

F-052-14



ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD

CHANGE OF OWNERSHIP EXEMPTION APPLICATION
FOR AN EXISTING HEALTH CARE FACILITY
AUGUST 2013 EDITION

RECEIVED

DEC 17 2014

HEALTH FACILITIES &
SERVICES REVIEW BOARD

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

The attached form must be used for all transactions proposing a change of ownership of a health care facility. The requirements for issuance of an exemption are contained in 77 IAC 1130.520. Applicants should refer to IAC 1130.140 for definitions of a change of ownership and control of a health care facility. Applicants should also refer to 77 IAC 1130.220(a) for information on who the applicant(s) should be. Note the following requirements and guidelines pertaining to the Application for Exemption:

1. IAC 1130.520(a) prohibits any person from acquiring or entering into an agreement to acquire an existing health care facility prior to receiving approval from the State Board.
2. Complete the application with all applicable attachments. All pages and documents must be on single-sided paper size 8 1/2" x 11". Applicants should note that the required attachments to the application must be labeled and identified by attachment number. FAILURE TO DO SO WILL RESULT IN THE APPLICATION BEING DEEMED INCOMPLETE.
3. It is noted that all applications for exemption for the change of ownership of a health care facility are subject to the opportunity for a public hearing and public hearing requirements (77 IAC 1130.520(c) and (d)).
4. Applicants must submit a complete original application with original signature(s) and required appendices and attachments, as well as the APPLICATION FEE of \$2,500 payable by check or money order to the Illinois Department of Public Health. Submit the material to:

Courtney Avery, Administrator
Illinois Health Facilities and Services Review Planning Board
525 West Jefferson Street, Second Floor
Springfield, Illinois 62761-0001
5. Per IAC 1130.550(b), the State Agency is allowed 30 DAYS (from the date of receipt of the application) to determine the application's completeness. PLEASE REFRAIN FROM TELEPHONING THE STATE AGENCY FOR A STATUS REPORT ON YOUR APPLICATION. STAFF TIME ANSWERING PHONE INQUIRIES TAKES FROM STAFF TIME TO REVIEW APPLICATIONS. The State Agency will contact you if your application is incomplete.

NOTE: "The Illinois Health Facilities and Services Review Board does not discriminate on the basis of handicap in admission or access to, or treatment or employment in its programs and activities in compliance with Section 504 of the Rehabilitation Act of 1973, as amended. The Equal Employment Opportunity Officer is responsible for coordination of compliance efforts; voice (217) 785-2034; TDD (217) 785-2088."

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

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HEALTH FACILITIES &
SERVICES REVIEW BOARD

1. INFORMATION FOR EXISTING FACILITY

Current Facility Name: Greater Peoria Specialty Hospital
Address: 500 W. Romeo B. Garrett Avenue
City: Peoria Zip Code: 61605 County Peoria
Name of current licensed entity for the facility Greater Peoria Specialty Hospital, LLC
Does the current licensee: own this facility _____ OR lease this facility X (if leased, check if sublease)
Type of ownership of the current licensed entity (check one of the following:): _____ Sole Proprietorship
_____ Not-for-Profit Corporation _____ For Profit Corporation _____ Partnership _____ Governmental
X Limited Liability Company _____ Other, specify _____
Illinois State Senator for the district where the facility is located: Sen. Dave Koehler
State Senate District Number 46 Mailing address of the State Senator _____
400 NE Jefferson, Suite 200, Peoria, IL 61603
Illinois State Representative for the district where the facility is located: Rep. Jehan Gordon
State Representative District Number 92 Mailing address of the State Representative _____
300 E. War Memorial Dr., Suite 303, Peoria, IL 61614

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

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

Exact Legal Name of Applicant: RI Wasco, LLC
Address: 7600 NE 41st St., Suite 330
City, State & Zip Code: Vancouver, WA 98662
Type of ownership of the current licensed entity (check one of the following:): _____ Sole Proprietorship
_____ Not-for-Profit Corporation _____ For Profit Corporation _____ Partnership _____ Governmental
X Limited Liability Company _____ Other, specify _____

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

The Licensee/Operations Entity will not change and will continue to be:

Exact Legal Name of Entity to be Licensed: Greater Peoria Specialty Hospital, LLC
Address: 500 W. Romeo B. Garret Avenue
City, State & Zip Code: Peoria, IL 61605
Type of ownership of the current licensed entity (check one of the following:): _____ Sole Proprietorship _____
Not-for-Profit Corporation _____ For Profit Corporation _____ Partnership _____ Governmental
X Limited Liability Company _____ Other, specify _____

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

Exact Legal Name of Entity That Will Own the Site: RI Wasco, LLC
Address: 7600 NE 41st St., Suite 330
City, State & Zip Code: Vancouver, WA 98662
Type of ownership of the current licensed entity (check one of the following:): _____ Sole Proprietorship
_____ Not-for-Profit Corporation _____ For Profit Corporation _____ Partnership _____ Governmental
X Limited Liability Company _____ Other, specify _____

6. TRANSACTION TYPE. CHECK THE FOLLOWING THAT APPLY TO THE TRANSACTION:

- Purchase resulting in the issuance of a license to an entity different from current licensee;
- Lease resulting in the issuance of a license to an entity different from current licensee;
- Stock transfer resulting in the issuance of a license to a different entity from current licensee;
- Stock transfer resulting in no change from current licensee;
- Assignment or transfer of assets resulting in the issuance of a license to an entity different from the current licensee;
- Assignment or transfer of assets not resulting in the issuance of a license to an entity different from the current licensee;
- Change in membership or sponsorship of a not-for-profit corporation that is the licensed entity;
- Change of 50% or more of the voting members of a not-for-profit corporation's board of directors that controls a health care facility's operations, license, certification or physical plant and assets;
- Change in the sponsorship or control of the person who is licensed, certified or owns the physical plant and assets of a governmental health care facility;
- Sale or transfer of the physical plant and related assets of a health care facility not resulting in a change of current licensee;
- Any other transaction that results in a person obtaining control of a health care facility's operation or physical plant and assets, and explain in "Attachment 3 Narrative Description"

7. APPLICATION FEE. Submit the application fee in the form of a check or money order for \$2,500 payable to the Illinois Department of Public Health and append as **ATTACHMENT #1**.

8. FUNDING. Indicate the type and source of funds which will be used to acquire the facility (e.g., mortgage through Health Facilities Authority; cash gift from parent company, etc.) and append as **ATTACHMENT #2**.

9. ANTICIPATED ACQUISITION PRICE: \$30,200,000

10. FAIR MARKET VALUE OF THE FACILITY: \$30,200,000
(to determine fair market value, refer to 77 IAC 1130.140)

11. DATE OF PROPOSED TRANSACTION: January 26, 2015

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

13. BACKGROUND OF APPLICANT (co-applicants must also provide this information). Corporations and Limited Liability Companies must provide a current Certificate of Good Standing from the Illinois Secretary of State. Limited Liability Companies and Partnerships must provide the name and address of each partner/ member and specify the percentage of ownership of each. Append this information to the application as **ATTACHMENT #4**.

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

15. FINANCIAL STATEMENTS. (Co-applicants must also provide this information) Provide a copy of the applicants latest audited financial statements, and append it to this application as **ATTACHMENT #6**. If the applicant is a newly formed entity and financial statements are not available, please indicate by checking **YES X**, and indicate the date the entity was formed: September 22, 2014. Attached is a balance sheet dated November 30, 2014 of the Applicant and a balance sheet dated November 30, 2014 of Applicant's 100% parent company, Wasco Assisted Living, LLC.

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

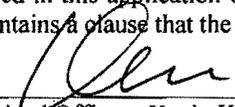
Name: Kevin Kelly
Address: 7600 NE 41st St., Suite 330
City, State & Zip Code: Vancouver, WA 98662
Telephone: (360) 892-2920

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

Name: Aaron J. Besen
Address: 1000 SW Broadway, Suite 1400
City, State & Zip Code: Portland, OR 97205
Telephone: (503) 227-1111

18. **CERTIFICATION**

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

Signature of Authorized Officer 

Typed or Printed Name of Authorized Officer: Kevin Kelly

Title of Authorized Officer: Vice President

Address: 7600 NE 41st St., Suite 330

City, State & Zip Code: Vancouver, WA 98662

Telephone (360) 892-2920

Date: _____

12/15/2014

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

*21313-052 ILLINOIS HEALTH APPLICATION FOR EXEMPTION FOR THE CHANGE OF OWNERSHIP (02001105);1

ATTACHMENT # 1

Application Fee: \$2,500.00

ATTACHMENT # 2

FUNDING

The Applicant will fund the purchase of the property from Cullian Medical 1, LLC, with funds derived from two sources:

- Cash contributed to Applicant by the Applicant's 100% parent, Wasco Assisted Living, LLC, in the amount of \$12,759,957 such cash being generated by the sale of real property, as part of a 1031 transaction; and
- Loan and mortgage of approximately \$17,702,000 in favor of Fondulac Bank, a Division of Morton Community Bank

ATTACHMENT #3

NARRATIVE DESCRIPTION OF TRANSACTION

Permit Holders for the Greater Peoria Specialty Hospital, as set forth on the Certificate of Need Permit dated June 29, 2007 (a copy of which is attached hereto) are the following:

- Greater Peoria Specialty Hospital, LLC, a Delaware limited liability company, which operates the facility and is the tenant under a lease with Cullinan Medical 1, LLC, an Illinois limited liability company, dated December 21, 2007 (the "Lease");
- The Methodist Medical Center of Illinois, who is one of the members of Greater Peoria Specialty Hospital, LLC;
- RehabCare Hospital Holdings, L.L.C., who is one of the members of Greater Peoria Specialty Hospital, LLC; and
- Cullinan Medical 1, LLC, an Illinois limited liability company, who is the owner of the property that is leased to Greater Peoria Specialty Hospital.

There is no change in the operations of the facility contemplated by this transaction.

The only change is that Cullinan Medical 1, LLC will sell the property, subject to the terms of the Lease, to RI Wasco, LLC, a Washington limited liability company.



STATE OF ILLINOIS
HEALTH FACILITIES PLANNING BOARD

525 WEST JEFFERSON STREET • SPRINGFIELD, ILLINOIS 62761 • (217)782-3516

June 29, 2007

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Terry Waters, Vice President, Planning
The Methodist Medical Center of Illinois
211 N. E Glen Oak Avenue
Peoria, Illinois 61636

RE: CERTIFICATE OF NEED PERMIT; #07-010 FAC; Greater Peoria Specialty Hospital

Dear Mr. Waters:

The Illinois Health Facilities Planning Board approved the application for permit for the referenced project based upon the project's substantial conformance with the applicable standards and criteria of the Processing, Classification Policies and Review Criteria (77 Ill. Adm. Code 1110) and the Health Facilities Planning Financial and Economic Feasibility Review (77 Ill. Adm. Code 1120). In arriving at a decision, the State Board considered the findings contained in the State Agency Report, the application material, and any testimony made before the State Board and received through public comment processes.

- PERMIT ISSUANCE DATE: June 12, 2007
- PROJECT: The permit holder has been approved to establish an acute care hospital with 42 medical surgical beds ("M/S") and eight ICU beds at Greater Peoria Specialty Hospital, L.L.C. located in a three block area bordered by Richard Pryor Place, Romeo B. Garrett Avenue and Hightower Street, Peoria, Illinois.
- PERMIT SCOPE: Establish an acute care hospital with 42 medical surgical beds and 8 ICU beds in 56,350 GSF of space.
- PERMIT HOLDERS: Greater Peoria Specialty Hospital, L.L.C., located in a three block area bordered by Richard Pryor Place, Romeo B. Garrett Avenue and Hightower Street, Peoria, Illinois, The Methodist Medical Center of Illinois, 221 N. E Glen Oak Avenue, Peoria, Illinois 61636, RehabCare Hospital Holdings, L.L.C. 7733 Forsyth Boulevard, Suite 2300, St. Louis, Missouri, 63105, and Cullinan Medical 1, L.L.C. 211 Fulton Street, Suite 700, Peoria, Illinois 61602 RehabCare Hospital Holdings L.L.C., Cullinan Medical 1, L.L.C.
- PERMIT AMOUNT: Total project cost is \$19,640,500
- PROJECT OBLIGATION DATE: December 12, 2008
- PROJECT COMPLETION DATE: January 31, 2010

This permit is valid only for the defined construction or modification, site, amount and the named permit holder(s). This permit is neither transferable nor assignable.

The permit is valid until such time as the project has been completed, provided that all post permit requirements have been fulfilled, pursuant to the requirements of the Health Facilities Planning Procedural Rules (77 Ill. Adm. Code 1130) ("Code") and the Illinois Health Facilities Planning Act (20 ILCS 3960/1 et seq.) ("Act"). Failure to comply with the requirements may result in any one or a combination of the following: expiration of the permit; State Board action to revoke the permit; or any additional sanction, fine, or penalty provided by the Act, the Code, or both.

The permit holder is responsible for compliance with requirements of maintaining a valid permit. These requirements include but are not limited to the following:

1. PROJECT OBLIGATION AND VERIFICATION

The project must be obligated prior to the Project Obligation Date, unless the permit holder obtains an "Extension of the Obligation Period" as provided in 77 Ill. Adm. Code 1130.730. Failure to timely obligate the project will invalidate your permit. Verification of obligation must be received by HFPB within thirty (30) days after the Project Obligation date, or for such a time period as the Board may adopt by amending the Board's rule.

2. ANNUAL PROGRESS REPORTS

An annual progress report must be submitted to HFPB beginning twelve (12) months from the initial permit issuance date and continuing annually thereafter until the project is completed. The annual reports are due between thirty (30) days prior to and thirty (30) days from the anniversary date of permit issuance. The annual reports must conform to the requirements specified in 77 Ill. Adm. Code 1130.760. The permit holder must assure that the required Annual Progress Reports are submitted to HFPB on a continuing, timely fashion.

3. PROJECT COMPLETION REQUIREMENTS

The permit holder must submit a written notice of project completion as defined in Section 1130.140. Each permit holder shall notify HFPB within 30 days following the project completion date and provide supporting documentation within 90 days following the completion date and must contain the information required by Section 1130.770. The permit holder must assure that the required Final Realized Cost Report is submitted to HFPB in a timely fashion.

This permit letter serves as HFPB's formal written request for post permit information cited above, including: verification of project obligation; Annual Progress Reports; and project completion notification and Final Realized Cost Report. You will not receive

Permit Letter -- Project #07-010

Page 3 of 3

additional written requests for this information. Failure to timely submit any required information may subject you to penalties, fines, or other sanctions provided by the Act, the Code, or both. Failure to comply with the above requirements may result in expiration of the permit or in State Board action to revoke the permit.

This permit does not exempt the project or permit holder from licensing and certification requirements, including approval of applicable architectural plans and specifications prior to construction.

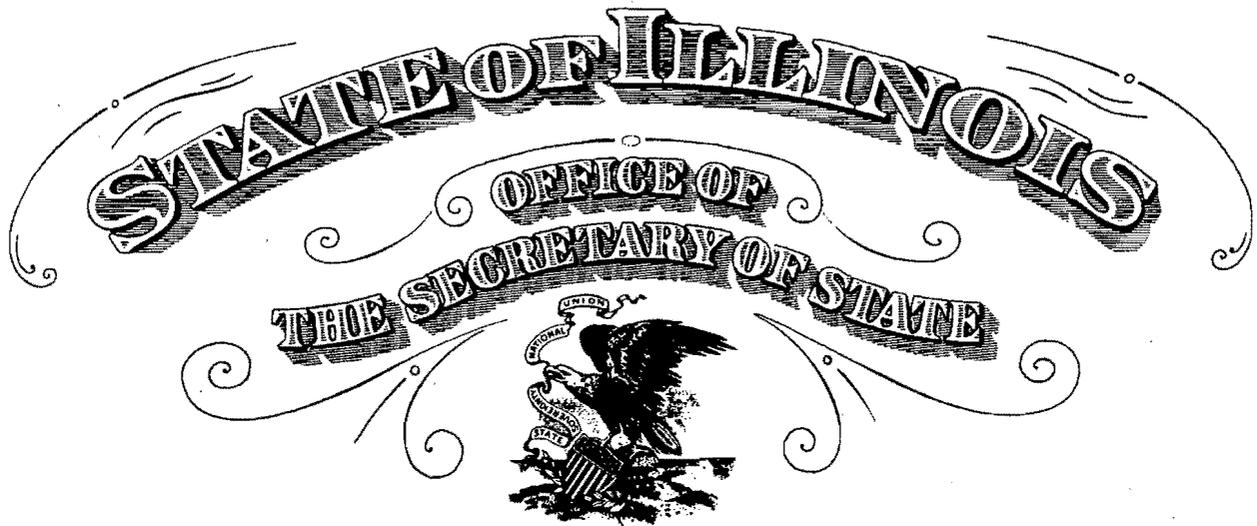
Please contact the following for questions regarding:

- Permit issuance details – Mr. Donald Jones, Supervisor of Review.
- Compliance requirements – Mr. Michael Mills, Compliance Coordinator.

Sincerely,



Jeffrey S. Mark
Executive Secretary



To all to whom these Presents Shall Come, Greeting:

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

RI WASCO, LLC, A WASHINGTON LIMITED LIABILITY COMPANY HAVING OBTAINED ADMISSION TO TRANSACT BUSINESS IN ILLINOIS ON DECEMBER 12, 2014, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A FOREIGN LIMITED LIABILITY COMPANY ADMITTED TO TRANSACT BUSINESS IN THE STATE OF ILLINOIS.



In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 15TH day of DECEMBER A.D. 2014

Jesse White

Authentication #: 1434902202

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

SECRETARY OF STATE

ATTACHMENT # 4

Page 2 of 3



OFFICE OF THE SECRETARY OF STATE

DECEMBER 12, 2014

JESSE WHITE • Secretary of State

0496470-5

NATIONAL REGISTERED AGENTS
208 S LASALLE ST STE 814
CHICAGO, IL 60604-0000

RE RI WASCO, LLC

DEAR SIR OR MADAM:

IT HAS BEEN OUR PLEASURE TO APPROVE YOUR REQUEST TO TRANSACT BUSINESS IN THE STATE OF ILLINOIS. ENCLOSED PLEASE FIND THE APPROVED APPLICATION FOR ADMISSION.

PLEASE NOTE! THE LIMITED LIABILITY COMPANY MUST FILE AN ANNUAL REPORT PRIOR TO THE FIRST DAY OF THIS MONTH OF QUALIFICATION NEXT YEAR. FAILURE TO TIMELY FILE WILL RESULT IN A \$300 PENALTY AND/OR REVOCATION. A PRE-PRINTED ANNUAL REPORT WILL BE MAILED TO THE REGISTERED AGENT AT THE ADDRESS ON OUR RECORDS APPROXIMATELY 45 DAYS BEFORE THE DUE DATE.

MANY OF OUR SERVICES ARE AVAILABLE AT OUR CONTINUOUSLY UPDATED WEBSITE. VISIT WWW.CYBERDRIVEILLINOIS.COM TO VIEW THE STATUS OF THIS COMPANY, PURCHASE A CERTIFICATE OF GOOD STANDING, OR EVEN FILE THE ANNUAL REPORT REFERRED TO IN THE EARLIER PARAGRAPH.

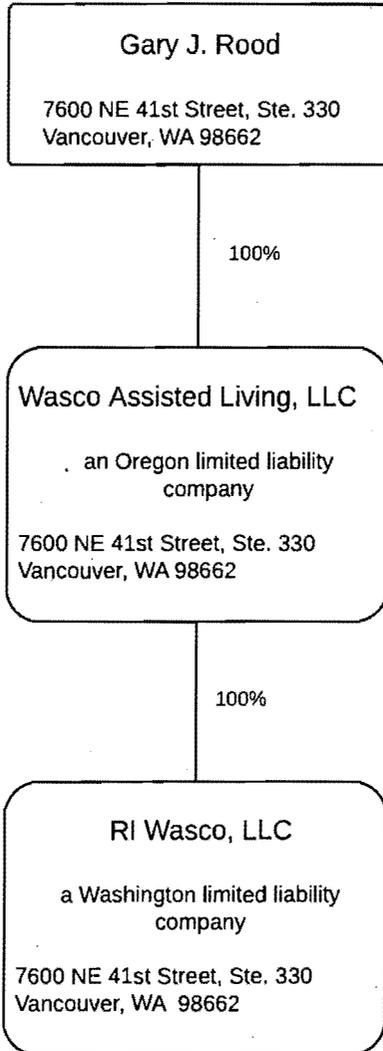
SINCERELY YOURS,

A handwritten signature in cursive script that reads "Jesse White".

JESSE WHITE
SECRETARY OF STATE
DEPARTMENT OF BUSINESS SERVICES
LIMITED LIABILITY DIVISION
(217) 524-8008

ATTACHMENT #4

Page 3 of 3



Attachment #5

AGREEMENT FOR PURCHASE AND SALE

THIS AGREEMENT is made and entered into as of the 10th day of November, 2014 ("Effective Date") (as hereinafter defined) by and between **Cullinan Medical 1, LLC**, an Illinois limited liability company (hereinafter collectively referred to as "**Seller**"), and Rood Investments, LLC, a Washington limited liability company (hereinafter referred to as "**Purchaser**").

WITNESSETH: THAT

WHEREAS, Seller is the owner of the Land (as hereinafter defined) and improvements located at 500 W. Romeo B. Garrett Avenue, Peoria, IL 61605, and more particularly described on **Exhibit A** attached hereto and made a part hereof by this reference (the "Property"); and

WHEREAS, Seller has constructed on said Property an acute care hospital containing approximately 56,345 square feet of improvements and fixtures leased to Greater Peoria Specialty Hospital, LLC, a Delaware limited liability company, pursuant to a lease dated December 21, 2007; and

WHEREAS, Purchaser desires to purchase, and Seller is willing to sell said Property upon the terms and conditions set out hereinafter; and

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, do hereby agree as follows:

1. **Definitions and Meanings.** In addition to any other terms whose definitions are fixed and defined by this Agreement, each of the following defined terms, when used in this Agreement, with an initial capital letter or letters, shall have the meaning ascribed thereto by this Paragraph:

1.1. "Agreement" means this Purchase and Sale Agreement, together with all exhibits attached hereto and made a part hereof.

1.2. "Closing" means the consummation of the purchase and sale contemplated by this Agreement by the deliveries required under Paragraph 9 hereof.

1.3. "Closing Date" means the earlier of (i) that date which is thirty (30) days subsequent to the expiration of the Inspection Date and (ii) February 16, 2015; however the Closing shall be contingent upon the receipt by Purchaser of the Estoppel and SNDA and shall be extended beyond February 16, 2015 if such documents have not been received by that date.

1.4. "Due Diligence Deliveries" means those documents and materials listed on Exhibit B attached hereto and incorporated by reference which are in Seller's possession and control or which are available to Seller.

1.5. "Earnest Money" means any amounts deposited by the Purchaser with the Escrow Agent as Earnest Money as provided in Paragraph 3 hereof, together with all interest earned thereon.

1.6. "Effective Date" means the date on which this Agreement is duly executed by Seller, Purchaser and Escrow Agent, and said date shall be inserted in the first paragraph on page 1 hereof.

1.7. "Environmental Laws" means the following, as the same may have been amended: the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601, et seq.; the Resource Conservation Act of 1976, 42 U.S.C. § 6921, et seq.; the Toxic Substances Control Act, 15 U.S.C. § 2601, et seq.; the Federal Insecticide, Fungicide and Rodenticide Act, 7 U.S.C. § 136; the

Federal Water Pollution Control Act, 33 U.S.C. § 1251, et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. § 1801, et seq.; the Federal Solid Waste Disposal Act, 42 U.S.C. § 6901, et seq.; the Clean Air Act, 42 U.S.C. § 7401, et seq.; and any other legislation or ordinance of any Governmental Authority identified by its terms as pertaining to hazardous materials, waste or asbestos.

1.8. "Escrow Agent" means the Title Company.

1.9. "Force Majeure" shall mean delays directly attributed to weather, labor strikes, shortages in materials, wars, explosions, governmental delays, casualty or other events not caused by Seller, earthquakes, or other acts of God. Seller's or Purchaser's right to excuse any delays by Force Majeure shall be conditioned upon such party's obligation to notify the other within five (5) days following the commencement of any event constituting Force Majeure.

1.10. "Good and Marketable Title" means fee simple title to the Land and the Improvements insurable by the Title Company at its standard rates on Owner's Policy of Title Insurance without exception, except for the Permitted Exceptions and standard exceptions (which standard exceptions shall be deleted at Closing based upon the Seller's affidavit and the Purchaser's Survey).

1.11. "Governmental Authority" means any federal, state, or municipal government, branch, authority, district, agency, court, tribunal, department, board, commission or other instrumentality.

1.12. "Guaranty" means each guaranty of the Tenant's obligations under the Lease.

1.13. "Hazardous Materials" means petroleum, including crude oil or any fraction thereof, asbestos, polychlorinated biphenyls, and any other substance identified in the Environmental Laws.

1.14. "Improvements" means the building developed on the Land consisting of a building and fixtures having approximately 56,345 square feet, parking spaces, paving, outside lighting, landscaping, and all Tenant Improvements constructed by Seller, as landlord, in accordance with the terms and conditions of the Lease.

1.15. "Inspecting Engineer" shall mean such Person as Purchaser may select or retain from time to time during the term hereof to inspect the Improvements, the fees and expenses of whom shall be paid by Purchaser.

1.16. "Inspection Date" means forty-five (45) days following the Effective Date, provided, however, that Seller shall deliver to Purchaser the Due Diligence Deliveries within five (5) business days after the Effective Date, and for each day that passes thereafter until all of the materials have been delivered to Purchaser, the Inspection Date shall be extended by one (1) day. In the event that Purchaser does not notify Seller on or before the Inspection Date that Purchaser wishes to terminate this Agreement, then, Purchaser shall be deemed to have satisfied itself with all aspects of the Property for which Purchaser has failed to give Seller timely notice, and shall take title to the Property as is and all Earnest Money shall be non-refundable and payable to Seller in accordance with the terms of this Agreement.

1.17. "Intangible Personal Property" means all intangible personal property owned by Seller and now, or hereafter, used in connection with the Property, including, without limitation, all (i) trade names, (ii) logos, (iii) Warranties, and (iv) certificates of occupancy (or the local equivalents), permits, licenses, approvals and authorizations issued by any Governmental Authority including without limitation Seller's Certificate of Need with respect to the Property.

1.18. "Land" shall mean all that tracts or parcels of land described on **Exhibit A** and graphically depicted on Exhibit A-1 attached hereto and by this reference incorporated herein and made a part hereof, together with all rights, easements, alleys, ways, appurtenances, shrubbery, trees, plants and

privileges located thereon or appertaining thereto, together with any and all right, title and interest in and to any land lying in the bed or right-of-way of any street, road, alley or avenue, open or proposed, in front of or adjoining the land to the centerline thereof, together with any nonexclusive right to use any and all such land lying within any such roadbed, right-of-way, street, alley or avenue for ingress and egress to and from the land, together with any and all right, title and interest in and to any award made or to be made in lieu thereof, and in and to any unpaid award for damage to the land by reason of change of grade of any street.

1.19. "Lease" means that certain Lease of the Land and Improvements to Greater Peoria Specialty Hospital, LLC, a Delaware limited liability company, as amended by that certain Letter Agreement between Seller, as Landlord, and Tenant dated March 7, 2013, and approved by Tenant on March 8, 2013, in regards to the sale of a portion of the leased premises (the "Lease Addendum"); a true and correct copy of which is attached to the Tenant Estoppel Certificate attached hereto as **Exhibit D**.

1.20. "Permitted Exceptions" means the exceptions listed on **Exhibit C** to which Purchaser has not objected to either on or prior to the Inspection Date, and any Title Objections to which Purchaser fails to object or which Purchaser waives pursuant to Paragraph 5 hereof.

1.21. "Person" shall mean any corporation, partnership, limited liability company, cotenancy, joint venture, individual, business trust, real estate investment trust, trust, banking association, federal or state savings and loan institution or any other legal entity, whether or not a party hereto.

1.22. "Personal Property" means all tangible personal property owned by Seller and now, or, hereafter, located upon the Land and used in connection with the ownership, operation, management or maintenance of the Property.

1.23. "Property" means, collectively, the Real Estate, the Personal Property, and the Intangible Property.

1.24. "Purchase Price" means the amount which Purchaser shall pay to consummate the purchase and sale of the Property as provided in Paragraph 4 of this Agreement.

1.25. "Real Estate" means (i) the Land, (ii) the Improvements, and (iii) all rights, rights-of-way, easements, mineral rights, privileges, and appurtenances in any manner belonging to, or pertaining to, the Land and the Improvements.

1.26. "SNDA" means that Subordination, Non-Disturbance and Attornment Agreement substantially in the form attached to Exhibit E of the Lease.

1.27. "Survey" means the survey of the Land and Improvements described in Subparagraph 6.2 hereof.

1.28. "Tenant" means Greater Peoria Specialty Hospital, LLC, a Delaware limited liability company.

1.29. "Tenant Estoppel Certificate" means the certificate to be executed by Tenant with respect the Lease pursuant to which such Tenant leases space in the Improvements, such certificate to be substantially and reasonably in the form attached hereto as **Exhibit D** and incorporated herein by this reference.

1.30. "Title Commitment" means a title insurance commitment issued by the Title Company for issuance to Purchaser, at regular rates, of an Owner's Policy of Title Insurance Form in accordance with American Land Title Association (ALTA) Owner's Policy (6-17-06) pursuant to which Purchaser's Good and Marketable Title to the Real Estate shall be insured upon the Closing, and such Commitment shall

include extended coverage and commercially reasonable endorsements reasonably requested by Purchaser and approved by Seller, including a zoning endorsement, provided that any such endorsements shall be paid for by Purchaser.

1.31. "Title Company" means First American Title, by and through its agent, Attorneys' Title Guaranty Fund and Miller, Hall & Triggs, LLC.

1.32. "Title Objection" and "Title Objections" mean any mortgages, deeds to secure debt, liens, financing statements, security interests, easements, leases, restrictive covenants, agreements, options, claims, encroachments, rights, taxes, assessments, mechanics' or materialmen's liens (inchoate or perfected), liens for federal or state estate or inheritance taxes and other encumbrances of any nature whatsoever, whether existing of record or otherwise, together with any and all matters of any kind or description, including, without limitation, matters of survey and any litigation or other proceedings affecting Seller and which affect title to the Real Estate or the right, power and authority of the Seller to convey Good and Marketable Title to the Real Estate to Purchaser in accordance with the terms of this Agreement, with respect to which Purchaser has objected to pursuant to Paragraph 5 herein. All matters set forth in **Exhibit C** shall be deemed Permitted Exceptions, and all exceptions to the Title Commitment shall be deemed Permitted Exceptions if Purchaser fails to object to such title matters pursuant to Paragraph 5 or Paragraph 6 herein.

1.33. "Warranties" means all warranties and guaranties relating to the construction, operation, maintenance, repair, and use of the Improvements and the Personal Property, including, without limitation, any and all equipment, HVAC systems, plumbing and roof warranties and all contractors' and subcontractors' warranties.

2. **Purchase and Sale Agreement.** Subject to and in accordance with the terms and provisions hereof, Seller agrees to sell and Purchaser agrees to purchase the Property.

3. **Earnest Money.** As security for the obligations of Purchaser under this Agreement, and subject to the terms of this Agreement, within three (3) business days of the Effective Date, Purchaser shall deposit with Escrow Agent the sum of Two Hundred Fifty Thousand and No/100 Dollars (\$250,000.00) (the "Original Deposit"). Within three (3) business days after the expiration of the Inspection Date (the "Additional Deposit Date"), Purchaser shall deposit with Escrow Agent an additional Two Hundred Fifty Thousand and no/100 Dollars (\$250,000.00) as additional security for the obligations of Purchaser under this Agreement (the "Additional Deposit"). The Original Deposit and the Additional Deposit deposited with Escrow Agent, as and when deposited, together with all interest earned thereon, shall constitute the "Earnest Money" hereunder and shall be held as security for Purchaser's obligations under this Agreement and disbursed pursuant to the terms hereof.

4. **Purchase Price.** The Purchase Price for the Property shall be:

Purchase Price: The Purchase Price is Thirty Million Two Hundred Thousand and No/100 Dollars (\$30,200,000.00) (the "Purchase Price").

The Purchase Price, as adjusted by the prorations provided in Subparagraph 9.5 below, and after application and delivery of the Earnest Money to Seller, shall be paid by Purchaser by wire transfer of immediately available funds on the Closing Date.

5. **Title to the Real Estate.**

5.1. **Title Examination.** Within five (5) days from the Effective Date, Seller shall furnish Purchaser with the Title Insurance Commitment for the Real Estate. On or before the Inspection Date, Purchaser shall give notice to Seller of any matters disclosed by the Title Commitment or the Survey which are unacceptable to Purchaser (other than those identified on Exhibit C hereto). If Purchaser fails

to give any such notice with respect to any such matters disclosed by the Title Commitment or the Survey on or prior to the Inspection Date (the "Existing Matters"), then Purchaser shall be deemed to have waived its right to object to any Existing Matters and such Existing Matters shall be deemed "Permitted Exceptions".

5.2. **Correction of Title Objections.** In the event Seller elects not to satisfy or cure any such Title Objections of which it is so notified, then, within ten (10) days following receipt of the Seller's election (notwithstanding the Inspection Date), Purchaser shall by written notice to Seller elect one of the following:

5.2.1 To waive such Title Objections, in which event such Title Objections which Seller has elected not to cure shall become part of the Permitted Exceptions, and to close the transaction contemplated hereby in accordance with the terms of this Agreement; provided, however, that with respect to any Title Objection which is a mortgage, deed of trust, or lien encumbering all or any portion of the Property (other than with respect to the Loan), Purchaser shall be entitled to satisfy or remove any such Title Objection at the Closing and to credit against the Purchase Price the amount required to satisfy such mortgage, security deed, or lien.

5.2.2 To cancel this Agreement and to receive a complete refund of the Earnest Money, in which event the parties hereto shall have no further rights, duties, or obligations under this Agreement, except those rights, duties and obligations that, by the express terms hereof, survive termination of this Agreement.

6. **Purchaser's Inspection, Survey, and Right of Termination.**

6.1. **Inspection.** Subject to the terms of the Lease, Purchaser and its agents, employees, representatives and contractors shall have the right, but not the obligation, from time to time prior to Closing to enter the Property to examine the same and the condition thereof and to conduct surveys and to make such engineering, environmental and other studies as Purchaser shall determine are necessary, all at Purchaser's expense; provided that Purchaser will not contact the Tenant or any governmental authority having jurisdiction over the Property without reasonable prior telephonic or e-mail notice to Michael C. Owens (phone: 309/999-1704; email: mowens@cullprop.com), Christopher M. West (phone: 630/286-0177; email cwest@cullprop.com), or Diane A. Oberhelman (phone: 309/999-1702; email dcull@cullprop.com) and Seller has the right to have a representative present at such inspection(s) or meetings. Purchaser agrees to give Seller notice of such examination or surveys, to conduct such surveys and examinations during normal business hours at times agreed upon in advance by Seller and Purchaser and not to interfere with the use and occupancy of the Property by Tenant under the Lease. Purchaser will provide Seller with certificates evidencing the commercial general liability insurance policies which will be maintained by Purchaser and each consultant which Purchaser will have present on the Property in connection with its investigations upon the Property prior to the date of entry upon the Property. The limits, coverage and insurer under such policies must be reasonably satisfactory to Seller. Without limitation on the foregoing, Purchaser must maintain commercial general liability insurance, in an amount not less than \$2,000,000 combined limits for any injuries, deaths or property damage sustained as a result of any one accident or occurrence. Seller hereby agrees to cooperate in connection with the foregoing and agrees that Purchaser, its agents, employees, representatives or contractors shall be provided promptly, upon request, such information as shall be reasonably necessary to examine the Property and the condition thereof and shall be in the possession of Seller or reasonably obtainable by Seller. Purchaser hereby indemnifies and agrees to hold Seller harmless from and against damage, loss, cost or expense to, or claims against Seller caused by the exercise of Purchaser or its agents, employees, representative or contractors or the rights granted under this Subparagraph, excluding, however, claims, costs, expenses and liabilities arising out of the discovery of, or the non-negligent, accidental or inadvertent release of, Hazardous Materials resulting from the inspections or investigations (unless such Hazardous Materials are brought onto the Property by Purchaser or Purchaser's agents,

employees, representatives or contractors). The foregoing indemnity shall expressly survive the Closing and any termination of this Agreement.

6.2. **Survey.** Purchaser acknowledges receipt of an existing ALTA survey prepared by a surveyor who is licensed in the state in which the Property is located. Such survey shall be updated within five (5) business days of the Effective Date to describe the Land, to provide such detail as shall be required by the Title Company to remove standard printed title exceptions as to items that would be disclosed by the Survey and a certified parking count at the Property and any other reasonable requests from Purchaser.

6.3. **Termination.** Purchaser shall be entitled to terminate this Agreement by giving written notice thereof to Seller and returning all due diligence items previously delivered to Purchaser by Seller, at any time on or before the Inspection Date in the event Purchaser determines, based upon its review of the results of any such examination of the Property, that the Property is not satisfactory to Purchaser for any reason or no reason. Upon any such termination, Escrow Agent shall pay over to Seller the sum of One Hundred Fifty and No/100 Dollars (\$150.00) and shall return to Purchaser all other amounts then on deposit with Escrow Agent. Thereafter, the parties hereto shall have no further rights or obligations hereunder, except as otherwise expressly provided herein. In the event that Purchaser does not notify Seller on or before the Inspection Date that Purchaser wishes to terminate this Agreement, then, Purchaser shall be deemed to have satisfied itself with all aspects of the Property, including the Existing Matters for which Purchaser has failed to give Seller timely notice, and shall take title to the Property as is (subject to the express terms of this Agreement) and all Earnest Money (including the Additional Deposit) shall be non-refundable and payable to Seller in accordance with the terms of this Agreement. A failure to deposit the Additional Deposit in the amounts and during the period required by Section 3 shall be considered to be a default of this Agreement entitling Seller to exercise its remedies in Section 10 and immediately to terminate this Agreement.

7. Improvements; Conditions to Purchaser's Obligations to Purchase and Seller's Obligations to Sell; and Reservation of Easement.

7.1. **Seller's Covenants of Completion.** Seller hereby covenants to the following obligations, the failure of Seller to adhere to any of which shall constitute a default by Seller hereunder.

7.1.1 Seller has caused the construction of the Improvements substantially in accordance with the Plans and Specifications and pursuant to the terms of the Lease. All costs and expenses of the design, construction and completion of the Improvements have been paid by Seller.

7.1.2 At all reasonable times and upon reasonable notice prior to the Inspection Date, Purchaser, the Inspecting Engineer and their respective authorized representatives shall have reasonable access to the Property (subject to the rights of Tenant under the Lease) and to all construction and job records and information of Seller relating to the construction and completion of the Improvements (whether on Seller's premises or the premises of Seller's architects, engineers, contractors and consultants) for the purpose of determining whether work performed was in accordance with the Plans and Specification.

7.1.3 At or prior to Closing, Seller shall provide Purchaser a schedule identifying each Warranty which includes the name of the product, its application in the construction of the Improvements, the general terms of the Warranty, and the name of the supplier or manufacturer that is providing the Warranty. On or before Closing, Seller will provide Purchaser with the original of each Warranty. Seller shall remain obligated for the duration of any Warranty to cooperate with Purchaser in making any Warranty claims, which obligation shall survive Closing to the extent of the term of each Warranty. Seller shall not be required to spend any money in cooperating with Purchaser in the enforcement of any Warranty.

7.2. Conditions of Purchaser's Obligation to Purchase. Purchaser shall have no obligation to purchase the Property unless and until all of the following conditions precedent have been satisfied or waived by Purchaser in its reasonable discretion (hereafter collectively "Closing Conditions"):

7.2.1 As of the Closing Date, Seller shall not have (i) made an assignment for the benefit of creditors; (ii) filed a petition in bankruptcy; or (iii) been adjudicated insolvent or bankrupt, petitioned a court for the appointment of any receiver of or trustee for it or any substantial part of its property, or commenced any proceeding relating to Seller under any reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction, whether now or hereafter in effect. There shall not have been commenced and be pending against Seller any proceeding of the nature described herein. No order for relief shall have been entered with respect to Seller under the Federal Bankruptcy Code.

7.2.2 As of the Closing Date, except as permitted in this Agreement, there shall exist no lease, tenancy or occupancy agreement affecting the Property or any part thereof except the Lease (as may be modified in accordance with the terms herein) and any other Permitted Exception.

7.2.3 As of the Closing Date, Seller shall have complied, and at Closing shall then be in compliance, with each and all of its express covenants contained in this Agreement.

7.2.4 As of the Closing Date, the Property and its use as a long term acute care hospital ("LTACH") shall not be in material violation of any requirements of Governmental Authorities in existence on the date hereof and the use of the Property as an LTACH shall be permitted under all applicable zoning ordinances in effect as of the date hereof.

7.2.5 No fewer than five (5) business days prior to the Closing Date, Seller shall have delivered to Purchaser an estoppel letter from Tenant in the form attached hereto as Exhibit D and by this reference incorporated herein.

7.2.6 No fewer than five (5) business days prior to the Closing Date, Seller shall have delivered to Purchaser the SNDA executed by Tenant.

7.2.7 Tenant shall not have exercised its right to purchase the Property pursuant to Section 28.2 of the Lease; and

7.2.8 As of the Closing Date, all of the representations and warranties of Seller set forth in Paragraph 8 hereof shall be true, complete and accurate as of the Closing Date.

7.3. Conditions of Seller's Obligations to Sell. Seller shall have no obligation to sell the Property unless and until all of the following conditions precedent have been satisfied or waived by Seller in its sole discretion:

7.3.1 Tenant shall not have exercised its right to purchase the Property pursuant to Section 28.2 of the Lease; and

7.3.2 As of the Closing Date, all of the representations and warranties of Purchaser as set forth in Paragraph 8.3 hereof shall be true, complete and accurate as of the Closing Date.

8. Representations, Warranties and Covenants.

8.1. Seller hereby represents and warrants to, and covenants with Purchaser as follows:

8.1.1 **No Other Agreements.** To the best of Seller's knowledge, other than this Agreement, the Lease, the Service Contracts (including any management agreement), any agreements duly recorded in the real estate records of Peoria County, Illinois as of the date hereof, or any agreements entered into between the date hereof and the Closing Date to which Seller obtained Purchaser's prior written consent, there are no leases, service contracts, management agreements or other agreements or instruments in force or effect that (a) grant to any person whomsoever or any entity whatsoever any right, title, interest or benefit in or to all or any part of the Property or (b) any rights relating to the use, maintenance, operation, construction or management of all or any part of the Property.

8.1.2 **No Litigation.** Seller has no actual knowledge, nor has Seller received any written notice of any pending litigation or proceeding by any organization, person, individual or Governmental Authority against Seller with respect to the Property or otherwise with respect to the Property, nor, to the best of Seller's knowledge, is there any basis for any such action.

8.1.3 **No Assessments.** Seller has received no notice of any (a) assessments against the Property that are unpaid (except ad valorem taxes for the current year), whether or not they have become liens, or (b) any change in the assessed value or basis for levy of taxes regarding the Property.

8.1.4 **Notice of Condemnation; Right of Way Matters.** Seller has received no written notice and Seller has no actual knowledge of, any threatened or contemplated action by any Governmental Authority having the power of eminent domain, which might result in any part of the Property being taken by condemnation or conveyed in lieu thereof. Seller shall, immediately upon receiving any such notice or learning of any such contemplated or threatened action, give Purchaser written notice thereof.

8.1.5 **Lease.** The copy of the Lease delivered by Seller to Purchaser prior to the execution of this Agreement is complete and accurate, and there are no amendments or modifications thereto not disclosed in writing by Seller to Purchaser. The Lease is in full force and effect. Seller hereby covenants and agrees with Purchaser that after the Inspection Date, and so long as this Agreement remains in full force and effect, Seller will not amend, modify or terminate the Lease without the prior written consent of Purchaser, which consent shall not be unreasonably withheld or delayed. If Purchaser discovers and notifies Seller prior to the Closing that the Lease provided to Purchaser is incomplete in any way, Seller shall not be deemed to have breached this Subparagraph if Seller promptly furnishes to Purchaser such missing item or items..

8.1.6 **Leases - Default.** Seller has not received any notice of termination or default under the Lease, and, to the best of Seller's knowledge, there is not any existing or uncured, or any claim of default, by Seller under the Lease, or the Tenant under the Lease. Tenant has not asserted any defenses, set-offs or counterclaims with respect to its tenancy or its obligation to pay rent, additional rent and other charges pursuant to the Lease.

8.1.7 **Lease - Rents and Special Consideration.** The Tenant has not prepaid rent for more than the current month in which the Closing occurs. Seller represents and warrants that there are no "free rent" or rent offsets due Tenant or unexpended tenant fit out allowances under the Lease subsequent to the Closing Date, and Seller agrees that Purchaser will receive a credit against the Purchase Price at Closing for any rent paid by Tenant and attributable to periods from and after the Closing Date.

8.1.8 **Lease - Commissions.** There shall be, from and after the Closing, no rental, lease or other commissions now or hereafter payable to any person or entity with respect to the Lease or any extensions, renewals or expansions thereof.

8.1.9 **Lease - Possession.** Seller has not received any notice and has no actual knowledge that Tenant plans to give up physical or legal possession of its premises, including, without

limitation, assigning its Lease, subletting of all or any part of its premises, vacating its premises, discontinuing its business at its premises, surrendering possession, terminating its Lease or filing any action for relief under the United States Bankruptcy Code or similar debtor relief laws.

8.1.10 Hazardous Materials. Seller has not generated, disposed of, released or found any Hazardous Materials on the Property, and Seller has no actual knowledge of the existence of any areas for the generation, storage or disposal of any Hazardous Materials on the Property other than medical waste generated, stored, or disposed of in compliance with all applicable governmental requirements. Seller has received no notice that any Governmental Authority has determined that there are any violations of Environmental Laws affecting the Property, and Seller has no knowledge of any such violations. Seller has no knowledge and has received no notice that there are storage tanks or any related underground pipes or lines on the Property. In the event Seller receives notice of any such Hazardous Materials on the Property or any such violation affecting the Property prior to the Closing, Seller immediately shall notify Purchaser thereof.

8.1.11 Compliance of Improvements. With respect to the Plans and Specifications and the Improvements, to Seller's knowledge, there is (or, at Closing, there will be) no material violation of any applicable requirements of Governmental Authorities.

8.1.12 Violation of Laws. Seller has received no notice that any Governmental Authority has determined that there are any violations of zoning, health, environmental, or other statutes, ordinances, or regulations affecting the Property. At the time of Closing, the Premises shall be materially in conformity with all the applicable building, fire, electrical and all other applicable codes, ordinances, rules and regulations.

8.1.13 Seller's Authority. Seller is a limited liability company duly organized and validly existing under the laws of the state of Illinois. Seller has the right, power and authority to enter into this Agreement and the right, power and authority to convey the Property in accordance with the terms and conditions of this Agreement, and the individuals signing this Agreement on behalf of Seller have the right, power and authority to bind Seller in accordance with the terms hereof. Neither the execution and delivery of this Agreement nor any other documents executed and delivered, or to be executed and delivered, by Seller in connection with the transactions described herein, will violate any provision of Seller's articles of organization or operating agreement, or of any agreements, regulations, or laws to which Seller is bound, including, without limitation, the Leases, or any loan documents.

8.1.14 No Bankruptcy. Seller is not a party to any voluntary or involuntary proceedings in bankruptcy, reorganization or similar proceedings under the federal bankruptcy laws or under any state laws relating to the protection of debtors, or subject to any general assignment for the benefit of creditors, and to the best of Seller's actual knowledge, no such action has been threatened.

8.1.15 Knowledge Defined. The terms "Seller's actual knowledge", "Seller's knowledge" or equivalent language (a) shall mean and apply to the actual, conscious knowledge of Diane A. Oberhelman, Christopher M. West, and/or Michael C. Owens who are the responsible members of Seller and are directly engaged in the operation and sale of the Property, and Stephanie Webster, who was one of the construction managers with respect to the Property, and not to any other persons. Such term shall not include a duty to inquire or investigate any facts or information with respect to the Property, and shall not apply to or be construed to apply to information or material which may be in the possession of Seller generally or incidentally, but which is not actually known to the officers and responsible employees of Seller who are directly engaged in the sale and purchase transaction described herein.

8.1.16 Representations, Warranties and Covenants Re-made at Closing. The foregoing warranties and representations are true, and the foregoing covenants are in full force and effect and binding on Seller as of the Effective Date hereof and shall be in full force and effect and deemed to have been automatically reaffirmed and restated by Seller as of the Closing Date. Prior to Closing,

Purchaser shall have fully examined and inspected the Property and shall have become thoroughly familiar with the condition, status and usability of the same. Subject to the express terms and conditions of this Agreement, including, without limitation, the representations and warranties set forth in this Paragraph 8, Purchaser is willing to and shall accept the Property "AS IS, WHERE IS" "WITH ALL FAULTS" on the date of the Closing. All agreements or other conditions of this Agreement shall not survive the Closing, unless otherwise specifically provided herein. Seller hereby indemnifies Purchaser and its members and their approved respective successors, assigns, affiliates, and the trustees, directors, officers, employees and controlling persons or entities, and hold each of them harmless from and against any and all claims, liabilities, damages, penalties, losses, costs, and expenses (individually, a "Claim") to which Purchaser may be subject or incur to the extent incident to, resulting from, or in any way arising out of or attributable to any breach of, or any fact that is inconsistent with, any of Seller's representations set forth in Paragraph 8 or the Seller's covenants in Paragraphs 7.1, 8 and 9.5.1. If prior to Closing Seller has disclosed in writing to Purchaser any facts or circumstances that are inconsistent with Seller's representations set forth in this Agreement, and Purchaser elects to close this transaction notwithstanding such disclosure, Seller will not be deemed to have made a misrepresentation to Purchaser under this Agreement. The representations and warranties and this indemnification shall constitute a continuing right to indemnification and shall survive the Closing or termination of this Agreement for only a period of eighteen (18) months. If Purchaser does not notify Seller of any matter for which it asserts indemnification under this Subparagraph on or before the eighteenth month anniversary of the Closing Date, it shall be deemed to have waived any such right of indemnification.

8.2. Seller's Covenants and Obligations With Respect to the Operation of the Property Prior to Closing.

8.2.1 Agreements Affecting the Property. Seller hereby covenants and agrees with Purchaser that, so long as this Agreement remains in full force and effect, Seller will not sell, assign, rent, lease, convey (absolutely or as security), grant a security interest in, or otherwise encumber or dispose of, the Property (or any interest or estate therein) which cannot or will not be removed at Closing, without the prior written consent of the Purchaser.

8.2.2 Existing Leases. Between the Effective Date and the Inspection Date, Seller will notify Purchaser of (prior to entering into) any proposed amendments or modifications of the Lease. Provided Purchaser is not otherwise in default, after the Inspection Date, Seller shall not (and shall not permit any other party to) amend, modify, or cancel the Lease, nor consent to any action to be taken by Tenant under the Lease to the extent the consent of the Seller is required to be obtained under the Lease, without obtaining Purchaser's prior express written consent, which consent shall not be unreasonably withheld or delayed beyond seventy-two (72) hours of the time notice is received by Purchaser by telefax or email (the "Response Period"). In the event of a failure by Purchaser to respond to the notice of Seller within said Response Period, then Purchaser's right to consent shall be waived. Seller shall, from and after the Effective Date to the Closing Date, perform and discharge, or cause to be performed and discharged, all of the duties and obligations of the landlord or lessor under the Lease and shall otherwise comply with every covenant and agreement of the landlord or lessor under the Lease, at Seller's expense. Furthermore, Seller shall, for the same period of time, use diligent and good faith efforts in the same manner as it has prior to the date hereof to cause the Tenant under the Lease to perform its duties and obligations.

8.2.3 Maintenance of Insurance. Seller shall maintain in full force and effect all existing policies of insurance relating to the Property through and including the Closing Date, shall pay all premiums with respect to such insurance on or before the due date therefore, and shall not knowingly take any action which would cause such insurance not to remain in full force and effect or fail knowingly to take any action required to maintain such insurance in full force and effect. At Closing such policy shall be canceled.

8.3. **Purchaser's Covenants, Representations and Warranties.** Purchaser hereby represents and warrants to Seller as follows:

8.3.1 **Purchaser's Authority.** Purchaser has the right, power and authority to enter into this Agreement and the right, power and authority to purchase the Property in accordance with the terms and conditions of this Agreement, and the individuals signing this Agreement on behalf of Purchaser have the right, power and authority to bind Purchaser in accordance with the terms hereof. Neither the execution and delivery of this Agreement nor any other documents executed and delivered, or to be executed and delivered, by Purchaser in connection with the transactions described herein, will violate any provision of Purchaser's articles of organization or operating agreement, or of any agreements, regulations, or laws to which Purchaser is bound.

8.3.2 **Authorization.** Purchaser is a limited liability company duly organized and validly existing under the laws of the state of Washington. This Agreement has been duly authorized, executed and delivered by Purchaser, is a valid and binding obligation of Purchaser and is enforceable against Purchaser in accordance with its terms. Purchaser hereby indemnifies Seller and its members and their respective successors, assigns, affiliates, and the trustees, directors, officers, employees and controlling persons or entities, and hold each of them harmless from and against any and all claims, liabilities, damages, penalties, losses, costs, and expenses (individually, a "Claim") to which Seller may be subject or incur to the extent incident to, resulting from, or in any way arising out of or attributable to any breach of, or any fact that is inconsistent with, any of Purchaser's representations set forth herein. The representations and warranties and the above indemnification shall constitute a continuing right to indemnification and shall survive the Closing or termination of this Agreement only for a period of eighteen (18) months. If Seller does not notify Purchaser of any matter for which it asserts indemnification under this Subparagraph on or before the eighteenth month anniversary of the Closing Date, it shall be deemed to have waived any such right of indemnification.

8.3.3 Purchaser shall, at, prior to, or subsequent to Closing, execute such further documents, including, without limitation, such easement agreements as are reasonably determined necessary by Tenant for Tenant to effectuate the terms of the Lease Addendum, including, without limitation, Paragraph 6 thereof and Paragraph 7 of the Option Agreement attached thereto. This provision shall survive Closing.

9. **Closing.**

9.1. **Time and Place.** Provided that all of the conditions set forth in this Agreement are theretofore satisfied or performed in all material respects, it being fully understood and agreed, however, that Purchaser may waive, at or prior to Closing, any conditions that are unsatisfied or unperformed at such time, the Closing shall be held at the office of the Title Company, on the Closing Date. This sale shall be closed through an escrow with the Title Company in accordance with the general provisions of usual form of Special Warranty Deed and Money Escrow Agreement then used by the Title Company, with such applicable provisions inserted in the Escrow Agreement as may be required to conform with this Agreement. Upon the creation of such an Escrow, anything herein to the contrary notwithstanding, payment of the purchase price and delivery of the Deed shall be made through the Escrow and this Agreement and earnest money shall be deposited in the Escrow. The cost of the Escrow shall be divided equally between Seller and Purchaser.

9.2. **Seller's Closing Documents and Deliveries.** For and in consideration of, and as a condition precedent to Purchaser's delivery to Seller of the Purchase Price described in Paragraph 4 hereof, Seller shall execute and deliver, or cause to be executed and delivered, to Purchaser at Closing the following documents (all of which shall be duly witnessed and notarized where required, and in the form of which are attached hereto as exhibits or shall be reasonably approved by the parties prior to the Inspection Date) and deliveries:

9.2.1 **Special Warranty Deed.** Special Warranty Deed in substantially the form set forth as **Exhibit E** attached hereto and made a part hereof, conveying to Purchaser Good and Marketable fee simple title to the Real Estate, together with all rights, members, easements and appurtenances thereto, expressly subject to the Permitted Title Exceptions.

9.2.2 **Transfer Tax Filings.** Executed documents complying with the provisions of all federal, state, county and local law applicable to the determination of transfer taxes, if any. The Seller shall pay the required transfer tax.

9.2.3 **Seller's Affidavit.** A Seller's Affidavit in sufficient form and substance to allow the Title Company to delete the "standard printed exceptions" from Purchaser's title policy, other than the survey exception, which shall be amended to reflect all matters on the Survey to which Purchaser agrees to take subject.

9.2.4 **Blanket Bill of Sale and Transfer.** A blanket bill of sale, transfer and assignment agreement in substantially the form set forth as **Exhibit F** attached hereto and made a part hereof assigning to Purchaser all of Seller's right, title and interest in and to any and all Personal Property and Intangible Property, including the Warranties.

9.2.5 **Assignment of Lease.** An assignment and assumption of the Lease in substantially the form set forth as **Exhibit G** attached hereto and made a part hereof assigning to Purchaser all of Seller's right, title and interest in and to the Lease and Guaranties with a cross-indemnity between Seller and Purchaser with Seller indemnifying Purchaser with respect to any liability arising under the Lease for the period up to, but not including, the Closing Date, and Purchaser indemnifying Seller with respect to any liability arising under the Lease arising on and after the Closing Date, respectively, and with an express assumption by Purchaser of Seller's obligations under the Lease arising on and after the Closing Date.

9.2.6 **Tenant Notice.** Notice from Seller to Tenant of the sale of the Property to Purchaser in such form as attached as **Exhibit H**.

9.2.7 **Seller's Certificate.** A certificate addressed to Purchaser stating that the representations and warranties set forth in Paragraph 8 are true and correct as of the Closing in all material respects or stating any exceptions thereto, and such certificate shall contain the qualifications set forth in Paragraph 8.

9.2.8 **Closing Statement.** A closing statement setting forth the schedule of all payments, credits and disbursements as provided herein.

9.2.9 **Certificate of Non-Foreign Status.** A certificate addressed to Purchaser made in compliance with Paragraph 1445 of the Internal Revenue Code that Seller is not a foreign corporation and not subject to withholding requirements.

9.2.10 **Lease Agreement, etc.** The original Lease and Guaranty.

9.2.11 **Authority.** Evidence of Seller's authority to consummate the transactions contemplated herein, as reasonably required by the Title Company.

9.2.12 **Permits.** Any and all governmental permits, licenses or privileges pertaining to the Property or used in connection therewith in Seller's possession.

9.2.13 **Warranties.** All original Warranties held by Seller.

9.3. **Purchaser's Closing Documents and Deliveries.** Purchaser shall execute and deliver at Closing the following documents (all of which shall be duly witnessed and notarized where required) and deliveries:

9.3.1 **Assignment of Lease.** The assignment and assumption of the Lease described herein above.

9.3.2 **Transfer Tax Filings.** Executed documents complying with the provisions of all federal, state, county and local law applicable to the determination of transfer taxes, if any.

9.3.3 **Closing Statement.** A closing statement setting forth the schedule of all payments, credits and disbursements as provided herein. Seller and Purchaser agree to execute and deliver such other documentation as may be necessary or desirable to consummate the transactions contemplated herein, including, without limitation, a closing statement.

9.4. **Costs.** At Closing, Seller and Purchaser shall pay their own respective costs incurred with respect to the consummation of the purchase and sale of the Property as contemplated herein, including, without limitation, attorneys' fees. Notwithstanding the foregoing, it is expressly agreed that Seller shall pay the transfer taxes, the cost of the title insurance examination and basic premium for the owner's title insurance policy and the cost of the Survey, and Purchaser shall pay the cost of all recording fees, the cost of extended coverage and special title insurance endorsements. Seller and Purchaser will each pay one-half (1/2) of all costs of escrow incurred by the Escrow Agent in fulfilling its obligations under this Agreement.

9.5. **Prorations.** The following items shall be prorated between Seller and Purchaser as of 11:59 p.m. of the day immediately preceding the Closing Date,; such prorations favoring Purchaser shall reduce the Purchase Price payable by Purchaser at the Closing, and such prorations favoring Seller shall increase the Purchase Price payable by Purchaser at Closing:

9.5.1 **Rents.** Rents, Additional Charges (as defined in the Lease), and other income of the Property collected by Seller from Tenant under the Lease. No credit will be given to the Seller for accrued and unpaid rent or any other non-current sums due from Tenant until said sums are paid. Purchaser will use reasonable efforts after Closing to collect any rent under the Lease which has accrued as of the Closing; provided, however, Purchaser will not be obligated to sue Tenant or exercise any legal remedies under the Lease. Any portion of any rents collected on or subsequent to the Closing Date and properly allocable to periods prior to the Closing Date will be paid, promptly after receipt, to the Seller, but subject to all of the provisions of this Paragraph hereof; and any portion thereof properly allocable to periods on or subsequent to the Closing Date will be paid to Purchaser. All payments collected from Tenant after Closing will first be applied as directed in writing from Tenant, then to any rent due to Purchaser for the period from and after the Closing Date and finally to any rent due to Seller for the period prior to the Closing Date.

9.5.2 **Property Taxes and Insurance.** Property taxes and insurance are paid by Tenant and, therefore, no proration is required.

9.5.3 **Security Deposit.** There is no Security Deposit paid by Tenant.

10. Default.

10.1. **Purchaser's Default.** In the event (i) the Additional Deposit is not timely made as required in Section 3, or (ii) the sale and purchase of the Property is not consummated because of default by Purchaser under the terms of this Agreement, Seller's sole and exclusive remedy shall be to receive from Escrow Agent the Earnest Money then on deposit with Escrow Agent, as full liquidated damages, and thereafter the parties hereto shall have no further rights or obligations hereunder whatsoever, except for such rights or obligations that, by the express terms hereof, survive any termination of this Agreement. It is hereby agreed that, without resale, Seller's damages will be difficult to ascertain and that the Earnest Money constitutes a reasonable forecast thereof and is intended not as a penalty, but as full liquidated damages. Seller agrees that in the event of a default by Purchaser, it shall not initiate any proceeding to recover damages from Purchaser in excess of the Earnest Money, and Purchaser shall not initiate any proceeding challenging Seller's right to receive the full amount of the Earnest Money as liquidated damages. This provision for liquidated damages does not, however, prevent Seller from enforcing Seller's right to indemnification as provided elsewhere in this Agreement or limit Seller's recovery from Purchaser, or Seller's express remedies against Purchaser, under any such indemnity.

10.2. **Seller's Default.** Subject to any rights to cure expressly provided herein and in the event Purchaser has, in all material respects, complied with the terms and conditions of this Agreement, the sale and purchase of the Property is not consummated because of default by Seller of this Agreement, Purchaser may either: (i) terminate this Agreement, receive a refund of the Earnest Money from Escrow Agent and a reimbursement from Seller of Purchaser's actual costs and expenses incurred in connection with this transaction, whereupon the parties hereto shall have no further rights or obligations under this Agreement, except for such rights and obligations that, by the express terms hereof, survive any termination hereof; or (ii) bring an action for specific performance of this Agreement. This provision for Purchaser's remedies does not, however, prevent Purchaser from enforcing Purchaser's right to indemnification as provided elsewhere in this Agreement or limit Purchaser's recovery from Seller, or Purchaser's express remedies against Seller, under any such indemnity. Notwithstanding the foregoing, Purchaser shall not be entitled to exercise its remedies against Seller under this Agreement, even if Seller has frustrated the availability of specific performance or for any other reason, if, within ten (10) days after Seller has received notice from Purchaser of such default, Seller shall have cured such default to Purchaser's satisfaction. After the expiration of such 10-day cure period, if Seller has not cured such default, Purchaser shall be entitled to exercise its remedies against Seller under this Agreement.

11. Casualty and Condemnation.

11.1. **Risk of Loss.** Until the Closing Date, all risk of loss of, or damage to, or destruction of, the Property (whether by fire, flood, tornado or other casualty, or by the exercise of the power of eminent domain, or otherwise) shall belong to and be borne by Seller. After the Closing Date, all risk of loss of, or damage to, or destruction of, the Property (whether by fire, flood, tornado or other casualty, or by the exercise of the power of eminent domain, or otherwise) shall belong to and be borne by Purchaser.

11.2. **Casualty and Condemnation.** In the event prior to the Closing Date of: (i) any casualty or damage to the Property or any material portion thereof or (ii) any taking or threat of taking by condemnation (or any conveyance in lieu thereof) of the Property or any material portion thereof (by anyone having the power of eminent domain) then Purchaser may terminate this Agreement by written notice within five (5) days of notice of the occurrence by Seller to Purchaser. In the event that Purchaser fails to notify Seller of its termination under the previous sentence, then Purchaser shall consummate the purchase of the Property without reduction in the Purchase Price and Seller shall, on the Closing Date, pay to Purchaser the amount of all uninsured losses (including any insurance deductible) and all insurance proceeds then received by Seller and all condemnation awards and compensation then received by Seller. In addition, Seller shall transfer and assign to Purchaser, in form reasonably

satisfactory to Purchaser, all rights and claims of Seller with respect to payment for damages and compensation on account of such damage, destruction or taking.

12. **Assignment.** Neither Purchaser nor Seller may assign its rights, title and interest herein to any person or entity without the prior written consent of the other party, provided, however, that any such assignee shall expressly assume all of Purchaser's duties, obligations and liabilities hereunder, and notice of such assignment (including a fully executed counterpart thereof) shall be provided with reasonable promptness to Seller. Upon any such assignment and assumption and the Closing, the assigning Purchaser shall be released from and relieved of any of its duties, obligations and liabilities hereunder. Notwithstanding the foregoing, Purchaser may assign its rights under this Agreement to one or more entities affiliated with, controlled by, or under common control with Purchaser on one or more occasions without seeking or obtaining Seller's consent. Nothing in this provision shall be interpreted to limit a Party's ability to assign this Agreement under Paragraph 15.21.

13. **Brokerage.** Purchaser and Seller each hereby represents to the other that it has not discussed this Agreement or the subject matter thereof with any real estate broker, agent or salesman, so as to create any legal right in any such broker, agent or salesman, to claim a real estate commission or similar fee with respect to the conveyance of the Property contemplated by this Agreement (except that Seller has retained Stan Johnson Company ["Seller's Broker"] and pursuant to a separate agreement, Seller will be solely responsible for payment to Seller's Broker of its commission and except that Purchaser has retained Stan Johnson Company ["Purchaser's Broker"] and pursuant to a separate agreement, Purchaser will be solely responsible for payment to Purchaser's Broker of its commission) and agrees to hold the other harmless from any and all claims (including, without limitation, court costs and attorneys' fees incurred in connection with any such claims) for any real estate commissions or similar fees arising out of or in any way connected with any claimed agency relationship with the indemnitor and relating to the transaction contemplated by this Agreement. This Paragraph 14 shall survive Closing or termination of this Agreement.

14. **Notices.** Wherever any notice or other communication is required or permitted hereunder, such notice or other communication shall be in writing and shall be delivered by (i) hand, (ii) by U.S. registered or certified mail, return receipt requested, postage prepaid, (iii) by overnight courier service, or (iv) by facsimile transmission (confirmed by method (i), (ii) or (iii)), to the addresses, as appropriate, set out below or at such other addresses as are specified by written notice delivered in accordance herewith:

Seller: Cullinan Medical 1, LLC
c/o Cullinan Companies L.L.C.
Attn: Michael C. Owens
2020 W. War Memorial Drive
Suite 103
Peoria, Illinois, 61614
Telephone: (309) 999-1700
Telefax: (309) 999-1701
mowens@cullprop.com

with a copy to

Richard M. Joseph, Esq.
Miller, Hall & Triggs
416 Main Street
Peoria, Illinois 61602
Phone: (309) 671-9600
Fax: (309) 671-9616
richard.joseph@mhtlaw.com

Purchaser: Gary Rood
Rood Investments, LLC
7600 NE 41st Street, Suite 330
Vancouver, WA 98662
Telephone: 360-892-2920
Telefax: 360-892-2146
groud@roodinvestments.com

with a copy to: Aaron J. Besen
Sussman Shank LLP
1000 SW Broadway, Suite 1400
Portland, OR 97205
Telephone: 503-227-1111
Telefax: 503-248-0130
abesen@sussmanshank.com

Escrow Agent: Donna Kogut
Attorneys' Title Guaranty Fund,
As agent for First American Title
One South Wacker Drive
24th Floor
Chicago, IL 60606
Phone: (312) 372-8361
Fax: (312) 372-9509
dkogut@atgf.com

Any such notice shall be considered given on the date of such hand or courier delivery, the next business day after deposit with such overnight courier for next business day delivery, or upon transmission on a business day by facsimile with confirmation, or three (3) days after deposit in the United States mail, but the time period (if any is provided herein) in which to respond to such notice shall commence on the date of hand or courier delivery, one business day after deposit with an overnight courier, or upon transmission on a business day by facsimile with confirmation, or on the date received following deposit in the United States mail as provided above. Rejection or other refusal to accept or inability to deliver because of changed address of which no notice was given shall be deemed to be receipt of the notice. Any notice from counsel for either party shall be deemed an official notice from such party. By giving at least five (5) days' prior written notice thereof, any party may from time to time and at any time change its mailing address hereunder.

15. Miscellaneous.

15.1. **As is.** Purchaser acknowledges and agrees that Purchaser is acquiring the Property subject to all existing laws, ordinances, rules and regulations, and that neither Seller nor any of Seller's agents, brokers, employees, representatives and attorneys (collectively, "Seller's Agents") have made any warranties, representations, promises, covenants, agreements or statements regarding the availability of any approvals, or the laws, ordinances, rules or regulations of any governmental or quasi-governmental body, entity, district or agency having authority with respect to the ownership, possession, development, occupancy, condition and/or use of the Property except as expressly provided herein. Purchaser further acknowledges and agrees that except for the specific warranties and representations specifically set forth in this Agreement, Seller specifically negates and disclaims any representations, warranties, promises, covenants, agreements or guaranties of any kind or character whatsoever, whether

express or implied, oral or written, past, present or future, of, as to, concerning or with respect to the Property. Seller is not liable or bound in any manner by any oral or written statements, representations or information pertaining to the Property, or the operation thereof, furnished by any of Seller's Agents or any other person. Purchaser moreover acknowledges that (i) Purchaser is a sophisticated investor, knowledgeable and experienced in the financial and business risks attendant to an investment of real property and capable of evaluating the merits and risks of entering into this Agreement and purchasing the Property, (ii) that Purchaser has entered into this Agreement with the intention of relying upon its own or its experts' investigation of the physical, environmental, economic and legal condition of the Property, including, without limitation, the compliance of the Property with laws and governmental regulations and the operation of the Property, and (iii) that Purchaser is not relying on any representations and warranties made by Seller or Seller's Agents or anyone acting or claiming to act on Seller's behalf concerning the Property except as expressly provided herein. Purchaser further acknowledges that it has not received from Seller any accounting, tax, legal, architectural, engineering, property management or other advice with respect to this transaction and is relying upon the advice of its own accounting, tax, legal, architectural, engineering, property management and other advisors. Purchaser acknowledges and agrees to the maximum extent permitted by law, that the sale of the Property as provided for herein is made on an "As-Is, Where Is" condition and basis "WITH ALL FAULTS" and Purchaser assumes the risk that adverse physical, environmental, economic or legal conditions may not have been revealed by its investigations. Seller shall have no liability for any subsequently discovered defects, whether latent or patent. Purchaser has or will prior to Closing independently investigate and verify to Purchaser's satisfaction the extent of any limitations of uses of or restrictions on the Property. SUBJECT TO THE EXPRESS TERMS OF THIS AGREEMENT, AFTER CLOSING, AS BETWEEN PURCHASER AND SELLER, THE RISK OF LIABILITY OR EXPENSE FOR ALL CONDITIONS AT THE PROPERTY, EVEN IF ARISING FROM EVENTS BEFORE CLOSING, WILL BE THE SOLE RESPONSIBILITY OF PURCHASER, REGARDLESS OF WHETHER THE CONDITIONS WERE KNOWN OR UNKNOWN AT CLOSING. SUBJECT TO THE EXPRESS TERMS OF THIS AGREEMENT, ONCE CLOSING OCCURS, PURCHASER RELEASES SELLER FROM LIABILITY FOR ANY LATENT AND PATENT DEFECTS AND FROM ANY LIABILITY FOR CONDITIONS AFFECTING THE PROPERTY, INCLUDING LIABILITY UNDER ANY ENVIRONMENTAL LAWS INCLUDING BUT NOT LIMITED TO THE COMPREHENSIVE ENVIRONMENTAL RESPONSE COMPENSATION AND LIABILITY ACT (CERCLA), THE RESOURCE CONSERVATION AND RECOVERY ACT (RCRA) AND ALL APPLICABLE LAWS IN THE STATE WHERE THE PROPERTY IS LOCATED, UNLESS SUCH LIABILITY WAS CAUSED BY SELLER OR SELLER'S AGENTS.

15.2. **Rules of Construction.** This Agreement shall be construed and interpreted under the laws of the State of Illinois. The titles of paragraphs and subparagraphs herein have been inserted as a matter of convenience of reference only and shall not control or affect the meaning or construction of any of the terms of provisions herein. All references herein to the singular shall include the plural, and vice versa.

15.3. **Attorneys' Fees.** In the event any claim is asserted by or against any of the parties hereto with respect to this Agreement or the subject matter hereof, the party or parties prevailing in any litigation resulting from such claim shall be entitled to receive the reasonable attorneys' fees and all court costs, incurred by the prevailing party or parties in such litigation from the party or parties who fail so to prevail.

15.4. **No Waiver.** Neither the failure of either party to exercise any power given such party hereunder or to insist upon strict compliance by the other party with its obligations hereunder, nor any custom or practice of the parties at variance with the terms hereof shall constitute a waiver of either party's right to demand exact compliance with the terms hereof.

15.5. **Entire Agreement.** This Agreement contains the entire agreement of the parties hereto with respect to the Property, and no representations, inducements, promises or agreements, oral or

otherwise, between the parties not embodied herein or incorporated herein by reference shall be of any force or effect.

15.6. **Binding Effect.** This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective personal representatives, successors and assigns (subject to Paragraph 13 above).

15.7. **Amendments.** No amendment to this Agreement shall be binding on any of the parties hereto unless such amendment is in writing and is executed by the party against whom enforcement of such amendment is sought.

15.8. **Time of Essence.** Time is of the essence of this Agreement.

15.9. **Possession.** Possession of the Property shall be granted by Seller to Purchaser no later than the Closing Date.

15.10. **Counterparts.** This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all such counterparts together shall constitute one and the same instrument.

15.11. **Time Periods.** If the time period by which any right, option or election provided under this Agreement must be exercised, or by which any act required hereunder must be performed, or by which the Closing must be held, expires on a Saturday, Sunday or legal holiday, then such time period shall be automatically extended through 5:00 p.m. on the next day after the first regularly scheduled business day. It is not the intent of either party to cause a forfeiture under this Agreement thus (other than should Purchaser fail to make the Additional Deposit by the date required or Closing not to take place by February 16, 2015) should Purchaser or Seller fail to make any election as herein provided, or fail to otherwise notify the other as required herein, as above described, then each shall give the other written notice of such failure and the failing party shall have three (3) additional days from the date of receipt of said written notice to make such election.

15.12. **Escrow Terms.** Escrow Agent shall hold the Earnest Money pursuant to Joint Order Escrow Instructions attached hereto as **Exhibit I** and shall otherwise hold and disburse the Earnest Money as provided in this Agreement. If Seller and Purchaser are in dispute for reasons other than non delivery of the Additional Deposit, regarding whether Purchaser is in default of its obligations under this Agreement (a "Dispute"), then, unless Purchaser has failed to notify Seller and Escrow Agent of its disagreement with Seller regarding whether Purchaser is in default, Seller and Purchaser agree to use their collective good faith efforts to resolve such Dispute by a telephone conference between Michael C. Owens, on behalf of Seller, and Gary Rood on behalf of Purchaser. This telephone conference will be held within five (5) days after Seller receives notice of such Dispute from Purchaser. The Escrow Agent is acting as a stakeholder only with respect to the Earnest Money and if there is any dispute as to whether Escrow Agent is obligated to deliver the Earnest Money or as to whom the Earnest Money is to be delivered or in the event the telephone conference between the Purchaser, Seller and Escrow Agent does not resolve the Dispute, Escrow Agent may refuse to make delivery and may continue to hold the Earnest Money until receipt by Escrow Agent of an authorization in writing, signed by Seller and Purchaser, directing the disposition of the Earnest Money; in the absence of any such written authorization, Escrow Agent may hold the Earnest Money until a final determination of the rights of the parties in an appropriate proceeding or may bring an appropriate action or proceeding for leave to deposit the Earnest Money in a court of competent jurisdiction pending such determination. Seller and Purchaser recognize that Escrow Agent's duties hereunder are only as specifically provided herein and are purely ministerial in nature; and Seller and Purchaser therefore agree that Escrow Agent shall, so long as it acts in good faith, have no liability to either except for its willful misconduct or gross negligence.

15.13. **Severability.** If any term, covenant or condition of this Agreement or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Agreement, or the application of such term, covenant or condition to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby and such term, covenant or condition shall be valid and enforceable to the fullest extent permitted by law.

15.14. **Exclusivity.** So long as this Agreement is in effect, Seller shall not contract to sell the Property (or any interest therein) to any party other than Purchaser, however, Purchaser acknowledges that Seller shall continue to advertise and solicit the Property and may entertain offers to purchase the Property (or an interest therein) until the transaction contemplated herein closes. Notwithstanding the foregoing, if Purchaser terminates this Agreement on or prior to the Inspection Date, or fails to deliver the Additional Deposit as required in Section 3, this exclusivity provision shall automatically terminate on the date Purchaser gives notice of its election to terminate this Agreement or at 2:00 pm on the last day of the Additional Deposit Date.

15.15. **Confidentiality.** Purchaser and Seller agree that all documents and information concerning the Property delivered to Purchaser will remain confidential, and neither party shall disclose any terms of this Agreement without the prior approval of the other. Either party will disclose such information only to those parties required to know it, including, without limitation, employees of either of the parties, consultants, and attorneys engaged by either such party, and prospective or existing investors and lenders and such other party as is required by this Agreement to be notified. Each party will indemnify, defend and hold the other party harmless for and against any claim arising from a breach by it or any of its affiliated entities of this Subparagraph. This Subparagraph shall survive the termination of this Agreement but will terminate upon purchase of the Property by the Purchaser

15.16. **Governing Law.** This Agreement will be construed and enforced in accordance with the laws of the State of Illinois.

15.17. **Jurisdiction; Venue.** Each party consents to the exclusive jurisdiction of any state or federal court located within Illinois. Each party further consents and agrees that venue of any action instituted under this Agreement will be proper solely in Peoria County, Illinois, and hereby waives objection to such venue.

15.18. **Waiver of Trial by Jury.** The parties hereby irrevocably waive their respective rights to a jury trial of any claim or cause of action based upon or arising out of this Agreement. This waiver will apply to any subsequent amendments, renewals, supplements or modifications to this Agreement. In the event of litigation, this Agreement may be filed as a written consent to a trial by the court.

15.19. **No Recordation.** In no event will this Agreement or any document or other memorandum related to the subject matter of this Agreement be recorded without the consent of Seller.

15.20. **Notice.** The submission of this Agreement for examination is not intended to nor will constitute an offer to sell or a reservation or option or proposal of any kind for the purchase of the Property. In no event will any draft of this Agreement create any obligation or liability, it being understood that this Agreement will be effective and binding only when a counterpart hereof has been executed and delivered by each party hereto and the Original Deposit is delivered to the Title Company.

15.21. **Like-Kind Exchange.** In the event Seller desires to consummate this transaction by way of a tax-deferred exchange, Purchaser agrees to cooperate to effectuate the transaction described in this Agreement with respect to the real estate as a tax-deferred exchange pursuant to Internal Revenue Code Section 1031; provided however that Purchaser shall not be obligated to incur any additional expense by reason of such exchange.

In the event Purchaser desires to consummate this transaction by way of a tax-deferred exchange, Seller agrees to cooperate to effectuate the transaction described in this Agreement with respect to the real estate as a tax-deferred exchange pursuant to Internal Revenue Code Section 1031; provided however that Seller shall not be obligated to incur any additional expense by reason of such exchange.

The party employing the tax-deferred exchange will pay all costs and expenses associated with effectuating such exchange. Notwithstanding anything in this Agreement to the contrary, the party employing the tax-deferred exchange may at its option, and without the other party's consent, assign this Agreement to a qualified exchange intermediary and any such assignment of rights or obligations shall not relieve, release, or absolve the party employing the tax-deferred exchange of its obligations under this Agreement. If Purchaser or Seller consist of more than one person or entity, each such person or entity shall separately have the right to enter into a tax-deferred exchange on the basis set forth in this paragraph.

IN WITNESS WHEREOF, each of the parties hereto has duly signed this Agreement, as of the Effective Date.

[SIGNATURES ON FOLLOWING PAGE]

SELLER:

CULLINAN MEDICAL 1, LLC
An Illinois limited liability company

By: Cullinan Companies L.L.C.
Its Manager

By: 
Michael Owens
Its Manager

Date of Seller's Execution 11/10, 2014

PURCHASER:

Rood Investments, LLC
A Washington limited liability company

By: 
W. Kevin Kelly
Its CEO

Date of Purchaser's Execution 11/10, 2014

EXHIBIT A

LEGAL DESCRIPTION OF THE LAND

Lot 1B of the Final Plat of Southtown Medical Subdivision; being a resubdivision of Lot 1 of Southtown Extension 3, being a resubdivision of part of Blocks 72, 73, 80, and 89 in Aiken, Monson, and Sanford Addition to the Town of Peoria, a subdivision of part of the Northwest Quarter of Section Nine (9), Township Eight (8) North, Range Eight (8) East of the Fourth Principal Meridian, as shown on the Plat recorded _____, 2014, in Plat Book _____ at Page _____; situated in the County of Peoria and State of Illinois.

EXHIBIT B

[DUE DILIGENCE ITEMS]

1. A complete copy of all leases affecting the Property and all amendments thereto and of all material correspondence relating thereto.
2. A copy of all surveys and site plans of the Property, including, without limitation, any as-built surveys obtained or delivered to tenants of the Property in connection with its construction.
3. A copy of all architectural plans and specifications and construction drawings for improvements located on the Property to include but not be limited to as built plans.
4. A copy of Seller's title insurance commitments and policies relating to the Property.
5. A copy of the certificate of occupancy and zoning reports for the Property and of all governmental permits and approvals.
6. A copy of all environmental, engineering and physical condition reports for the Property.
7. Copies of the Property's real estate tax bills for the current and prior two (2) tax years.
8. All service contracts and insurance policies which affect the Property, if any.
9. A copy of all warranties relating to the improvements constructed on the Property, including without limitation any structural slab or roof warranties.
10. A written inventory of all items of personal property to be conveyed to Buyer, if any.

EXHIBIT C

PERMITTED TITLE EXCEPTIONS

[TO BE REVISED ONCE SELLER RECEIVES UPDATED TITLE INSURANCE COMMITMENT]

1. Taxes for the year 2014, 2015, and thereafter;
2. Surveyor's Affidavit recorded October 18, 2007 as Document No. 07-34034 to correct scrivener's error on Plat of Subdivision recorded October 1, 2007 in Plat Book 11 at page 30;
3. Surveyor's Affidavit recorded October 12, 2007 as Document No. 33384 to correct scrivener's error on Plat of Subdivision recorded October 1, 2007 in Plat Book 11 at page 30;
4. Reservation of easements and rights and restrictions as contained in Ordinance No. 16,028, to Vacate Shipman Street and Goodwin Street, between R.B. Garrett Avenue and Fourth Avenue; Fourth Avenue, between Hightower Street and Goodwin Street; and the alleys located in Blocks 73, 80 and 89 of Aiken, Monson and Sanford's Addition to the Town (now City) of Peoria, dated November 21, 2006, and recorded December 11, 2006, as Document No. 06-39913.
5. Ordinance No. 16,034, to amend Ordinance No. 11,051 as adopted on December 28, 1982, expending the boundaries of the Enterprise Zone, dated November 28, 2006, and recorded April 26, 2007, as Document No. 07-12415.
6. General Easement granted to Illinois Bell Telephone Company a/k/a Ameritech Illinois, dated April 13, 1998, and recorded May 19, 1998, as Document No. 98-18102. (affects Lot 1, Block 73).
7. Rights of the public and quasi-public utilities, if any, in said vacated Goodwin Street, Shipman Street, Fourth Avenue and Alleys in Block 73, 80 and 89 in Monson and Sanford's Addition to the City of Peoria for maintenance therein of poles, conduits, sewers and other facilities
8. Ordinance No. 11,489 recorded May 9, 1986, as Document No. 86-07992 and amended by document recorded June 26, 1991 as Document No. 91-14538.
9. Electric Underground Easement granted to Central Illinois Light Company d/b/a AmerenCILCO, dated June 9, 2008 and recorded July 16, 2008 as Document No. 08-21393.
10. Ordinances of the City of Peoria;
11. Existing leases and tenancies, and rights of tenants thereunder, and those claiming by, through, or under those tenants.
12. Apparent Easement for public Utilities along the North line of the property as shown on the Survey made by Cluskey & Cochran Land Surveying, LLC dated October 4, 2012 and known as Job no. 1174.

EXHIBIT D

[FORM OF ESTOPPEL CERTIFICATE]

_____, 2014

TENANT ESTOPPEL CERTIFICATE

1. Re: Lease Agreement dated December 21, 2007 (the "Lease") by and between CULLINAN MEDICAL 1, LLC, an Illinois limited liability company, having its principal office at 211 Fulton Street, Suite 700, Peoria, Illinois 61602 ("Landlord") and GREATER PEORIA SPECIALTY HOSPITAL, LLC, a Delaware limited liability company having its principal office at 221 Northeast Glen Oak Avenue, Peoria, Illinois 61636-0002 ("Tenant"), for the construction and lease of certain facilities and other site improvements located upon that real property described within the Lease (the "Leased Property").

Gentlemen:

Reference is hereby made to the above-referenced Lease. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Lease.

Upon request of Landlord, Tenant does hereby certify as follows:

(a) The Lease, a complete and accurate copy of which is attached hereto as Exhibit A and incorporated herein by this reference, is in full force and effect, there are no amendments or modifications of any kind to the Lease, except for (1) that certain Subordination, Non-Disturbance and Attornment Agreement dated December 7, 2012 by and among Illinois National Bank, Landlord and Tenant, (2) that certain Guaranty of The Methodist Medical Center of Illinois and RehabCare Group, Inc. dated December 21, 2007 in favor of Landlord, as amended by that certain Amendment to Financial Reporting Obligations of the Methodist Medical Center of Illinois under Guaranty dated December 20, 2012, and that certain Amendment to Financial Reporting Obligations of RehabCare Group, Inc. under Guaranty dated November 30, 2012, (3) the various documents prepared pursuant to the Work Letter (Exhibit D to the Lease) (the "Work Letter"), and (4) that certain Letter Agreement between Landlord and Tenant dated March 7, 2013, and approved by tenant on March 8, 2014, in regards to sale of a portion of the Land attached hereto as Exhibit B, there are no other promises, agreements, understandings or commitments between Landlord and Tenant relating to the Leased Property, and Tenant has not given Landlord any notice of termination thereunder.

(b) There has been and is now no subletting of the Leased Property, or any part thereof, or assignment by Tenant of the Lease, or any rights therein, to any party.

(c) To Tenant's actual knowledge, (1) no uncured default, event of default or breach by Landlord exists under the Lease, (2) no fact or circumstances exist that, with the giving of notice or passage of time, will or could constitute a default, event of default or breach under the Lease; and (3) Tenant has made no claim against Landlord alleging Landlord's default under the Lease.

(d) Tenant is in full and complete possession of and has accepted its Leased Property, including all work of Landlord performed thereon pursuant to the terms and provisions of the Lease or otherwise, and to the best of Tenant's knowledge, all areas of the Leased Property (including, without limitation, the improved structures located thereon, parking areas, sidewalks, access ways and landscaping) are in

**EXHIBIT A TO ESTOPPEL CERTIFICATE
LEASE**

EXHIBIT B TO ESTOPPEL CERTIFICATE

[Letter Agreement and Exhibits]

EXHIBIT E

FORM OF SPECIAL WARRANTY DEED

**SPECIAL
WARRANTY DEED -
Peoria County**

THIS DOCUMENT PREPARED BY:

RICHARD M. JOSEPH
416 Main Street, Suite 1125
Peoria, Illinois 61602

AFTER RECORDING MAIL TO:

SPECIAL WARRANTY DEED

FOR AND IN CONSIDERATION OF TEN AND NO/100 DOLLARS (\$10.00) AND OTHER GOOD AND VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the GRANTOR, **CULLINAN MEDICAL 1, LLC**, an Illinois limited liability company, **DOES HEREBY GRANT, BARGAIN AND SELL to GRANTEE**, _____, a _____, and its successors and assigns, **FOREVER**, the real property located in the City of Peoria, County of Peoria, State of Illinois, legally described on Exhibit A (the "Property"), attached hereto, together with all and singular, the tenements, hereditaments, easements, rights-of-way and appurtenances belonging or in anywise appertaining to the same, subject solely to the matters set forth in Exhibit B attached hereto and made a part hereof.

And Grantor, for itself, and its successors and assigns, hereby covenants with Grantee that it has not done, or suffered to be done, anything whereby the said real property hereby granted is, or may be, in any manner encumbered or charged, except as herein recited, and that Grantor is lawfully seized of said real property in fee simple subject, however, to the matters set forth in Exhibit B attached hereto and made a part hereof; that Grantor has good right and lawful authority to sell and convey said real property; and hereby warrants the title to said real property and will **WARRANT AND DEFEND** the same against the lawful claims of all persons claiming by, through or under Grantor, but not otherwise.

Grantor hereby releases and waives all rights under and by virtue of the Homestead Exemption Laws of the State of Illinois.

DATED this _____ day of _____, 2014.

CULLINAN MEDICAL 1, LLC,
an Illinois limited liability company

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

By: _____
Its _____

STATE OF ILLINOIS)
) SS.
COUNTY OF PEORIA)

I, the undersigned, a Notary Public, in and for said County and State aforesaid, DO HEREBY CERTIFY, that _____, personally known to me to be the _____ of Cullinan Companies L.L.C., an Illinois limited liability company, the Manager of Cullinan Medical 1, LLC, an Illinois limited liability company, and personally known to me to be the same person whose name is subscribed to the foregoing instrument appeared before me this day in person and acknowledged that he/she signed, sealed and delivered said instrument as his/her free and voluntary act and as the free and voluntary act of said company, for the uses and purposes therein set forth, including the release and waiver of the right of homestead.

Given under my hand and Notarial Seal this _____ day of _____, A.D. 2014.

Notary Public

MAIL TAX STATEMENT TO:

EXHIBIT A TO SPECIAL WARRANTY DEED
LEGAL DESCRIPTION
[TO BE ADDED ONCE SURVEY IS COMPLETE]

EXHIBIT B TO SPECIAL WARRANTY DEED

PERMITTED EXCEPTIONS

[TO BE ADDED ONCE TITLE COMMITMENT IS COMPLETE]

EXHIBIT F

FORM OF BLANKET BILL OF SALE AND ASSIGNMENT

THIS BLANKET BILL OF SALE AND ASSIGNMENT is made and entered into this ____ day of _____, 2014, between **Cullinan Medical 1, LLC**, an Illinois limited liability company ("Assignor"), and _____, a _____ ("Assignee");

WITNESSETH:

For and in consideration of the sum of Ten and No/100 Dollars (\$10.00), the purchase and sale of all that improved tract or parcel of land more particularly described on Exhibit A, attached hereto and incorporated herein by this reference (the "Land"), and other good and valuable consideration, in hand paid, the receipt and sufficiency of which are hereby acknowledged prior to the signing, sealing and delivery of these presents, Assignor and Assignee agree as follows:

1. **Bill of Sale and Assignment.**

Assignor has granted, bargained, sold, alienated, conveyed, and confirmed and by these presents does grant, bargain, sell, alien, convey, and confirm unto Assignee all of Assignor's right, title, and interest in and to the following:

A. All tangible personal property ("Tangible Personal Property") owned by Assignor and located on or about the Land or located within any improvements, structures or fixtures located on the Land (the "Improvements") or attached or appurtenant thereto or used or intended for use in connection with the operation thereof, and all other items of equipment, appliances, furnishings, fixtures and inventory which are located in, on, upon or under the Land or the Improvements for use in connection therewith.

B. All intangible property ("Intangible Personal Property") owned or held by Assignor in connection with the Land, the Improvements or the Tangible Personal Property, or any business or businesses now or hereafter conducted thereon or with the use thereof, including, but not limited to, contract rights and agreements and all right of Assignor in all business licenses, occupancy and operating permits and licenses, if any, including the Seller's Certificate of Need, to the extent assignable, warranties (including, but not limited to, those relating to construction or fabrication), plans and specifications, utility contracts, governmental approvals and development rights, related to the Land, the Improvements or the Tangible Personal Property or any part thereof.

TO HAVE AND TO HOLD all of the Tangible Personal Property and Intangible Personal Property hereby conveyed unto Assignee, its successors and assigns, to its own use. Assignor warrants title to such Tangible Personal Property and Intangible Personal Property to be free and clear of all security interests, liens and encumbrances made by Assignor or any person claiming by, through, or under Assignor. It is the intention of Assignor to transfer all of Assignor's right, title and interest in and to the Tangible Personal Property and the Intangible Personal Property to Assignee.

3. **Acknowledgment.** This Blanket Bill of Sale and Assignment is given pursuant to that certain Purchase and Sale Agreement by and among Assignor and Assignee dated _____ (the "Agreement"), providing for, among other things, the conveyance by Assignor to Assignee of the above-described property, together with the Land and the Improvements.

4. **Assigns.** This Blanket Bill of Sale and Assignment and the covenants, warranties and representations herein contained shall be binding upon and inure to the benefit of Assignor and Assignee and their respective successors and assigns.

5. As Is. Subject to the express terms and conditions of the Agreement, including, without limitation, the representations and warranties set forth in Paragraph 8, Purchaser is willing to and shall accept the Property "AS IS, WHERE IS" "WITH ALL FAULTS" on the date of the Closing.

6. Acceptance. As of the date of this Assignment, Assignee hereby accepts the foregoing Bill of Sale and hereby agrees to assume and discharge, in accordance with the terms thereof, all of the burdens and obligations of Assignor related to the Intangible Property first arising and accruing on and after the date hereof.

7. Governing Law. This Blanket Bill of Sale and Assignment shall be governed, construed, enforced and interpreted in accordance with the laws of the State of Illinois.

8. Signatures. Assignor agrees to the terms hereof and has duly executed and delivered this Blanket Bill of Sale and Assignment as of the date first above written.

9. Counter parts. This Bill of Sale may be executed in one or more counterparts, each of which such counterpart will be deemed an original for all purposes and all of such counterparts collectively constituting of one such Bill of Sale.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, Assignor and Assignee have signed, sealed and delivered this instrument as of the day and year first above written.

ASSIGNOR:

Cullinan Medical 1, LLC
an Illinois limited liability company

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

By: _____
Name: _____
Title: Manager

ASSIGNEE

a/an _____

By: _____
Its: _____

EXHIBIT G

FORM OF ASSIGNMENT OF LEASE

This Assignment and Assumption of Lease (this "Agreement") is made and entered into this ____ day of _____, 2014, by and between Cullinan Medical 1, LLC, an Illinois limited liability company (Assignor), and _____, a _____ ("Assignee").

WITNESSETH:

WHEREAS, concurrently with the execution and delivery of this Agreement, Assignor is conveying to Assignee, by Special Warranty Deed (the "Deed"), that certain real property legally described in Exhibit A attached hereto and made a part hereof for all purposes (the "Property");

WHEREAS, Assignor has agreed to assign to Assignee that certain lease and guaranty as hereinafter set forth;

NOW, THEREFORE, in consideration of the receipt of Ten Dollars (\$10.00), the assumptions by Assignee hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee agree as follows:

1. Assignor does hereby ASSIGN, SET OVER and DELIVER to Assignee, its successors and assigns, subject to the exceptions to title set forth in the Deed, all of Assignor's rights, titles and interests in and to that (i) certain Lease by and between Assignor, as Landlord, and Greater Peoria Specialty Hospital, LLC, a Delaware limited liability company, as Tenant, dated December 21, 2007, demising space in or providing for the use or occupancy of the Property (the "Lease"), and (ii) that certain Guaranty executed by The Methodist Medical Center of Illinois, an Illinois not-for-profit corporation and RehabCare Group, Inc., a Delaware corporation, dated December 21, 2007 (the "Guaranty")

2. Assignee hereby assumes and agrees to perform all of the covenants, liabilities and obligations of Assignor under the Lease which arise on or after the date of this Assignment in accordance with the terms of the Lease and the law of Illinois.

3. Assignor agrees to indemnify, save and hold Assignee harmless from and against any and all loss, liability, claims, damages, costs and expenses (including, but not limited to, court costs and reasonable attorneys' fees) arising out of or relating to Assignor's failure to perform any of the obligations of the Assignor under the Lease prior to the date hereof, which indemnity shall survive the execution and delivery of this Agreement for a period of eighteen (18) months. Assignee agrees to indemnify, save and hold Assignor harmless from and against any and all loss, liability, claims, damages, costs and expenses (including, but not limited to, court costs and reasonable attorneys' fees) arising out of or relating to Assignee's failure to perform any of the obligations of the Assignor under the Lease on or after the date hereof, which indemnity shall survive the execution and delivery of this Agreement for a period of eighteen (18) months.

4. This Assignment shall inure to the benefit of, and be binding upon, the successors, executors, administrators, legal representatives and assigns of the parties hereto.

5. This Assignment shall be construed under and enforced in accordance with the laws of the State of Illinois.

6. This Assignment may be executed in two or more counterparts, and it shall not be necessary that any one of the counterparts be executed by all of the parties hereto. Each fully or partially executed counterpart shall be deemed an original, but all of such counterparts taken together shall constitute one and the same instrument.

EXECUTED effective as of the date first above written.

ASSIGNOR:

Cullinan Medical 1, LLC
An Illinois limited liability company

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

By: _____

Name:

Title: Manager

ASSIGNEE:

a _____

By: _____

Name:

Title:

EXHIBIT A TO ASSIGNMENT

Property Description

[TO BE ADDED ONCE SURVEY IS COMPLETE]

EXHIBIT H

FORM OF TENANT NOTICE LETTER

NOTICE TO TENANTS/REQUEST FOR CERTIFICATE OF INSURANCE

To:

TO WHOM IT MAY CONCERN:

Please be advised that Cullinan Medical 1, LLC has sold its interest, as Landlord, in the Lease entered into with you, as Tenant, at 500 w. Romeo B. Garrett Avenue, Peoria, IL 61605.

After _____, _____, monthly rent should be paid to the following:

Further, please request that your insurance agent issue revised insurance certificates for all required insurance policies and direct them to the following:

Any questions regarding these matters can be addressed to: _____

Cullinan Medical 1, LLC
an Illinois limited liability company

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

By: _____
Its: Manager

EXHIBIT I

JOINT ORDER ESCROW INSTRUCTIONS

FIRST AMERICAN TITLE INSURANCE COMPANY
BY
ATTORNEYS' TITLE GUARANTY FUND, INC., AGENT

CHAMPAIGN
P.O. Box 9136
Champaign, IL 61826-9136
217.359.2000
Fax: 217.359.2014

CHICAGO
One South Wacker Drive
24th Floor
Chicago, IL 60606-4654
312.372.8361
Fax: 312.372.9509

MADISON
2418 Crossroads Drive
Suite 1600
Madison, WI 53718-2420
608.442.8130
Fax: 608.442.8159

JOINT ORDER ESCROW INSTRUCTIONS

File Number: _____ Escrow No.: _____

Date: _____

TO: ATTORNEYS' TITLE GUARANTY FUND, INC., Escrowee
Agent for FIRST AMERICAN TITLE INSURANCE COMPANY

The undersigned Buyers and Sellers or their representatives hereby deposit the amount of \$ _____ with you.
These funds are to be held until the date of _____.

You are hereby authorized and directed to hold this amount until you receive a written direction from both the undersigned Buyers and Sellers or their representatives to disburse said funds.

In the event of a dispute among the Buyers, Sellers, or Escrowee, Escrowee is hereby authorized to seek a court order from the Circuit Court as to how to proceed. An escrow fee of \$ 300.00, attorneys' fees, and court costs incurred by Attorneys' Title Guaranty Fund, Inc. will be shared equally between the Buyers and Sellers, which may be paid or retained by Escrowee out of the escrowed funds. If the escrowed funds are insufficient to pay the escrow fee, attorneys' fees, and court costs, the undersigned shall deposit with the Escrowee sufficient additional funds to indemnify or reimburse Escrowee for such escrow fee, attorneys' fees, and court costs.

Escrowee shall be under no duty to invest any funds deposited hereunder without an express written direction from both the undersigned Buyers and Sellers or their representatives.

BUYERS or REPRESENTATIVE

SELLERS or REPRESENTATIVE

Signature

Signature

Signature

Signature

Address

Address

City, State, Zip

City, State, Zip

Phone

Phone

ACCEPTED:
FIRST AMERICAN TITLE INSURANCE COMPANY by:
Attorneys' Title Guaranty Fund, Inc., Agent

By: _____
Authorized Officer

FIRST AMERICAN TITLE INSURANCE COMPANY
BY
ATTORNEYS' TITLE GUARANTY FUND, INC., AGENT

PAYOUT AUTHORIZATION

TO: Attorneys' Title Guaranty Fund, Inc.,
Agent for FIRST AMERICAN TITLE INSURANCE COMPANY

Date: _____

You are authorized and directed to payout the above funds as follows:

1. _____
2. _____
3. _____
4. _____
5. _____

BUYERS or REPRESENTATIVE

SELLERS or REPRESENTATIVE

Signature

Signature

Signature

Signature

RI Wasco, LLC

As of November 30, 2014

Balance Sheet

Assets:

Cash in Bank **\$10,000**

Total Assets **\$10,000**

Liabilities and Equity:

Liabilities **\$0**

Equity **\$10,000**

Total Liabilities and Equity **\$10,000**



W. Kevin Kelly
Vice President

Wasco Assisted Living, LLC

As of November 30, 2014

Balance Sheet

Assets:

| | |
|--------------------------------|---------------------|
| Cash in Bank | \$81,495 |
| Cash held for 1031 Exchange | \$12,759,957 |
| <u>Prepaid Expense</u> | <u>\$6,306</u> |
| TOTAL ASSETS | \$12,847,758 |

Liabilities and Equity:

| | |
|-----------------------------------------|---------------------|
| Deferred Gain | \$12,233,956 |
| <u>Equity</u> | <u>\$613,802</u> |
| TOTAL LIABILITIES and EQUITY | \$12,847,758 |



W. Kevin Kelly
Vice President