17, 2009
Inventors: Jerry M. Jesseph and Frederick B. Jesseph

Application Name	Version	Application Use	Vendor Name	Vendor Contact	Vendor service #	Contact/proc ess owner - ProCure	Users categories (RN's, RT's, MD's, Physicists, Dosimetrists, Intake, Other)	Corporate or Local?	# of Servers	Production Server s?	Where Servers housed (if hosted please use hosted)	DB? / Type? / License Distributed?	Number of Licenses Needed	Interface? Y/N	Application interfaced to	Does application have AD integration?	Do they have (C-10, N-10, N-15)?	Regulatory Impact? / What Organization?
Financial																		
Peoplesoft Clinical		Accounting, purchasing, expense reporting, PO's, requisitions				TDC	All	Corporate								Yes	N	
MOSAIQ (EMR, Treatment Planning, ePrescription, ESI interfaces for transcription, VTCC, EPIC, Mickelson, Billing, Rx), Patient device labeling and RFID badge, etc.)	2.3 02F9	EMR and Treatment Planning	Elekta		800-488-4672	I.T	All	Local	13 VM	7	6 On-site	DB - Yes, Type - SQL 2008	?	Y	No	N		
Agile Medix		QAing Treatment Plans	ProCure		ProCure		Physics, Dosimetry	Local but hosted					15 Y	N		No	N	
Metric																		
Software used for cutting foam		patient forms to registration and treatment	ProCure / ParScientific			Physics	Physics, QA	Local					1 Y	Y	Foam Cutter Machine MK3	No	N	
VTCC			VisionTree		619-295-2800	I.T	Intake, Nursing, Patients, Drs	Local but Hosted						Y	Mosaiq	No	N	
XIO/FOCAL (CMS Suite)	4.7	Treatment Planning Software.	Elekta		800-878-4267	I.T	Dosimetrist, Physics, Drs	Local	14	14	On-site	DB - YES, TYPE - Application Specific	14 Y	Y	Mosaiq	No	N	
Velocity	2.8.1	Treatment Planning Software.	Velocity Medical Solutions		404-920-1966	I.T	Dosimetrist, Physics, Drs	Local	1	Yes	On-site	DB - YES, TYPE - Application Specific	Y					
IMS - Intake Management System		Patient Workflow Management tool	ProCure Bloomington			I.T & TDC	All	Corporate	1	1	On-site	DB - YES, TYPE - Application Specific		Y	Mosaiq/RFID badges/Clinical	Yes	N	
Sun Nuclear Daily QAS (Proton Beam QA)	2.3.1.2	QA Beam	SND			Physics	Physics, RTT	Local			On-site	DB - YES, TYPE - Application Specific	4 Y	Y	QA Devices	No	N	
Sun Nuclear PCE_IDS (PC electrometer for dose measurement)	2.3.1.2	QA Beam	SND			Physics	Physics, RTT	Local			On-site	DB - YES, TYPE - Application Specific	4 Y	Y	QA Devices	No	N	
Analyze Compensator (software developed by TDC for device QA)		Local Inhouse app				Physics	Physics, RTT	Local										
RT Software	6	Film Scanner	Rad Image			Physics	Physics, QA	Local			On-site		1 Y	Y	Vidar Scanner	No	N	
Laser QA Device / Software - has own special PC / Comp QA TNT1200C (X-Ray tube QA)		QA Table QA	ProCure Chicago ProCure Chicago			Physics	Physics, QA	Local			On-site	No				No	N	
		Runs water tank for annuals and measure dose and ranges				Physics	Physics, RTT	Local				No	1 Y	N		No	N	
OmniPro-Accept	7.2A		OmniPro			Physics QA	QA Physics	Local			On-Site	DB - Yes, Type SQL Studio	5 Y	Y	Connects to 3 CCU (CATS)	No	N	
OmniPro-IMRT	1.7A	For the Matrix device	OmniPro			Physics	Physics	Local			On-Site	DB - Yes, Type SQL Studio	5 Y	N	QA Device to check dose	No	N	

SCHEDULE 3.26(b)
Extensions

The following income tax returns are on extension:

1. Midco
2. Holdco

SCHEDULE 3.26(g)
Tax Allocation or Sharing Contract

None.

SCHEDULE 3.26(k)
Governmental Audits During Last Five Years

None.

SCHEDULE 3.27
Litigations and Investigations

1. Two claims were filed by a claimant before the Illinois Department of Human Rights against Opco relating to an incident on January 2, 2013. These claims have been settled.
2. Summons and compliant (Case No. 2013L003959) was filed by two complainants naming Owner relating to an incident on May 2, 2013. Owner to file a motion to dismiss.
3. An incident occurred on February 8, 2012 relating to development of radiation necrosis. A claim has been filed with the insurance carrier.
4. Opco has appealed the local Medicare carrier's reimbursement rate for proton therapy services, with respect to several claims. Opco is in process of determining whether to appeal these (approximately 2,000) claims to the Federal District Court.

SCHEDULE 3.29
Health Care Compliance

Section 3.29(a)

- Based on a review and finding of inconsistent practices, Opco adopted a policy and procedure regarding documenting requests for consultation in 2012.

Section 3.29(f)

- Through the course of processing claims for proton therapy, some patient cases may be denied for payment for medical necessity. In this case, Opco appeals.
- Opco has appealed the local Medicare carrier's reimbursement rate for proton therapy services, with respect to several claims. Opco is in process of determining whether to appeal these (approximately 2,000) claims to the Federal District Court.

Section 3.29(g)

- The following two potentially unauthorized disclosures of Protected Health Information, as defined under HIPAA, have occurred:
 1. Incident: A single email inquiry was sent by an employee to several patients, revealing the email addresses of patients to each other.
 2. Incident: An employee disclosed PHI to spouse, who mentioned something to the President of Opco.

SCHEDULE 3.30
Significant Third Party Payors, Customers and Suppliers

Top 10 Third Party Payors

1. BCBS
2. United
3. Medicare
4. Aetna
5. Humana
6. Advocate Health
7. Cigna
8. Professional Benefits Administrator
9. Benefits Administration System
10. Medicaid

Top 27 Suppliers

1. BNP Paribas Fortis
2. IBA Proton Therapy
3. GRP Media Inc
4. KBC Bank
5. United HealthCare
6. .decimal
7. Willis of Massachusetts, Inc.
8. Elekta, Inc
9. Mayer Brown
10. Heartbeat Digital
11. Revenue Cycle Billing Services Inc.
12. Radiation Oncology Consultants, LTD.
13. Sterling Rice Group
14. Direct Energy Business
15. Mechanical Incorporated
16. Carl Marks Advisory Group LLC
17. Blue Cross Blue Shield of Illinois
18. Central DuPage Health
19. Daniel J Edelman Inc
20. Public Communications Inc
21. Preferred Electric
22. SDM Representatives, Inc
23. Element 79 Partners LLC
24. WFR Aquaplast
25. Nixon Peabody LLP
26. GE Healthcare
27. EBM, Inc.

SCHEDULE 3.32
Related Party Transactions

1. Owner systems used by Opco:
 - a. See attached.
 - b. End User License Agreement dated August 2, 2011 between AirWatch, LLC and Owner.
 - c. Services Agreement dated June 15, 2012 between Appletree Answering Service, Inc. and Owner.
 - d. Installment Payment Agreement and Addendum dated September 26, 2011 between Cisco Systems Capital Corporation and Owner.
 - e. Purchase Order dated April 14, 2010 between CMS Software The Elekta Group and Owner, and Pricing Summary dated March 2, 2009.
 - f. Purchase and License Agreement re ePrescription dated December 2, 2011 between Owner and Elekta, Inc.
 - g. Customer License Agreement dated November 15, 2011 between Five9, Inc. and Owner (the party to Addendum B Service Order dated July 21, 2012 is ProCure Chicago).
 - h. Member Agreement dated March 3, 2011 between Verizon Wireless and Owner.
 - i. Master Services Agreement dated June 25, 2008 between USA.NET and Owner as amended by Perimeter Amendment dated June 11, 2012; and Services Order Addendum dated December 13, 2012.
 - j. Hosting Services Agreement dated March 18, 2009 between Rackspace US, Inc. and Owner and Upgrade dated September 13, 2010.
 - k. Purchase and License Agreement re METRIQ dated November 12, 2009 between IMPAC Medical Systems and Owner (the party to the Amendment thereto dated December 8, 2010 is between Elekta, Inc. and Opco).
 - l. Purchase and License Agreement re Mosaiq dated April 6, 2009 between IMPAC Medical Systems and Owner; and Purchaser Order dated April 14, 2009.
 - m. Managed Services Agreement dated September 23, 2011 between Presidio Sentry Managed Services and Owner; and Addendum dated April 8, 2013.
 - n. Purchase and License Agreement re ESI dated October 10, 2010 between Elekta, Inc. and Owner.

- o. Service Contract re PeopleSoft dated April 23, 2013 between Oracle Support Services and Owner.
 - p. Member Agreement dated January 1, 2011 between Verizon Wireless and Owner.
 - q. Purchase and License Agreement Amendment re Mosaiq dated June 22, 2012 between Owner and Elekta, Inc. and Addendum thereto.
2. Technology License Agreement dated April 30, 2012 among Owner, Opco, and, solely for the purposes of specific provisions thereof, Holdco and Midco.
 3. Consulting Services Agreement dated March 4, 2008 between Procure Business Services, LLC and Opco.
 4. Schedule 3.22 is incorporated by reference.

Systems	Brief Description	With OpCo	With Parent
AirWatch	Software to manage iPhone/iPad		x
Appletree	Call answering service		x
AT&T Managed Internet Service	voice/internet	x	
AT&T Wireless	cell phone plans		x
Avamar	back-up system: data storage		x
BT (audio) Conferencing	audio conferencing		x
CIMCO Data Services	internet services agt	x	
Cisco WebEx software	WebEx		x
CMS	CMS Suite		x
Comcast	voice/internet/cable services	x	
Egnyte	cloud file sharing (Marketing)		x
Elekta METRIQ Amendment	METRIQ - Cancer registry	x	
Elekta Mosaiq re Formulary and Clinical Trials	Formulary/Mosaiq Clinical Trials	x	
Elekta Purchase and License Agt re ePrescription	ePrescription		x
Elekta Purchase and License Agt re ESI	ESI		x
Five9 Customer License Agt and Addendum with PTC	call queue software		x
IMPAC Purchase and License Agreement Mosaiq	MOSIAQ		x
IMPAC Purchase and License Agt METRIQ	METRIQ - Cancer registry		x
Infrahealth Transcription Services	Transcription Services	x	
KACE	Help Desk System		x
LiveChat	hosted web application		x
Microsoft CRM	Customer Relationship Management		x
Microsoft SharePoint	intranet/extranet services		x
Oracle	PeopleSoft maintenance		x
PeopleSoft Financials	Accounting		x
Presidio	IT network support		x
Rackspace Hosting Services	website hosting		x
Ricoh	copier/maintenance	x	
SDM Metro	power systems monitoring	x	
SecureNet	security/identification	x	
USA.NET / Perimeter / Silver Sky	electronic mail		x
Velocity	treatment planning software	x	

Systems
Verizon Wireless
VisionTree

Brief Description
cell phone plans
patient forms registration and Tx

With OpCo **With Parent**
x

x

SCHEDULE 4.4
Owner Consents

1. Consent of the Illinois Health Facilities Planning Board.
2. Consent of IBA is required for the Company Merger and for release of liens on Holdco's interests.
3. Consent is required pursuant to the Credit Agreement and the Loan Documents as defined in the Credit Agreement.
4. Consent of Fortis for the assignment of the Transferred Claims pursuant to the Amended and Restated Subordination and Pledge and Security Agreement dated April 30, 2012 by and among Opco, Owner as subordinated lender and Fortis.
5. Waiver of the Purchaser's rights upon a change of control pursuant to the Amended and Restated Umbrella Agreement dated March 4, 2008 among Central DuPage Health, Holdco, Midco and Opco.
6. Consent of the service provider is required under the following agreements in order for Owner continue to provide the services to Opco after the Closing Date: (i) Customer License Agreement dated November 15, 2011 between Five9, Inc. and Owner (the party to Addendum B Service Order dated July 21, 2012 is ProCure Chicago), (ii) Purchase Order dated April 14, 2010 between CMS Software The Elekta Group and Owner, and Pricing Summary dated March 2, 2009, (iii) Purchase and License Agreement re ePrescription dated December 2, 2011 between Owner and Elekta, Inc., (iv) Purchase and License Agreement re ESI dated October 10, 2010 between Elekta, Inc. and Owner, (v) Purchase and License Agreement Amendment re Mosaiq dated June 22, 2010 between Owner and Elekta, Inc. and Addendum thereto, (vi) Purchase and License Agreement re Mosaiq dated April 6, 2009 between IMPAC Medical Systems and Owner; and Purchaser Order dated April 14, 2009, (viii) Member Agreement dated March 3, 2011 between Verizon Wireless and Owner, (ix) End User License Agreement dated August 2, 2011 between AirWatch, LLC and Owner, (x) Hosting Services Agreement dated March 18, 2009 between Rackspace US, Inc. and Owner and Upgrade dated September 13, 2010, (xi) Service Contract re PeopleSoft dated April 23, 2013 between Oracle Support Services and Owner, and (xii) Pricing Summary dated March 2, 2009 between CMS Software – The Elekta Inc. Group and Owner. Additional consents may be required under one or more of the agreements set forth in item 1.a. of Schedule 3.32, depending on the scope of the Consulting Agreement to be entered into at Closing.

SCHEDULE 4.5
Owner Conflicts

1. Amended and Restated Support Agreement dated January 15, 2009 between Owner and Fortis.
2. Credit Agreement and the Loan Documents as defined in the Credit Agreement. Entry into the Agreement and consummation of the transactions under the Agreement constitutes a default under the Credit Agreement and the Loan Documents.
3. Amended and Restated Umbrella Agreement dated March 4, 2008 among Central DuPage Health, Holdco, Midco and Opco.
4. Amended and Restated Subordination and Pledge and Security Agreement dated April 30, 2012 by and among Opco, Owner as subordinated lender and Fortis.
5. IBA Purchase Agreement.
6. Membership Interest Pledge Agreement dated January 20, 2011 between Owner and Ion Beam Application S.A.
7. Consent of the service provider is required under the following agreements in order for Owner continue to provide the services to Opco after the Closing Date: (i) Customer License Agreement dated November 15, 2011 between Five9, Inc. and Owner (the party to Addendum B Service Order dated July 21, 2012 is ProCure Chicago), (ii) Purchase Order dated April 14, 2010 between CMS Software The Elekta Group and Owner, and Pricing Summary dated March 2, 2009, (iii) Purchase and License Agreement re ePrescription dated December 2, 2011 between Owner and Elekta, Inc., (iv) Purchase and License Agreement re ESI dated October 10, 2010 between Elekta, Inc. and Owner, (v) Purchase and License Agreement Amendment re Mosaiq dated June 22, 2010 between Owner and Elekta, Inc. and Addendum thereto, (vi) Purchase and License Agreement re Mosaiq dated April 6, 2009 between IMPAC Medical Systems and Owner; and Purchaser Order dated April 14, 2009, (vii) Member Agreement dated March 3, 2011 between Verizon Wireless and Owner, (ix) End User License Agreement dated August 2, 2011 between AirWatch, LLC and Owner, (x) Hosting Services Agreement dated March 18, 2009 between Rackspace US, Inc. and Owner and Upgrade dated September 13, 2010, (xi) Service Contract re PeopleSoft dated April 23, 2013 between Oracle Support Services and Owner, and (xii) Pricing Summary dated March 2, 2009 between CMS Software – The Elekta Inc. Group and Owner. Additional consents may be required under one or more of the agreements set forth in item 1.a. of Schedule 3.32, depending on the scope of the Consulting Agreement to be entered into at Closing.

SCHEDULE 6.2
Operation of the Business

1. Owner and Opco are currently negotiating for the purchase of a pencil beam at an anticipated purchase price of \$1.5 million. Additional capital costs of €966,085 and \$269,303 is anticipated for preparation of a treatment room and gantry in this connection. The pencil beam has been installed, but not yet paid and Opco has \$740,000 of accounts payable related to this on its balance sheet.
2. Opco is currently in the process of upgrading its information technology systems at an anticipated cost of \$47,000, as well as incorporating additional features, some of which will involve an additional cost outlay not to exceed \$60,000.
3. Opco is currently bringing its call center functionality in-house at an anticipated cost of \$35,000.
4. Non-qualified stock options with respect to the stock of Owner in the following amounts are expected to be granted to the following persons:

<i>Name</i>	<i>NQO</i>
Heather Scholtes	██████
Cynthia Grubricky	██████
Cortnie McClintic	██████
Madgalena Arteaga	██████
Jennifer Jefferis	██████

5. The total amount of \$5,354,566.08, consisting of principal of \$3,244,536.40 and interest of \$2,110,029.68, is due on July 18, 2013 under the Credit Agreement; whether this amount is paid in full is subject to ongoing discussions with Fortis.
6. From time to time, Opco enters into one-time letters of arrangement with Third Party Payors with respect to providing treatment to specific patients.

SCHEDULE 6.3
Negative Covenant

Schedule 6.2 is incorporated herein by reference.

SCHEDULE 6.11
Consulting Agreement

New Owner/Opco Management Agreement to have an evergreen term of 90 days, terminable upon 90 days' notice.

Owner shall provide services for the first 90 days (the "Initial Term") for no compensation.

For each 90 day period following the Initial Term, and subject to appropriate valuation support, Owner to receive a prorated Management Fee in cash on a monthly basis for such period based on:

(A) \$1.5 million annual fee in the event Purchaser is providing back office functions to Opco; or

(B) \$1.75 million annual fee in the event Purchaser is not providing any services to Opco.

The minimum level of services that will be provided will be as were provided by Owner to Opco immediately prior to Closing. Scaling down of services from Owner is permissible, but adding Owner services will require Owner's consent.

SCHEDULE 10.1
Transferred Claims

The following claims of Owner capitalized against Opco:

1. Past-due management fees owed to Owner by Opco under the Consulting Services Agreement dated March 4, 2008 between Procure Business Services, LLC and Opco. This amount is currently \$5,198,130.00.
2. Amount outstanding under the Amended and Restated Senior Subordinated PIK Note dated April 30, 2012 by Opco in favor of Owner in the principal amount of \$2,276,418. This amount is currently \$2,618,799.00.
3. Amount outstanding under the Parent Cash Flow Support Advance Revolving Note dated April 30, 2012 by Opco in favor of Owner in the principal amount of the aggregate unpaid principal amount of Parent Cash Flow Advances pursuant to the Support Agreement dated January 15, 2009 between Owner and Fortis. This amount is currently \$4,171,547.90.
4. An intercompany payable of Opco to Owner in an amount equal to \$6,493.09.