

August 30, 2017

Courtney Avery, Administrator
Illinois Health Facilities and Service Review Board
525 West Jefferson Street, 2nd Floor
Springfield, IL 62761

RECEIVED

AUG 30 2017

HEALTH FACILITIES &
SERVICES REVIEW BOARD

Dear Ms. Avery,

Please find enclosed with this cover letter a completed Certificate of Exemption Application. This application is submitted on behalf of DMG Practice Management Solution, LLC, Naperville Fertility Center, Inc., and The Jody L. Morris Trust to request approval for a Change of Ownership for the single-specialty ambulatory surgical treatment center ("ASTC") known as the Naperville Fertility Center, located at 3North Washington Street, Naperville, IL, 60540.

Thank you for your attention to this matter. Please do not hesitate to contact me if you have any questions.

Sincerely,



Bryan Niehaus, JD
Senior Consultant
Murer Consultants, Inc.

E-039-17

[ORIGINAL]

RECEIVED

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR EXEMPTION PERMIT

AUG 31 2017

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION FACILITIES & SERVICES REVIEW BOARD

This Section must be completed for all projects.

Facility/Project Identification

Facility Name: Naperville Fertility Center, Inc.		
Street Address: 3 North Washington Street		
City and Zip Code: Naperville, IL 60540		
County: DuPage	Health Service Area VII	Health Planning Area: 043

Applicant(s) [Provide for each applicant (refer to Part 1130.220)]

Exact Legal Name: Naperville Fertility Center, Inc.		
Street Address: 3 North Washington Street		
City and Zip Code: Naperville, IL 60540		
Name of Registered Agent: National Corporate Research		
Registered Agent Street Address: 520 S. Second St., STE 403		
Registered Agent City and Zip Code: Springfield, IL 62701		
Name of Chief Executive Officer: Randy S. Morris, MD		
CEO Street Address: 3 North Washington Street		
CEO City and Zip Code: Naperville, IL 60540		
CEO Telephone Number: 630-357-6540		

Type of Ownership of Applicants

<input type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership
<input checked="" type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental
<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship
	<input type="checkbox"/> Other

- Corporations and limited liability companies must provide an Illinois certificate of good standing.
- Partnerships must provide the name of the state in which they are organized and the name and address of each partner specifying whether each is a general or limited partner.

APPEND DOCUMENTATION AS ATTACHMENT 1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Primary Contact [Person to receive ALL correspondence or inquiries]

Name: Bryan Niehaus
Title: Senior Consultant
Company Name: Murer Consultants, Inc.
Address: 19065 Hickory Creek Dr., Suite 115, Mokena, IL 60448
Telephone Number: 708-478-7030
E-mail Address: bnierhaus@murer.com
Fax Number: 708-478-7094

Additional Contact [Person who is also authorized to discuss the application for exemption permit]

Name: Mark J. Silberman
Title: Partner
Company Name: Benesch Law
Address: 333 W. Wacker, Suite 1900, Chicago, Illinois, 60606
Telephone Number: 312-212-4952
E-mail Address: MSilberman@Beneschlaw.com
Fax Number: 877-357-4913

**ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR EXEMPTION PERMIT**

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Facility/Project Identification

Facility Name: Naperville Fertility Center, Inc.		
Street Address: 3 North Washington Street		
City and Zip Code: Naperville, IL 60540		
County: DuPage	Health Service Area VII	Health Planning Area: 043

Applicant(s) [Provide for each applicant (refer to Part 1130.220)]

Exact Legal Name: DMG Practice Management Solutions, LLC		
Street Address: 1100 W. 31 st Street, Suite 300		
City and Zip Code: Downers Grove, IL 60515		
Name of Registered Agent: Capitol Services, Inc.		
Registered Agent Street Address: 1675 S. State Street		
Registered Agent City and Zip Code: Dover, Delaware 19901		
Name of Chief Executive Officer: Michael Kasper		
CED Street Address: 1100 W. 31 st Street, Suite 300		
CED City and Zip Code: Downers Grove, IL 60515		
CED Telephone Number: 630-942-7966		

Type of Ownership of Applicants

<input type="checkbox"/>	Non-profit Corporation	<input type="checkbox"/>	Partnership
<input type="checkbox"/>	For-profit Corporation	<input type="checkbox"/>	Governmental
<input checked="" type="checkbox"/>	Limited Liability Company	<input type="checkbox"/>	Sole Proprietorship
		<input type="checkbox"/>	Dther

- o Corporations and limited liability companies must provide an **Illinois certificate of good standing**.
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Title: Partner
Company Name: Benesch Law
Address: 333 W. Wacker, Suite 1900, Chicago, Illinois, 60606
Telephone Number: 312-212-4952
E-mail Address: MSilberman@Beneschlaw.com
Fax Number: 877-357-4913

**ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR EXEMPTION PERMIT**

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Facility/Project Identification

Facility Name: Naperville Fertility Center, Inc.		
Street Address: 3 North Washington Street		
City and Zip Code: Naperville, IL 60540		
County: DuPage	Health Service Area VII	Health Planning Area: 043

Applicant(s) [Provide for each applicant (refer to Part 1130.220)]

Exact Legal Name: The Jody L. Morris Trust.		
Street Address: 1149 Hobson Mill Dr.		
City and Zip Code: Naperville, IL 60540		
Name of Registered Agent: N/A		
Registered Agent Street Address: N/A		
Registered Agent City and Zip Code: N/A		
Name of Beneficiary: Jody L. Morris		
Beneficiary Street Address: 1149 Hobson Mill Dr.		
Beneficiary City and Zip Code: Naperville, IL 60540		
Beneficiary Telephone Number: 630-357-6540		

Type of Ownership of Applicants

<input type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership
<input type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental
<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship
	<input checked="" type="checkbox"/> Other

Corporations and limited liability companies must provide an Illinois certificate of good standing.
 Partnerships must provide the name of the state in which they are organized and the name and address of each partner specifying whether each is a general or limited partner.

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Name: Bryan Niehaus
Title: Senior Consultant
Company Name: Murer Consultants, Inc.
Address: 19065 Hickory Creek Dr., Suite 115, Mokena, IL 60448
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Name: Mark J. Silberman
Title: Partner
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Address: 333 W. Wacker, Suite 1900, Chicago, Illinois, 60606
Telephone Number: 312-212-4952
E-mail Address: MSilberman@Beneschlaw.com
Fax Number: 877-357-4913

Post Exemption Permit Contact

[Person to receive all correspondence subsequent to permit issuance-THIS PERSON MUST BE EMPLOYED BY THE LICENSED HEALTH CARE FACILITY AS DEFINED AT 20 ILCS 3960]

Name: Michael Kasper
Title: Chief Executive Officer
Company Name: Naperville Fertility Center, Inc.
Address: 1100 W. 31 st Street, Suite 300, Downers Grove, IL 60515
Telephone Number: 630-469-9200
E-mail Address: michael.kasper@dupagemd.com
Fax Number:

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: Medical Properties, LLC
Address of Site Owner: 3 North Washington Street, Naperville, IL 60540.
Street Address or Legal Description of the Site: 3 North Washington Street, Naperville, IL 60540.
Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statements, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease, or a lease.
APPEND DOCUMENTATION AS ATTACHMENT 2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Operating Identity/Licensee

[Provide this information for each applicable facility and insert after this page.]

Exact Legal Name: Naperville Fertility Center, Inc.
Address: 3 North Washington Street, Naperville, IL 60540.
<input type="checkbox"/> Non-profit Corporation <input type="checkbox"/> Partnership
<input checked="" type="checkbox"/> For-profit Corporation <input type="checkbox"/> Governmental
<input type="checkbox"/> Limited Liability Company <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Other
<ul style="list-style-type: none"> o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing. o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner. o Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.
APPEND DOCUMENTATION AS ATTACHMENT 3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Organizational Relationships

Provide (for each applicant) an organizational chart containing the name and relationship of any person or entity who is related (as defined in Part 1130.140). If the related person or entity is participating in the development or funding of the project, describe the interest and the amount and type of any financial contribution.

APPEND DOCUMENTATION AS ATTACHMENT 4, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Flood Plain Requirements

[Refer to application instructions.]

Provide documentation that the project complies with the requirements of Illinois Executive Order #2006-5 pertaining to construction activities in special flood hazard areas. As part of the flood plain requirements, please provide a map of the proposed project location showing any identified floodplain areas. Floodplain maps can be printed at www.FEMA.gov or www.illinoisfloodmaps.org. This map must be in a readable format. In addition, please provide a statement attesting that the project complies with the requirements of Illinois Executive Order #2006-5 ([http:// www.illinois.gov/sites/hfsrb](http://www.illinois.gov/sites/hfsrb)).

APPEND DOCUMENTATION AS ATTACHMENT 5, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Historic Resources Preservation Act Requirements

[Refer to application instructions.]

Provide documentation regarding compliance with the requirements of the Historic Resources Preservation Act.

APPEND DOCUMENTATION AS ATTACHMENT 6, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

DESCRIPTION OF PROJECT

1. Project Classification

[Check those applicable - refer to Part 1110.40 and Part 1120.20(b)]

Part 1110 Classification:

- Change of Ownership
- Discontinuation of an Existing Health Care Facility or of a category of service
- Establishment or expansion of a neonatal intensive care or beds

2. Narrative Description

In the space below, provide a brief narrative description of the project. Explain **WHAT** is to be done in **State Board defined terms**, **NOT WHY** it is being done. If the project site does **NOT** have a street address, include a legal description of the site. Include the rationale regarding the project's classification as substantive or non-substantive.

Naperville Fertility Center, Inc. is a limited-specialty ambulatory surgical treatment center located at 3 North Washington Street, Naperville, IL 60540. Currently, The Jody L. Morris Trust is the majority (95%) owner and Randy S. Morris is the minority (5%) owner of Naperville Fertility Center, Inc.

This application seeks an exemption for a Change in Ownership. Specifically, DMG Practice Management Solutions, LLC seeks approval to buy 100% of the outstanding stock in Naperville Fertility Center, Inc.

There are no other changes being proposed at the health care facility that would otherwise require a permit or exemption under the Act.

Project Costs and Sources of Funds (Neonatal Intensive Care Services only)

Complete the following table listing all costs (refer to Part 1120.110) associated with the project. When a project or any component of a project is to be accomplished by lease, donation, gift, or other means, the fair market or dollar value (refer to Part 1130.140) of the component must be included in the estimated project cost. If the project contains non-reviewable components that are not related to the provision of health care, complete the second column of the table below. Note, the use and sources of funds must be equal.

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs			
Site Survey and Soil Investigation			
Site Preparation			
Off Site Work			
New Construction Contracts			
Modernization Contracts			
Contingencies			
Architectural/Engineering Fees			
Consulting and Other Fees			
Movable or Other Equipment (not in construction contracts)			
Bond Issuance Expense (project related)			
Net Interest Expense During Construction (project related)			
Fair Market Value of Leased Space or Equipment			
Other Costs To Be Capitalized			
Acquisition of Building or Other Property (excluding land)			
TOTAL USES OF FUNDS			
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities			
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources			
TOTAL SOURCES OF FUNDS			
NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT 7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

Related Project Costs

Provide the following information, as applicable, with respect to any land related to the project that will be or has been acquired during the last two calendar years:

Land acquisition is related to project Yes No
 Purchase Price: \$ _____
 Fair Market Value: \$ _____

The project involves the establishment of a new facility or a new category of service
 Yes No

If yes, provide the dollar amount of all **non-capitalized** operating start-up costs (including operating deficits through the first full fiscal year when the project achieves or exceeds the target utilization specified in Part 1100.
 Estimated start-up costs and operating deficit cost is \$ _____

Project Status and Completion Schedules

For facilities in which prior permits have been issued please provide the permit numbers.
 Indicate the stage of the project's architectural drawings:
 None or not applicable Preliminary
 Schematics Final Working

Anticipated project completion date (refer to Part 1130.140): As soon as possible following approval by HFSRB.

Indicate the following with respect to project expenditures or to financial commitments (refer to Part 1130.140): N/A
 Purchase orders, leases or contracts pertaining to the project have been executed. Financial commitment is contingent upon permit issuance. Provide a copy of the contingent "certification of financial commitment" document, highlighting any language related to CON Contingencies
 Financial Commitment will occur after permit issuance.

APPEND DOCUMENTATION AS ATTACHMENT 8, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

State Agency Submittals [Section 1130.620(c)]

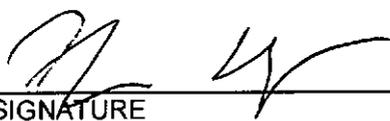
Are the following submittals up to date as applicable:
 Cancer Registry
 APORS
 All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted
 All reports regarding outstanding permits
Failure to be up to date with these requirements will result in the application for permit being deemed incomplete.

CERTIFICATION

The Application must be signed by the authorized representatives of the applicant entity. Authorized representatives are:

- o in the case of a corporation, any two of its officers or members of its Board of Directors;
- o in the case of a limited liability company, any two of its managers or members (or the sole manager or member when two or more managers or members do not exist);
- o in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- o in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- o in the case of a sole proprietor, the individual that is the proprietor.

This Application is filed on the behalf of DMG Practice Management Solutions, LLC in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this Application on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the fee required for this application is sent herewith or will be paid upon request.


SIGNATURE

Michael Kasper

CEO


SIGNATURE

Paul Merrick

President

Notarization:
Subscribed and sworn to before me
this 23rd day of August, 2017


Signature of Notary

Seal BARBARA A PEARLMAN
 Official Seal
 Notary Public - State of Illinois
 My Commission Expires Dec 26, 2019
Insert the EXACT legal name of the applicant

Notarization:
Subscribed and sworn to before me
this 23rd day of August, 2017


Signature of Notary

Seal BARBARA A PEARLMAN
 Official Seal
 Notary Public - State of Illinois
 My Commission Expires Dec 26, 2019

CERTIFICATION

The Application must be signed by the authorized representatives of the applicant entity. Authorized representatives are:

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- o in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- o in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- o in the case of a sole proprietor, the individual that is the proprietor.

This Application is filed on the behalf of Naperville Fertility Center, Inc.* in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this Application on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the fee required for this application is sent herewith or will be paid upon request.

Jody L. Morris
 SIGNATURE
Jody L. Morris
 Jody L. Morris

Randy S. Morris
 SIGNATURE
Randy S. Morris
 Randy S. Morris

President

Secretary

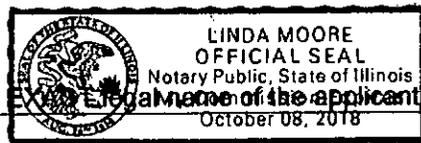
Notarization:
 Subscribed and sworn to before me
 this 25 day of August

Notarization:
 Subscribed and sworn to before me
 this 25 day of August

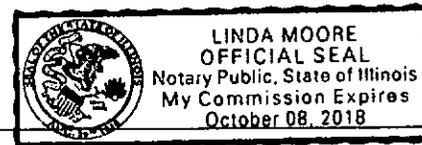
Linda Moore
 Signature of Notary

Linda Moore
 Signature of Notary

Seal



Seal



*Insert the legal name of the applicant

CERTIFICATION

The Application must be signed by the authorized representatives of the applicant entity. Authorized representatives are:

- o in the case of a corporation, any two of its officers or members of its Board of Directors;
- o in the case of a limited liability company, any two of its managers or members (or the sole manager or member when two or more managers or members do not exist);
- o in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- o in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- o in the case of a sole proprietor, the individual that is the proprietor.

This Application is filed on the behalf of The Jody L. Morris Trust* in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this Application on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the fee required for this application is sent herewith or will be paid upon request.

Jody L. Morris
SIGNATURE

SIGNATURE

Jody L. Morris
Jody L. Morris

PRINTED NAME

Beneficiary

PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 25 day of August

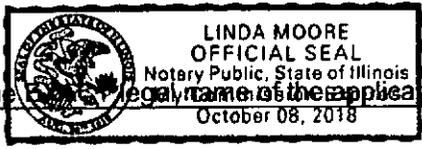
Notarization:
Subscribed and sworn to before me
this ____ day of _____

Linda Moore
Signature of Notary

Signature of Notary

Seal

Seal



*Insert the legal name of the applicant

SECTION II. DISCONTINUATION

This Section is applicable to the discontinuation of a health care facility maintained by a State agency. **NOTE:** If the project is solely for discontinuation and if there is no project cost, the remaining Sections of the application are not applicable.

Type of Discontinuation

- | | |
|--------------------------|---|
| <input type="checkbox"/> | Discontinuation of an Existing Health Care Facility |
| <input type="checkbox"/> | Discontinuation of a category of service |

Criterion 1110.130 - Discontinuation

READ THE REVIEW CRITERION and provide the following information:

GENERAL INFORMATION REQUIREMENTS

1. Identify the categories of service and the number of beds, if any, that are to be discontinued.
2. Identify all of the other clinical services that are to be discontinued.
3. Provide the anticipated date of discontinuation for each identified service or for the entire facility.
4. Provide the anticipated use of the physical plant and equipment after the discontinuation occurs.
5. Provide the anticipated disposition and location of all medical records pertaining to the services being discontinued, and the length of time the records will be maintained.
6. For applications involving the discontinuation of an entire facility, provide certification by an authorized representative that all questionnaires and data required by HFSRB or DPH (e.g., annual questionnaires, capital expenditures surveys, etc.) will be provided through the date of discontinuation, and that the required information will be submitted no later than 90 days following the date of discontinuation.
7. Upon a finding that an application to close a health care facility is complete, the State Board shall publish a legal notice on 3 consecutive days in a newspaper of general circulation in the area or community to be affected and afford the public an opportunity to request a hearing. If the application is for a facility located in a Metropolitan Statistical Area, an additional legal notice shall be published in a newspaper of limited circulation, if one exists, in the area in which the facility is located. If the newspaper of limited circulation is published on a daily basis, the additional legal notice shall be published on 3 consecutive days. The legal notice shall also be posted on the Health Facilities and Services Review Board's web site and sent to the State Representative and State Senator of the district in which the health care facility is located. In addition, the health care facility shall provide notice of closure to the local media that the health care facility would routinely notify about facility events.
8. Provide attestation that the facility provided the required notice of the facility or category of service closure to local media that the health care facility would routinely notify about facility events. The supporting documentation shall include a copy of the notice, the name of the local media outlet, the

date the notice was given, and the result of the notice, e.g., number of times broadcasted, written, or published. Only notice that is given to a local television station, local radio station, or local newspaper will be accepted.

REASONS FOR DISCONTINUATION

The applicant shall state the reasons for the discontinuation and provide data that verifies the need for the proposed action. See criterion 1110.130(b) for examples.

IMPACT ON ACCESS

1. Document that the discontinuation of each service or of the entire facility and whether or not it will have an adverse effect upon access to care for residents of the facility's market area.
2. Document that a written request for an impact statement was received by all existing or approved health care facilities (that provide the same services as those being discontinued) located within 45 minutes travel time of the applicant facility.

APPEND DOCUMENTATION AS ATTACHMENT 10, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION III. BACKGROUND, PURPOSE OF THE PROJECT, AND ALTERNATIVES **- INFORMATION REQUIREMENTS**

This Section is applicable to all projects except those that are solely for discontinuation with no project costs.

Background

READ THE REVIEW CRITERION and provide the following required information:

BACKGROUND OF APPLICANT

1. A listing of all health care facilities owned or operated by the applicant, including licensing, and certification if applicable.
2. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant during the three years prior to the filing of the application.
3. Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to: official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. **Failure to provide such authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.**
4. If, during a given calendar year, an applicant submits more than one application for permit, the documentation provided with the prior applications may be utilized to fulfill the information requirements of this criterion. In such instances, the applicant shall attest that the information was previously provided, cite the project number of the prior application, and certify that no changes have occurred regarding the information that has been previously provided. The applicant is able to submit amendments to previously submitted information, as needed, to update and/or clarify data.

APPEND DOCUMENTATION AS ATTACHMENT 11, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-4) MUST BE IDENTIFIED IN ATTACHMENT 11.

Criterion 1110.230 – Purpose of the Project, and Alternatives (Not applicable to Change of Ownership)

PURPOSE OF PROJECT

1. Document that the project will provide health services that improve the health care or well-being of the market area population to be served.
2. Define the planning area or market area, or other relevant area, per the applicant's definition.
3. Identify the existing problems or issues that need to be addressed as applicable and appropriate for the project.
4. Cite the sources of the documentation.
5. Detail how the project will address or improve the previously referenced issues, as well as the population's health status and well-being.
6. Provide goals with quantified and measurable objectives, with specific timeframes that relate to

achieving the stated goals **as appropriate**.

For projects involving modernization, describe the conditions being upgraded, if any. For facility projects, include statements of the age and condition of the project site, as well as regulatory citations, if any. For equipment being replaced, include repair and maintenance records.

NOTE: Information regarding the "Purpose of the Project" will be included in the State Board Report.

APPEND DOCUMENTATION AS ATTACHMENT 12, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-6) MUST BE IDENTIFIED IN ATTACHMENT 12.

ALTERNATIVES N/A

- 1) Identify **ALL** of the alternatives to the proposed project:

Alternative options **must** include:

- A) Proposing a project of greater or lesser scope and cost;
- B) Pursuing a joint venture or similar arrangement with one or more providers or entities to meet all or a portion of the project's intended purposes; developing alternative settings to meet all or a portion of the project's intended purposes;
- C) Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project; and
- D) Provide the reasons why the chosen alternative was selected.

- 2) Documentation shall consist of a comparison of the project to alternative options. The comparison shall address issues of total costs, patient access, quality and financial benefits in both the short-term (within one to three years after project completion) and long-term. This may vary by project or situation. **FOR EVERY ALTERNATIVE IDENTIFIED, THE TOTAL PROJECT COST AND THE REASONS WHY THE ALTERNATIVE WAS REJECTED MUST BE PROVIDED.**
- 3) The applicant shall provide empirical evidence, including quantified outcome data that verifies improved quality of care, as available.

APPEND DOCUMENTATION AS ATTACHMENT 13, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION IV. SERVICE SPECIFIC REVIEW CRITERIA (Neonatal Intensive Care Services Only)

Criterion 1130.531 Requirements for Exemptions for the Establishment or Expansion of Neonatal Intensive Care Service and Beds

This Section is applicable to all projects proposing the establishment, or expansion of Neonatal Intensive Care Service that are subject to CON review, as provided in the Illinois Health Facilities Planning Act [20 ILCS 3960]. It is comprised of information requirements, as well as charts for the service, indicating the review criteria that must be addressed for each action (establishment, expansion and modernization). **APPLICABLE TO THE CRITERIA THAT MUST BE ADDRESSED:**

A. Criterion 1130.531 - Neonatal Intensive Care Services

1. Applicants proposing to establish, expand and/or modernize the Neonatal Intensive Care categories of service must submit the following information:
2. Indicate bed capacity changes by Service: Indicate # of beds changed by action(s):

Category of Service	# Existing Beds	# Proposed Beds
<input type="checkbox"/> Neonatal Intensive Care		

3. READ the applicable review criteria outlined below and submit the required documentation for the criteria:

APPLICABLE REVIEW CRITERIA	Establish	Expand
1130.531(a) - A description of the project that identifies the location of the neonatal intensive care unit and the number of neonatal intensive care beds proposed;	X	X
1130.531(b) - Verification that a final cost report will be submitted to the Agency no later than 90 days following the anticipated project completion date;	X	X
1130.531(c) - Verification that failure to complete the project within the 24 months after the Board approved the exemption will invalidate the exemption.	X	X

APPEND DOCUMENTATION AS ATTACHMENT 14, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION V. CHANGE OF OWNERSHIP (CHOW)**1130.520 Requirements for Exemptions Involving the Change of Ownership of a Health Care Facility**

1. Prior to acquiring or entering into a contract to acquire an existing health care facility, a person shall submit an application for exemption to HFSRB, submit the required application-processing fee (see Section 1130.230) and receive approval from HFSRB.
2. If the transaction is not completed according to the key terms submitted in the exemption application, a new application is required.
3. READ the applicable review criteria outlined below and **submit the required documentation (key terms) for the criteria:**

APPLICABLE REVIEW CRITERIA	CHOW
1130.520(b)(1)(A) - Names of the parties	X
1130.520(b)(1)(B) - Background of the parties, which shall include proof that the applicant is fit, willing, able, and has the qualifications, background and character to adequately provide a proper standard of health service for the community by certifying that no adverse action has been taken against the 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 the applicant, directly or indirectly, within three years preceding the filing of the application.	X
1130.520(b)(1)(C) - Structure of the transaction	X
1130.520(b)(1)(D) - Name of the person who will be licensed or certified entity after the transaction	
1130.520(b)(1)(E) - List of the ownership or membership interests in such licensed or certified entity both prior to and after the transaction, including a description of the applicant's organizational structure with a listing of controlling or subsidiary persons.	X
1130.520(b)(1)(F) - Fair market value of assets to be transferred.	X
1130.520(b)(1)(G) - The purchase price or other forms of consideration to be provided for those assets. [20 ILCS 3960/8.5(a)]	X
1130.520(b)(2) - Affirmation that any projects for which permits have been issued have been completed or will be completed or altered in accordance with the provisions of this Section	X
1130.520(b)(2) - If the ownership change is for a hospital, affirmation that the facility will not adopt a more restrictive charity care policy than the policy that was in effect one year prior to the transaction. The hospital must provide affirmation that the compliant charity care policy will remain in effect for a two-year period following the change of ownership transaction	X
1130.520(b)(2) - A statement as to the anticipated benefits of	X

the proposed changes in ownership to the community	
1130.520(b)(2) - The anticipated or potential cost savings, if any, that will result for the community and the facility because of the change in ownership;	X
1130.520(b)(2) - A description of the facility's quality improvement program mechanism that will be utilized to assure quality control;	X
1130.520(b)(2) - A description of the selection process that the acquiring entity will use to select the facility's governing body;	X
1130.520(b)(2) - A statement that the applicant has prepared a written response addressing the review criteria contained in 77 Ill. Adm. Code 1110.240 and that the response is available for public review on the premises of the health care facility	X
1130.520(b)(2)- A description or 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.	X

Application for Change of Ownership Among Related Persons

When a change of ownership is among related persons, and there are no other changes being proposed at the health care facility that would otherwise require a permit or exemption under the Act, the applicant shall submit an application consisting of a standard notice in a form set forth by the Board briefly explaining the reasons for the proposed change of ownership. [20 ILCS 3960/8.5(a)]

APPEND DOCUMENTATION AS ATTACHMENT 15, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

VI. 1120.120 - AVAILABILITY OF FUNDS (Neonatal Intensive Care Services only)

The applicant shall document that financial resources shall be available and be equal to or exceed the estimated total project cost plus any related project costs by providing evidence of sufficient financial resources from the following sources, as applicable [Indicate the dollar amount to be provided from the following sources]:

_____	a)	Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to:
	1)	the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and
	2)	interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion;
_____	b)	Pledges – for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated time table of gross receipts and related fundraising expenses, and a discussion of past fundraising experience.
_____	c)	Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;
_____	d)	Debt – a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including:
	1)	For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated;
	2)	For revenue bonds, proof of the feasibility of securing the specified amount and interest rate;
	3)	For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.;
	4)	For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment;
	5)	For any option to lease, a copy of the option, including all terms and conditions.
_____	e)	Governmental Appropriations – a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent;
_____	f)	Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;
_____	g)	All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.
TOTAL FUNDS AVAILABLE		

APPEND DOCUMENTATION AS ATTACHMENT 16, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION VII. 1120.130 - FINANCIAL VIABILITY

All the applicants and co-applicants shall be identified, specifying their roles in the project funding or guaranteeing the funding (sole responsibility or shared) and percentage of participation in that funding.

Financial Viability Waiver

The applicant is not required to submit financial viability ratios if:

1. "A" Bond rating or better
2. All of the projects capital expenditures are completely funded through internal sources
3. The applicant's current debt financing or projected debt financing is insured or anticipated to be insured by MBIA (Municipal Bond Insurance Association Inc.) or equivalent
4. The applicant provides a third party surety bond or performance bond letter of credit from an A rated guarantor.

See Section 1120.130 Financial Waiver for information to be provided

APPEND DOCUMENTATION AS ATTACHMENT 17, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

The applicant or co-applicant that is responsible for funding or guaranteeing funding of the project shall provide viability ratios for the latest three years for which **audited financial statements are available and for the first full fiscal year at target utilization, but no more than two years following project completion.** When the applicant's facility does not have facility specific financial statements and the facility is a member of a health care system that has combined or consolidated financial statements, the system's viability ratios shall be provided. If the health care system includes one or more hospitals, the system's viability ratios shall be evaluated for conformance with the applicable hospital standards.

	Historical 3 Years			Projected
Enter Historical and/or Projected Years:				
Current Ratio				
Net Margin Percentage				
Percent Debt to Total Capitalization				
Projected Debt Service Coverage				
Days Cash on Hand				
Cushion Ratio				

Provide the methodology and worksheets utilized in determining the ratios detailing the calculation and applicable line item amounts from the financial statements. Complete a separate table for each co-applicant and provide worksheets for each.

2. Variance

Applicants not in compliance with any of the viability ratios shall document that another organization, public or private, shall assume the legal responsibility to meet the debt

obligations should the applicant default.

APPEND DOCUMENTATION AS ATTACHMENT 18, IN NUMERICAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION VIII. 1120.140 - ECONOMIC FEASIBILITY

This section is applicable to all projects subject to Part 1120.

A. Reasonableness of Financing Arrangements

The applicant shall document the reasonableness of financing arrangements by submitting a notarized statement signed by an authorized representative that attests to one of the following:

- 1) That the total estimated project costs and related costs will be funded in total with cash and equivalents, including investment securities, unrestricted funds, received pledge receipts and funded depreciation; or
- 2) That the total estimated project costs and related costs will be funded in total or in part by borrowing because:
 - A) A portion or all of the cash and equivalents must be retained in the balance sheet asset accounts in order to maintain a current ratio of at least 2.0 times for hospitals and 1.5 times for all other facilities; or
 - B) Borrowing is less costly than the liquidation of existing investments, and the existing investments being retained may be converted to cash or used to retire debt within a 60-day period.

B. Conditions of Debt Financing

This criterion is applicable only to projects that involve debt financing. The applicant shall document that the conditions of debt financing are reasonable by submitting a notarized statement signed by an authorized representative that attests to the following, as applicable:

- 1) That the selected form of debt financing for the project will be at the lowest net cost available;
- 2) That the selected form of debt financing will not be at the lowest net cost available, but is more advantageous due to such terms as prepayment privileges, no required mortgage, access to additional indebtedness, term (years), financing costs and other factors;
- 3) That the project involves (in total or in part) the leasing of equipment or facilities and that the expenses incurred with leasing a facility or equipment are less costly than constructing a new facility or purchasing new equipment.

C. Reasonableness of Project and Related Costs

Read the criterion and provide the following:

1. Identify each department or area impacted by the proposed project and provide a cost and square footage allocation for new construction and/or modernization using the following format (insert after this page).

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE									
Department (list below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New Mod.		Gross Sq. Ft. New Circ.*		Gross Sq. Ft. Mod. Circ.*		Const. \$ (A x C)	Mod. \$ (B x E)	
Contingency									
TOTALS									

* Include the percentage (%) of space for circulation

D. Projected Operating Costs

The applicant shall provide the projected direct annual operating costs (in current dollars per equivalent patient day or unit of service) for the first full fiscal year at target utilization but no more than two years following project completion. Direct cost means the fully allocated costs of salaries, benefits and supplies for the service.

E. Total Effect of the Project on Capital Costs

The applicant shall provide the total projected annual capital costs (in current dollars per equivalent patient day) for the first full fiscal year at target utilization but no more than two years following project completion.

APPEND DOCUMENTATION AS ATTACHMENT 19, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION IX. SAFETY NET IMPACT STATEMENT (DISCONTINUATION ONLY)

SAFETY NET IMPACT STATEMENT that describes all of the following must be submitted for ALL SUBSTANTIVE PROJECTS AND PROJECTS TO DISCONTINUE STATE-OWNED HEALTH CARE FACILITIES [20 ILCS 3960/5.4]:

1. The project's material impact, if any, on essential safety net services in the community, to the extent that it is feasible for an applicant to have such knowledge.
2. The project's impact on the ability of another provider or health care system to cross-subsidize safety net services, if reasonably known to the applicant.
3. How the discontinuation of a facility or service might impact the remaining safety net providers in a given community, if reasonably known by the applicant.

Safety Net Impact Statements shall also include all of the following:

1. For the 3 fiscal years prior to the application, a certification describing the amount of charity care provided by the applicant. The amount calculated by hospital applicants shall be in accordance with the reporting requirements for charity care reporting in the Illinois Community Benefits Act. Non-hospital applicants shall report charity care, at cost, in accordance with an appropriate methodology specified by the Board.

2. For the 3 fiscal years prior to the application, a certification of the amount of care provided to Medicaid patients. Hospital and non-hospital applicants shall provide Medicaid information in a manner consistent with the information reported each year to the Illinois Department of Public Health regarding "Inpatients and Outpatients Served by Payor Source" and "Inpatient and Outpatient Net Revenue by Payor Source" as required by the Board under Section 13 of this Act and published in the Annual Hospital Profile.

3. Any information the applicant believes is directly relevant to safety net services, including information regarding teaching, research, and any other service.

A table in the following format must be provided as part of Attachment 40.

Safety Net Information per PA 96-0031			
CHARITY CARE			
Charity (# of patients)	Year	Year	Year
Inpatient			
Outpatient			
Total			
Charity (cost in dollars)			
Inpatient			
Outpatient			
Total			
MEDICAID			
Medicaid (# of patients)	Year	Year	Year
Inpatient			
Outpatient			
Total			
Medicaid (revenue)			
Inpatient			
Outpatient			
Total			

APPEND DOCUMENTATION AS ATTACHMENT 20, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION X. CHARITY CARE INFORMATION (CHOW ONLY)

Charity Care information **MUST** be furnished for **ALL** projects [1120.20(c)].

1. All applicants and co-applicants shall indicate the amount of charity care for the latest three **audited** fiscal years, the cost of charity care and the ratio of that charity care cost to net patient revenue.
2. If the applicant owns or operates one or more facilities, the reporting shall be for each individual facility located in Illinois. If charity care costs are reported on a consolidated basis, the applicant shall provide documentation as to the cost of charity care; the ratio of that charity care to the net patient revenue for the consolidated financial statement; the allocation of charity care costs; and the ratio of charity care cost to net patient revenue for the facility under review.
3. If the applicant is not an existing facility, it shall submit the facility's projected patient mix by payer source, anticipated charity care expense and projected ratio of charity care to net patient revenue by the end of its second year of operation.

Charity care" means care provided by a health care facility for which the provider does not expect to receive payment from the patient or a third-party payer (20 ILCS 3960/3). Charity Care **must** be provided at cost.

A table in the following format must be provided for all facilities as part of Attachment 41.

CHARITY CARE			
	Year	Year	Year
Net Patient Revenue			
Amount of Charity Care (charges)			
Cost of Charity Care			

APPEND DOCUMENTATION AS ATTACHMENT 21, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

ATTACHMENT 1

Section I – Type of Ownership – Certificate of Good Standing

Attached are the Certificates of Good Standing for DMG Practice Management Solutions, LLC.
and Naperville Fertility Clinic, Inc.

Delaware

Page 1

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "DMG PRACTICE MANAGEMENT SOLUTIONS 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 EIGHTH DAY OF MAY, A.D. 2017.

AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "DMG PRACTICE MANAGEMENT SOLUTIONS LLC" WAS FORMED ON THE NINTH DAY OF DECEMBER, A.D. 2015.

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



5903346 8300

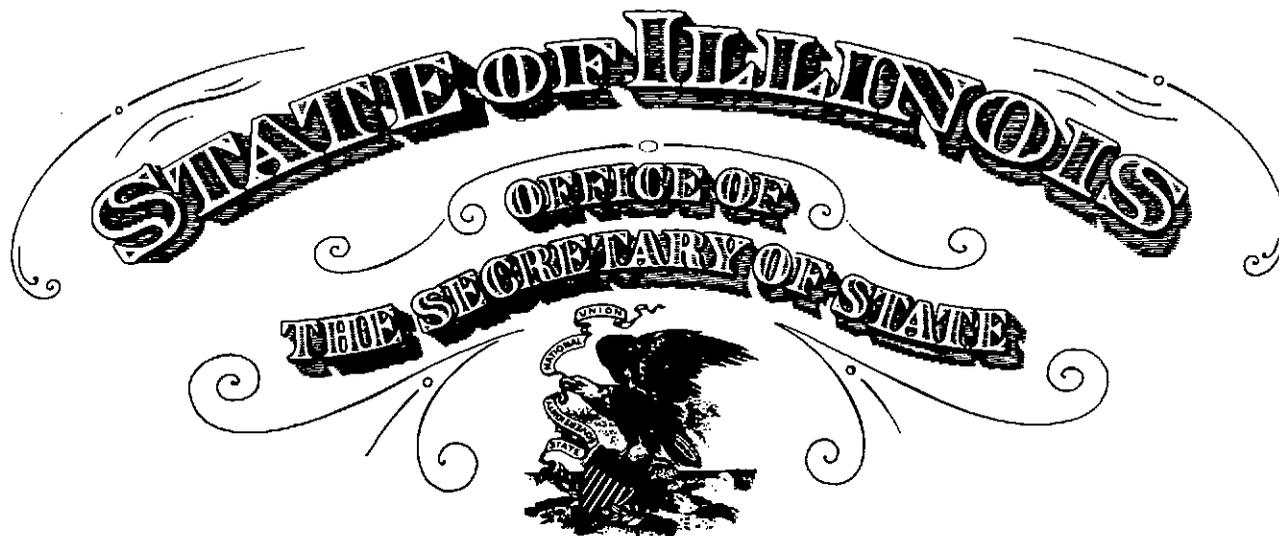
SR# 20173193386

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

A handwritten signature in black ink, appearing to read "JBULLOCK", is written over a horizontal line. Below the line, the text "Jeffrey W. Bullock, Secretary of State" is printed in a small font.

Authentication: 202499064

Date: 05-08-17



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

NAPERVILLE FERTILITY CENTER, INC., A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON NOVEMBER 15, 2005, 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 24TH day of AUGUST A.D. 2017 .



Jesse White

SECRETARY OF STATE

Authentication #: 1723601244 verifiable until 08/24/2018
Authenticate at: <http://www.cyberdriveillinois.com>

ATTACHMENT 2

Section I – Site Ownership

Attached is the current lease held by the owning entity Medical Properties, LLC and Naperville Fertility Center, Inc. The applicants intend for Naperville Fertility Center, Inc. to continue the lease agreement with Medical Properties, LLC.

**3 NORTH WASHINGTON, NAPERVILLE, ILLINOIS
AMBULATORY SURGICAL CENTER LEASE**

DM241081283

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**3 NORTH WASHINGTON
NAPERVILLE, ILLINOIS
AMBULATORY SURGICAL CENTER LEASE**

This Lease between MEDICAL PROPERTIES, LLC, an Illinois limited liability company ("Landlord"), and NAPERVILLE FERTILITY CENTER, INC., ("Tenant"), is dated March 25, 2013.

1. LEASE OF PREMISES.

In consideration of the Rent (as defined at Section 5(c)) and the provisions of this Lease, Landlord leases to Tenant and Tenant leases from Landlord the Premises shown by diagonal lines on the floor plan attached hereto as Exhibit "A," and further described at Section 2(h). The Premises are located within the Building and Project described in Section 2(i). Tenant shall have the non-exclusive right (unless otherwise provided herein) in common with Landlord, other tenants, subtenants and invitees, to use of the Common Areas (as defined at Section 2(d)).

2. DEFINITIONS.

As used in this Lease, the following terms shall have the following meanings:

(a) Base Rent: See Base Rent Schedule attached hereto as Exhibit "C".

(b) Broker(s): N/A
Landlord's: None
Tenant's: None

(c) Commencement Date: March 25, 2013

(d) Common Areas: The building lobbies, common corridors and hallways, restrooms, stairways, elevators and other generally understood public or common areas. Landlord shall have the right to regulate or restrict the use of the Common Areas.

(e) Expiration Date: That date determined in accordance with Section 4(a) below unless otherwise sooner terminated in accordance with the provisions of this Lease.

(f) Landlord's Mailing Address: Medical Properties, LLC, c/o HSA Commercial Real Estate, 233 South Wacker Drive, Suite 350, Chicago, IL 60606.

Tenant's Mailing Address: At the Premises.

(g) Monthly Installments of Base Rent: See Base Rent Schedule.

(h) Premises: That portion of the Building containing approximately 6,838 square feet of Rentable Area, shown on Exhibit "A," located on the first floor of the Building.

(i) Project: The building of which the Premises are a part (the "Building") and the real property on which the Building is located (the "Property"), with an address of 3 North

Washington, Naperville, Illinois 60540 and further described on Exhibit "B". The parties acknowledge that the property on which the Building is to be built will be the subject of a two lot consolidation and a PUD and that therefore the address of the Building may change.

(j) **Rentable Area:** As to both the Premises and the Project, the respective measurements of floor area as may from time to time be subject to lease by Tenant and all tenants of the Project, respectively, as determined by Landlord and applied on a consistent basis throughout the Project.

(k) **Security Deposit (Section 7):** \$26,000.00.

(l) **State:** The State of Illinois.

(m) **Tenant's Proportionate Share:** 55%. Such share is a fraction, the numerator of which is the Rentable Area of the Premises, and the denominator of which is the Rentable Area of the Project, as determined by Landlord from time to time. The Project consists of one building(s) containing a total Rentable Area of 12,333 square feet.

(n) **Tenant's Use Clause (Section 8):** Ambulatory surgical treatment center and laboratory.

(o) **Term:** The period commencing on the Commencement Date and expiring at 11:59 p.m. on the Expiration Date.

(p) **Lease Year:** A period of 12 calendar months commencing on the Commencement Date or on any anniversary thereof; provided, however, that if the Commencement Date is not the first day of a calendar month, "Lease Year" shall mean a period of 12 calendar months commencing on the first day of the first calendar month after the Commencement Date or any anniversary thereof and in such case, the first Lease Year shall also include the period from the Commencement Date through the last day of the calendar month in which the Commencement Date occurs.

3. EXHIBITS AND ADDENDA.

The exhibits listed below are incorporated by reference in this Lease:

- (a) Exhibit "A" – Floor Plan showing the Premises.
- (b) Exhibit "B" – Legal Description of Project.
- (c) Exhibit "C" – Base Rent Schedule.
- (d) Exhibit "D" – Site Plan

4. COMMENCEMENT; RENEWAL OPTIONS.

(a) **Commencement Date:** The term of this Lease shall be for ten (10) Lease Years (hereinafter referred to as the "Term") and shall commence on March 25, 2013 (hereinafter

referred to as the "Commencement Date") and shall expire on the last day of the tenth (10th) Lease Year (hereinafter referred to as the "Expiration Date"), unless sooner terminated as herein set forth.

(b) Renewal Options. Landlord grants to Tenant the option to extend the Term of this Lease for two (2) additional periods of ten (10) Lease Years each (the "Extension Terms"), subject to and upon the following conditions:

1. Each of the Extension Terms will commence as of the expiration of the preceding Term or Extension Term, as applicable.

2. In each instance, Tenant will give written notice of exercise of its extension option (each, an "Extension Notice") to Landlord not less than twelve (12) months prior to the expiration of the then-current Term or Extension Term (in each case, the "Extension Deadline"), as the case may be, time being of the essence. If Tenant shall fail to give timely notice of the exercise of such option as aforesaid, Tenant shall have no right to extend the Term of this Lease, time being of the essence of the foregoing provisions.

3. Each of the Extension Terms will be upon all of the terms and conditions of this Lease, except that the Base Rent shall be increased by two percent (2%) on the first day of each Extension Term and on each anniversary thereafter.

4. No default (beyond any applicable notice and cure period) shall be in existence at either the time of exercise or at the commencement of any such Extension Term.

5. RENT.

(a) Payment of Base Rent. Tenant agrees to pay the Base Rent for the Premises, commencing on May 1, 2013 ("Rent Commencement Date"). Monthly Installments of Base Rent shall be payable in advance on the first day of each calendar month of the Term from and after the Rent Commencement Date in the amount specified on the Base Rent Schedule for that particular month. If the Term begins (or ends) on other than the first (or last) day of a calendar month, the Base Rent for the partial month shall be prorated on a per diem basis.

(b) Project Operating Costs.

(1) In addition to its obligation to pay Monthly Installments of Base Rent, Tenant shall also be obligated to pay, as Additional Rent for each Lease Year Tenant's Proportionate Share of Project Operating Costs (defined below). The Additional Rent payable hereunder for the years in which the Term begins and ends shall be prorated to correspond to that portion of the applicable calendar year occurring within the term of this Lease.

(2) The term "Project Operating Costs" shall include all those items described in the following Sections 5(b)(2)(A) and (B).

(A) All federal, state, county, and local governmental taxes, assessments, water and sewer charges and other similar governmental charges of every kind or nature (collectively, "Taxes"), which Landlord shall pay, or become obligated to pay, in

connection with the ownership, management, control or operation of the Building, Property or Project, or of the personal property, fixtures, machinery, equipment, systems and apparatus located therein or used in connection therewith, including, without limitation (i) real property taxes or assessments levied or assessed against the Building or Project, (ii) any expenses (including, but not limited to, legal fees) incurred by Landlord in any contest of real estate taxes or assessments or the assessed value of the Building, Property or the Project, however, there shall be no attorneys' fees charged if there are no savings in excess of all fees, legal fees and costs expended, (iii) assessments or charges levied or assessed against the Building or Project by any redevelopment agency, and (iv) any tax measured by gross rentals received from the leasing of the Premises, Building or Project, excluding any net income, franchise, capital stock, estate or inheritance taxes imposed by the State or federal government or their agencies, branches or departments; provided that if, at any time during the Term, any governmental entity levies, assesses or imposes on Landlord any (1) general or special, ad valorem or specific, excise, capital levy or other tax, assessment, levy or charge directly on the Rent received under this Lease or on the rent received under any other leases of space in the Building or Project, or (2) any license fee, excise or franchise tax, assessment, levy or charge measured by or based, in whole or in part, upon such rent, or (3) any transfer, transaction, or similar tax, assessment, levy or charge based directly or indirectly upon the transaction represented by this Lease or such other leases of space in the Building or Project, or (4) any occupancy, use, per capita or other tax, assessment, levy or charge based directly or indirectly upon the use or occupancy of the Premises or other leased premises within the Building or Project, then any and all of such taxes, assessments, levies and charges shall be deemed to be included in the term Project Operating Costs. For purposes hereof, Taxes for any year shall be Taxes which are due for payment or paid in that year, rather than Taxes which are assessed or become a lien during such year. If, at any time during the Term, the assessed valuation of, or taxes on, the Project are not based on a completed Project having at least eighty-five percent (85%) of the Rentable Area in the Building occupied, then the Taxes component of Project Operating Costs shall be adjusted by Landlord to reasonably approximate the taxes which would have been payable if the Project were completed and at least eighty-five percent (85%) of the Rentable Area in the Building occupied. However, the taxes assessed shall be the lesser of the actual taxes assessed and the adjustment as made by the Landlord above. Notwithstanding anything in this Section 5(b)(2)(A) to the contrary, Tenant shall not be obligated to pay any State, Federal or local income tax or similar tax imposed on or due by the Landlord.

(B) Operating costs incurred by Landlord in maintaining and operating the Building and Project, including without limitation the following: costs of (1) utilities; (2) supplies; (3) insurance (including, but not limited to, public liability, property damage, earthquake, and fire and extended coverage insurance for the full replacement cost of the Building and Project) as required by Landlord or its lenders for the Project; (4) services of independent contractors; (5) compensation (including employment taxes and fringe benefits) of all persons who perform duties connected with the operation, maintenance, repair or overhaul of the Building or Project, and equipment, improvements and facilities located within the Project, including, without limitation, engineers, janitors, painters, floor waxers, window washers, security and parking personnel and gardeners (but excluding persons performing services not uniformly available to or performed for substantially all Building or Project tenants); (6) operation and maintenance of a room for delivery and distribution of mail to tenants of the Building or Project as required by the U.S. Postal Service (including, without limitation, an

amount equal to the fair market rental value of the mail room premises); (7) management of the Building or Project, whether managed by Landlord or an independent contractor (including, without limitation, an amount equal to the fair market rental value of any on-site manager's office:); (8) rental expenses for (or a reasonable depreciation allowance on) personal property used in the maintenance, operation or repair of the Building or Project; (9) costs, expenditures or charges (whether capitalized or not) due to requirements of any governmental or quasi-governmental authority, (10) amortization of capital expenses (including financing costs) (i) required by a governmental entity for energy conservation or life safety purposes, or (ii) made by Landlord with the reasonable intent to reduce Project Operating Costs; (11) legal, accounting and other professional fees incurred in connection with the operation, maintenance and management of the Building or Project; and (12) any other costs or expenses incurred by Landlord under this Lease or with respect to the Building or Project and not otherwise reimbursed by specific tenants of the Project, which are properly allocable to the operation and maintenance of the Building or Project in accordance with generally accepted accounting principles. If at any time during the Term, less than eighty-five percent (85%) of the Rentable Area of the Project is occupied, the "operating costs" component of Project Operating Costs shall be adjusted by Landlord to reasonably approximate the operating costs which would have been incurred if the Project had been at least eighty-five percent (85%) occupied.

(3) **Estimated Payments and Operating Statements.**

(A) **Estimated Payments.** Landlord or its agent shall furnish to Tenant, prior to the Commencement Date and prior to the commencement of each calendar year, a written statement setting forth Landlord's estimate of Tenant's Proportionate Share of the Project Operating Costs (the "Estimated Operating Statement") for such ensuing calendar year. Tenant shall pay to Landlord, on the first day of each month, as Additional Rent, an amount equal to one-twelfth (1/12th) of Landlord's estimate of Tenant's Proportionate Share of such Project Operating Costs. If, however, Landlord shall fail to furnish any such Estimated Operating Statement subsequent to the commencement of any calendar year during the term of this Lease, then until the first day of the month following the month in which such Estimated Operating Statement is furnished to Tenant, Tenant shall pay to Landlord, on the first day of each month, an amount equal to the monthly installment of estimated Project Operating Costs payable under this section with respect to the last month of the immediately preceding calendar year. Upon furnishing such Estimated Operating Statement to Tenant, Landlord shall give notice to Tenant stating whether the monthly installments of Project Operating Costs which Tenant has paid to date during the current calendar year are more or less than the estimated sums which Tenant should have been paying to Landlord for the current calendar year, based on that Estimated Operating Statement. In the event there is a deficiency with respect to the estimated amounts paid by Tenant to date in the current calendar year, Tenant shall pay the amount of such deficiency within ten (10) days after demand therefor, in the event there shall have been an over-payment, Landlord shall permit Tenant to credit the amount thereof against the subsequent payments of Additional Rent next due during the calendar year in which Landlord notifies Tenant of such over-payment. If there shall be any increase or decrease in the estimated Project Operating Costs for any Lease Year, whether during or after such year, Landlord may furnish to Tenant a revised interim Estimated Operating Statement and the Additional Rent shall be adjusted and paid, or refunded by way of credits against future payments, as the case may be, or Landlord may wait and make such adjustments as per subparagraph (2) below. Notwithstanding

the foregoing, Landlord may adjust its estimate for Taxes at such time as actual tax bills become available.

(B) Operating Statement. Within one hundred twenty (120) days after the end of each calendar year, or as soon thereafter as possible, Landlord shall furnish to Tenant a statement pertaining to the actual payments made by Landlord for Project Operating Costs for that immediately preceding year (the "Operating Statement"). If the Operating Statement shows that the sums paid by Tenant, pursuant to the Estimated Operating Statement, or any revision thereof, exceed Tenant's Proportionate Share of the actual Project Operating Costs for the calendar year in question, Landlord shall permit Tenant to credit the amount of such excess in installments, against the subsequent payments of Additional Rent next due during the remainder of the calendar year in which such Operating Statement is furnished pursuant to this section; and if such Operating Statement shows that the aggregate amount of the estimated sums paid by Tenant were less than the Tenant's Proportionate Share of the actual Project Operating Costs, Tenant shall pay the amount of such deficiency within thirty (30) days after demand therefor. Failure of Landlord to submit the written Operating Statement referred to herein shall not constitute a waiver of any rights of Landlord.

(C) Disputes. Each Operating Statement given by Landlord shall be conclusive and binding upon Tenant, unless within thirty (30) days after the receipt thereof, Tenant shall notify Landlord that Tenant disputes the accuracy of said Operating Statement, specifying the particular respects in which the Operating Statement is claimed to be incorrect. Notwithstanding any such notice disputing the Operating Statement, any amount due to Landlord, as shown on any such Operating Statement, shall be paid by Tenant within thirty (30) days after Landlord's demand, as provided above, but without prejudice to any such written objection. Tenant or its authorized representative shall have the right to examine Landlord's books and records with respect to the items in the Operating Statement during normal business hours and upon reasonable notice at any time within forty-five (45) days following submission of the Operating Statement by Landlord. If, within twenty-one (21) days after Landlord's receipt of Tenant's notification of dispute of said Operating Statement, Landlord and Tenant fail to agree, in writing, upon the actual amount of Project Operating Costs and Tenant's Proportionate Share thereof, then Landlord and Tenant shall jointly select an independent, certified public accountant, licensed in the State of Illinois, who shall prepare a report addressing the objections raised by Tenant. The fees and costs of said accountant shall be paid one-half by Landlord and one-half by Tenant, and the determination of said accountant shall be conclusive and binding on Landlord and Tenant. Any sums owed by Landlord to Tenant based on the accountant's report shall be paid to Tenant in the form of a credit against those subsequent payments of Additional Rent next due during the remainder of the calendar year in which the determination of such overpayment is made.

(c) Definition of Rent. All costs and expenses which Tenant assumes or agrees to pay to Landlord under this Lease (except with respect to Base Rent) shall be deemed "Additional Rent" (which, together with the Base Rent, is sometimes referred to as the "Rent"). The Rent shall be paid to the Building manager (or other person) and at such place, as Landlord may from time to time designate in writing, without any prior demand therefor and without deduction or offset, in lawful money of the United States of America.

(d) Rent Control. If the amount of Rent or any other payment due under this Lease violates the terms of any governmental restrictions on such Rent or payment, then the Rent or payment due during the period of such restrictions shall be the maximum amount allowable under those restrictions. Upon termination of the restrictions, Landlord shall, to the extent it is legally permitted, recover from Tenant the difference between the amounts received during the period of the restrictions and the amounts Landlord would have received had there been no restrictions.

(e) Taxes Payable by Tenant. In addition to the Rent and any other charges to be paid by Tenant hereunder, Tenant shall reimburse Landlord upon demand for any and all taxes payable by Landlord (other than net income taxes) which are not otherwise reimbursable under this Lease, whether or not now customary or within the contemplation of the parties, where such taxes are upon, measured by or reasonably attributable to (i) the cost or value of Tenant's equipment, furniture, fixtures and other personal property located in the Premises, or the cost or value of any leasehold improvements made in or to the Premises by or for Tenant, other than the Work, regardless of whether title to such improvements is held by Tenant or Landlord; (ii) the gross or net Rent payable under this Lease, including, without limitation, any rental or gross receipts tax levied by any taxing authority with respect to the receipt of the Rent hereunder; (iii) the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises or any portion thereof; or (iv) this transaction or any document to which Tenant is a party creating or transferring an interest or an estate in the Premises. If it becomes unlawful for Tenant to reimburse Landlord for any costs as required under this Lease, the Base Rent shall be revised to net Landlord the same net Rent after imposition of any tax or other charge upon Landlord as would have been payable to Landlord but for the reimbursement being unlawful.

6. INTEREST AND LATE CHARGES.

If Tenant fails to pay when due any Rent or other amounts or charges which Tenant is obligated to pay under the terms of this Lease, the unpaid amounts shall bear interest at the lesser of (i) two percent (2.0%) in excess of the "prime" or "reference" or "base" rate of interest announced as such, from time to time, by the The Northern Trust Company ("Prime") and (ii) the maximum rate then allowed by law. Tenant acknowledges that the late payment of any Monthly Installment of Base Rent will cause Landlord to lose the use of that money and incur costs and expenses not contemplated under this Lease, including, without limitation, administrative and collection costs and processing and accounting expenses, the exact amount of which is extremely difficult to ascertain. Therefore, in addition to interest (as described above in this Section 6), if any such installment is not received by Landlord within ten (10) days from the date it is due, Tenant shall pay Landlord a late charge equal to ten percent (10%) of such delinquent installment. Landlord and Tenant agree that this late charge represents a reasonable estimate of such costs and expenses and is fair compensation to Landlord for the loss suffered from such nonpayment by Tenant. Acceptance of any interest or late charge shall not constitute a waiver of Tenant's default with respect to such nonpayment by Tenant nor prevent Landlord from exercising any other rights or remedies available to Landlord under this Lease.

7. SECURITY DEPOSIT.

(a) Tenant agrees to deposit with Landlord the Security Deposit in the form of cash, the amount as set forth at Section 2(k) above upon execution of this Lease, as security for Tenant's faithful performance of its obligations under this Lease. Landlord and Tenant agree that the Security Deposit may be commingled with funds of Landlord and Landlord shall have no obligation or liability for payment of interest on such deposit. Tenant shall not mortgage, assign, transfer or encumber the Security Deposit without the prior written consent of Landlord (which may be withheld in Landlord's sole discretion), and any attempt by Tenant to do so shall be void, without force or effect and shall not be binding upon Landlord.

(b) If Tenant fails to pay any Rent or other amount when due and payable under this Lease, or fails to perform any of the terms hereof, Landlord may appropriate and apply or use all or any portion of the Security Deposit for Rent payments or any other amount then due and unpaid; for Payment of any amount for which Landlord has become obligated as a result of Tenant's default or breach; and for any loss or damage sustained by Landlord as a result of Tenant's default or breach; and Landlord may so apply or use this Security Deposit without prejudice to any other remedy Landlord may have by reason of Tenant's default or breach. If Landlord so uses any of the Security Deposit, Tenant shall, within ten (10) days after written demand therefor, restore the Security Deposit to the full amount originally deposited. Tenant's failure to do so shall constitute an act of default hereunder and Landlord shall have the right to exercise any remedy provided for at Section 26 hereof. Within fifteen (15) days after the Term (or any extension thereof) has expired or Tenant has vacated the Premises, whichever shall last occur, and provided Tenant is not then in default on any of its obligations hereunder, Landlord shall return the Security Deposit to Tenant, or, if Landlord has permitted Tenant to assign its interest under this Lease, to the last assignee of Tenant. If Landlord sells its interest in the Premises, Landlord may deliver this Security Deposit to the purchaser of Landlord's interest and thereupon be relieved of any further liability or obligation with respect to the Security Deposit.

8. TENANT'S USE OF THE PREMISES.

Tenant shall use the Premises solely for the purposes set forth in Tenant's Use Clause. Tenant shall not use or occupy the Premises in violation of law or any covenant, condition or restriction affecting the Building or Project or the certificate of occupancy issued for the Building or Project, and shall, upon notice from Landlord, immediately discontinue any use of the Premises which is declared by any governmental authority having jurisdiction to be a violation of law or the certificate of occupancy. Tenant, at Tenant's own cost and expense, shall comply with all laws, ordinances, regulations, rules and/or any directions of any governmental agencies or authorities having jurisdiction which shall, by reason of the nature of Tenant's use or occupancy of the Premises, impose any duty upon Tenant or Landlord with respect to the Premises or its use or occupation. A judgment of any court of competent jurisdiction or the admission by Tenant in any action or proceeding against Tenant that Tenant has violated any such laws, ordinances, regulations, rules and/or directions in the use of the Premises shall be deemed to be conclusive determination of that fact as between Landlord and Tenant. Tenant shall not do, or permit to be done, anything which will invalidate or increase the cost of any fire, extended coverage or other insurance policy covering the Building or Project and/or property located therein, and shall comply with all rules, orders, regulations, requirements and

recommendations of the Insurance Services Office or any other organization performing a similar function. Tenant shall promptly upon demand reimburse Landlord for any additional premium charged for such policy by reason of Tenant's failure to comply with the provisions of this Section 8. Tenant shall not do, or permit anything to be done, in or about the Premises which will in any way obstruct or interfere with the rights of other tenants or occupants of the Building or Project, or injure or annoy them, or use or allow the Premises to be used for any improper, unlawful or objectionable purpose, nor shall Tenant cause, maintain or permit any nuisance in, on or about the Premises. Tenant shall not commit or suffer to be committed any waste in or upon the Premises. Landlord will not allow any activity in the Building that will interfere with Tenant's use and enjoyment of the Premises, and will actively pursue all remedies against any other Tenants of the Building violating a clause similar to this Paragraph 8, contained in other Tenant leases.

9. SERVICES AND UTILITIES.

Provided that Tenant is not in default hereunder, Landlord agrees to furnish to the Premises during generally recognized business days, and during the hours of 6:00 a.m. to 7:00 p.m. on weekdays and from 8:00 a.m. to 3:00 p.m. on Saturdays, with Sundays and holidays excluded), and subject to the Rules and Regulations of the Building or Project, heating, ventilation and air conditioning ("HVAC") as required, in Landlord's judgment, for the comfortable use and occupancy of the Premises. It is specifically understood and agreed that Landlord shall cause the Premises to be separately metered for the provision of electrical current service, at Landlord's expense, and, if Landlord so requires, Tenant shall cause the electrical utility to establish a separate account, in Tenant's name, for the provision of electricity to the Premises. If Tenant desires HVAC at any other time, Landlord shall use reasonable efforts to furnish such service upon reasonable notice from Tenant and Tenant shall pay Landlord's charges therefor on demand. Landlord shall also maintain and keep lighted the common stairs, common entries and restrooms in the Building. Landlord shall not be in default hereunder or be liable for any damages directly or indirectly resulting from, nor shall the Rent be abated by reason of (i) the installation, use, or interruption of use, of any equipment in connection with the furnishing of any of the foregoing services; (ii) failure to furnish, or delay in furnishing, any such services where such failure or delay is caused by accident or any condition or event beyond the reasonable control of Landlord, or by the making of necessary repairs or improvements to the Premises, Building or Project; or (iii) the limitation, curtailment or rationing of, or restrictions on, use of water, electricity, gas or any other form of energy serving the Premises, Building or Project. Landlord shall not be liable under any circumstances for a loss of or injury to property or business, however occurring through or in connection with or incidental to failure to furnish any such services. If Tenant uses heat generating machines or equipment in the Premises which affect the temperature otherwise maintained by the HVAC system, Landlord reserves the right to install supplementary air conditioning units in the Premises and the costs thereof, including the cost of installation, operation and maintenance thereof, shall be paid by Tenant to Landlord upon demand by Landlord.

Tenant shall not, without the written consent of Landlord, use any apparatus or device in the Premises, including without limitation, electronic data processing machines, punch card machines or machines using in excess of 120 volts, which consumes more electricity than is usually furnished or supplied for the use of premises as ambulatory surgical treatment center and

laboratory, as determined by Landlord. Tenant shall not connect any apparatus with electric current except through existing electrical outlets in the Premises. Tenant shall not consume any water or electric current in excess of that usually furnished or supplied for the use of premises as general office space (as determined by Landlord), without first procuring the written consent of Landlord, which Landlord may refuse, and in the event of consent, Landlord may have installed a water meter or electrical current meter in the Premises to measure the amount of water or electric current consumed. The cost of any such meter and of its installation, maintenance and repair shall be paid for by the Tenant and Tenant agrees to pay to Landlord promptly upon demand for all such water and electric current consumed as shown by said meters, at the rates charged for such services by the local public utility plus any additional expense incurred in keeping account of the water and electric current so consumed. If a separate meter is not installed, the excess cost for such water and electric current shall be established by an estimate made by a utility company or electrical engineer hired by Landlord at Tenant's expense.

Landlord shall furnish elevator service, lighting replacement for building standard lights, restroom supplies, window washing and janitor services in a manner that such services are customarily furnished to comparable ambulatory surgical treatment centers in the Chicago area.

10. PREPARATION AND CONDITION OF THE PREMISES.

(a) Site Plan. Exhibit "D" sets forth the general layout of the Project as of the date hereof. Landlord may change or alter any of the other spaces to be leased in the Building, the common areas or any other aspect in the Project, or may sell or lease any portions of the Project, all without the consent of or notice to Tenant.

(b) Condition of Premises. Tenant acknowledges and agrees that Landlord has constructed the Building and substantially completed the Premises in accordance with plans and specifications previously approved by Landlord and Tenant. In connection therewith, Tenant shall accept the Premises and the Project in their "as is" condition as of the Commencement Date, subject only to Landlord's obligations to complete any minor punch-list items remaining with respect to Landlord's construction of the Premises.

(c) Americans With Disabilities Act.

(1) Landlord represents that to the best of its knowledge and belief, the Common Areas and the Premises have been constructed in compliance with the requirements of Title III (Public Accommodations) of the Americans With Disabilities Act of 1990 ("ADA").

(2) Tenant represents and covenants that it shall conduct its occupancy and use of the Premises in accordance with the ADA (including, but not limited to, modifying its policies, practices and procedures and providing auxiliary aids and services to disabled persons).

(3) Tenant agrees that any work performed in and about the Premises by Tenant, Tenant's employees, agents or contractors shall comply with the ADA and, upon request of Landlord, Tenant shall provide Landlord with evidence reasonably satisfactory to Landlord that such work was performed in compliance with the ADA. Furthermore, Tenant covenants and agrees that any and all future alterations or improvements made by Tenant to the Premises shall comply with the ADA. Tenant agrees to save, indemnify and hold Landlord, Landlord's

beneficiary, any and all mortgagees and their respective agents, beneficiaries, partners, officers, servants and employees harmless against all claims and liabilities, including but not limited to any fines, penalties and attorneys' fees, arising from noncompliance of the Premises with the ADA.

11. CONSTRUCTION, REPAIRS AND MAINTENANCE.

(a) Landlord's Obligations. Landlord shall maintain in good order, condition and repair the Building and all other portions of the Premises not the obligation of Tenant or of any other tenant in the Building.

(b) Tenant's Obligations.

(1) Tenant, at Tenant's sole expense, shall, except for services furnished by Landlord pursuant to Section 9 hereof, maintain the Premises in good order, condition and repair, including, but not limited to, the interior surfaces of the ceilings, walls and floors, all doors, all interior windows, all plumbing, pipes and fixtures, electrical wiring, switches and fixtures, and furnishings, and any special items and equipment installed by or at the expense of Tenant.

(2) Tenant shall be responsible for all repairs and alterations in and to the Premises, Building and Project and the facilities and systems thereof, the need for which arises out of (i) Tenant's use or occupancy of the Premises, (ii) the installation, removal, use or operation of Tenant's Property (as defined in Section 13 below) in the Premises, (iii) the moving of Tenant's Property into or out of the Building, or (iv) the act, omission, misuse or negligence of Tenant, its agents, contractors, employees or invitees.

(3) If Tenant fails to maintain the Premises in good order, condition and repair, Landlord shall give Tenant notice to do such acts as are reasonably required to so maintain the Premises. If Tenant fails to promptly commence such work and diligently prosecute it to completion, then Landlord shall have the right to do such acts and expend such funds, at the expense of Tenant, as are reasonably required to perform such work. Any amount so expended by Landlord shall be paid by Tenant promptly after demand with interest at the rate set forth in Section 6 above from the date of such work. Landlord shall have no liability to Tenant for any damage, inconvenience, or interference with the use of the Premises by Tenant as a result of performing any such work.

(c) Compliance with Law. Landlord and Tenant shall each do all acts required to comply with all applicable laws, ordinances, and rules of any public authority relating to their respective maintenance obligations as set forth herein.

(d) Load and Equipment Limits. Tenant shall not place a load upon any floor of the Premises which exceeds the load per square foot which such floor was designed to carry, as determined by Landlord or Landlord's structural engineer. The cost of any such determination made by Landlord's structural engineering shall be paid for by Tenant upon demand. Tenant shall not install business machines or mechanical equipment which cause noise or vibration to such a degree as to be objectionable to Landlord or other Building tenants.

(e) **Interference.** Except as otherwise expressly provide in this Lease, Landlord shall have no liability to Tenant nor shall Tenant's obligations under this Lease be reduced or abated in any manner whatsoever, by reason of any inconvenience, annoyance, interruption or injury to business arising from Landlord's making any repairs or changes which Landlord is required or permitted by this Lease or by any other tenant's lease or required by law to make in or to any portion of the Project, Building or the Premises, including, but not limited to, the buildout of the remaining tenant space(s) and incomplete base building areas in the Building. Landlord shall nevertheless use reasonable efforts to minimize any interference with Tenant's business in the Premises. Tenant shall give Landlord prompt notice of any damage to or defective condition in any part or appurtenance of the Building's mechanical, electrical, plumbing, HVAC or other systems serving, located in, or passing through the Premises.

(f) **Return of Premises.** Upon the expiration or earlier termination of this Lease, Tenant shall return the Premises to Landlord in the same condition as on the date Tenant took possession, except for normal wear and tear, and alterations approved by Landlord. Any damage to the Premises, including any structural damage, resulting from Tenant's use, or from the removal of Tenant's fixtures, furnishings and equipment pursuant to Section 13(b) below, shall be repaired by Tenant at Tenant's expense.

12. ALTERATIONS AND ADDITIONS.

(a) Tenant shall not make any additions, alterations or improvements to the Premises without obtaining the prior written consent of Landlord. Landlord's consent may be conditioned on Tenant's removing any such additions, alterations or improvements upon the expiration of the Term and restoring the Premises to the same condition as on the date Tenant took possession. If not so conditioned, it gets returned in its altered state. All work with respect to any addition, alteration or improvement shall be done in a good and workmanlike manner by properly qualified and licensed personnel approved by Landlord, and such work shall be diligently prosecuted to completion.

(b) Tenant shall pay the costs of any work done on the Premises pursuant to Sections 10(d) and 12(a) above, and shall keep the Premises, Building and Project free and clear of liens of any kind or nature. Tenant hereby indemnifies, defends against and keeps Landlord free and harmless from and against any and all liability, loss, damage, costs, attorneys' fees (of counsel selected by Landlord) and any other expense incurred by Landlord on account of or as a result of, or due to, claims by any person performing work or furnishing materials or supplies for Tenant or any person claiming under Tenant.

Tenant shall keep Tenant's leasehold interest, and any additions or improvements which are, or become, the property of Landlord under this Lease, free and clear of all attachment or judgment liens. Before the actual commencement of any work for which a claim or lien may be filed, Tenant shall give Landlord notice of the intended commencement date a sufficient time before that date to enable Landlord to post notices of non-responsibility or any other notices which Landlord deems necessary for the proper protection of Landlord's interest in the Premises, Building or the Project, and Landlord shall have the right to enter the Premises and post such notices at any reasonable time.

(c) If the cost of the proposed work is in excess of Fifteen Thousand Dollars (\$15,000.00), Landlord may require, at Landlord's sole option, that Tenant provide to Landlord, at Tenant's expense, a lien and completion bond or deposit in an amount equal to one hundred percent (100%) the total estimated cost of any additions, alterations or improvements to be made in or to the Premises, to protect Landlord against any liability for mechanics and materialmen's liens and to insure timely completion of the work. Nothing contained in this Section 12(c) shall relieve Tenant of its obligation under Section 12(b) above to keep the Premises, Building and Project free of all liens.

(d) Unless their removal is required by Landlord, as provided in Section 12(a) above, all additions, alterations and improvements made to the Premises shall become the property of Landlord and be surrendered with the Premises upon the expiration of the Term; provided, however, Tenant's equipment, machinery and trade fixtures which may be removed without damage to the Premises shall remain the property of Tenant and may be removed, subject to the provisions of Section 13(b) below.

13. LEASEHOLD IMPROVEMENTS; TENANT'S PROPERTY.

(a) All fixtures, equipment, improvements and appurtenances attached to, or built into, the Premises at the commencement of or during the Term, whether or not by, or at the expense of, Tenant ("Leasehold Improvements"), shall be and remain a part of the Premises; shall be the property of Landlord; and shall not be removed by Tenant, except as expressly provide in Section 13(b).

(b) All movable partitions, business and trade fixtures, machinery and equipment, communications equipment and office equipment located in the Premises and acquired by or for the account of Tenant, without expense to Landlord, which can be removed without structural damage to the Building or the Premises, and all furniture, furnishings and other articles of movable personal property owned by Tenant and located in the Premises (collectively "Tenant's Property") shall be and shall remain the property of Tenant and may be removed by Tenant at any time during the Term; provided that if any of Tenant's Property is removed, Tenant shall promptly repair, at its sole cost and expense, and to Landlord's satisfaction, any and all damage to the Premises or to the Building resulting from such removal.

14. CERTAIN RIGHTS RESERVED BY LANDLORD.

Landlord reserves the following rights, exercisable without liability to Tenant for (i) damage or injury to property, person or business, (ii) causing an actual or constructive eviction from the Premises, or (iii) disturbing Tenant's use or possession of the Premises:

(a) To change the name or street address of the Building or Project;

(b) To install and maintain all signs on the exterior and interior of the Building and Project;

(c) To have pass keys to the Premises and all doors within the Premises, excluding Tenant's vaults and safes;

(d) At any time during the Term, and on a reasonable prior notice to Tenant, to inspect the Premises, and to show the Premises to any prospective purchaser or mortgagee of the Project, or to any assignee of any mortgage on the Project, or to others having an interest in the Project or Landlord, and during the last six (6) months of the Term, to show the Premises to prospective tenants thereof; and

(e) Subject to the legal right and privacy of patients and their records in the Premises, to enter the Premises for the purpose of making inspections, repairs, alterations, additions or improvements to the Premises or the Building (including, without limitation, checking, calibrating, adjusting or balancing controls and other parts of the HVAC system), and to take all steps as may be necessary or desirable for the safety, protection, maintenance or preservation of the Premises or the Building or Landlord's interest therein, or as may be necessary or desirable for the operation or improvement of the Building or in order to comply with laws, orders or requirements of governmental or other authority. Landlord agrees to use its reasonable, good faith efforts (except in an emergency) to minimize interference with Tenant's business in the Premises in the course of any such entry. Notwithstanding the foregoing, Tenant shall have the exclusive right to set the control of heating, ventilating and air conditioning in the Premises.

15. ASSIGNMENT AND SUBLETTING.

Tenant acknowledges that Landlord has entered into this Lease in reliance on Tenant's creditworthiness, reputation and ability to operate the Premises for the purposes set forth in Section 8 above. No assignment of this Lease or sublease of all or any part of the Premises shall be permitted, except as specifically provided in this Section 15.

(a) Tenant shall not, without the prior consent of Landlord, assign or hypothecate this Lease or any interest herein or sublet the Premises or any part thereof, or permit the use of the Premises by any party other than Tenant. Any of the foregoing acts without such consent shall be void and shall, at the option of Landlord, terminate this Lease. This Lease shall not, nor shall any interest of Tenant herein, be assignable by operation of law without the written consent of Landlord.

(b) If, at any time or from time to time during the Term, Tenant desires to assign this Lease or sublet all or any part of the Premises, Tenant shall give written notice to Landlord setting forth the terms and provisions of the proposed assignment or sublease, and the identity of the proposed assignee or subtenant. Tenant shall promptly supply Landlord with such information concerning the business background and financial condition of such proposed assignee or subtenant as Landlord may reasonably request. Landlord shall have the option, exercisable by notice given to Tenant within twenty (20) days after Tenant's notice is given, either to sublet such space from Tenant at the rental and on the other terms set forth in this Lease for the term set forth in Tenant's notice, or, in the case of an assignment, to terminate this Lease. If Landlord does not exercise such option, Tenant may assign the Lease or sublet such space to such proposed assignee or subtenant only upon the following further conditions:

(1) Landlord shall have the right to approve such proposed assignee or subtenant, which approval may be granted or withheld in Landlord's sole discretion, and Tenant

shall furnish any information reasonably required by Landlord so that Landlord may make its determination as to the creditworthiness and reputation of the proposed assignee or subtenant;

(2) The assignment or sublease shall be on the same terms set forth in the notice given to Landlord and true and correct copies of all documentation proposed to evidence any such assignment or sublease shall be furnished to Landlord;

(3) No assignment or sublease shall be valid and no assignee or sublessees shall take possession of the Premises until an executed counterpart of such assignment or sublease has been delivered to Landlord;

(4) No assignee or sublessee shall have a further right to assign or sublet except on the terms herein contained; and

(5) Any sums or other economic consideration received by Tenant as a result of such assignment or subletting, however, denominated under the assignment or sublease, which exceed, in the aggregate, (i) the total sums which Tenant is obligated to pay Landlord under this Lease (prorated to reflect obligations allocable to any portion of the Premises subleased), plus (ii) any real estate brokerage commissions or fees payable in connection with such assignment or subletting, shall be paid to Landlord as Additional Rent under this Lease without affecting or reducing any other obligations of Tenant hereunder.

(6) Any such assignment or sublease shall be specifically subject to all of the terms and conditions of this Lease, and, in the event of an assignment, such assignee shall specifically assume, in writing and in a form satisfactory to Landlord, all of Tenant's rights and obligations hereunder.

(c) Notwithstanding the provisions of Sections 15(a) and 15(b) above, Tenant may assign this Lease or sublet the Premises or any portion thereof, without Landlord's consent and without extending any recapture or termination option to Landlord (pursuant to Section 15(b) above), to any corporation which controls, is controlled by, or is under common control with Tenant, or to any corporation resulting from a merger or consolidation with Tenant, or to any person or entity which acquires all the assets of Tenant's business as a going concern, provided that (1) the assignee or sublessee assumes, in full, the obligations of Tenant under this Lease; (2) Tenant remains fully liable under this Lease; (3) the use of the Premises under Section 8 above remains unchanged; and (4) any successor to Tenant's interest resulting from merger or consolidation has a net worth which is equal to, or greater than, that of the Tenant immediately before such merger or consolidation.

(d) No subletting or assignment shall release Tenant of Tenant's obligations under this Lease or alter or modify the primary liability of Tenant to pay the Rent and to perform all other obligations to be performed by Tenant hereunder. The acceptance of Rent by Landlord from any other person shall not be deemed to be a waiver by Landlord of any provision hereof. Consent to one assignment or subletting shall not be deemed consent to any subsequent assignment or subletting. In the event of default by an assignee or subtenant of Tenant or any successor of Tenant in the performance of any of the terms hereof, Landlord may proceed directly against Tenant without the necessity of exhausting remedies against such assignee,

subtenant or successor. Landlord may consent to subsequent assignments of the Lease, sublettings or amendments or modifications to the Lease with assignees of Tenant, without notifying Tenant, or any successor of Tenant, and without obtaining its or their consent thereto and any such actions shall not relieve Tenant of liability under this Lease.

(e) If Tenant assigns the Lease or sublets the Premises or requests the consent of Landlord to any assignment or subletting, or if Tenant requests the consent of Landlord for any act that Tenant proposes to do, then Tenant shall, upon demand pay Landlord an administrative fee of Two Hundred Fifty and No/100 Dollars (\$250.00), plus any attorneys' fees (of counsel selected by Landlord), reasonably incurred by Landlord in connection with such act or request.

16. HOLDING OVER.

If Tenant remains in possession after the Expiration Date hereof or after any earlier termination date of this Lease or of the Tenant's right to possession (a) Tenant shall be deemed a tenant at will; (b) Tenant shall pay one hundred fifty percent (150%) of the Base Rent and Additional Rent last prevailing hereunder, and also shall pay all damages sustained by Landlord, consequential as well as direct, by reason of such remaining in possession after the expiration or termination of this Lease; (c) there shall be no renewal or extension of this Lease by operation of law; and (d) the tenancy at will may be terminated upon thirty (30) days' notice from Landlord; or, at the sole option of Landlord, expressed by written notice to Tenant, but not otherwise, such holding over shall constitute a renewal of this Lease for a period of one (1) year on the same terms and conditions as provided in this Lease at the last year's Base Rent plus ten percent (10%). The provisions of this Section 16 shall not constitute a waiver by Landlord of any re-entry rights of Landlord provided hereunder or by law.

17. SURRENDER OF PREMISES.

(a) Tenant shall peaceably surrender the Premises to Landlord on the Expiration Date, in broom-clean condition and in as good condition as when Tenant took possession, except for (1) reasonable wear and tear, (2) loss by fire or other casualty, and (3) loss by condemnation. Tenant shall, on Landlord's request, remove Tenant's Property on or before the Expiration Date and promptly repair all damage to the Premises or Building caused by such removal.

(b) If Tenant abandons or surrenders the Premises, or is dispossessed by process of law or otherwise, any of Tenant's Property left on the Premises shall be deemed to be abandoned, and, at Landlord's option, title shall pass to Landlord under this Lease as by a bill of sale. If Landlord elects to remove all or any part of such Tenant's Property, the cost of removal, including repairing any damage to the Premises or Building caused by such removal, shall be paid by Tenant. On the Expiration Date, Tenant shall surrender all keys to the Premises.

18. DESTRUCTION OR DAMAGE.

(a) If the Premises or the portion of the Building necessary for Tenant's occupancy is damaged by fire, earthquake, act of God, the elements or other casualty, Landlord shall, subject to the provisions of this Section 18, promptly repair the damage, if such repairs can, in Landlord's opinion, be completed within ninety (90) days of the date on which such casualty occurred. If Landlord determines that repairs can be completed within ninety (90) days, this

Lease shall remain in full force and effect, and, provided that such damage is not the result of the negligence or willful misconduct of Tenant or Tenant's agents, employees, contractors, licensees or invitees, the Base Rent shall be abated to the extent Tenant's use of the Premises is impaired, commencing with the date of damage and continuing until completion of the repairs required of Landlord under Section 18(d) below.

(b) If in Landlord's opinion, such repairs to the Premises or portion of the Building necessary for Tenant's occupancy cannot be completed within ninety (90) days of the date on which such casualty occurred, Landlord may elect, upon notice to Tenant given within (30) days after the date of such fire or other casualty, to repair such damage, in which event this Lease shall continue in full force and effect, but the Base Rent shall be partially abated as provided in Section 18(a) above. If Landlord does not so elect to make such repairs, this Lease shall terminate as of the date of such fire or other casualty.

(c) If any other portion of the Building or Project is totally destroyed or damaged to the extent that, in Landlord's opinion, repair thereof cannot be completed within ninety (90) days of the date on which such casualty occurred, Landlord may elect, upon notice to Tenant, given within thirty (30) days after the date of such fire or other casualty, to repair such damage, in which event this Lease shall continue in full force and effect, but the Base Rent shall be partially abated as provided in Section 18(a) above. If Landlord does not elect to make such repairs, this Lease shall terminate as of the date of such fire or other casualty.

(d) If the Premises are to be repaired under this Section 18, Landlord shall repair, at its cost, any injury or damage to the Building and the Work in the Premises, and Tenant shall be responsible, at its sole cost and expense, for the repair, restoration and replacement of any other Leasehold Improvements and Tenant's Property. Landlord shall not be liable for any loss of business, inconvenience or annoyance arising from any repair or restoration of any portion of the Premises, Building or Project as a result of any damage from fire or other casualty.

(e) This Lease shall be considered an express agreement governing any case of damage to or destruction of the Premises, Building or Project by fire or other casualty, and any present or future law which purports to govern the rights of Landlord and Tenant in such circumstances in the absence of express agreement, shall have no application.

19. EMINENT DOMAIN.

(a) If the whole of the Building or Premises is condemned or in any other manner taken for any public purpose, this Lease shall terminate as of the date of such condemnation and Rent shall be prorated to such date. If less than the whole of the Building or Premises is so taken, this Lease shall be unaffected by such taking, provided that (1) Tenant shall have the right to terminate this lease by notice to Landlord given within ninety (90) days after the date of such taking if twenty percent (20%) or more of the Premises is taken and the remaining area of the Premises is not reasonably sufficient for Tenant to continue operation of its business, and (2) Landlord shall have the right to terminate this Lease by notice to Tenant given within ninety (90) days after the date of such taking. If either Landlord or Tenant so elects to terminate this Lease, the Lease shall terminate on the thirtieth (30th) day after either such notice. The Rent shall be prorated to the date of termination. If this Lease continues in force upon such partial

taking, the Base Rent and Tenant's Proportionate Share shall be equitably adjusted according to the remaining Rentable Area of the Premises and Project.

(b) In the event of any taking, partial or whole, all the proceeds of any award, judgment or settlement payable by the condemning authority shall be the exclusive property of Landlord, and Tenant hereby assigns to Landlord all of its right, title and interest in any award, judgment or settlement from the condemning authority. Tenant, however, shall have the right, to the extent that Landlord's award is not reduced or prejudiced, to claim from the condemning authority (but not from Landlord) such compensation as may be recoverable by Tenant in its own right for relocation expenses and damage to Tenant's Property.

(c) In the event of a partial taking of the Premises which does not result in a termination of this Lease, Landlord shall restore the remaining portion of the Premises as nearly as reasonably practicable to its condition prior to the condemnation or taking, but only to the extent of the Work. Tenant shall be responsible, at its sole cost and expense for the repair, restoration and replacement of any other Leasehold Improvements and Tenant's Property.

20. INDEMNIFICATION.

(a) Tenant shall and hereby does indemnify, defend and hold Landlord harmless against and from liability and claims of any kind for loss or damage to property of Tenant or any other person, or for any injury to or death of any person, arising out of: (1) Tenant's use and occupancy of the Premises, or any work, activity or other things allowed or suffered by Tenant to be done in, on or about the Premises; (2) any breach or default by Tenant of any of Tenant's obligations under this Lease; or (3) any negligent or otherwise tortious act or omission of Tenant, its agents, employees, invitees or contractors. Tenant shall, at Tenant's expense, and by counsel selected by Landlord, defend Landlord in any action or proceeding arising from any such claim and shall, and hereby does indemnify, defend and hold Landlord harmless from and against all costs, attorneys' fees, expert witness fees and any other expenses incurred in such action or proceeding, unless any loss is occasioned by Landlord's gross negligence. As a material part of the consideration for Landlord's execution of this Lease, Tenant hereby assumes all risk of damage or injury to any person or property in, on or about the Premises from any cause.

(b) Landlord shall not be liable for injury or damage which may be sustained by the person or property of Tenant, its employees, invitees or customers, or any other person in or about the Premises, caused by or resulting from fire, steam, electricity, gas, water or rain which may leak or flow from or into any part of the Premises, or from the breakage, leakage, obstruction or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures, whether such damage or injury results from conditions arising upon the Premises or upon other portions of the Building or Project or from other sources. Landlord shall not be liable for any damages arising from any act or omission of any other tenant of the Building or Project.

21. TENANT'S INSURANCE.

(a) All insurance required to be carried by Tenant hereunder shall be issued by responsible insurance companies acceptable to Landlord and Landlord's lender and qualified to

do business in the State. Each policy shall name Landlord, and, at Landlord's request, any mortgagee of Landlord, as an additional insured, as their respective interests may appear. Each policy shall contain (1) a cross-liability endorsement, (2) a provision that such policy and the coverage evidenced thereby shall be primary and non-contributing with respect to any policies carried by Landlord and that any coverage carried by Landlord shall be excess insurance, and (3) a waiver by the insurer of any right of subrogation against Landlord, its agents, employees and representatives, which arises or might arise by reason of any payments under such policy or by reason of any act or omission of Landlord, its agents, employees or representatives. A copy of each paid up policy (authenticated by the insurer) or certificate of the insurer evidencing the existence and amount of each insurance policy required hereunder shall be delivered to Landlord before the date Tenant is first given the right of possession of the Premises, and thereafter within thirty (30) days after any demand by Landlord therefor. Landlord may, at any time and from time to time, inspect and/or copy any insurance policies required to be maintained by Tenant hereunder. No such policy shall be cancellable except after twenty (20) days written notice to Landlord and Landlord's lender. Tenant shall furnish Landlord with evidence of renewal of any such policy (together with evidence of the payment of the premium for such renewal), at least ten (10) days prior to the expiration thereof. Tenant agrees that if Tenant does not take out and maintain such insurance, Landlord may (but shall not be required to) procure said insurance on Tenant's behalf and charge the Tenant the premiums incurred therefor, together with a twenty-five percent (25%) handling charge, payable upon demand. Tenant shall have the right to provide such insurance coverage pursuant to blanket policies obtained by the Tenant, provided such blanket policies expressly afford coverage to the Premises, Landlord, Landlord's mortgagee and Tenant as required by this Lease.

(b) Beginning on the date Tenant is given access to the Premises for any purpose and continuing until expiration or termination of the Term, Tenant shall procure, pay for and maintain in effect policies of casualty insurance covering (1) all Leasehold Improvements (including any alterations, additions or improvements as may be made by Tenant pursuant to the provisions of Section 12 above), and (2) trade fixtures, merchandise and other personal property from time to time in, or about the Premises, in an amount not less than one hundred percent (100%) of their actual replacement cost from time to time, providing protection against any peril included within the classification "Fire and Extended Coverage" together with insurance against sprinkler damage, vandalism and malicious mischief. The proceeds of such insurance shall be used for the repair or replacement of the property so insured. Upon termination of this lease following a casualty as set forth herein, the proceeds under (1) shall be paid to Landlord, and the proceeds under (2) above shall be paid to Tenant.

(c) Beginning on the date Tenant is given access to the Premises for any purpose and continuing until expiration or termination of the Term, Tenant shall procure, pay for and maintain in effect workers' compensation insurance as required by law and comprehensive public liability and property damage insurance with respect to the construction of improvements on the Premises, the use, operation or condition of the Premises and the operations of Tenant in, on or about the Premises, providing personal injury and broad form property damage for not less than One Million and No/100 Dollars (\$1,000,000.00) combined single limit for bodily injury, death and property damage liability.

(d) Not less than every three (3) years during the Term, Landlord and Tenant shall mutually agree to increases in all of Tenant's insurance policy limits for all insurance to be carried by Tenant as set forth in this Section 21.

22. WAIVER OF SUBROGATION.

Landlord and Tenant each hereby waive all rights of recovery against the other and against the officers, employees, agents and representatives of the other, on account of loss by, or damage to, the waiving party of its property or the property of others under its control, to the extent that such loss or damage is insured against under any fire and extended coverage insurance policy which either may have in force at the time of the loss or damage. Tenant shall, upon obtaining the policies of insurance required under this Lease, give notice to its insurance carrier or carriers that the foregoing mutual waiver of subrogation is contained in this Lease.

23. SUBORDINATION AND ATTORNMENT.

(a) Subordination of Lease. This Lease, and all rights of Tenant hereunder are and shall be subject and subordinate to all ground leases of the Property now or hereafter existing and to all mortgages, or trust deeds in the nature of a mortgage (both collectively referred to hereafter as "mortgages"), which may now or hereafter affect or encumber the Property and/or the Building and/or any of such ground leases (whether or not such mortgages shall also cover other lands and/or buildings and/or leases). This subordination shall likewise apply to each and every advance made, or hereafter to be made, under such mortgages; to all renewals, modifications, replacements and extensions of such leases and such mortgages; and to spreaders and consolidations of such mortgages. This Section 23 shall be self-operative and no further instrument of subordination shall be required. However, in confirmation of such subordination, Tenant shall promptly execute, acknowledge and deliver any instrument that Landlord, the lessor under any such ground lease or the holder of any such mortgage (or their respective successors-in-interest), may request in order to evidence such subordination. If Tenant fails to execute, acknowledge or deliver any such instrument within ten (10) days after request therefor, Tenant hereby irrevocably constitutes and appoints Landlord as Tenant's attorney-in-fact, which appointment is agreed to be coupled with an interest, to execute and deliver any such instruments for and on behalf of Tenant. Any lease to which this Lease is subject and subordinate is hereinafter referred to as a "Superior Lease" and the lessor of a Superior Lease is hereinafter referred to as a "Superior Lessor"; and any mortgage to which this Lease is subject and subordinate is hereinafter referred to as a "Superior Mortgage" and the holder of a Superior Mortgage is hereinafter referred to as a "Superior Mortgagee." Notwithstanding the foregoing, at Landlord's election, this Lease may be made senior to the lien of any mortgage, if the mortgagee thereunder so requests.

(b) Notice in the Event of Default. Upon any default of Landlord, including, but not limited to, any act or omission which would give Tenant any right, immediately or after the lapse of a period of time, to cancel or terminate this Lease, to claim a partial or total eviction, or to take any other action hereunder, Tenant shall send, by registered or certified mail, return receipt requested, written notice of such default to Landlord and to each Superior Mortgagee and Superior Lessor whose name and address shall previously have been furnished to Tenant. Tenant shall not exercise any such right until a thirty (30) day period for remedying such default

shall have elapsed following the giving of such notice; provided, however, that if such default cannot reasonably be cured within such thirty (30) day period, then Landlord shall have such additional time to cure such default as is reasonably necessary under the circumstances, exercising good faith and due diligence but in no event more than ninety (90) days. If Landlord fails to cure such default, within the time provided in the immediately preceding sentence, then Tenant shall not exercise any such right until Tenant shall have given, after the expiration of such time, an additional notice of default in the manner described in the immediately preceding sentence, to each such Superior Mortgagee and Superior Lessor, and each such Superior Mortgagee and Superior Lessor shall have had an additional thirty (30) days after such additional notice to cure such default; provided that if such default cannot reasonably be cured within such thirty (30) day period, then such Superior Mortgagee or Superior Lessor shall have such additional time to cure such default as is reasonably necessary under the circumstances, exercising good faith and due diligence but in no event more than ninety (90) days.

(c) Successor Landlord. If any Superior Lessor or Superior Mortgagee shall succeed to the rights of Landlord hereunder, whether through possession or foreclosure action or delivery of a new lease or deed, or otherwise, then, at the request of such party (hereinafter referred to as "Successor Landlord"), Tenant shall attorn to, and recognize, each Successor Landlord as Tenant's landlord under this Lease and shall promptly execute and deliver any instrument such Successor Landlord may reasonably request to further evidence such attornment.

24. ESTOPPEL CERTIFICATES.

Each party agrees, at any time and from time to time, as requested by the other party, to execute and deliver to the other (and to any existing or prospective mortgage lender, ground lessor, or purchaser designated by Landlord), within ten (10) days after the written request therefor, a statement certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating the modifications); certifying the dates to which the Base Rent and Additional Rent have been paid; stating whether or not the other party is in default in performance of any of its obligations under this Lease; and, if so, specifying each such default; and stating whether or not any event has occurred which, with the giving of notice or passage of time, or both, would constitute such a default, and, if so, specifying each such event. Any such statement delivered pursuant hereto shall be deemed a representation and warranty to be relied upon by the party requesting the certificate and by others with whom such party may be dealing, regardless of independent investigation. Tenant also shall include in any such statements such other information concerning this Lease as Landlord may reasonably request including, but not limited to, the amount of Base Rent and Additional Rent under this Lease, and whether Landlord has completed all improvements to the Premises required under this Lease. If Tenant fails to execute, acknowledge or deliver any such statement within ten (10) days after request therefor, Tenant hereby irrevocably constitutes and appoints Landlord as Tenant's attorney-in-fact (which appointment is agreed to be coupled with an interest), to execute and deliver any such statements for and on behalf of Tenant

25. TRANSFER OF LANDLORD'S INTEREST.

In the event of any sale or transfer by Landlord of the Premises, Building or Project, and assignment of this Lease by Landlord, Landlord shall be and is hereby entirely freed and relieved of any and all liability and obligations contained in or derived from this Lease arising out of any act, occurrence or omission relating to the Premises, Building, Project or this Lease occurring after the consummation of such sale or transfer, providing the purchaser shall expressly assume all of the covenants and obligations of Landlord under this Lease. If any Security Deposit or prepaid Rent has been paid by Tenant, Landlord may transfer the Security Deposit or prepaid Rent to Landlord's successor and upon such transfer, Landlord shall be relieved of any and all further liability with respect thereto, so long as notice of such transfer is delivered to Tenant

26. DEFAULT.

(a) Tenant's Default. The occurrence of any one or more of the following events shall constitute a default and breach of this Lease by Tenant:

- (1) If Tenant abandons or vacates the Premises; or
- (2) If Tenant fails to pay any Rent or any other charges required to be paid by Tenant under this Lease and such failure continues for ten (10) days after such payment is due and payable; or
- (3) If Tenant fails to promptly and fully perform any other covenant, condition or agreement contained in this Lease and such failure continues for ten (10) days after written notice thereof from Landlord to Tenant; or
- (4) If a writ of attachment or execution is levied on this Lease or on any of Tenant's Property; or
- (5) If Tenant makes a general assignment for the benefit of creditors; or
- (6) If Tenant files a voluntary petition for relief or if a petition against Tenant in a proceeding under the federal bankruptcy laws or other insolvency laws is filed and not withdrawn or dismissed within sixty (60) days thereafter, or if under the provisions of any law providing for reorganization or winding up of corporations, any court of competent jurisdiction assumes jurisdiction, custody or control of Tenant or any substantial part of its property and such jurisdiction, custody or control remains in force unrelinquished, unstayed or unterminated for a period of sixty (60) days; or
- (7) If in any proceeding or action in which Tenant is a party, a trustee, receiver, agent or custodian is appointed to take charge of the Premises or Tenant's Property (or has the authority to do so) for the purpose of enforcing a lien against the Premises or Tenant's Property; or
- (8) If Tenant is a partnership or consists of more than one (1) person or entity, if any general partner of the partnership or other person or entity is involved in any of the acts or events described in Sections 26(a)(4) through (7) above.

(b) Remedies. In the event of Tenant's default hereunder, then in addition to any other rights or remedies Landlord may have under any law, Landlord shall have the right, at Landlord's option, without further notice or demand of any kind to do the following:

(1) Terminate this Lease and Tenant's right to possession of the Premises and re-enter the Premises and take possession thereof, and Tenant shall have no further claim to the Premises or under this Lease; or

(2) Continue this Lease in effect, re-enter and occupy the Premises for the account of Tenant, and collect any unpaid Rent or other charges which have or thereafter become due and payable; or

(3) Re-enter the Premises under the provisions of Section 26(b)(2) above, and thereafter elect to terminate this Lease and Tenant's right to possession of the Premises.

(4) In addition to (1) through (3) above, Landlord shall also have the right to collect from Tenant any and all Base Rent that, but for the existence of the Abatement Period, Tenant would have been required to pay to Landlord prior to the occurrence of Tenant's default hereunder.

If Landlord re-enters the Premises under the provisions of Sections 26(b)(2) and 26(b)(3) above, Landlord shall not be deemed to have terminated this Lease or the obligation of Tenant to pay any Rent or other charges thereafter accruing, unless Landlord notifies Tenant in writing of Landlord's election to terminate this Lease. In the event of any re-entry or retaking of possession by landlord, Landlord shall have the right, but not the obligation, to remove all or any part of Tenant's Property in the Premises and to place such property in storage at a bonded public warehouse at the expense and risk of Tenant. If Landlord elects to relet the Premises for the account of Tenant, the rent received by Landlord from such reletting shall be applied as follows: first, to the payment of any indebtedness other than Rent due hereunder from Tenant to Landlord; second, to the payment of any costs of such reletting; third, to the payment of the cost of any alterations or repairs to the Premises; fourth to the payment of Rent due and unpaid hereunder, and the balance, if any, shall be held by Landlord and applied in payment of future Rent as it becomes due. If that portion of rent received from the reletting which is applied against the Rent due hereunder is less than the amount of the Rent due, Tenant shall pay the deficiency to Landlord promptly upon demand by Landlord. Tenant shall also pay to Landlord, as soon as determined, any cost and expenses incurred by Landlord in connection with such reletting or in making alterations and repairs to the Premises, which are not covered by the rent received from the reletting.

(c) Damages. Should Landlord elect to terminate this Lease under the provisions of Sections 26(b)(1) or 26(b)(3) above, Landlord may recover as damages from Tenant the following:

(1) Past Rent. The worth at the time of the award of any unpaid Rent which had been earned at the time of termination; plus

(2) Rent Prior to Award. The worth at the time of the award by which the unpaid Rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus

(3) Rent After Award. The worth at the time of the award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of the rental loss that Tenant proves could be reasonably avoided; plus

(4) Proximately Caused Damages. Any other amount necessary to compensate Landlord for all detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which, in the ordinary course of things, would be likely to result therefrom, including, but not limited to, any costs or expenses (including attorneys' fees), incurred by Landlord in (i) retaking possession of the Premises, (ii) maintaining the Premises after Tenant's default, (iii) preparing the Premises for reletting to a new tenant, including any repairs or alterations, and (iv) reletting the Premises, including broker's commissions.

"The worth at the time of the award" as used in Sections 26(c)(1) and 26(c)(2) above, is to be computed by allowing interest at the rate of Prime plus two percent (2.0%) per annum. "The worth at the time of the award" as used in Section 26(c)(3) above, is to be computed by discounting the amount at the discount rate of the Federal Reserve Bank situated nearest to the Premises at the time of the award plus one percent (1%).

(d) Not a Waiver. The waiver by Landlord of any breach of any term, covenant or condition of this Lease shall not be deemed a waiver of such term, covenant or condition or of any other breach of the same or any other term, covenant or condition. Acceptance of Rent by Landlord subsequent to any breach hereof shall not be deemed a waiver of any preceding breach other than the failure to pay the particular Rent so accepted, regardless of Landlord's knowledge of any breach at the time of such acceptance of Rent. Landlord shall not be deemed to have waived any term, covenant or condition unless Landlord gives Tenant written notice of such waiver. No delay or omission in the exercise of any right or remedy of Landlord upon any default by Tenant shall impair such right or remedy or be construed as a waiver of such default.

(e) Curing Tenant's Default. If Tenant defaults in the performance of any of its obligations under this Lease, Landlord may (but shall not be obligated to), without waiving such default, perform the same for the account and at the expense of Tenant. Tenant shall pay Landlord all costs of such performance promptly upon receipt of a bill therefor, together with interest at the rate set forth in Section 6 above.

(f) Landlord's Default. If Landlord fails to perform any covenant, condition or agreement contained in this Lease, subject to the notice and cure provisions of Section 23(b) above, then Landlord shall be liable to Tenant for any actual damages sustained by Tenant as a direct result of Landlord's breach; provided, however, it is expressly understood and agreed that if Tenant obtains a money judgment against Landlord resulting from any default or other claim arising under this Lease, that judgment shall be satisfied only out of the rents, issues, profits, and other income actually received on account of Landlord's right, title and interest in the Premises, Building or Project, and no other real, personal or mixed property of Landlord (or of any of the partners which comprise Landlord, if any) wherever situated, shall be subject to levy to satisfy

such judgment. If, after notice by Tenant of default, as provided in Section 23(b) above, Landlord and each Superior Mortgagee and Superior Lessor fails to cure the default in the time provided for in Section 23(b) above, then Tenant shall have the right to cure that default at Landlord's expense. Tenant shall not have the right to terminate this Lease or to withhold, reduce or offset any amount against any payments of Rent or any other charges due and payable under this Lease except as otherwise specifically provided herein.

27. BROKERAGE FEES.

Landlord and Tenant each warrant and represent to the other that it has not dealt with any real estate broker or agent in connection with this Lease or its negotiation. Landlord and Tenant hereby indemnify, defend and hold the other harmless from any cost, expense, or liability (including costs of suit and reasonable attorneys' fees) for any compensation, commission or fees claimed by any other real estate broker or agent in connection with this Lease or its negotiation by reason of any act of Landlord or Tenant, respectively.

28. NOTICES.

All notices, approvals and demands permitted or required to be given under this Lease shall be in writing and deemed duly served or given if personally delivered or sent by certified or registered U.S. mail, return receipt requested, postage prepaid, and addressed as follows: (a) if to Landlord, to Landlord's Mailing Address and to the Building Manager, and (b) if to Tenant, to Tenant's Mailing Address; provided, however, notices to Tenant shall be deemed duly served or given if delivered or mailed to Tenant at the Premises. Landlord and Tenant may from time to time by notice to the other designate another place for receipt of future notices. If mailed, notices shall be deemed given two (2) business days after mailing.

29. Intentionally Omitted.

30. Intentionally Omitted.

31. QUIET ENJOYMENT.

Tenant, upon paying the Rent and performing all of its obligations under this Lease, shall peaceably and quietly enjoy the Premises, subject to the terms of this Lease and to any mortgage, lease, or other agreement to which this Lease may be subordinate.

32. OBSERVANCE OF LAW.

Tenant shall not use the Premises or permit anything to be done in or about the Premises which will, in any way, conflict with any law, statute, ordinance or governmental rule or regulation now in force or which may hereafter be enacted or promulgated. Tenant shall, at its sole cost and expense, promptly comply with all laws, statutes, ordinances and governmental rules, regulations or requirements now in force or which may hereafter be in force, and with the requirements of any board of fire insurance underwriters or other similar bodies now or hereafter constituted, relating to, or affecting the condition, use or occupancy of the Premises, excluding structural changes not related to or affected by Tenant's improvements or acts. The judgment of any court of competent jurisdiction or the admission of Tenant in any action against Tenant,

whether Landlord is a party thereto or not, that Tenant has violated any law, ordinance or governmental rule, regulation or requirement, shall be conclusive of that fact as between Landlord and Tenant.

33. FORCE MAJEURE.

Any prevention, delay or stoppage of work to be performed by Landlord or Tenant which is due to strikes, labor disputes, inability to obtain materials, equipment or reasonable substitutes therefor, acts of God, governmental restrictions or regulations or controls, judicial orders, enemy or hostile government actions, civil commotion, fire or other casualty, or other causes beyond the reasonable control of the party obligated to perform hereunder, shall excuse performance of the work by that party for a period equal to the duration of that prevention, delay or stoppage. Nothing in this Section 33 shall excuse or delay Tenant's obligation to pay Rent or other charges under this Lease.

34. SIGN CONTROL.

Tenant shall not affix, paint, erect or inscribe any sign, projection, awning, signal or advertisement of any kind to any part of the Premises, Building or Project, including without limitation, the inside or outside of windows or doors, without the written consent of Landlord. Landlord shall have the right to remove any signs or other matter, installed without Landlord's permission, without being liable to Tenant by reason of such removal, and to charge the cost of removal to Tenant as Additional Rent hereunder, payable within ten (10) days of written demand by Landlord. Notwithstanding the foregoing, Tenant shall have the exclusive right to name the Building and place signs with such name on the exterior of the building. Tenant's name or the name Tenant gives the Building shall also be prominently displayed at the entrances to the Building, on the entrance to the Premises and on a directory in the lobby of the Building. All signs must comply with all applicable laws, ordinances and regulations.

35. RULES AND REGULATIONS.

It is the intention of Landlord that the Building shall be operated at all times as a first-class office building, and Tenant covenants that it will not engage in, or permit, any activities which are not consistent with such standard. In furtherance of this purpose, but not in limitation thereof, Tenant agrees to abide by the following rules and regulations, and further agrees that Landlord may make such reasonable changes or additions to such rules and regulations as it may deem necessary or advisable so long as such additions or changes do not discriminate against Tenant, are applied uniformly against all other tenants of the Building, and a copy of any such changes or additions is delivered to Tenant. Landlord shall require adherence to all rules and regulations by all other Tenants.

(a) Subject to the rights of Tenant under Section 34 of this Lease, any sign, lettering, picture, notice or advertisement installed within the Premises which is visible from the public corridors within the Building shall be installed in such manner, and be of such character and style, as Landlord shall approve, in writing, in its reasonable discretion. No sign, lettering, picture, notice or advertisement shall be placed on any outside window or door or in a position to be visible from outside the Building.

(b) Sidewalks, entrances, passages, courts, corridors, halls, elevators and stairways in and about the Building shall not be obstructed nor shall objects be placed against glass partitions, doors or windows which would be unsightly from the Building's corridors or from the exterior of the Building.

(c) Except as otherwise provided herein, no animals, pets, bicycles or any other vehicles shall be brought, or permitted to be, in the Building or the Premises.

(d) Room to room canvasses to solicit business from other tenants of the Building are not permitted.

(e) Tenant shall not waste electricity, water or air conditioning. All controls shall be adjusted only by Tenant.

(f) Tenant shall not utilize the Premises in any manner which would overload the standard heating, ventilating or air conditioning systems of the Building.

(g) Tenant shall not Permit the use of any apparatus for sound production or transmission in such manner that the sound so transmitted or produced shall be audible or vibrations shall be detectable beyond the Premises.

(h) Tenant shall not utilize any electronic, radiowave, microwave or other transmitting, receiving or amplification device which would disturb or interfere with any other tenant of the Building or the operation of the Building generally.

(i) Tenant shall not utilize any equipment or apparatus in such manner as to create any magnetic fields or waves which adversely affect or interfere with the operation of any systems or equipment in the Building.

(j) Tenant shall keep all electrical and mechanical apparatus owned by Tenant free of vibration, noise and air waves which may be transmitted beyond the Premises.

(k) All corridor doors shall remain closed at all times.

(l) No locks or similar devices shall be attached to any door except by Landlord and Landlord shall have the right to retain a key to all such locks.

(m) Except in the case of Landlord's or Landlord's employees', agents', or contractors' intentional or, to the extent permitted by law, negligent acts or omissions, Tenant assumes full responsibility of protecting the Premises from theft, robbery and pilferage. Except during Tenant's normal business hours, Tenant shall keep all doors to the Premises locked and other means of entry to the Premises closed and secured.

(n) Only machinery or mechanical devices of a nature directly related to Tenant's ordinary use of the Premises shall be installed, placed or used in the Premises and the installation and use of all such machinery and mechanical devices is subject to the other rules contained in this Lease.

(o) Except with the prior written approval of Landlord, which approval shall not be unreasonably withheld or delayed, all cleaning, repairing, janitorial, decorating, painting or other services and work in and about the Premises shall be performed only by authorized Building personnel.

(p) Except as otherwise specifically provided herein, safes, furniture, equipment, machines and other large or bulky articles shall be brought to the Building, and into and out of the Premises, at such times, and in such manner, as Landlord shall direct (including the designation of elevator), and at Tenant's sole risk and costs. Prior to Tenant's removal of such articles from the Building, Tenant shall obtain written authorization of the office of the Building and shall present such authorization to a designated employee of Landlord.

(q) Tenant shall not in any manner deface or damage the Building.

(r) Inflammables such as gasoline, kerosene, naphtha and benzene, or explosives or any other articles of an intrinsically dangerous nature are not permitted in the Building or the Premises without Landlord's prior written consent.

(s) Landlord shall advise the Tenant as to the maximum amount of electrical current which can safely be used in the Premises, and shall provide Tenant with a copy of the final electrical drawings for the Premises, taking into account the capacity of the electrical wiring of Building and the Premises and the needs of other tenants, and Tenant shall not use more than such safe capacity. Landlord's consent to the installation of electrical equipment shall, unless Tenant has actual knowledge to the contrary, be deemed to be a determination that said equipment is within such safe capacity.

(t) To the extent permitted by law, Tenant shall not permit picketing or other union activity involving its employees in the Building, except in those locations and subject to time and other constraints as to which Landlord may give its prior written consent, which consent may be withheld in Landlord's sole discretion.

(u) Tenant shall not enter into or upon the roof or basement of the Building or any storage, heating, ventilation, air-conditioning, mechanical or elevator machinery housing areas.

(v) Tenant shall not distribute literature, flyers, handouts or pamphlets of any type in any of the common areas of the Building.

(w) Tenant shall not cook, otherwise prepare or sell any food or beverages in or from the Premises, other than as is reasonably necessary in order to accommodate Tenant's employees.

(x) Tenant shall not permit objectionable odors or vapors to emanate from the Premises.

(y) Except as otherwise specifically provided with respect to the Safe, Tenant shall not place a load upon any floor of the Premises exceeding the floor load capacity for which such floor was designed or allowed by law to carry.

(z) No floor coverings other than those provided for in the plans and specifications for the original space improvements, shall be affixed to any floor in the Premises by means of glue or other adhesive without Landlord's prior written consent, which consent shall not be unreasonably withheld or delayed.

(aa) The directories of the Building shall be used exclusively for the display of the name and suite number of the tenants only and will be provided at the expense of the Landlord. Additional names requested by Tenant to be displayed in the directories must be approved by the Landlord and, if approved, will be provided at the expense of the Landlord. Changes in the directory listings requested by the Tenant after the Commencement Date will be submitted to the Landlord for approval, which approval shall not be unreasonably withheld or delayed, and, if approved, will be provided at the expense of the Tenant.

(bb) Landlord and Tenant shall comply with all applicable laws, ordinances, governmental orders or regulations and applicable orders or directions from any public office or body having jurisdiction, with respect to the Premises, the Building, the Property and their respective use or occupancy thereof. Neither Landlord nor Tenant shall make or permit any use of the Premises, the Building or the Property, respectively which is directly or indirectly forbidden by law, ordinance, governmental regulation or order, or direction of applicable public authority, or which may be dangerous to person or property.

(cc) Tenant shall not take or permit to be taken in or out of other entrances of the Building, or take or permit on other elevators, any item normally taken in or out through service doors or in or on freight elevators; and Tenant shall not, whether temporarily, accidentally or otherwise, allow anything to remain in place or store anything in, or obstruct in any way, any sidewalk, court, passageway, entrance or shipping area. Tenant shall lend its full cooperation to keep such areas free from all obstruction and in a clean and sightly condition, and move all supplies, furniture and equipment as soon as received directly to the Premises, and shall move all such items and waste (other than waste customarily removed by Building employees) that are at any time being taken from the Premises directly to the areas designated for disposal. All courts, passageways, entrances, exits, elevators, escalators, stairways, corridors, halls and roofs are not for the use of the general public and Landlord shall, in all cases, retain the right to control and prevent access thereto by all persons whose presence in the judgment of Landlord shall be prejudicial to the safety, character, reputation and interests of the Building and its tenants; provided, however, that nothing herein contained shall be construed to prevent such access to persons with whom Tenant deals within the normal course of Tenant's business unless such persons are engaged in illegal activities. Neither Tenant nor any employee or invitee of Tenant shall enter into areas reserved for the exclusive use of Landlord, its employees or invitees.

(dd) Service requirements of Tenant will be attended to only upon application at the office of the Building. Employees of Landlord shall not perform any work or do anything outside of their duties unless under special instructions from Landlord.

(ee) The toilet rooms, urinals, wash bowls and other apparatus located in the Building shall not be used for any purpose other than that for which they were constructed, and no foreign substance of any kind whatsoever shall be thrown therein, and the expense of any breakage,

stoppage or damage resulting from the violation of this rule shall be borne by Tenant if Tenant, or its employees or invitees, shall have caused it.

(ff) Landlord reserves the right to exclude or expel from the Building any person who, in the judgment of Landlord, is intoxicated or under the influence of liquor or drugs, or who shall in any manner do any act in violation of any of the rules and regulations of the Building.

(gg) Except for the exclusive use of Tenant, its employees and invitees, no vending machines of any description shall be installed, maintained or operated without the written consent of Landlord. Landlord hereby consents to Tenant's use of a commercial coffee service vendor of its choice.

(hh) Tenant shall, at its cost, arrange for the timely disposal of all medical waste, in accordance with all applicable laws and ordinances.

36. MISCELLANEOUS.

(a) Accord and Satisfaction; Allocation of Payments. No payment by Tenant or receipt by Landlord of a lesser amount than the Rent provided for in this Lease shall be deemed to be other than on account of the earliest due Rent, nor shall any endorsement or statement on any check or letter accompanying any check or payment as Rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of the Rent or pursue any other remedy provided for in this Lease. In connection with the foregoing, Landlord shall have the absolute right, in its sole discretion, to apply any payment received from Tenant to any account or other payment of Tenant then not current and due or delinquent.

(b) Addenda. If any provision contained in any addendum to this Lease is inconsistent with any other provision herein, the provision contained in the addendum shall control, unless otherwise provided in the addendum.

(c) Attorneys' Fees. If any action or proceeding is brought by either party against the other pertaining to, or arising out of, this Lease, the finally prevailing party shall be entitled to recover all costs and expenses, including, but not limited to, reasonable attorneys' fees, incurred on account of such action or proceeding.

(d) Captions; Section Numbers. The captions appearing within the body of this Lease have been inserted as a matter of convenience and for reference only and in no way define, limit or enlarge the scope or meaning of this Lease. All references to Section numbers refer to Sections in this Lease.

(e) Changes Requested by Lender. Neither Landlord nor Tenant shall unreasonably withhold or delay its respective consent to changes or amendments to this Lease requested by the lender on Landlord's interest, so long as such changes do not alter the basic business terms of this Lease or otherwise materially diminish any rights, or materially increase any obligations, of the party from whom consent to such change or amendment is requested.

(f) Choice of Law. This Lease shall be construed and enforced in accordance with the laws of the State.

(g) Consent. Notwithstanding anything contained in this Lease to the contrary, Tenant shall have no claim, and hereby waives the right to any claim against Landlord for money damages by reason of any refusal, withholding or delaying by Landlord of any consent, approval or statement of satisfaction, and in such event, Tenant's only remedies therefor shall be an action for specific performance, injunction or declaratory judgment to enforce any right to such consent, approval or statement of satisfaction.

(h) Corporate Authority. If Tenant is a corporation, each individual signing this Lease on behalf of Tenant represents and warrants that he is duly authorized to execute and deliver this Lease on behalf of the corporation, and that this Lease is binding on Tenant in accordance with its terms. Tenant shall, at Landlord's request, deliver a certified copy of a resolution of its board of directors authorizing such execution.

(i) Counterparts. This Lease may be executed in multiple counterparts, all of which shall constitute one and the same Lease.

(j) Execution of Lease. The submission of this Lease to Tenant shall be for examination purposes only, and does not and shall not constitute a reservation, of or option for, Tenant to lease, or otherwise create any interest of Tenant in the Premises or any other premises within the Building or Project. Notwithstanding the foregoing, execution of this Lease by Tenant and its return to Landlord shall be binding upon Tenant but shall not be binding on Landlord notwithstanding any time interval, until Landlord has in fact signed and delivered this Lease to Tenant.

(k) Furnishing of Financial Statements; Tenant's Representations. In order to induce Landlord to enter into this Lease, Tenant agrees that it shall promptly furnish Landlord, from time to time, upon Landlord's request, with financial statements reflecting Tenant's current financial condition. Tenant represents and warrants that all financial statements, records and information furnished by Tenant to Landlord in connection with this Lease are true, correct and complete in all material respects, no more often than annually.

(l) Further Assurances. The parties agree to promptly sign all documents reasonably requested to give effect to the provisions of this Lease.

(m) Prior Agreements; Amendments. This Lease contains all of the agreements of the parties with respect to any matter covered or mentioned in this Lease, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose. No provisions of this Lease may be amended or added to except by an agreement in writing signed by the parties or their respective successors in interest.

(n) Recording. Tenant shall not record this Lease without the prior written consent of Landlord. Tenant, upon the request of Landlord, shall execute and acknowledge a "short form" memorandum of this Lease for recording purposes.

(o) Severability. A final determination by a court of competent jurisdiction that any provision of this Lease is invalid shall not affect the validity of any other provision, and any provision so determined to be invalid shall, to the extent possible, be construed to accomplish its intended effect.

(p) Successors and Assigns. This Lease shall apply to and bind the heirs, personal representatives, and permitted successors and assigns of the parties.

(q) Time of the Essence. Time is of the essence of this Lease.

(r) Acceptance of Surrender; Consent. No act or conduct of Landlord, including, without limitation, the acceptance of keys to the Premises, shall constitute an acceptance of the surrender of the Premises by Tenant before the expiration of the Term. Only a written notice from Landlord to Tenant shall constitute acceptance of the surrender of the Premises and accomplish a termination of the Lease. Landlord's consent to or approval of, any act by Tenant requiring Landlord's consent or approval shall not be deemed to waiver or render unnecessary Landlord's consent to or approval of any subsequent act by Tenant.

(s) Landlord's Liability. It is expressly understood and agreed by and between the parties hereto, anything herein to the contrary notwithstanding, that each and all of the representations, warranties, covenants, undertakings and agreements herein made on the part of any Landlord while in form purporting to be the representations, warranties, covenants, undertakings and agreements of such Landlord are nevertheless each and every one of them made and intended, not as personal representations, warranties, covenants, undertakings and agreements by such Landlord, or for the purpose or with the intention of binding such Landlord personally, but are made and intended for the purpose only of subjecting such Landlord's interest in the Premises and the Project to the terms of this Lease and for no other purpose whatsoever, and in case of default hereunder by such Landlord (or default through, under or by any of the beneficiaries of any Landlord which is a land trust, or any of the agents, servants, employees or representatives of such Landlord or said beneficiaries), Tenant shall look solely to the interests of such Landlord in the Premises and the Project; that no Landlord nor any of the beneficiaries of any Landlord which is a land trust shall have any personal liability to pay any indebtedness accruing hereunder or to perform any covenant, either express or implied, herein contained and no liability or duty shall rest upon any Landlord which is a land trust to sequester the trust estate or the rents, issues and profits arising therefrom, or the proceeds arising from any sale or other disposition thereof; that no personal liability or personal responsibility of any sort is assumed by, nor shall at any time be asserted or enforceable against, any Landlord, or against any of the beneficiaries of any Landlord which is a land trust, on account of this Lease or on account of any representation, warranty, covenant, undertaking or agreement of Landlord in this Lease contained, either express or implied, all such personal liability, if any, being expressly waived and released by Tenant and by all persons claiming by, through or under Tenant; that this Lease, if executed by any Landlord which is a land trust, is executed and delivered solely in the exercise of the powers conferred upon it as such Trustee; and that as to any partnership which is a Landlord or the beneficiary of a Landlord which is a land trust, a deficit capital account of any partner of such partnership shall not be deemed to be an asset or property of such partnership.

[NO FURTHER TEXT APPEARS ON THIS PAGE]

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

LANDLORD:

MEDICAL PROPERTIES, LLC

By: Jody L. Morris, Manager
Jody L. Morris, Manager

TENANT:

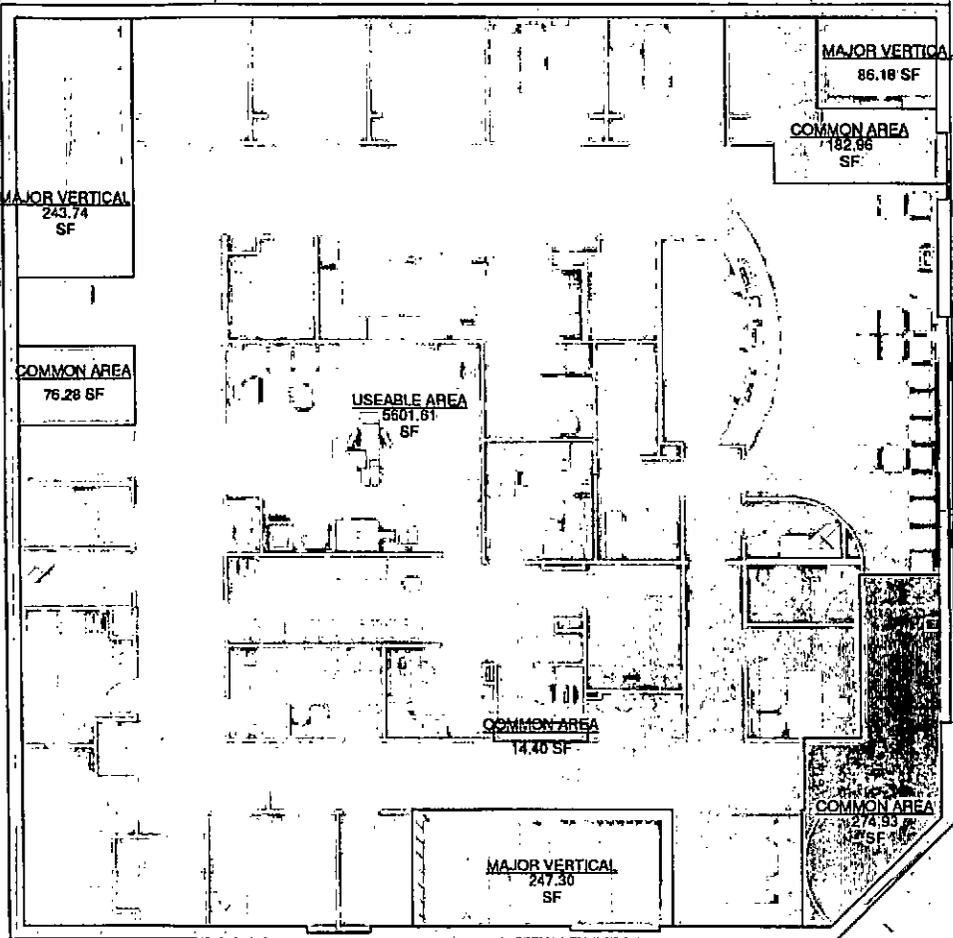
NAPERVILLE FERTILITY CENTER, INC.

By: Randy Morris, M.D., President
Randy Morris, M.D., President

EXHIBIT "A"
FLOOR PLAN OF PREMISES

DMZW1081283

99



ADD FOR GROSS
AREA
343.93
SF

-  ADD FOR GROSS AREA
-  Area
-  COMMON AREA
-  MAJOR VERTICAL
-  OUTDOOR AREA (EXCLUDED)
-  USEABLE AREA

EXHIBIT "B"

LEGAL DESCRIPTION

Lot 1 in Medical Properties of Naperville, being a Subdivision of part of the South ½ of Section 13, Township 38 North, Range 9, East of the Third Principal Meridian, according to the Plat thereof recorded May 9, 2012 as Document Number R2012-060547, in DuPage County, Illinois.

EXHIBIT "C"

BASE RENT SCHEDULE

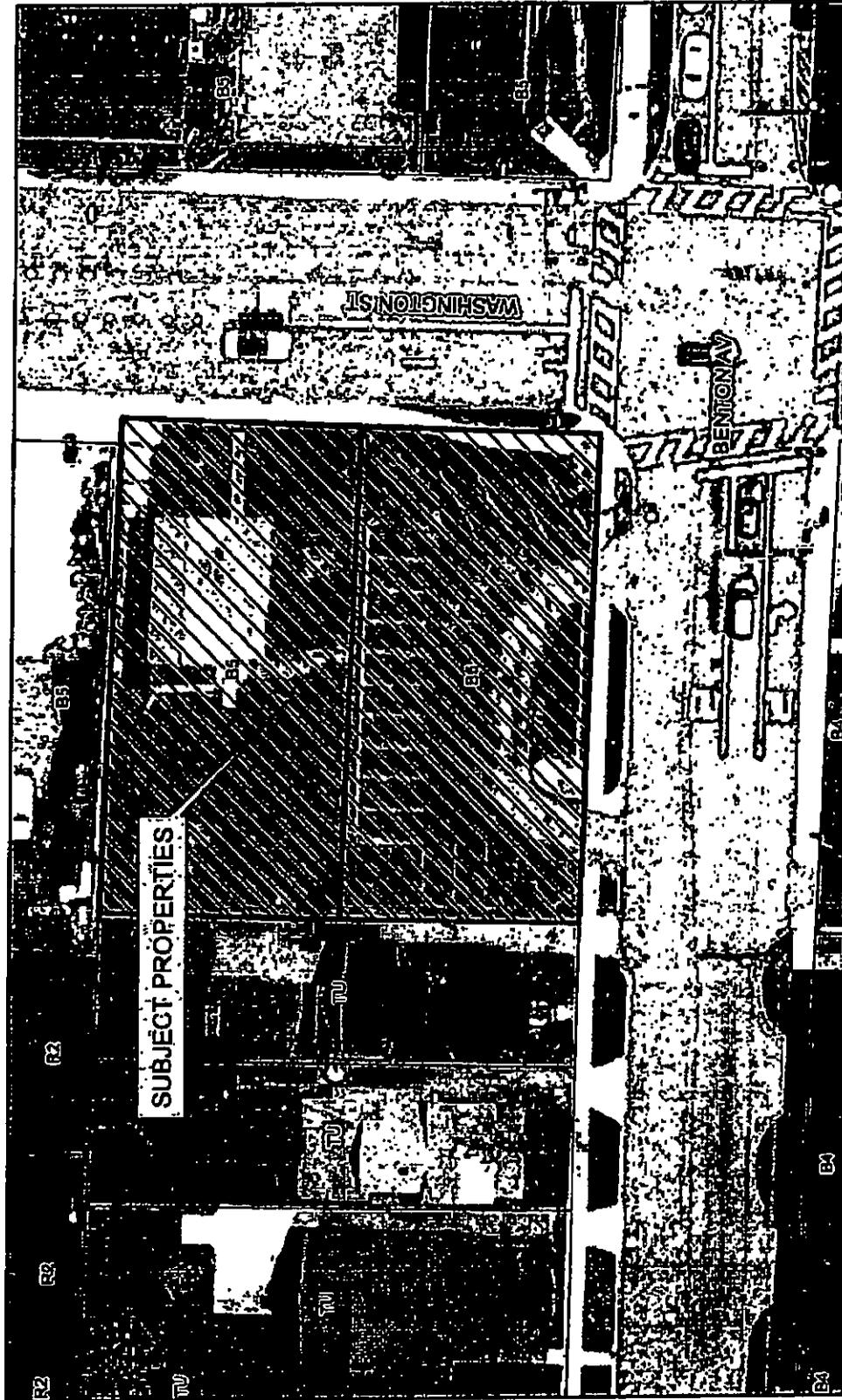
Base Rent schedule shall be as follows:

Date		Monthly Base Rent	Annual Base Rent
Year 1:	From Rent Commencement Date to the end of the first Lease Year	\$26,000.00	\$312,000.00
Year 2:	Second Lease Year	\$26,000.00	\$312,000.00
Year 3:	Third Lease Year	\$26,520.00	\$318,240.00
Year 4:	Fourth Lease Year	\$27,050.40	\$324,604.80
Year 5:	Fifth Lease Year	\$27,591.41	\$331,096.90
Year 6:	Sixth Lease Year	\$28,143.24	\$337,718.83
Year 7:	Seventh Lease Year	\$28,706.10	\$344,473.21
Year 8:	Eighth Lease Year	\$29,280.22	\$351,362.67
Year 9:	Ninth Lease Year	\$29,865.83	\$358,389.93
Year 10:	Tenth Lease Year	\$30,463.14	\$365,557.73

EXHIBIT "D"

SITE PLAN

City of Naperville
NAPERVILLE FERTILITY CENTER



This map should be used for reference only.
 The data is subject to change without notice.
 City of Naperville assumes no liability in the use
 or application of the data. Reproduction or redistribution is
 prohibited without express written consent from the City of Naperville.



Transpositional, Engineering and
 Planning, Inc.
 1000 North Lincoln Street
 Suite 100
 Naperville, IL 60563
 www.transpositional.com
 October 2011



EXHIBIT B

ATTACHMENT 3

Section I – Operating Identity/Licensee

Naperville Fertility Center, Inc. is the current licensee operating the facility, and shall remain so following the transaction. Currently, The Jody L. Morris Trust is the majority (95%) owner and Randy S. Morris is the minority (5%) owner of Naperville Fertility Center, Inc.

Following the transaction, Naperville Fertility Center, Inc. shall be owned 100% by DMG Practice Management Solutions, LLC

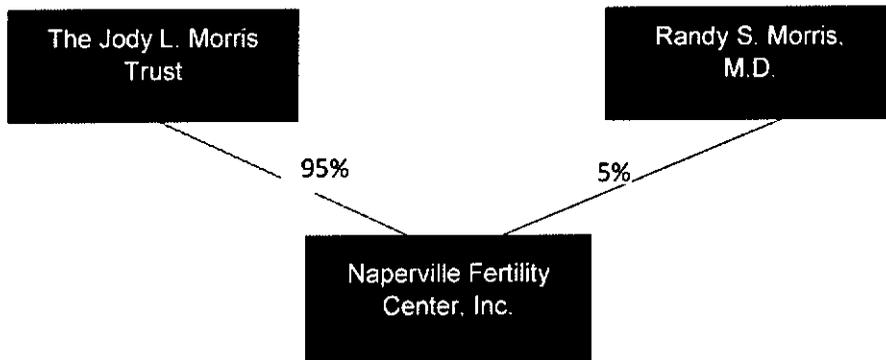
An organizational chart is provided in Attachment 4.

ATTACHMENT 4

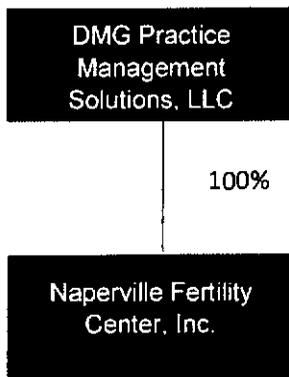
Section I – Organizational Relationship

An organizational chart showing the current ownership structure of Naperville Fertility Center, Inc., along with the post-closing ownership structure is attached. An additional organizational chart with all related parties is provided as well.

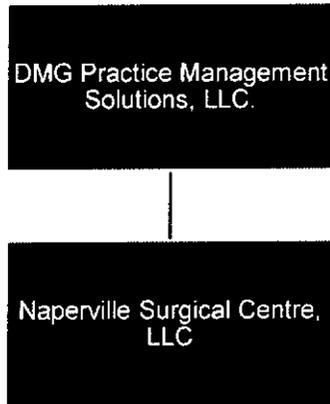
Pre-Closing Structure



Post-Closing Structure



Organizational Relationships



- DMG Practice Management Solutions, LLC owns 75% of Naperville Surgical Centre, LLC.

ATTACHMENT 5

By their signature on the certification page for this application, applicants certify that the facility located at 3 North Washington Street, Naperville, IL 60540 is not located in a special flood hazard area and this project complies with the requirement of the Flood Plain Rule under Illinois Executive Order #2006-5.

There has been no change since the ASTC opened.

ATTACHMENT 6

The proposed project does not involve or include the demolition of any structures; the construction of any new building; or the modernization of any existing buildings and will not affect historic resources.

This criteria is Not Applicable.

ATTACHMENT 11

Section III- Background of the Applicant

1. **A listing of all health care facilities owned or operated by the Applicant, including licensing, and certificates if applicable.**

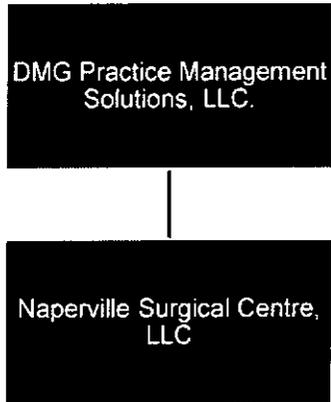
A list of health care facilities owned or operated by the applicants, including licensing and certification information, is included.

2. **A certified listing of any adverse action taken against any facility owned and/or operated by the Applicant during the three years prior to the filing of the application.**

By their signatures on the Certification pages to this application, each of the Applicants attest that no adverse action has been taken against any facility owned and/or operated by them during the three years prior to the filing of this application.

3. **Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to: official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. Failure to provide such authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.**

By their signatures to the Certification pages to this applications, each of the applicants authorize the HFSRB and DPH to access any documents necessary to verify the information submitted, including, but not limited to: (i) official records of DPH or other State agencies; (ii) the licensing or certification records of other states, when applicable; and (iii) the records of nationally recognized accreditation organizations.



- DMG Practice Management Solutions, LLC owns 75% of Naperville Surgical Centre, LLC.



**Illinois Department of
PUBLIC HEALTH**

HF113177

LICENSE PERMIT CERTIFICATION REGISTRATION

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.

Nirav D. Shah, M.D., J.D.
Director

Issued under the authority of
the Illinois Department of
Public Health.

EXPIRES DATE	CATEGORY	ID NUMBER
05/31/2018		7003205
Ambulatory Surgery Treatment Center		
Effective: 06/01/2017		

Naperville Surgical Centre, LLC
1263 Rickert Drive
Naperville, IL 60540

The face of this license has a colored background. Printed by Authority of the State of Illinois • PO. 44824C SM 5/16

May 18, 2016

Ronald Ladniak
Administrator
Naperville Surgical Centre, LLC
1263 Rickert Drive
Naperville, IL 60540

Joint Commission ID #: 61274
Program: Ambulatory Health Care
Accreditation
Accreditation Activity: Measure of Success

Accreditation Activity Completed: 05/18/2016

Dear Mr. Ladniak:

The Joint Commission would like to thank your organization for participating in the accreditation process. This process is designed to help your organization continuously provide safe, high-quality care, treatment, and services by identifying opportunities for improvement in your processes and helping you follow through on and implement these improvements. We encourage you to use the accreditation process as a continuous standards compliance and operational improvement tool.

The Joint Commission is granting your organization an accreditation decision of Accredited for all services surveyed under the applicable manual(s) noted below:

- **Comprehensive Accreditation Manual for Ambulatory Health Care**

This accreditation cycle is effective beginning November 05, 2015. The Joint Commission reserves the right to shorten or lengthen the duration of the cycle; however, the certificate and cycle are customarily valid for up to 36 months.

Please visit [Quality Check®](#) on The Joint Commission web site for updated information related to your accreditation decision.

We encourage you to share this accreditation decision with your organization's appropriate staff, leadership, and governing body. You may also want to inform the Centers for Medicare and Medicaid Services (CMS), state or regional regulatory services, and the public you serve of your organization's accreditation decision.

Please be assured that The Joint Commission will keep the report confidential, except as required by law. To ensure that The Joint Commission's information about your organization is always accurate and current, our policy requires that you inform us of any changes in the name or ownership of your organization or the health care services you provide.

Sincerely,



Mark G. Pelletier, RN, MS

Chief Operating Officer

Division of Accreditation and Certification Operations

ATTACHMENT 15

Section V. Change of Ownership

1. **1130.520(b)(1)(A), Names of the Parties:** The Applicants are: (1) DMG Practice Management Solutions, LLC; (2) The Jody L. Morris Trust, and (3) Naperville Fertility Center, Inc.
2. **1130.520(b)(1)(B), Background of the Parties:** Each of the Applicants, by their signatures to the Certification pages of this applications, attest that they are fit, willing, able and have the qualifications, background and character to adequately provide a proper standard of health service for the community.

By their signatures on the Certification pages to this application, each of the Applicants attest that no adverse action has been taken against any facility owned and/or operated by them during the three years prior to the filing of this application.

3. **1130.520(b)(1)(C), Structure of the Transaction:** This is a change of ownership via stock purchase. DMG Practice Management Solutions, LLC will purchase 100% of the outstanding stock in Naperville Fertility Center, Inc., which will remain the licensed entity.
4. **1130.520(b)(1)(D), Name of Licensed Entity after Transaction:** There is no change, as Naperville Fertility Center, Inc. will remain the licensed entity after the proposed transaction.
5. **1130.520(b)(1)(E), List of the ownership or membership interests in such licensed or certified entity both prior to and after the transaction, including a description of the applicant's organizational structure with a listing of controlling or subsidiary persons:** An organizational chart showing the current organizational structure of each applicants, as well as the post-closing structure is provided within Attachment 4.
6. **1130.520(b)(1)(F), Fair market value of assets to be transferred:** The fair market value of the stock being purchased is \$5,795,231.
7. **1130.520(b)(1)(G), Purchase Price or Other Forms of Consideration to be Provided:** DMG Practice Management Solutions, LLC will purchase 100% of the outstanding stock in Naperville Fertility Center, Inc. for \$5,795,231 in cash.
8. **1130.520(b)(2), Affirmations:** In accordance with 77 Ill. Adm. Code §1130.520, each of the Applicants affirm that any project for which permits have been issues have been completed, or will be completed, or altered in accordance with the provision of this Section.

9. **1130.520(b)(2), If the ownership change is for a hospital, affirmation that the facility will not adopt a more restrictive charity care policy than the policy that was in effect one year prior to the transaction. The hospital must provide affirmation that the compliant charity care policy will remain in effect for a two-year period following the change of ownership transaction:** Not Applicable.
10. **1130.520(b)(2), A statement as to the anticipated benefits of the proposed changes in ownership to the community:** There will be no change in the operation of the facility.
11. **1130.520(b)(2), The anticipated or potential cost savings, if any, that will result for the community and the facility because of the change in ownership:** There will be no change in the operation of the facility.
12. **1130.520(b)(2), A description of the facility's quality improvement program mechanism that will be utilized to assure quality control:** There will be no change in the operation of the facility.
13. **1130.520(b)(2), A description of the selection process that the acquiring entity will use to select the facility's governing body:** DMG Practice Management Solutions, LLC will appoint the corporate officers and directors of Naperville Fertility Center, Inc.
14. **1130.520(b)(2), Statement that the applicant has prepared a written response addressing the review criteria contained in 77 Ill. Adm. Code 1110.240 and that the response is available for public review on the premises of the health care facility:**

The Applicants have or will prepare a written response addressing the review criteria contained in 77 Ill. Adm. Code 1110.240 that will be available for public review at Naperville Fertility Center, Inc.

15. **1130.520(b)(2), A description or 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:**

There are no proposed changes to the scope of services or levels of care currently provided at the facility that are anticipated to occur within twenty-four (24) months as a result of the transaction.

ATTACHMENT 21

Section X. Charity Care

The table below contain the relevant charity care information for Naperville Fertility Center, Inc.

CHARITY CARE - Naperville Fertility Center, Inc.			
	2014	2015	2016
Net Patient Revenue	\$2,042,010	\$1,686,928	\$1,775,855
Amount of Charity Care (Charges)	\$0	\$0	\$0
Cost of Charity Care	\$0	\$0	\$0
Ratio	N/A	N/A	N/A

After paginating the entire completed application indicate, in the chart below, the page numbers for the included attachments:

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