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HEALTH FACILITIES & SERVICES REVIEW BOARD

E-027-16

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

1. INFORMATION FOR EXISTING FACILITY

Current Facility Name Eye Surgery Center, Ltd.
Address 3990 N. Illinois Street
City Swansea Zip Code 62226 County St. Clair
Name of current licensed entity for the facility Eye Surgery Center, Ltd.
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 X For Profit Corporation _____ Partnership _____ Governmental
Limited Liability Company _____ Other, specify ______
Illinois State Senator for the district where the facility is located: Sen. James F. Clayborne, Jr.
State Senate District Number 57 Mailing address of the State Senator
10 Collinsville Ave., Suite 210A, East St. Louis, IL 62201
Illinois State Representative for the district where the facility is located: Rep. Jay Hoffman
State Representative District Number 113 Mailing address of the State Representative
321 S. High Street, Belleville, IL 62220

2. OUTSTANDING PERMITS. Does the facility have any projects tor 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 Eye Surgery Center, Ltd.
Address 3990 N. Illinois St.
City, Stale & Zip Code Belleville, IL 62226
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.

Exact Legal Name of Applicant Eye Surgery Center, LLC (currently known as ESC Operations, LLC)
Address 3990 N. Illinois Street
City, Stale & Zip Code Swansea, IL 62226
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 Applicant THBT Properties LLC, Swansea
Address 3990 N. Illinois Street
City, Stale & Zip Code Swansea, IL 62226
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:**

- o Purchase resulting in the issuance of a license to an entity different from current licensee;
- o 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;
- o Stock transfer resulting in no change from current licensee;
- o Assignment or transfer of assets resulting in the issuance of a license to an entity different from the current licensee;
- o Assignment or transfer of assets not resulting in the issuance of a license to an entity different from the current licensee;
- o Change in membership or sponsorship of a not for-profit corporation that is the licensed entity;
- o 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;
- o 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;
- o Sale or transfer of the physical plant and related assets of a health care facility not resulting in a change of current licensee;
- o 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**: $12,878,000* (See Attachment #5)

10. **FAIR MARKET VALUE OF THE FACILITY**: $12,878,000* (See Attachment #5)
(to determine fair market value. refer to 77 IAC 1130.140)

11. **DATE OF PROPOSED TRANSACTION:** September 1, 2016

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 _______, and indicate the date the entity was formed.

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: Donn Herring
Address: Lathrop & Gage, LLP, 7701 Forsyth Blvd., Suite 500
City, State & Zip Code: Clayton, Missouri 63105
Telephone: (314) 613-2808 Fax: (314) 613-2801 Email: DHerring@LATHROPGAGE.COM

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

Name: Wallace Brockhoff
Address: Lathrop & Gage, LLP, 2345 Grand Blvd. Suite 2200
City, State & Zip Code: Kansas City, Missouri 64108
Telephone (816) 460-5825 Fax: (816) 292-2001 Email: wbrockhoff@lathropgage.com

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: Michael P. Jones, M.D.

Title of Authorized Officer: President and Chief Executive Officer of **Eye Surgery Center, Ltd.**
Address: 3990 N. Illinois Street
City, State & Zip Code: Swansea, IL 62226

Telephone 618-277-1130 Date: 8/1/2014

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

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: Michael P. Jones, M.D.

Title of Authorized Officer: Manager of **ESC Operations, LLC**
Address: 3990 N. Illinois Street
City, State & Zip Code: Swansea, IL 62226

Telephone 618-277-1130 Date: 8/1/2016

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: Anthony G. Nunn

Title of Authorized Officer: President and Chief Executive Officer of **ECP ASC Holdings, LLC**
Address: 15933 Clayton Road, Suite 210
City, State & Zip Code: Ballwin, Missouri 63011-2172

Telephone (636) 227-2600 Date: 8/2/16

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: Anthony G. Nunn

Title of Authorized Officer: President and Chief Executive Officer of **Clarkson Eyecare, LLC**
Address: 15933 Clayton Road, Suite 210
City, State & Zip Code: Ballwin, Missouri 63011-2172

Telephone (636) 227-2600 Date: 8/2/16

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: Anthony G. Nunn

Title of Authorized Officer: President and Chief Executive Officer of **Eyecare Partners, LLC**
Address: 15933 Clayton Road, Suite 210
City, State & Zip Code: Ballwin, Missouri 63011-2172

Telephone (636) 227-2600 Date: 8/2/16

SUPPLEMENT TO ITEM 3

CO-APPLICANTS

ESC Operations, LLC
3990 N. Illinois Street
Swansea, IL 62226
Type of Ownership: Limited Liability Company

ECP ASC Holdings, LLC
15933 Clayton Road, Suite 210
Ballwin, Missouri 63011-2172
Type of Ownership: Limited Liability Company

Clarkson Eyecare, LLC
15933 Clayton Road, Suite 210
Ballwin, Missouri 63011-2172
Type of Ownership: Limited Liability Company

Eyecare Partners, LLC
15933 Clayton Road, Suite 210
Ballwin, Missouri 63011-2172
Type of Ownership: Limited Liability Company

ATTACHMENT #1

APPLICATION FEE

Enclosed.

ATTACHMENT #2

FUNDING

The Operating Entity (Eye Surgery Center, LLC currently known as ESC Operations, LLC) will be acquired by Clarkson Eyecare, LLC through its wholly-owned subsidiary, ECP ASC Holdings, LLC, with cash funded through debt financing from Clarkson Eyecare, LLC's lender.

ATTACHMENT #3

NARRATIVE DESCRIPTION

Eye Surgery Center, Ltd. (the Current Licensee) operates a 10,804 sq. ft. single specialty ambulatory surgical center in Swansea, Illinois for performing optical surgeries and related procedures.

Subject to Review Board approval, the shareholders of the Current Licensee will sell the Current Licensee to ECP ASC Holdings, LLC (Co-Applicant), a subsidiary of Clarkson Eyecare, LLC (Co-Applicant). As the Current Licensee is an S corporation for tax purposes and ECP ASC Holdings, LLC is ineligible to be an S corporation shareholder, the Current Licensee will be restructured immediately prior to the sale:

- Step 1: The shareholders of the Current Licensee form ESC Operations, LLC, an Illinois limited liability company, with identical ownership to the Current Licensee. ESC Operations, LLC will elect be taxed as an S corporation.

- Step 2: Eye Surgery Center, Ltd. will merge with ESC Operations, LLC under 805 ILCS 5/11.39 in an F reorganization for tax purposes under IRC §368(a)(1)(F). ESC Operations, LLC will be the surviving entity and will change its name in the merger to Eye Surgery Center, LLC ("ESC"). The shareholders of the Eye Surgery Center, Ltd. will own ESC in the same percentages as the Current Licensee, and ESC will retain the same FEIN as the Current Licensee.

- Step 3: Following the merger, the ESC owners will form a new corporation taxed as an S corporation ("New S Corp") and contribute 100% of their ESC membership interests to New S Corp in exchange for stock in New S Corp. ESC will become a wholly-owned subsidiary of New S Corp that is disregarded for tax purposes.

- Step 4: New S Corp will then sell 100% of the ESC membership interests in ESC to ECP ASC Holdings, LLC, a Missouri limited liability company qualified to conduct business in Illinois, for an aggregate purchase price of $12,678,000 (plus an adjustment for tax considerations that is still being negotiated), thereby becoming a wholly-owned subsidiary of ECP ASC Holdings, LLC.

Charts showing the current ownership of the surgery center, the restructuring and purchase the resulting ownership of the surgery center are attached.

The transaction is change of ownership only. No material changes in the operations of the surgery center are anticipated as a result of the transaction.

LATHROP & GAGE LLP

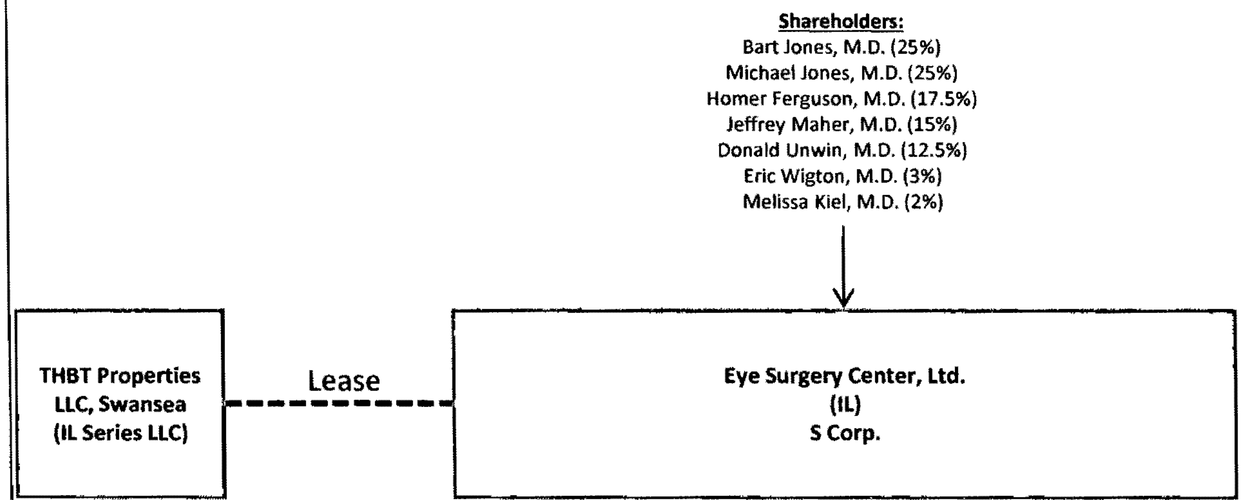
Clarkson Eyecare, LLC

Overview of Eye Surgery Center – Swansea Acquisition (as of 8-1-2016)

Attachment #3

Eye Surgery Center, Ltd. Ownership Structure

Pre-Transaction



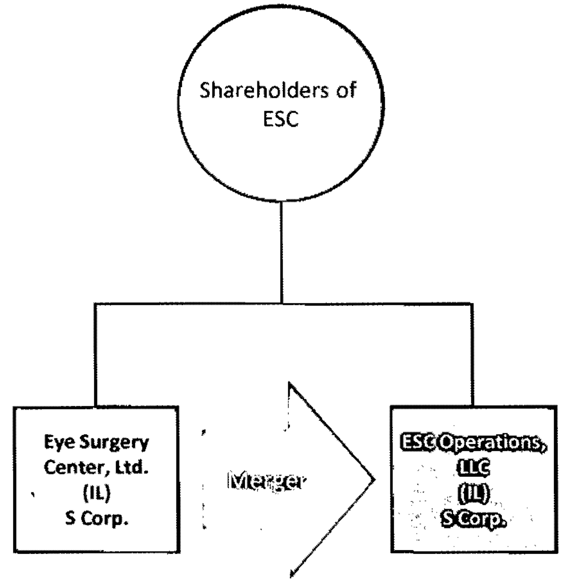
Attachment #3

LATHROP & GAGE LLP

Transaction Overview: Restructuring (F Reorg)
(1 of 2)

Step 1: The Shareholders of Eye Surgery Center, Ltd. ("ESC") have formed a new Illinois entity, ESC Operations, LLC ("ESC Ops"), and will make an S election for the entity. ESC Ops will be owned in the exact same percentages as ESC.

Step 2: ESC will merge with ESC Ops with ESC Ops surviving the merger. ESC Ops will change its name to "Eye Surgery Center, LLC" ("ESC LLC") in the merger. For tax purposes this will be treated as an F reorganization and ESC LLC will continue to use the FEIN of ESC.

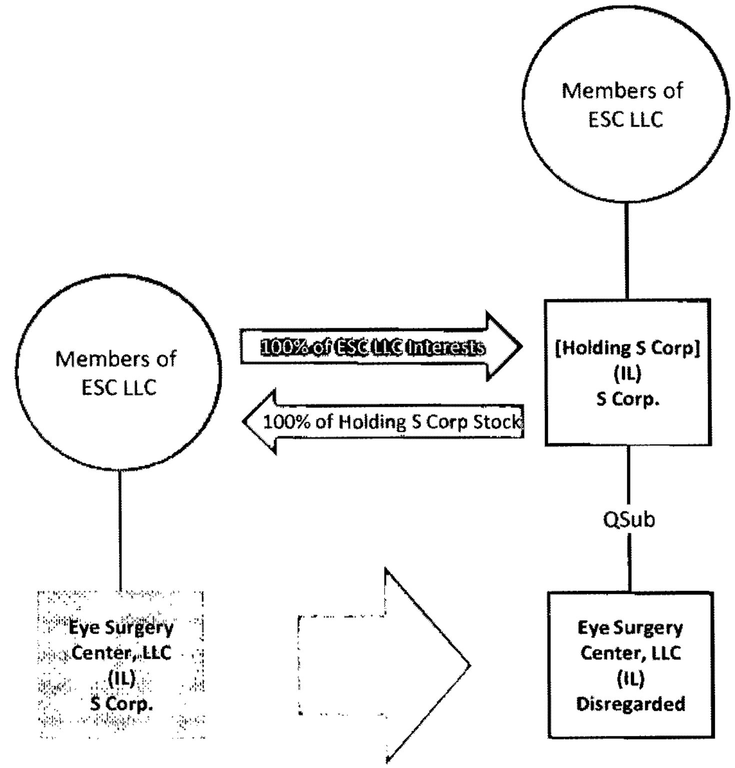


Attachment #3

LATHROP & GAGE LLP

Transaction Overview: Restructuring (F Reorg)
(2 of 2)

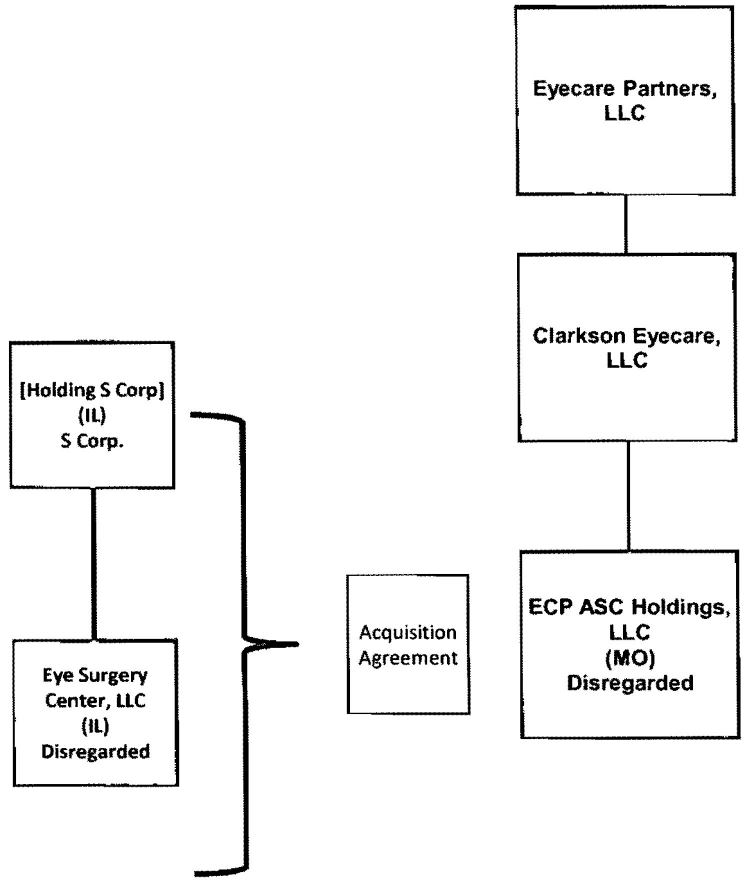
Step 3: The members of ESC LLC will form a new S Corp ("Holding S Corp") and contribute 100% of their ESC LLC membership interests to Holding S Corp in exchange for 100% of the stock of Holding S Corp.



Attachment #3

Transaction Overview: Equity Purchase

Step 4: ECP ASC Holdings, LLC ("ASC Holdings"), a wholly-owned subsidiary of Clarkson Eyecare, LLC, will acquire 100% of ESC LLC for cash pursuant to an Acquisition Agreement.



Attachment #3

LATHROP & GAGE LLP

Final Ownership Structure

Eyecare Partners, LLC
(DE)
Partnership for tax purposes

Clarkson Eyecare, LLC
(MO)
Disregarded for tax purposes

ECP ASC Holdings, LLC
(MO)
Disregarded for tax purposes

Eye Surgery Center, LLC
(IL)
Disregarded for tax purposes

Attachment #3

ATTACHMENT #4

BACKGROUND OF APPLICANTS

Eye Surgery Center, Ltd.

Eye Surgery Center, LLC (currently known as ESC Operations, LLC)
Sole Member: ECP ASC Holdings, LLC (following the Closing of the contemplated transaction).

ECP ASC Holdings, LLC
Sole Member: Clarkson Eyecare, LLC

Clarkson Eyecare, LLC
Sole Member: Eyecare Partners, LLC

Eyecare Partners, LLC
Members: See attached

Good standing certificates from the Illinois Secretary of State for each of the applicants are attached hereto, except for Eyecare Partners, LLC, which is a Delaware limited liability company that is not required to be qualified to do business in Illinois.

Attachment #4

EYECARE PARTNERS, LLC

MEMBERS AND PERCENTAGES

Member	**Percentage**
OH Holding, LLC c/o Friedman, Fleischer & Lowe, LLC One Maritime Plaza Suite 2200 San Francisco, CA 94111 Attention: Christopher Harris E-mail: charris@fflpartners.com	71.27%
H. Doug and Molly Barnes, as joint tenants 13800 Senlac Drive # 200 Farmers Branch, TX 75234	3.56%
Barnes Asset Management LLC c/o Dr. H. Douglas Barnes 13800 Senlac Drive # 200 Farmers Branch, TX 75234	5.35%
BAMCG LLC c/o H. Douglas Barnes, Jr. 13800 Senlac Drive # 200 Farmers Branch, TX 75234	1.78%
GC Advisors LLC as Agent for RGA Operating Company c/o Golub Capital Incorporated 666 Fifth Avenue, 18th Floor New York, New York 10103	0.06%
GCP Clarkson Eyecare Coinvest Inc. c/o Golub Capital Incorporated 666 Fifth Avenue, 18th Floor New York, New York 10103	0.77%
GCIC Equity LLC c/o Golub Capital Incorporated 666 Fifth Avenue, 18th Floor New York, New York 10103	0.06%

Attachment #4

Clarkson Holdings, Inc. 217 Clarkson Road Ellisville, MO 63011 Attention: Anthony G. Nunn	2.67%
3F Holdings, LLC 217 Clarkson Road Ellisville, MO 63011 Attention: Anthony G. Nunn	6.24%
Eye Care Holdings, LLC One Perimeter Park South, Suite 155 Birmingham, AL 35243 Attention: Chester T. Crooks, III, O. D.	6.58%
ECC Holdings, Inc. 2325 Sunset Avenue Rocky Mount, NC 27804 Attention: Dr. Allan L. M. Barker, President	0.14%
Gulf Breeze Family Eyecare, Inc. 3735 Mackey Cove Road Pensacola, Florida 32514 Attention: Carl H. Spear, O.D.	0.28%
Western Kentucky Eyecare Investment, LLC 1748 Broadway Street Paducah, Kentucky 42001 Attention: Mark Owens, O.D.	0.18%
EE Global Investments LLC 2255 Cumberland Pkwy, Bldg. 1300 Atlanta, Georgia 30339 Attention: Michael W. Hung, O.D.	0.15%
EDR, LLC 2800 SW Wanamaker Road Topeka, KS 66614 Attention: Brian J. Horsch, O.D.	0.91%
TOTALS	100.00%

Attachment #4

File Number 5479-646-3

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

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

EYE SURGERY CENTER, LTD., A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON SEPTEMBER 10, 1987, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE BUSINESS CORPORATION ACT OF THIS STATE RELATING TO THE PAYMENT OF FRANCHISE TAXES, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION 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* 1ST *day of* AUGUST *A.D.* 2016 .

SEAL OF THE STATE OF ILLINOIS AUG. 26TH 1818

Authentication #: 1621402654 verifiable until 08/01/2017
Authenticate at: http://www.cyberdriveillinois.com

Jesse White

SECRETARY OF STATE

Attachment #4

File Number 0591007-2

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

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

ESC OPERATIONS, LLC, HAVING ORGANIZED IN THE STATE OF ILLINOIS ON JULY 28, 2016, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LIMITED LIABILITY COMPANY IN THE STATE OF ILLINOIS.

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 28TH *day of* JULY *A.D.* 2016 .

SEAL OF THE STATE OF ILLINOIS AUG. 26TH 1818

Authentication #: 1621002112 verifiable until 07/28/2017
Authenticate at: http://www.cyberdriveillinois.com

Jesse White
SECRETARY OF STATE

Attachment #4

File Number 0591076-5

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

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

ECP ASC HOLDINGS, LLC, A MISSOURI LIMITED LIABILITY COMPANY HAVING OBTAINED ADMISSION TO TRANSACT BUSINESS IN ILLINOIS ON JULY 28, 2016, 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* 29TH *day of* JULY *A.D.* 2016 .

Authentication #: 1621101370 verifiable until 07/29/2017
Authenticate at: http://www.cyberdriveillinois.com

Jesse White
SECRETARY OF STATE

Attachment #4

File Number 0584355-3

STATE OF ILLINOIS
OFFICE OF THE SECRETARY OF STATE

To all to whom these Presents Shall Come, Greeting:

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

CLARKSON EYECARE, LLC, A MISSOURI LIMITED LIABILITY COMPANY HAVING OBTAINED ADMISSION TO TRANSACT BUSINESS IN ILLINOIS ON JULY 18, 2016, 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* 29TH *day of* JULY *A.D.* 2016 .

SEAL OF THE STATE OF ILLINOIS AUG. 26TH 1818

Authentication #: 1621101404 verifiable until 07/29/2017
Authenticate at: http://www.cyberdriveillinois.com

Jesse White

SECRETARY OF STATE

Delaware

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "EYECARE PARTNERS, LLC" IS DULY FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE SECOND DAY OF AUGUST, A.D. 2016.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL TAXES HAVE BEEN PAID TO DATE.

Jeffrey W. Bullock, Secretary of State

5718571 8300

SR# 20165186973

You may verify this certificate online at corp.delaware.gov/authver.shtml

Authentication: 202760551

Date: 08-02-16

ATTACHMENT #5

TRANSACTION DOCUMENTS

Summary of Transaction Documents

1. Overview. Subject to Review Board approval, the shareholders ("Equityholders") of the Current Licensee will sell the Current Licensee to ECP ASC Holdings, LLC (Co-Applicant), a subsidiary of Clarkson Eyecare, LLC (Co-Applicant) pursuant to an Acquisition Agreement (the "Acquisition Agreement"). The Acquisition Agreement will specifies that, after undertaking the restructuring outlined in Item 2 below (the "Restructuring"), ECP ASC Holdings, LLC will purchase 100% ownership of Eye Surgery Center, LLC for $12,878,000 (plus an adjustment for tax considerations that is still being negotiated). The parties anticipate closing the transaction on or about September 1, 2016, subject to satisfaction of all conditions precedent, including Review Board approval of this application.

2. Restructuring. As the Current Licensee is an S corporation for tax purposes and ECP ASC Holdings, LLC is ineligible to be an S corporation shareholder, the Current Licensee will be restructured immediately prior to the sale:

- Step 1: The shareholders of the Current Licensee form ESC Operations, LLC, an Illinois limited liability company, with identical ownership to the Current Licensee. ESC Operations, LLC will elect be taxed as an S corporation.

- Step 2: Eye Surgery Center, Ltd. will merge with ESC Operations, LLC under 805 ILCS 5/11.39 in an F reorganization for tax purposes under IRC §368(a)(1)(F). ESC Operations, LLC will be the surviving entity and its name will change its name in the merger to Eye Surgery Center, LLC ("ESC"). The shareholders of the Eye Surgery Center, Ltd. will own ESC in the same percentages as the Current Licensee, and ESC will retain the same FEIN as the Current Licensee.

- Step 3: Following the merger, the ESC owners will form a new corporation taxed as an S corporation ("New S Corp") and contribute 100% of their ESC membership interests to New S Corp in exchange for stock in New S Corp. ESC will become a wholly-owned subsidiary of New S Corp that is disregarded for tax purposes.

- Step 4: New S Corp will then sell 100% of the ESC membership interests in ESC to ECP ASC Holdings, LLC, a Missouri limited liability company qualified to conduct business in Illinois, for an aggregate purchase price of $12,678,000 (plus an adjustment for tax considerations that is still being negotiated), thereby becoming a wholly-owned subsidiary of ECP ASC Holdings, LLC.

3. Lease. At closing, ESC and the current landlord, THBT Properties LLC, Swansea, will enter into a new lease for the facility for a five year term, with extension options, at a rental rate verified to be fair market value through independent appraisal.

4. Acquisition Agreement. The Acquisition Agreement contains customary representations and warranties of the Equityholders regarding the surgery center, including regarding due authorization and enforceability of the transaction documents, title issues, compliance with law, accuracy of financial statements, absence of unknown liabilities and others topics, as well as covenants of confidentiality and restricting the Equityholders from owning a competitive surgery center within a specified radius of the Swansea surgery center. The Acquisition Agreement also specifies that a portion of the purchase price will be held in escrow for one year from which any claims by the purchaser against the Equityholders for breaches of the Acquisition Agreement may be satisfied.

5. Licensee after Closing. Following closing, Eye Surgery Center, LLC will be the licensee of the surgery center.

6. Attestation. Within ninety (90) days following closing, the applicants will provide a certification to the Board that the transaction has been completed in accordance with this application.

ATTACHMENT #6

FINANCIAL STATEMENTS

See attached Eyecare Partners, LLC Consolidated Financial Statements with Report of Independent Certified Public Accountants as of December 31, 2015.

Attachment #6

EYECARE PARTNERS, LLC

CONSOLIDATED FINANCIAL STATEMENTS
WITH
REPORT OF INDEPENDENT CERTIFIED PUBLIC
ACCOUNTANTS

DECEMBER 31, 2015

Attachment #6

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Attachment #6

GrantThornton

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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Board of Directors
EyeCare Partners, LLC

We have audited the accompanying consolidated financial statements of EyeCare Partners, LLC (a Delaware limited liability corporation) and subsidiaries, which comprise the consolidated balance sheet as of December 31, 2015, and the related consolidated statement of operations, changes in members' equity, and cash flow for the period March 27, 2015 (date of inception) to December 31, 2015, and the related notes to the financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

Grant Thornton

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of EyeCare Partners, LLC and subsidiaries as of December 31, 2015, and the results of their operations and their cash flow for the period March 27, 2015 (date of inception) to December 31, 2015 in accordance with accounting principles generally accepted in the United States of America.

Grant Thornton LLP

St. Louis, Missouri
July 15, 2016

EYECARE PARTNERS, LLC & SUBSIDIARIES

Consolidated Balance Sheet

December 31, 2015

ASSETS		
Current Assets		
Cash	**$**	**5,235,409**
Accounts receivable, net of allowances of $5,164,119		**6,782,667**
Inventory		**5,678,492**
Other receivables		**1,075,571**
Due from sellers		**629,901**
Prepaid expenses		**549,491**
Assets held for sale		**199,000**
Income taxes receivable		**127,119**
Total Current Assets		**20,277,650**
Property and equipment, net		**28,275,052**
Intangible assets, net of accumulated amortization of $8,301,005		**62,037,995**
Goodwill		**116,251,687**
Other assets		**113,306**
TOTAL ASSETS	**$**	**226,955,690**
LIABILITIES AND MEMBERS' EQUITY		
Current Liabilities		
Accounts payable	**$**	**6,763,582**
Accrued payroll		**3,863,635**
Deferred revenue		**1,874,687**
Accrued expenses		**940,422**
Current portion of long-term debt		**1,299,484**
Total Current Liabilities		**14,741,810**
Long-Term Liabilities		
Deferred income taxes		**3,117,391**
Other long term liabilities		**325,000**
Long-term debt		**111,512,347**
TOTAL LIABILITIES		**129,696,548**
MEMBERS' EQUITY		**97,259,142**
TOTAL LIABILITIES AND MEMBERS' EQUITY	**$**	**226,955,690**

The accompanying notes are an integral part of these consolidated financial statements.

EYECARE PARTNERS, LLC & SUBSIDIARIES

Consolidated Statement of Operations

Period from March 27, 2015 (date of inception) to December 31, 2015

Net Revenues	**$**	**82,585,794**
Cost of revenues		**37,475,277**
Gross profit		**45,110,517**
Selling, General and Administrative expenses		
Advertising		**2,414,417**
General and administrative expenses		**31,131,360**
Rent		**5,932,941**
Depreciation		**1,358,651**
Amortization		**8,301,005**
Acquisition expense		**4,369,689**
Loss from operations		**(8,397,546)**
Other (income) expense		
Interest expense		**5,210,690**
Miscellaneous income		**(32,062)**
Loss before income taxes		**(13,576,174)**
Income tax benefit		**(163,207)**
NET LOSS	**$**	**(13,412,967)**

The accompanying notes are an integral part of these consolidated financial statements.

EYECARE PARTNERS, LLC & SUBSIDIARIES

Consolidated Statement of Members' Equity

Period from March 27, 2015 (date of inception) to December 31, 2015

	Total Equity
Balance at March 27, 2015	**$ -**
Member contributions	**93,000,000**
Member units issued in connection with acquisition of Clarkson Eyecare, LLC	**10,000,000**
Member units issued in connection with acquisition of Eye Care Associates, Inc.	**7,385,601**
Member units issued in connection with acquisition of eyecarecenternetwork NC, LLC	**155,000**
Share based compensation	**131,508**
Net loss	**(13,412,967)**
Balance at December 31, 2015	**$ 97,259,142**

The accompanying notes are an integral part of these consolidated financial statements.

EYECARE PARTNERS, LLC & SUBSIDIARIES

Consolidated Statement of Cash Flows

Period from March 27, 2015 (date of inception) to December 31, 2015

Cash flows from operating activities:		
Net loss	$	(13,412,967)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization		12,670,150
Deferred income taxes		(196,887)
Amortization of debt issuance costs		388,862
Share based compensation		131,508
(Increase) decrease in operating assets:		
Accounts receivable, net		997,161
Inventory		1,892,394
Other receivables		(442,585)
Prepaid expenses		950,742
Other assets		1,767,162
Income taxes receivable		(80,900)
Increase (decrease) in operating liabilities:		
Accounts payable		1,572,836
Accrued payroll		(640,116)
Deferred revenue		635,294
Accrued expenses		(2,063,396)
Net cash provided by operating activities		**4,169,258**
Cash flows from investing activities:		
Purchase of equipment		(3,965,342)
Acquisition of Clarkson Eyecare, LLC (net of cash and rollover equity)		(145,439,404)
Acquisition of Eye Care Associates, Inc. (net of cash and rollover equity)		(24,220,158)
Acquisition of eyecarecenternetwork NC, LLC (net of cash and rollover equity)		(28,021,174)
Acquisition of Hewitt Opticians, Inc.		(65,000)
Acquisition of Dr. Joseph Chatfield LLC		(700,000)
Acquisition of Vision Clinics, Ltd.		(280,000)
Acquisition of Tina Siegel, OD, PA		(1,300,000)
Net cash used in investing activities		**(203,991,078)**
Cash flows from financing activities:		
Member contributions		93,000,000
Payment of debt acquisition costs		(3,794,750)
Proceeds from long-term debt		116,600,000
Payments on debt		(748,021)
Net cash provided by financing activities		**205,057,229**
NET INCREASE IN CASH		**5,235,409**
Cash, beginning of period		-
Cash, end of period	$	**5,235,409**

The accompanying notes are an integral part of these financial statements.

EYECARE PARTNERS, LLC & SUBSIDIARIES

Notes to Consolidated Financial Statements
December 31, 2015

Note A – Summary of Operations and Significant Accounting Policies

Nature of Operations

EyeCare Partners, LLC and Subsidiaries (collectively the "Company"), a Delaware limited liability corporation, which acquires and manages primary eyecare practices was formed on March 27, 2015 ("Inception") with headquarters in St. Louis, Missouri. The Company is comprised of more than 140 offices, including locations in Missouri, Illinois, Ohio, Kentucky, North Carolina, and Alabama. Services provided at the individual offices include eye examinations and the sale of eyeglasses and contact lenses and related eyecare products. The Company also operates multiple Lasik surgery centers.

Principles of Consolidation

The accompanying consolidated financial statements includes the accounts of EyeCare Partners, LLC ("ECP") and its wholly-owned subsidiary Clarkson Eyecare, LLC ("Clarkson"), which includes the accounts of its wholly-owned subsidiaries 3F Vision, LLC, Thoma & Sutton Eyecare Professionals, LLC ("Thoma"), Eye Care Associates, Inc., Pinnacle Optical, LLC, Eyecarecenternetwork NC, LLC, ecc NC, LLC, and the following variable interest entities ("VIE"): Clarkson Optometry, Inc. ("COI"), Clarkson Optometry Midwest, Inc. ("COM"), and eyecarecenter, OD., PA. ("ODPA") (collectively the "Company").

All intercompany balances and transactions have been eliminated.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash

The Company maintains cash balances at several financial institutions across the United States. Accounts at each institution are insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000. Cash balances in excess of FDIC limits at December 31, 2015, were approximately $3,400,000.

EYECARE PARTNERS, LLC & SUBSIDIARIES

Notes to Consolidated Financial Statements – Continued
December 31, 2015

Note A – Summary of Operations and Significant Accounting Policies (Continued)

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances from insurance companies and patients. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to trade accounts receivable.

Inventory

Inventory consists of frames, lenses, and in-process eyeglasses that have not been picked up by patients. Inventory is stated at the lower of cost or market using the first-in, first-out method. Inventory consisted of the following at December 31:

Frames and lenses	$ 5,067,407
Completed and in-process eyeglasses	611,085
	$ 5,678,492

Property and Equipment

Property and equipment is stated at cost. Major renewals and betterments are capitalized, and maintenance and repairs which do not improve or extend the life of the respective assets are charged against operations in the current period.

Depreciation is provided for using the straight-line method over the estimated useful lives as follows:

Machinery and equipment	1-10 years
Furniture and fixtures	1-15 years
Computer hardware and software	1-5 years

Amortization of leasehold improvements is provided on the straight-line method over the term of the lease or the estimated useful life, whichever is less.

Note A – Summary of Operations and Significant Accounting Policies (Continued)

Long-Lived Assets, Excluding Goodwill

Long-lived assets consist primarily of property and equipment and finite-lived intangibles. The Company evaluates whether events and circumstances have occurred that indicate the remaining estimated useful life of long lived assets may warrant revision or that the remaining balance of an asset may not be recoverable. The measurement of possible impairment is based on the ability to recover the balance of assets from expected future operating cash flows on an undiscounted basis. No impairment charges were recognized for the period from Inception to December 31, 2015.

Goodwill and Other Intangible Assets

Goodwill represents the excess of the cost of a business acquired over the fair value of net assets acquired in a business combination. GAAP specifies criteria to be used in determining whether intangible assets acquired in a business combination must be recognized and reported separately from goodwill. Amounts assigned to goodwill and other identifiable intangible assets are based on independent appraisals.

The Company does not amortize goodwill or indefinite-lived intangible assets. Goodwill and indefinite lived intangibles are evaluated for impairment annually at year-end or more frequently if impairment indicators arise between annual tests. The Company performs a qualitative assessment of the fair value of goodwill compared to its carrying amount. The qualitative assessment includes a review of economic trends, industry trends, financial performance versus prior forecasts, cash generation and cost factors impacting the Company. Impairment losses are recognized whenever the implied fair value of goodwill is less than its carrying value. Management evaluates the remaining useful life of an intangible asset that are not being amortized each reporting period to determine whether events and circumstances continue to support an indefinite useful life. If an intangible asset that is not being amortized is subsequently determined to have a finite useful life, it is amortized prospectively over its estimated remaining useful life. No impairment was recorded for the period from Inception to December 31, 2015.

Debt Issuance Costs

Debt issuance costs related to a recognized debt liability are presented in the balance sheet as a reduction in the carrying amount of the long-term debt liability. These costs are amortized over the life of the debt agreements using the effective interest method. The related amortization of debt issuance costs, which is included in interest expense in the accompanying consolidated financial statement of operations, was $388,862 for the period from Inception to December 31, 2015.

Note A – Summary of Operations and Significant Accounting Policies (Continued)

Revenue Recognition

Net patient service and retail revenue is reported at the estimated realizable amounts from patients, third-party payors, and others for services rendered and products sold, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Revenue under certain third-party payor agreements is subject to audit, retroactive adjustments, and significant regulatory actions. Provisions for estimated third-party payor settlements and adjustments are estimated in the period the related services are rendered and adjusted in future periods as additional information becomes available and final settlements are determined. Laws and regulations governing Medicare and Medicaid programs are complex and subject to interpretation. As a result, there is at least a possibility that recorded estimates will change by a material amount in the near term.

The Company offers a one-year protection plan to patients for a one time up-front fee. This fee is recorded into deferred revenue and recognized on a straight-line basis over the subsequent one-year period.

The Company grants credit without collateral to its patients, most of who are local residents and are insured under third-party payor arrangements. Significant concentrations of accounts receivable at December 31, 2015, include two third-party payors which comprise approximately 36% of total net accounts receivable.

The provision for bad debts is based upon management's assessment of historical and expected net collections considering business and economic conditions, trends in health care coverage, and other collection indicators. Periodically throughout the year, management assesses the adequacy of the allowance for uncollectable accounts based upon historical write-off experience by payor category. The results of this review are then used to make any modifications to the provision for bad debts to establish an appropriate allowance for uncollectable receivables. After satisfaction of amounts due from insurance, the Company follows established guidelines for placing certain past due patient balances with collection agencies.

Cost of Revenues

Cost of revenues includes costs of inventory sold during the period, including laboratory direct labor and overhead, and depreciation on machinery and equipment, as well as costs of providing patient services, which generally consist of physician salaries and benefits. The Company receives various rebates from third party vendors in the form of payments under various agreements. Such rebates are classified as a reduction of cost of revenues.

Note A – Summary of Operations and Significant Accounting Policies (Continued)

Sales Tax

The Company collects sales tax from patients on the sale of products and remits the amount collected to the taxing authority. The Company's accounting policy is to exclude the tax collected and remitted from revenues and cost of revenues.

Business Combinations

The Company uses its best estimates and assumptions to accurately assign fair value to the tangible and intangible assets acquired and liabilities assumed at the acquisition date. The Company's estimates are inherently uncertain and subject to refinement. During the measurement period, which may be up to one year from the acquisition date, the Company may record adjustments to the fair value of these tangible and intangible assets acquired and liabilities assumed, with the corresponding offset to goodwill. In addition, uncertain tax positions and tax-related valuation allowances are initially established in connection with a business combination as of the acquisition date. Upon conclusion of the measurement period or final determination of the fair value of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments will be recorded to the Company's consolidated statement of operations.

Advertising

The Company expenses advertising costs as they are incurred. Advertising expense was $2,414,417 for the period from Inception to December 31, 2015.

Fair Value of Financial Instruments

The carrying amounts of cash, accounts receivable, and accounts payable approximate fair value because of the short maturity of those financial instruments. The carrying amount of debt approximates fair value because those financial instruments bear interest at variable rates that approximate current market rates for debt with similar maturities and credit quality.

Income Taxes

ECA is a C-corporation and files federal and state income tax returns. A provision for income taxes for ECA is included within the consolidated financial statements of the Company. All other entities consolidated within ECP are organized as S-Corporations or limited liability corporations. In lieu of corporate income taxes, the members are taxed on their proportionate share of the Company's taxable income. ECP and certain of its subsidiaries are subject to certain entity-level income taxes at a state and municipal level. These taxes are reflected in the consolidated financial statements.

EYECARE PARTNERS, LLC & SUBSIDIARIES

Notes to Consolidated Financial Statements – Continued
December 31, 2015

Note A – Summary of Operations and Significant Accounting Policies (Continued)

Income Taxes (Continued)

Income taxes are accounted for using the asset and liability method. Deferred tax assets and liabilities are recognized for the tax consequences of temporary differences between the financial statement carrying amounts and the tax basis of existing assets and liabilities. The deferred tax amounts are calculated by applying tax rates expected to apply to taxable income in the years in which those assets and liabilities are expected to be realized. The effect on deferred tax assets and liabilities resulting from a change in tax rates is recognized as income or expense in the period that the change in tax rates is enacted.

Management makes certain estimates and judgments in determining income tax expense for financial statement purposes. These estimates and judgments are applied in the calculation of certain tax credits and in the calculation of the deferred income tax expense or benefit associated with certain deferred tax assets and liabilities. Significant changes to these estimates may result in an increase or decrease to the Company's tax provision in a subsequent period.

Management assesses the likelihood that it will be able to recover its deferred tax assets. If recovery is not likely, the Company will increase its provision for income taxes by recording a valuation allowance against the deferred tax assets that are unlikely to be recovered.

The calculations of the Company's tax liabilities involve dealing with uncertainties in the application of complex tax regulations. The Company recognizes liabilities for uncertain tax positions based on a two-step process. The first step is to evaluate the tax position for recognition by determining whether it is more likely than not that a tax position will be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The second step requires the Company to estimate and measure the tax benefit as the largest amount that is more than 50% likely to be realized upon settlement. The Company re-evaluates these uncertain tax positions on an annual basis. This evaluation is based on factors including, but not limited to, changes in facts or circumstances, changes in tax law, and effectively settled issues under audit or new audit activity. Such a change in recognition or measurement would result in the recognition of a tax benefit or an additional charge to the tax provision in the year of change.

The Company recognizes accrued interest and penalties related to uncertain tax positions in interest expense and tax expense, respectively. At December 31, 2015, the Company does not believe it has entered into any tax positions that are more likely than not unsuitable under audit.

Note A – Summary of Operations and Significant Accounting Policies (Continued)

Variable Interest Entities

The Company has elected to adopt the private company alternative which does not require a private company lessee to consolidate into its financial statements, the financial statements of lessor entities under common control where a lease agreement exists between the parties, substantially all activity between the lessee and lessor is related to leasing activities, and the lessee provides a guarantee or collateral on the leased assets.

Note B – Business Combinations

Clarkson Eyecare, LLC, 3F Vision, LLC, and Thoma & Sutton Eyecare Professionals, LLC

On April 2, 2015, pursuant to the terms of a stock purchase agreement, ECP acquired all the outstanding members' equity of Clarkson Eyecare, LLC, 3F Vision, LLC, and Thoma & Sutton Eyecare Professionals, LLC (collectively "Clarkson") for a total purchase price of $154,621,220. The consideration transferred reflects a working capital adjustment of $818,184, which is included within the Due from Seller on the Consolidated Balance Sheet. The goodwill of $78,006,747 arising from the acquisition consists largely of synergies and economies of scale expected from combining the operations of ECP and Clarkson. ECP incurred costs of $3,677,208 related to this acquisition. These costs are included in acquisition expenses in the accompanying consolidated statement of operations. ECP financed the acquisition of Clarkson with $60,000,000 in debt and cash on hand.

The following table summarizes the consideration paid for Clarkson at the acquisition date.

Net cash paid	$ 144,621,220
Non-cash rollover equity	10,000,000
Fair value of total consideration transferred	$ 154,621,220

Following is a condensed balance sheet showing the fair values of the assets acquired and the liabilities assumed as of the date of acquisition:

Assets:	
Accounts receivable	$ 4,412,772
Inventory	3,760,437
Prepaid expenses	1,318,902
Other receivables	579,804
Other assets	283,174
Property and equipment	18,705,195

Note B – Business Combinations (Continued)

Trade name	24,700,000
Internally developed software	1,300,000
Insurance and payor relationships	4,300,000
Non-compete agreements	2,000,000
Customer relationships	23,000,000
Goodwill arising in the acquisition	78,006,747
Total assets acquired	162,367,031
Liabilities:	
Accounts payable	2,437,113
Deferred revenue	670,000
Accrued expenses	3,947,958
Unfavorable leasehold interest	325,000
Note payable	365,740
Total liabilities assumed	7,745,811
Net assets acquired	$ 154,621,220

Eye Care Associates, Inc. and Pinnacle Optical, LLC

On June 30, 2015, pursuant to the terms of a stock purchase agreement dated June 25, 2015, Clarkson acquired all the outstanding equity of Eye Care Associates, Inc. and Pinnacle Optical, LLC (collectively "ECA") for a total purchase price of $31,605,759. The goodwill of $22,080,867 arising from the acquisition consists largely of synergies and economies of scale expected from combining the operations of Clarkson and ECA. Clarkson incurred costs of $330,980 related to this acquisition. These costs are included in acquisition expenses in the accompanying consolidated statement of operations. Clarkson financed the acquisition of ECA with $25,000,000 in debt and cash on hand.

The following table summarizes the consideration paid for ECA at the acquisition date.

Net cash paid	$ 24,220,158
Non-cash rollover equity	7,385,601
Fair value of total consideration transferred	$ 31,605,759

Following is a condensed balance sheet showing the fair values of the assets acquired and the liabilities assumed as of the date of acquisition:

Assets:	
Accounts receivable	$ 1,177,538
Inventory	1,006,708

EYECARE PARTNERS, LLC & SUBSIDIARIES

Notes to Consolidated Financial Statements – Continued
December 31, 2015

Note B – Business Combinations (Continued)

Cash surrender value life insurance	1,783,584
Other assets	78,425
Property and equipment	4,106,635
Trade name	670,000
Insurance and payor relationships	1,000,000
Non-compete agreements	390,000
Customer relationships	5,200,000
Goodwill arising in the acquisition	22,080,867
Total assets acquired	37,493,757
Liabilities:	
Accounts Payable	916,605
Deferred revenue	38,000
Deferred taxes	3,314,278
Accrued expenses	1,619,115
Total liabilities assumed	5,887,998
Net assets acquired	$ 31,605,759

Eyecarecenternetwork NC, LLC and ecc NC, LLC

On August 24, 2015, pursuant to the terms of a stock purchase agreement, Clarkson acquired all the outstanding equity of eyecarecenternetwork NC, LLC and ecc NC, LLC (collectively "ECC") for a total purchase price of $28,364,457. The consideration transferred reflects a working capital adjustment of $(188,283), which is included within the Due from Seller on the Consolidated Balance Sheet. The goodwill of $15,366,638 arising from the acquisition consists largely of synergies and economies of scale expected from combining the operations of Clarkson and ECC. Clarkson incurred costs of $286,314 related to this acquisition. These costs are included in acquisition expenses in the accompanying consolidated statement of operations. Clarkson financed the acquisition of ECC with $30,000,000 in debt and cash on hand.

The following table summarizes the consideration paid for ECC at the acquisition date.

Net cash paid	$ 28,209,457
Non-cash rollover equity	155,000
Fair value of total consideration transferred	$ 28,364,457

EYECARE PARTNERS, LLC & SUBSIDIARIES

Notes to Consolidated Financial Statements – Continued
December 31, 2015

Note B – Business Combinations (Continued)

Following is a condensed balance sheet showing the fair values of the assets acquired and the liabilities assumed as of the date of acquisition:

Assets:	
Accounts receivable	$ 2,189,518
Inventory	2,618,741
Prepaid expenses	161,835
Other receivables	53,183
Property and equipment	5,323,460
Trade name	2,440,000
Insurance and payor relationships	660,000
Non-compete agreements	270,000
Customer relationships	3,590,000
Goodwill arising in the acquisition	15,366,638
Total assets acquired	32,673,375
Liabilities:	
Accounts payable	1,837,029
Deferred revenue	531,393
Accrued expenses	1,940,496
Total liabilities assumed	4,308,918
Net assets acquired	$ 28,364,457

Dr. Joseph Chatfield, LLC

On August 3, 2015, pursuant to the terms of an asset purchase agreement, Thoma acquired certain assets as detailed below from Dr. Joseph Chatfield, LLC ("Chatfield") for a total purchase price of $700,000. The goodwill of $192,000 arising from the acquisition consists largely of synergies and economies of scale expected from combining the operations of Thoma and Chatfield. Thoma incurred costs of $26,609 related to this acquisition. These costs are included in acquisition expenses in the accompanying consolidated statement of operations. The acquisition of Chatfield was financed with $700,000 in debt.

The following table summarizes the consideration paid for Chatfield at the acquisition date.

Net cash paid	$ 700,000
Fair value of total consideration transferred	$ 700,000

Note B – Business Combinations (Continued)

Following is a condensed balance sheet showing the fair values of the assets acquired as of the date of acquisition:

Assets:		
Inventory	$	75,000
Property and equipment		130,000
Trade name		3,000
Insurance and payor relationships		79,000
Non-compete agreements		33,000
Customer relationships		188,000
Goodwill arising in the acquisition		192,000
Net assets acquired	$	700,000

Tina M. Siegel, OD, PA d/b/a Optometric EyeCare Center

On December 31, 2015, pursuant to the terms of an asset purchase agreement, ECC acquired certain assets as detailed below from Tina M. Siegel, OD, PA d/b/a Optometric EyeCare Center ("Tina Siegel") for a total purchase price of $1,300,000. The goodwill of $463,800 arising from the acquisition consists largely of synergies and economies of scale expected from combining the operations of ECC and Tina Siegel. ECC incurred costs of $48,578 related to this acquisition. These costs are included in acquisition expenses in the accompanying consolidated statement of operations. The acquisition of Tina Siegel was financed with $1,300,000 in debt.

The following table summarizes the consideration paid for Tina Siegel at the acquisition date.

Net cash paid	$	1,300,000
Fair value of total consideration transferred	$	1,300,000

Following is a condensed balance sheet showing the fair values of the assets acquired as of the date of acquisition:

Assets:		
Inventory	$	39,000
Property and equipment		281,200
Trade name		6,000
Insurance and payor relationships		115,000
Non-compete agreements		49,000

EYECARE PARTNERS, LLC & SUBSIDIARIES

Notes to Consolidated Financial Statements – Continued
December 31, 2015

Note B – Business Combinations (Continued)

Customer relationships	346,000
Goodwill arising in the acquisition	463,800
Net assets acquired	$ 1,300,000

Additionally, two smaller business combinations occurred during the period from Inception through December 31, 2015. The goodwill arising from these acquisitions consists largely of synergies and economies of scale expected from combining operations. Details for each of these business combinations are as follows:

Acquiree	Hewitt Opticians, Inc.	Vision Clinics, Ltd.
Date	October 30, 2015	November 9, 2015
Acquirer	ECC	Thoma
Cash paid	$ 65,000	$ 280,000
Assets acquired:		
Inventories	32,000	39,000
Property and equipment	14,000	118,365
Goodwill	19,000	122,635

Note C – Property and Equipment

At December 31, 2015, property and equipment consisted of the following:

Machinery and equipment	**$ 19,677,945**
Furniture and fixtures	**4,761,722**
Leasehold improvements	**7,071,874**
Computer hardware and software	**923,300**
Construction in process	**209,356**
	32,644,197
Less accumulated depreciation	**(4,369,145)**
Property and equipment, net	**$ 28,275,052**

Depreciation expense from Inception to December 31, 2015 was $4,369,145 and is included within cost of revenues and depreciation on the Consolidated Statement of Operations.

The Company acquired a building with the acquisition of Clarkson that is classified as held for sale and has been recorded at its listed price of $199,000, which is considered fair market value of the asset.

EYECARE PARTNERS, LLC & SUBSIDIARIES

Notes to Consolidated Financial Statements – Continued
December 31, 2015

Note D –Intangible Assets and Goodwill

At December 31, intangible assets consisted of the following:

	Gross Amount	Accumulated Amortization	Net Amount	Estimated Life
Trade names	$ 3,419,000	$ 460,276	$ 2,958,724	3 years
Insurance and Payor Relationships	6,154,000	3,977,913	2,176,087	1 year
Non-Compete Agreements	2,742,000	649,968	2,092,032	1 - 3 years
Customer Relationships	32,324,000	3,017,848	29,306,152	7 years
Internally Developed Software	1,300,000	195,000	1,105,000	3 years
Trade name	24,400,000	-	24,400,000	Indefinite
	$ 70,339,000	$ 8,301,005	$ 62,037,995	

Amortization expense for the period from Inception to December 31, 2015 was $8,301,005.

Estimated aggregate amortization expense for each of the next five years is:

	December 31,
2016	**$ 8,890,029**
2017	**6,546,342**
2018	**5,993,594**
2019	**5,214,124**
2020	**4,776,354**

The changes in the carrying amount of goodwill for the period from Inception to December 31, 2015 are as follows:

Balance at Inception	**$ -**
Goodwill acquired – Clarkson	**78,006,747**
Goodwill acquired – ECA	**22,080,867**
Goodwill acquired – ECC	**15,366,638**
Goodwill acquired – Dr. Joseph Chatfield, LLC	**192,000**
Goodwill acquired – Hewitt Opticians, Inc.	**19,000**
Goodwill acquired – Vision Clinics, Ltd.	**122,635**
Goodwill acquired – Tina M. Siegel, OD, PA	**463,800**
Balance at December 31, 2015	**$ 116,251,687**

Note E – Debt

A summary of the Company's outstanding debt as of December 31, 2015 is as follows:

Golub Capital, LLC, Revolving Loan up to $12,500,000, due April 2021, with interest payable quarterly based on the applicable LIBOR margin plus 1.00% (6.75% at December 31, 2015).	**$ 300,000**
Golub Capital, LLC; Term Loan with principal payable in quarterly installments of $150,000; remaining principal balance due April 2021; interest payable quarterly at the applicable LIBOR margin plus 1.00% (6.75% at December 31, 2015).	**59,550,000**
Golub Capital, LLC; Acquisition Term Loan with principal payable in quarterly installments in an amount equal to 0.25% of original outstanding principal; remaining principal balance due April 2021; interest payable quarterly at the applicable LIBOR margin plus 1.00% (6.75% at December 31, 2015).	**54,800,000**
Golub Capital, LLC; Delayed Draw Term Loan with principal payable in quarterly installments in an amount equal to 0.25% of the original outstanding principal; remaining principal due April 2021; interest payable quarterly at the applicable LIBOR margin plus 1.00% (6.75% at December 31, 2015).	**1,300,000**
Alcon Laboratories Inc.; monthly payments of 4 Principal and interest of $12,232; interest rate at 5.00%; matures November 2017.	**267,718**
	116,217,718
Less unamortized debt issuance costs	**(3,405,887)**
Less current maturities	**(1,299,484)**
Total long-term debt	**$ 111,512,347**

Note E – Debt (Continued)

On April 2, 2015, the Company entered into a revolving and term loan credit agreement (collectively, the "Facilities") with an aggregate borrowing capacity of $177,500,000 with Golub Capital, LLC ("Golub"). The Facilities consist of a Revolving Loan, an Acquisition Term Loan, a Term Loan, and a Delayed Draw Term Loan. At the time of borrowing the Company must make an election as to the applicable interest rate margin – Index or Libor, as defined in the agreement – which is adjusted quarterly based on the Company's total leverage ratio. The interest rate margin ranges from 4.25% - 5.25%, in the case of a LIBOR election ("applicable LIBOR margin"), or 5.25% - 6.25%, in the case of an Index election, plus 1.00% per annum.

The Revolving Loan has a maximum borrowing capacity of $12,500,000. Interest is paid quarterly based upon the outstanding principal with the remaining unpaid principal due on April 21, 2021. Additionally, on the last day of each quarter the Company must make a payment equal to one half of one percent (.50%) per annum of the difference between the maximum amount and the average balance for the period of the daily closing balances of the aggregate Revolving Loan outstanding during the quarter then ended.

The Term Loan has a maximum borrowing capacity of $60,000,000. Interest is paid quarterly based upon the outstanding principal with the remaining unpaid principal due on April 21, 2021. Beginning on June 30, 2015 and on the last day of each quarter thereafter, the Company must make a payment in an amount equal to $150,000, with the remaining unpaid principal amount due on the loan's termination date.

The Acquisition Term Loan has a maximum borrowing capacity of $55,000,000. Interest is paid quarterly based upon the outstanding principal with the remaining unpaid principal due on April 21, 2021. Beginning on the last day of the first full quarter following the date such Acquisition Term Loan was advanced and on the last day of each quarter thereafter, the Company must make a payment of principal equal to 0.25% of the original outstanding principal amount of such Acquisition Term Loan on the date such loan was funded. Additionally, on the last business day of each quarter prior to the loan's termination date, the Company must make a payment equal to one percent (1.00%) per annum of the average daily committed amount of the Acquisition Loan commitments (as it may be reduced from time to time) during the period for which such payment is due.

EYECARE PARTNERS, LLC & SUBSIDIARIES

Notes to Consolidated Financial Statements – Continued
December 31, 2015

Note E – Debt (Continued)

The Delayed Draw Term Loan has a maximum borrowing capacity of $50,000,000. Interest is paid quarterly based upon the outstanding principal with the remaining unpaid principal due on April 21, 2021. Beginning on the last day of the first full quarter following the date such Delayed Draw Term Loan was advanced and on the last day of each subsequent quarter thereafter, the Company must make a payment of principal equal to 0.25% of the original outstanding principal amount of such Delayed Draw Term Loan on the date such loan was funded. Additionally, on the last business day of each quarter prior to the Delayed Draw Term Loan termination date and on the Delayed Draw Term Loan termination date, commencing on the first Delayed Draw Term Loan Activation Date, with respect to fifty percent (50%) of the then outstanding Delayed Draw Term Loan commitments and the second Delayed Draw Term Loan activation date, with respect to the remaining then outstanding Delayed Draw Term loan commitments, the Company must make a payment equal to one percent (1.00%) per annum of the average daily committed amount of the Delayed Draw Term Loan commitments.

As part of the acquisition of Clarkson the Company assumed two notes with Alcon Laboratories, Inc. related to the purchase of two lasers in September 2012. These notes have a five year term and mature in November 2017. The Company is required to make monthly payments of principal and interest in an amount equal to $12,232 over the term of the note through the maturity date.

A portion of the purchase of Clarkson was funded through the issuance of a long-term loan with Golub for $60,000,000. Clarkson also entered into two additional long-term loans with Golub to fund the purchase of ECA and ECC for $25,000,000 and $30,000,000, respectively. Finally, Clarkson entered into a loan with Golub to fund the acquisition of Tina Siegel for $1,300,000.

As of December 31, 2015, the Company has not used any letters of credit associated with the revolver loan. The aggregate amount of all such letter of credit obligations shall not at any time exceed the lesser of $4,000,000 and the maximum amount less the outstanding principal balance. Additionally, no such letter of credit shall have an expiration date which is more than one year following the date of issuance thereof.

The debt with Golub is secured by substantially all of assets of the Company.

Note E – Debt (Continued)

The scheduled future principal payments on long-term debt by year are as follows:

2016	$ 1,299,484
2017	1,294,234
2018	1,163,000
2019	1,163,000
2020	1,163,000
Thereafter	110,135,000
	$ 116,217,718

The Facilities require the Company maintain a minimum fixed charge coverage and a maximum total leverage ratio. At December 31, 2015, the Company was in compliance with these covenants.

Additionally, the Facilities have certain restrictions surrounding the payment of dividends and distributions. The Company is not permitted to make any payment of dividends or distributions, except to pay franchise taxes and other similar licensing expenses incurred in the ordinary course of business, without the prior written consent of Golub.

The Facilities also have an excess cash flow requirement which stipulates until the termination date, the Company shall prepay the Facilities on the date that is 125 days following the end of the fiscal year ending December 31, 2015 and each fiscal year thereafter in an amount equal to fifty percent (50%) of excess cash flow (as calculated within the compliance certificate) for the immediately preceding fiscal year reduced by the aggregate amount of voluntary prepayments of the Facilities during such period. Additionally, the excess cash flow for the period ended December 31, 2015 and for each subsequent fiscal year the percentage of excess cash flow that shall be required to be prepaid shall be reduced to twenty-five percent (25%) if the total leverage ratio as of the last day of such fiscal year is less than 3.50 to 1.00. The Company did not have an excess cash flow payment for the period from Inception to December 31, 2015.

Note F – Equity

The Company has two classes of units, Common Units and Class P Units. Holders of Common Units are entitled to the number of votes equal to the number of Common Units held while holders of Class P Units are not entitled to vote. Common Units may not be redeemed prior to the Company's liquidation and termination, unless such withdrawal is provided for the Member's agreement or approved by the Board of Managers ("Board").

Note F – Equity (Continued)

It is the members' intention that the amount distributed to the members upon dissolution of the Company be equal to the members' capital account balances. To the extent necessary, the Company shall allocate profits and losses among the members in respect of the Company's final fiscal year, including items thereof, in a manner that as nearly as possible causes the capital account of each member to be equal to the amount such member is entitled to receive. Upon dissolution of the Company, after all outstanding liabilities and expenses of the Company have been paid, any remaining balance will be distributed to the members pro rata based upon percentage of all of the outstanding units held by each such member subject, in the case of any Class P unit, to the participation threshold applicable to such Class P Unit.

The total number of units which the Company has authority to issue shall be determined by the Board from time to time. As of December 31, 2015, the Company had authorized and issued 110,541 units.

Note G – Share Based Compensation

The Company may issue authorized but unissued Class P Units to existing or new employees, officers, directors, consultants or other service providers of the Company or any of its subsidiaries pursuant to a Class P Agreement approved by the Board. In the Board's discretion, the terms of any Class P Units issued may include limitations on the distribution entitlements of such Units imposed in order to cause such Units to qualify as profit interests.

Class P Units are exercisable according to the varying vesting schedules in conjunction with the occurrence of a disposition event. Class P Units granted contain a combination of time vested and performance based vesting. The time-based vesting awards vest ratably over a period of five years from the date of grant. The performance based vesting units shall become vested upon a disposition event in which the aggregate return multiple achieved by the initial investors in connection with the disposition event is equal to or greater than specific hurdles outlined in the individual agreements. Upon the completion of a disposition event, all granted Class P units that have not become vested shall automatically be redeemed and cancelled by the Company for no consideration. A disposition event is defined as the sale of all or substantially all of the assets of the Company or its subsidiaries in a single transaction or series of related transactions whether by liquidation, dissolution, merger, consolidation or sale or the sale or other transfer of at least 51% of outstanding Common Units in a single transaction or a series of related transactions to any person who is not an affiliate of the Company or a member thereof. For units issued, the exercise price, if any, is determined by the Board. During the period from Inception to December 31, 2015, the Board issued 121,841 units.

Note G – Share Based Compensation (Continued)

GAAP requires the Company to recognize expense over the service period for options that are expected to vest and record adjustments to compensation expense at the end of the service period if actual forfeitures differ from original estimates. As a result, the Company deemed stock-based compensation expense for the period from Inception to December 31, 2015 related to Class P Units granted to be $131,508, net of estimated forfeitures. As of December 31, 2015, total unrecognized compensation cost related to Class P Units was $745,212, net of estimated forfeitures. The unrecognized compensation cost is expected to be fully recognized by April 1, 2020.

Unit-based compensation expense related to Class P Units without time-based vesting granted to employees recognized for the period from inception to December 31, 2015 was $0. The Company determined that these units did have a fair market value; however, since they are deemed improbable of vesting at the grant date no compensation expense was recorded and will not be recorded until vesting occurs.

The assumptions used and the calculated fair value of Class P Units granted during the period from Inception to December 31, 2015 are as follows:

		2015
Risk-free interest rate		1.55%
Expected dividend yield		0.00%
Expected lives		5 years
Volatility		49.00%
Weight average fair value of units issued	$	292.24

A summary of the Class P Unit activity as of December 31, 2015 and changes during the period from Inception to December 31, 2015 are as follows:

	Number of Units		Weighted Average Exercise Price
Total units outstanding, Inception	-	$	-
Granted	121,841	$	1,000
Total units outsanding, December 31, 2015	121,841	$	1,000
Options exercisable, December 31, 2015	-	$	-

EYECARE PARTNERS, LLC & SUBSIDIARIES

Notes to Consolidated Financial Statements – Continued
December 31, 2015

Note G – Share Based Compensation (Continued)

	Nonvested Options	Weighted Average Fair Value
Nonvested units		
Nonvested units, Inception	-	$ -
Granted	121,841	292.24
Vested	-	-
Forfeited	-	-
Nonvested units, December 31, 2015	121,841	$ 292.24

Note H – Income Taxes

The provision for income tax benefits for the period from Inception to December 31, 2015 consists of the following components:

Current taxes	
Federal	$ 29,664
State	4,016
Total current	33,680
Deferred benefit	
Federal	(173,410)
State	(23,477)
Total deferred	(196,887)
Net benefit for federal and state income taxes	$ (163,207)

Deferred tax assets (liabilities) consisted of the following components at December 31, 2015:

Allowance for doubtful accounts	$ 80,214
Deferred service revenue	(59,758)
Accumulated depreciation	(701,981)
Property and equipment	(143,669)
Intangible assets	(2,292,197)
Net deferred tax liability	$ (3,117,391)

The difference between income taxes at the statutory federal rate and effective rate is primarily the result of state income taxes and permanent non-deductible expenses.

EYECARE PARTNERS, LLC & SUBSIDIARIES

Notes to Consolidated Financial Statements – Continued
December 31, 2015

Note I – Fair Value of Financial Instruments

The carrying amounts and fair values of the Company's financial instruments at December 31, 2015 are as follows:

	Carrying Amount	Fair Value
Cash	$ 5,235,409	$ 5,235,409
Accounts receivable	6,782,667	6,782,667
Accounts payable	6,763,582	6,763,582
Long-term debt	116,217,718	116,217,718

Note J – Operating Leases

The Company leases its facilities and certain equipment under operating leases. These leases expire at various dates through June 2035. Several of the lease agreements contain escalating rents over the life of the lease. The Company recognizes rent expense for these leases on a straight-line basis. Rent expense for the period from Inception to December 31, 2015 was $5,932,941.

Future minimum rental payments under these operating leases are as follows at December 31, 2015:

	Related Party	Non-Related Party	Total
2016	$ 4,180,556	$ 4,391,236	$ 8,571,792
2017	4,180,519	3,621,274	7,801,793
2018	4,089,628	3,167,523	7,257,151
2019	4,057,492	2,406,160	6,463,652
2020	2,980,078	1,777,665	4,757,743
Thereafter	6,495,914	3,065,517	9,561,431
	$ 25,984,187	$ 18,429,375	$ 44,413,562

Note K – Related Party Transactions

The Company leases several facilities and some equipment from related parties. Rent expense related to these related parties from Inception to December 31, 2015 was $2,085,619. Future minimum rental payments under these related party operating leases are included in the table in Note J.

Note L – Employee Benefit Plans

The Company sponsors several defined contribution post-retirement plans. The Company made contributions to the various plans totaling $186,482 during the period from Inception to December 31, 2015.

ECC has entered into employment agreements with four doctors in which the doctor's bonus is based upon the net profit generated for their individual locations. ECC records total revenue and expense for these locations each month and at the end of each quarter will pay a bonus to these doctors based on an agreed-upon working capital cash reserve level of the total expenses. Any non-paid bonus is accrued and carried forward to be paid in a future period. As of December 31, 2015, the Company has recorded a liability related to these bonuses of $267,287.

Note M – Variable Interest Entities

Under generally accepted accounting principles, an enterprise is required to consolidate any entity in which it holds a variable interest and of which it is the primary beneficiary. In general, a VIE is a legal entity that either (1) has an insufficient amount of equity to carry out its principal activities without additional subordinate financial support, (2) has a group of equity owners that are unable to make significant decisions about its activities, or (3) has a group of equity owners that do not have the obligation to absorb losses or the right to receive returns generated by its operations. Under the revised accounting rules, an enterprise is the primary beneficiary of a VIE, which is the party that would be required to consolidate the VIE, if it has (1) the power to direct the activities that most significantly impact the VIEs economic performance and (2) the obligation to absorb losses of the VIE or the right to receive benefits from the VIE that could be significant to the VIE. If it is a related party group that holds these characteristics rather than a single party, then it is the party within the related party group that is most closely associated with the VIE that is the primary beneficiary.

In determining whether it is the primary beneficiary of a VIE, the Company considers qualitative and quantitative factors and judgments, including which activities most significantly impact the VIEs economic performance and which party controls such activities; the amount and characteristics of the Company's interests in and other involvements with the VIEs; the obligation and likelihood for the Company or other investors to provide financial support to the VIEs; and the similarity with and significance of the business activities of the VIEs to the Company and other parties or investors involved.

EYECARE PARTNERS, LLC & SUBSIDIARIES

Notes to Consolidated Financial Statements – Continued
December 31, 2015

Note M – Variable Interest Entities (Continued)

The Company has determined that is has a variable interest in and is the primary beneficiary of the following doctor owned entities – Clarkson Optometry, Inc., which provides eyecare services in Missouri, Clarkson Optometry Midwest, Inc. which provides eyecare services in Ohio, and eyecarecenter, OD., PA., which provides eyecare services in North Carolina.

The Company or one of its subsidiaries has entered into long term practice management arrangements with each of the VIE's pursuant to which the Company or one of its subsidiaries provides equipment, facilities and business support services in exchange for fees and cost reimbursement associated therewith. The Company has determined that it is the primary beneficiary of the VIE's because it or one of its subsidiaries absorbs or receives the majority of the VIE's losses or returns pursuant to these practice management arrangements and has the ability to direct activities of the entities that most significantly impact its economic performance.

The condensed balance sheets and statement of operations of all the variable interest entities, before eliminations, as of and for the years ended December 31, 2015 are as follows:

	Clarkson Optometry, Inc.	Clarkson Optometry Midwest, Inc.	eyecarecenter OD., PA.
Current assets	$ 2,397,178	$ 2,967,172	$ 3,758,337
Current liabilities	2,356,253	3,116,752	3,157,230
Members' deficit	40,925	(149,580)	(1,494)
Revenues	50,014,655	8,204,992	13,561,741
Expenses	50,020,661	8,225,382	13,563,235
Net loss	$ (6,006)	$ (20,390)	$ (1,494)

Note N – Litigation

The Company is party to various legal proceedings from time to time. As of December 31, 2015, the Company has accrued $0 in anticipation of existing contingencies for which the Company concluded the risk of loss to be probable.

Note O - Supplemental Disclosure of Non-Cash

During the period from Inception to December 31, 2015 the Company paid $4,824,567 in interest and $114,580 for income taxes.

In conjunction with the acquisition of Clarkson, the sellers of Clarkson exchanged $10,000,000 of units in the old company for Common Units of Clarkson.

In conjunction with the acquisition of ECA, the sellers of ECA exchanged $7,385,601 of units in the old company for Common Units of Clarkson.

In conjunction with the acquisition of ECC, the sellers of ECC exchanged $155,000 of units in the old company for Common Units of Clarkson.

Note P – Recent Accounting Pronouncements

In May 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-12, Revenue from Contracts with Customer (Topic 606): Narrow-Scope Improvements and Practical Expedients, which aims to reduce the risk of diversity in practice for certain aspects of Topic 606, including collectability, noncash consideration, presentation of sales tax, and transition. In April 2016 and March 2016, the FASB issued ASU No. 2016-10, Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing ("ASU 2016-10") and ASU 2016-08, Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net ("ASU 2016-08"), respectively. ASU 2016-10 clarifies the implementation guidance on licensing and the identification of performance obligations considerations included in ASU 2014-09, Revenue from Contracts with Customers (Topic 606) ("ASU 2014-09"). ASU 2016-08 provides amendments to clarify the implementation guidance on principal versus agent considerations included in ASU 2014-09. In August 2015, the FASB issued ASU No. 2015-14, Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date ("ASU 2015-14"), which defers the effective date of ASU 2014-09. ASU 2014-09 outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. The effective date of this pronouncement, along with ASU 2016-08 and 2014-09, is for annual and interim periods beginning after December 15, 2017, for public companies, with early adoption permitted as of the original effective date. All other entities should apply the guidance in ASU 2014-09 to annual reporting periods beginning after December 15, 2018, and interim reporting periods within annual reporting periods beginning after December 15, 2019. The Company is evaluating the impact that this new guidance will have on the Company's consolidated financial statements.

Note P – Recent Accounting Pronouncements (Continued)

In March 2016, the FASB issued ASU 2016-09, Improvements to Employee Share-Based Payment Accounting, which amends Accounting Standards Codification ("ASC") Topic 718, Compensation – Stock Compensation. This ASU simplifies several aspects of the accounting for share-based payment award transactions, including (i) income tax consequences, (ii) classification of awards as either equity or liabilities, (iii) whether or not to estimate forfeitures or account for them when they occur and (iv) classification on the statement of cash flows. The standard is effective for annual periods beginning after December 15, 2017, and interim periods within annual periods beginning after December 15, 2018 for nonpublic companies. Early adoption will be permitted with any adjustments reflected as of the beginning of the fiscal year of adoption. The Company is evaluating the impact of this standard on its consolidated financial statements and disclosures.

In February 2016, the FASB issued ASU No. 2016-02, Leases, which amends ASC Topic 840, Leases, and is intended to increase the transparency and comparability of accounting for lease transactions. This ASU requires most leases to be recognized on the balance sheet. Lessees will need to recognize a right-of-use asset and a lease liability for virtually all leases. The liability will be equal to the present value of lease payments. The asset will be based on the liability, subject to adjustment, such as for initial direct costs. For income statement purposes, the FASB retained a dual model, requiring leases to be classified as either operating or finance. Lessor accounting remains similar to the current model. Targeted improvements were made to lessor accounting to align, where necessary, with certain changes to the lessee model and the new revenue recognition standard. The ASU will require both quantitative and qualitative disclosures regarding key information about leasing arrangements. The standard is effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020, for nonpublic companies. Early adoption is permitted. The new standard must be adopted using a modified retrospective transition, and provides for certain practical expedients. Transition will require application of the new guidance at the beginning of the earliest comparative period presented. The Company is evaluating the impact of this standard on its consolidated financial statements and disclosures.

Note P – Recent Accounting Pronouncements (Continued)

In September 2015, the FASB issued ASU No. 2015-16, Business Combinations (Topic 805): Simplifying the Accounting for Measurement-Period Adjustments. ASU No. 2015-16 requires an acquirer in a business combination to recognize adjustments to provisional amounts that are identified during the measurement period in the reporting period in which the adjustment amounts are determined. The effect on earnings of changes in depreciation, amortization or other income effects, as a result of the change in provisional amounts, are to be included in the same period's financial statements, calculated as if the accounting had been completed at the acquisition date. The amendments in this update are effective for fiscal years beginning after December 15, 2016 and interim periods within fiscal years beginning after December 15, 2017, for nonpublic companies, including interim periods within those fiscal years, and shall be applied prospectively to adjustments to provisional amounts that occur after the effective date. The Company does not expect a material impact to the financial statements once implemented.

In February 2015, the FASB issued ASU No. 2015-02, which amends FASB ASU Topic 810, Consolidations. This ASU amends the current consolidation guidance, including introducing a separate consolidation analysis specific to limited partnerships and other similar entities. This ASU requires that limited partnerships and similar legal entities provide partners with either substantive kick-out rights or substantive participating rights over the general partner in order to be considered a voting interest entity. The specialized consolidation model and guidance for limited partnerships and similar legal entities have been eliminated. There is no longer a presumption that a general partner should consolidate a limited partnership. For limited partnerships and similar legal entities that qualify as voting interest entities, a limited partner with a controlling financial interest should consolidate a limited partnership. A controlling financial interest may be achieved through holding a limited partner interest that provides substantive kick-out rights. The standard is effective for fiscal years beginning after December 15, 2016, and for interim periods within fiscal years beginning after December 15, 2017, for nonpublic companies. The Company is evaluating the impact of this standard on its consolidated financial statements and disclosures.

Note Q – Subsequent Events

The Company has evaluated all subsequent events through July 15, 2016, the date the financial statements were available to be issued. The following events have occurred subsequent to December 31, 2015.

EYECARE PARTNERS, LLC & SUBSIDIARIES

Notes to Consolidated Financial Statements – Continued
December 31, 2015

Note Q – Subsequent Events (Continued)

On January 31, 2016, pursuant to the terms of an asset purchase agreement, ECA acquired certain assets from Jackson Laboratories, Inc. d/b/a Primary EyeCare Associates for a total purchase price of $3,415,000. The acquisition of the assets of Jackson Laboratories is accounted for as a business combination. The Company is in the process of completing the purchase price allocation of the fair value of assets acquired.

On February 2, 2016, pursuant to the terms of a stock purchase agreement, Thoma acquired all the outstanding equity for Rinkov Eyecare Centers, LLC ("Rinkov") for a base purchase price of $9,700,000. The acquisition of Rinkov is accounted for as a business combination. The Company is in the process of completing the purchase price allocation of the fair value of assets acquired.

On February 8, 2016, the Company entered into an operating lease agreement for additional office space which commenced on April 1, 2016. The agreement calls for annual payments of $225,386 over a five year period through March 2021.

On March 1, 2016, pursuant to the terms of an asset purchase agreement, ECC acquired certain assets from Adams Optometrics Associates, PA, d/b/a Eyecarecenter Lumberton for a total purchase price of $1,350,000. The acquisition of the assets of Adams Optometrics Associates, PA, is accounted for as a business combination. The Company is in the process of completing the purchase price allocation of the fair value of assets acquired.

On March 1, 2016, pursuant to the terms of an asset purchase agreement, ECC acquired certain assets from University City Optometry PA, d/b/a University City Vision Care for a total purchase price of $350,000. The acquisition of the assets of University City Optometry PA is accounted for as a business combination. The Company is in the process of completing the purchase price allocation of the fair value of assets acquired.

On March 10, 2016, ECP formed ECP Florida, LLC ("ECP Florida") to facilitate the purchase of the assets of three entities within the state of Florida.

On March 24, 2016, pursuant to the terms of a purchase agreement, ECC acquired certain assets from DRC Leasing, LLC and Dr. Donavon R. Cloninger, Jr., for a total purchase price of $1,680,000. The acquisition of the assets of DRC Leasing, LLC and Dr. Donavon R. Cloninger, Jr. is accounted for as a business combination. The Company is in the process of completing the purchase price allocation of the fair value of assets acquired.

Note Q – Subsequent Events (Continued)

On March 24, 2016, pursuant to the terms of a purchase agreement, ECC acquired certain assets from Joel Craig Swaim, O.D. for a total purchase price of $1,100,000. The acquisition of the assets from Joel Craig Swaim, O.D. is accounted for as a business combination. The Company is in the process of completing the purchase price allocation of the fair value of assets acquired.

On March 31, 2016, the Facilities were amended to adjust the Index and LIBOR interest rates to a fixed 5.25% and 6.25%, respectively.

On April 1, 2016, pursuant to the terms of an asset purchase agreement, ECA acquired certain assets from Dr. Michael Freeman and Associates, Optometrists, P.C., for a total purchase price of $700,000. The acquisition of the assets of Dr. Michael Freeman and Associates, Optometrists, P.C. is accounted for as a business combination. The Company is in the process of completing the purchase price allocation of the fair value of assets acquired.

On April 8, 2016, pursuant to the terms of an asset purchase agreement, ECP Florida acquired certain assets from Carl H. Spear, O.D., P.A. d/b/a Navarre Family Eye Care, for a total purchase price of $4,750,000. The acquisition of the assets of Carl H. Spear, O.D., P.A. is accounted for as a business combination. The Company is in the process of completing the purchase price allocation of the fair value of assets acquired.

On April 8, 2016, pursuant to the terms of an asset purchase agreement, ECP Florida acquired certain assets from Eye Care of Perdido, LLC, Gulf Breeze Family Eyecare, Inc., Panhandle Cataract and Laser Institute, LLC, and Sight and Sun Eyeworks, LLC, for a total purchase price of $4,650,000. The acquisition of the assets of Eye Care of Perdido, LLC, Gulf Breeze Family Eyecare, Inc., Panhandle Cataract and Laser Institute, LLC and Sigt and Sun Eyeworks, LLC is accounted for as a business combination. The Company is in the process of completing the purchase price allocation of the fair value of assets acquired.

On April 8, 2016, pursuant to the terms of an asset purchase agreement, ECP Florida acquired certain assets from Berryhill Optometry, LLC, for a total purchase price of $750,000. The acquisition of the assets from Berryhill Optometry, LLC is accounted for as a business combination. The Company is in the process of completing the purchase price allocation of the fair value of assets acquired.

EYECARE PARTNERS, LLC & SUBSIDIARIES

Notes to Consolidated Financial Statements – Continued
December 31, 2015

Note Q – Subsequent Events (Continued)

On April 29, 2016, the revolver loan of $300,000 within the Facilities was paid in full.

On May 11, 2016, the Delayed Draw Term Loan maximum borrowing capacity was increased to $75,000,000, bringing the aggregate borrowing capacity of the Facilities to $202,500,000.

On May 31, 2016, pursuant to the terms of a purchase agreement, ECC acquired certain assets from Stuart L. Samuels, O.D. for a total purchase price of $1,500,000. The acquisition of the assets from Stuart L. Samuels, O.D. is accounted for as a business combination. The Company is in the process of completing the purchase price allocation of the fair value of assets acquired.

On June 20, 2016, ECP formed ECP Georgia, LLC ("ECP Georgia") to facilitate the purchase of the assets of an entity within the state of Georgia.

On June 30, 2016, pursuant to the terms of an asset purchase agreement, Rinkov acquired certain assets from Southern Vision Center, Inc. for a total purchase price of $530,000. The acquisition of the assets from Southern Vision Center, Inc. is accounted for as a business combination. The Company is in the process of completing the purchase price allocation of the fair value of assets acquired.

On July 1, 2016, pursuant to the terms of an asset purchase agreement, Thoma acquired certain assets from Eyecare Associates of Kentucky, P.S.C., Doctors Vision Center I, PLLC, Leonard Eye Care, PLLC, Primary Eye Care, PSC, Murray Vision Center, L.L.C., Sheridan Eyecare, PLLC, and Dr. Carl Marquess (collectively "ECAK") for a total purchase price of $10,000,000. The acquisition of the assets from ECAK is accounted for as a business combination. The Company is in the process of completing the purchase price allocation of the fair value of assets acquired.

On July 15, 2016, pursuant to the terms of an asset purchase agreement, ECP Georgia acquired certain assets from Eye Elements, Inc., Buckhead Vision Group, Inc., Choi & Bang, O.D., P.C., and Eye Elements Group, LLC (collectively "Eye Elements") for a total purchase price of $5,300,000. The acquisition of Eye Elements is accounted for as a business combination. The Company is in process of completing the purchase price allocation of the fair value of assets acquired.

ATTACHMENT #7
AFFIRMATIONS AND ADDITIONAL INFORMATION

In accordance with the requirements of 77 Ill. Admin. Code §§ 1130.500 and 1130.520, each applicant offers the following affirmations and additional information, as applicable:

1. All compliance requirements with all existing permits that have been approved by the Health Facilities and Services Review Board have been fulfilled.

2. The categories of service and number of beds as reflected in the Inventory of Health Care Facilities will not substantially change for at least twelve months following the project's completion date.

3. Transaction documents will contain a provision that execution is subject to issuance by the Health Facilities and Services Review Board of an exemption and will also contain the conditions and terms of the change of ownership.

4. No adverse action has been taken against any applicant by the Federal government, licensing or certifying bodies, or any other agency of the State of Illinois against any health care facility owned or operated by any applicant, directly or indirectly, within three years preceding the filing of this application.

5. Ownership and control of the facility will be maintained for at least two years.

6. Any projects for which permits have been issued have been completed or will be completed or altered in accordance with the provisions of 77 Ill. Admin. Code § 1130.520.

7. It is affirmed that failure to complete the project in accordance with the applicable provisions of 77 Ill. Admin. Code § 1130.500(d) no later than 24 months from the date of exemption approval (or by a later date established by the Health Facilities and Services Review Board upon a finding that the project has proceeded with due diligence), and failure to comply with the material change requirements of 77 Ill. Admin. Code § 1130.520, will invalidate the exemption.

8. A written response addressing the review criteria contained in 77 Ill. Admin. Code § 1110.240 has been prepared, and the response is available for public review on the premises of the health care facility.

9. The anticipated benefits of the proposed change in ownership to the community are: A better capitalized entity with the financial capacity to respond to market opportunities as they arise, including enhanced access to high technology equipment.

10. The anticipated or potential cost savings, if any, that will result for the community and the facility as a result of the change in ownership are: As the surgery center will operate in a manner consistent with current practice, it is anticipated that the surgery center will continue to be a lower cost alternative to similar surgeries performed in a hospital.

11. The facility's quality improvement program mechanism that will be utilized to assure quality control is: Operations will be in accordance with good management practices and medical standards for similar ophthalmological surgery centers.

12. The selection process that the acquiring entity will use to select the facility's governing body is that ECP ASC Holdings, LLC will act as sole member to govern the acquiring entity.

13. Following is a summary of any proposed changes to the scope of services or levels of care currently provided at the facility that are anticipated to occur within 24 months after acquisition: NONE.